

NORTON City School District
NORTON, Ohio



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

Norton City School District

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 1999

PREPARED BY:
CATHERINE BULGRIN and
TREASURER'S OFFICE STAFF

Norton City School District
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Table of Contents

Introductory Section	Page
Letter of Transmittal	v
Principal Officials Roster	xviii
Organization Chart.....	xix
Certificate of Achievement.....	xx
Financial Section	
Independent Auditor's Report	1
General Purpose Financial Statements	
Combined Balance Sheet - All Fund Types and Account Groups	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Fund	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types and Expendable Trust Fund	6
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types.....	10
Combined Statement of Cash Flows - All Proprietary Fund Types	11
Notes to the General Purpose Financial Statements	12
Combining, Individual Fund and Account Group Statements and Schedules	
General Fund.....	38
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	39
Special Revenue Funds.....	44
Combining Balance Sheet.....	46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	48
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	
Public School Support Fund	50
Miscellaneous Local Grant Fund.....	51
Underground Storage Tank Fund	52
Athletics and Music Fund.....	53
Teacher Development Fund.....	54
Management Information Systems Fund	55
Eisenhower Math and Science Fund.....	56
Title VI-B Fund	57
Title I Fund	58
Title VI Fund	59
Drug Free School Fund.....	60
EHA Preschool Grant Fund.....	61
Miscellaneous Federal Grant Fund.....	62

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

Table of Contents
(Continued)

	Page
Debt Service.....	63
Capital Projects Funds.....	64
Combining Balance Sheet.....	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	66
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	
Permanent Improvement Fund.....	67
SchoolNet Fund.....	68
Technology Grant Fund.....	69
Enterprise Funds.....	70
Combining Balance Sheet.....	71
Combining Statement of Revenues, Expenses and Changes in Retained Earnings.....	72
Schedule of Revenues, Expenditures and Changes in Fund Equity - Budget and Actual	
Food Service Fund.....	73
Uniform School Supply Fund.....	74
Customer Service Rotary Fund.....	75
Combining Statement of Cash Flows.....	76
Internal Service Fund.....	77
Schedule of Revenues, Expenses and Changes in Fund Equity - Budget and Actual	
Self-Insurance Fund.....	78
Trust and Agency Funds.....	79
Combining Balance Sheet.....	80
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Special Trust Fund.....	81
Statement of Changes in Assets and Liabilities -- Agency Fund Student Managed Activities.....	82
General Fixed Assets Account Group.....	83
Schedule of General Fixed Assets by Source.....	84
Schedule of General Fixed Assets by Function and Activity.....	85
Schedule of Changes in General Fixed Assets by Function.....	86

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

Table of Contents
(Continued)

	Page
Statistical Section	
General Governmental Revenues by Source and Expenditures by Function - Last Ten Fiscal Years	88
Property Tax Levies and Collections - Last Ten Calendar Years	90
Assessed and Estimated Actual Value of Taxable Property - Last Ten Collection Years	91
Property Tax Rates - Direct and Overlapping - Last Ten Calendar Years	92
Computation of Legal Debt Margin.....	93
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita - Last Ten Collection Years	94
Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total Governmental Expenditures - Last Ten Fiscal Years	95
Demographic Statistics	96
Property Values, Construction and Bank Deposits – Last Ten Calendar Years.....	97
Principal Taxpayers	98
Computation of Direct and Overlapping Debt.....	99
Miscellaneous Statistics – Last Ten Fiscal Years.....	100
 Schedule of Federal Awards Expenditures.....	 103
Notes to the Federal Awards Schedule	104
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	105
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	106
Schedule of Findings and Questioned Costs	108

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INTRODUCTORY SECTION



NORTON CITY SCHOOLS

4128 CLEVELAND-MASSILLON RD. NORTON, OHIO 44203-5697 (330) 825-2114

ADMINISTRATION

330-825-0863 FAX 330-825-0929
NORMA CONNER, SUPERINTENDENT
CATHERINE M. BULGRIN, TREASURER
DR. WALTER CALINGER, DIR OF CURRICULUM
LYNN MOOMAW DIR. TECH./PERSONNEL
KAREN WILSON, DIR SPEC. ED.

BOARD OF EDUCATION

LINDA KLOETZER, PRES.
CINDY WEBEL, V.P.
MARY ANN ISAK
EDWARD MORRISON
DONALD NUTTER

SCHOOLS

HIGH SCHOOL (Mr. Larson) 825-7300
MIDDLE SCHOOL (Ms. Berry) 825-5607
INTERMED. SCHOOL (Mr. Bantmerlin) 825-8828
PRIMARY SCHOOL (Mrs. Anderson) 825-5133
GRILL SCHOOL (Ms. Farkas) 825-2677
NORTON 21 (Mrs. Wilson) 825-6429

January 26, 2000

Norton Board of Education Members and
The Citizens of the Norton City School District:

The Norton City School District's (the "School District") Comprehensive Annual Financial Report (CAFR) compiled for the fiscal year July 1, 1998, through June 30, 1999, is respectfully submitted. Prepared by the Treasurer's office for the purpose of informing the Norton City School District's taxpayers, this comprehensive report's design provides complete and accurate disclosure of the School District's material financial operations for the fiscal year ended June 30, 1999.

The 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.

The information submitted conforms to Generally Accepted Accounting Principles (GAAP), as set forth by the Governmental Accounting Standards Board (GASB), as is applicable to governmental entities and includes an unqualified opinion from an Independent Certified Public Accountant. Copies of this report, on file in the Treasurer's Office, are available for review upon written request to the Treasurer.

The arrangement of the Comprehensive Annual Financial Report is divided into three sections: The Introductory Section, Financial Section, and Statistical Section. The first section, the Introductory Section, includes the table of contents, this transmittal letter, a list of elected officials, and the School District's organizational chart. The next section, the Financial Section, contains the Report of Independent Auditors, the general purpose financial statements, notes to the general purpose financial statements, and detailed combining and individual fund and account group statements and schedules. The third section, the Statistical Section, consists of a ten year compilation of miscellaneous demographic statistics and pertinent financial information, representative of eight years reporting in the cash-basis method of accounting and the fiscal years 1997, 1998 and 1999 reporting in accordance with GAAP.



In Pursuit of Excellence

HISTORY OF THE NORTON COMMUNITY AND SCHOOLS

The City of Norton, located in southwestern Summit County, covers approximately nineteen square miles of land and has a current population of approximately 11,500. The area was originally part of Wolf Creek Township and, when first settled, was part of the Western Reserve. Named for Connecticut Proprietor, Birdseye Norton, it was organized as a separate township in April 1818. The township consisted of several semi-villages: Norton Center, Loyal Oak, Western Star, Hametown, Sherman, Johnson's Corners and New Portage. Norton Township was established as one of the leading agricultural townships with some industry in coal mining.

In accordance with the law of 1785, that every 16th section of land be reserved for the "maintenance of public schools within each township," Norton established the first school in 1818-1819. It was a log-built structure with record of approximately 30 students total. In 1831 there were two buildings used for schooling when farming slowed down during the winter months. In 1892 a two-room wooden high school was built preparing the first graduating Class of 1895 that consisted of three members. In 1915 this two room building was replaced with a modern brick structure that housed two elementary grades in four classrooms and three rooms for the high school.

In 1953 a new high school building was erected and the old high school building became the junior high building. The original building was designed to house 500 pupils, and in the 1950's, enrollment increased to 1,100. In 1956 the 19 room elementary building was completed, and several school additions followed at the Sherman and Grill Elementary buildings. Passage of a bond issue in 1966 made possible additions to the High School and completion of the new Middle School. In 1960 school enrollment increased to 1,474.

For fiscal year 1998-99 the student head count totaled 2,778 with a projection of 2,784 for the 1999-00 school year. Community students enroll in six schools: Norton High School (grades 9-12), Norton Middle School (grades 6-8), Norton Intermediate (grades 3-5), Norton Primary (grades K-2), Grill School (grades K-5), and Norton 21 (grades 1-5). Other facilities operated by the School District include the Central Administration Office, Bus Garage, Football Stadium, and other athletic fields.

The Norton City School District is a member of the Four Cities Educational Compact that provides various vocational education programs to high school students attending the Norton, Barberton, Copley and Wadsworth City Schools. Available within the Four Cities Compact Schools are: industry-certified occupational programs, cluster-based work force development programs, career readiness programs, and Family and Consumer Science programs and supplemental vocational program services. Norton schools has available Auto Collision Repair and Auto Technology Programs (industry-certified); Occupational Work Adjustment (OWA), Occupational Work Experience (OWE) (career readiness); Life Planning, Parenting, Family Relations, Personal Development (Family and Consumer Science); Administrative Assistants (Junior and Senior), Cooperative Business Education (CBE), and Diversified Cooperative Trade (DCT) (supplemental vocational programs).



In Pursuit of Excellence

The recognizable growth in the student population is attributable to recorded census population increases in the Norton Township. In 1840 the population recorded was 1,497 and had increased 38 percent to 2,066 by 1880. In 1890 farms adjacent to Norton were purchased for the purpose of manufacturing, and thereupon, the city of Barberton was founded in 1891. Norton's location, close to Barberton and Akron industries, facilitated growth. The population of Norton in the 1900's continued to grow and change with census recordings in 1920 totaling 2,935 that had increased to 7,454 by 1950. Realizing its potential, Norton Township incorporated in March of 1961 and by 1969, Norton had assumed city status.

The City of Norton's increased growth potential materializes, again, with the expansion of new residential apartment-type units and single-family housing developments; and, with the City's plans for the availability of water and sewer. The Mount Vernon Estates allotment began construction of single-family units in 1993 and recently expanded acquiring access through the Norton Acres allotment. The Brookforest Estates, a housing development, began construction in 1997. In addition, property zoned for the building of Hudson Run Estates and construction of a sixteen-acre apartment complex situated adjacent to Norton's Shopping Center and City Park began construction of single-family units in 1999.

SCHOOL DISTRICT ORGANIZATION

The School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code for the purpose of providing educational services authorized by charter and further mandated by State and/or Federal Agencies.

The Norton Board of Education consists of five members elected by its citizens. The Board serves as the taxing authority, the contracting body and implements the School District policies. Annually the Board adopts the School District's operating budget, tax budget and is responsible for the authorization of all of the District's expenditures pursuant to Ohio Revised Code Sections 5705.38; 5705.28 and 5705.41 respectively.

The Superintendent functions as the Chief Executive Officer of the School District with responsibility for the education and support operations of the School District in accordance with Section 3319.01 of the Ohio Revised Code and is directly responsible to the Board of Education. Ms. Norma Conner was appointed Superintendent. Ms. Conner's contract will expire on July 31, 2000.

The Treasurer is the Chief Financial Officer of the School District with statutory obligations set forth in sections 3313.22 through 3313.32 of the Ohio Revised Code and is directly responsible to the Board of Education. Ms. Catherine M. Bulgrin was initially appointed as Treasurer. Her contract will expire at the organizational meeting January, 2002.

REPORTING ENTITY

The School District has reviewed its reporting entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." Evaluation of how to define the School District for financial reporting purposes, management has considered all boards, funds, agencies, departments and organizations making up the Norton City School District (the primary government).



Other governmental entities, (e.g., City of Norton, Norton Branch of Summit County Library), conducting business activities within the School District boundaries are excluded from the accompanying financial statements. The boards of those entities are not appointed by the School District's Board, nor are they fiscally dependent on the School District. The School District cannot legally access their resources, has no obligation to finance deficits or provide financial support, and is not obligated for their debts.

ECONOMIC CONDITION AND FUTURE OUTLOOK

The City of Norton is located at the intersection of U.S. Route 21 and Interstate 76. The community's economy, historically, was agricultural based with some coal mining industry. While there is still some farming today, it has decreased considerably as the City's economic base and has become predominantly residential. The City of Norton offers an excellent opportunity for potential business growth as well as residential expansion due to the City Council's recent enactment of attaining sewer and water from the City of Barberton. The five largest employers in the School District in terms of number of employees are:

Norton City Schools
Albert Screenprint
Isolab nka E.G.G./Wallac
Adjusta Post
Louisiana Pacific

Norton's proximity to major cities makes it a desirable community in which to live, providing easy access to cultural, social, educational, and economic resources. It is within minutes of state universities and private colleges, international and private airports, numerous inland lakes and reservoirs, the fisheries of Lake Erie, metropolitan and state parks, and the Cuyahoga Valley National Recreation Area. The City provides its residents with: quality police and fire services, participation in the Summit County 911 Service and efficient maintenance of 89 miles of roads by the City's Service Department. The Norton Municipal Park system offers convenient locations for picnicking and youth league baseball. Also, there is a Community Center available for rental to the residents.

The continued economic growth and expansion of Norton is anticipated due to its convenient location and with the planned installation of City sewer and water. With current construction of new housing developments and an apartment complex, the School District inevitably will experience an increase in student population. Throughout its history, the School District has been fortunate that city residents place a high value on education with a continued commitment of local support.

The School District's motto is "*In Pursuit of Excellence*," providing our students with a quality education. The financial stability of the School District is vital in this pursuit and is credited to the loyal support of its community. Confronted with the many challenges and opportunities of a public education facility, the School District's Board and its employees continue to move forward in the education process of their students in their "*Pursuit of Excellence*."



In Pursuit of Excellence

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Continuous Improvement

A Continuous Improvement team is in place and has started work on organizing a strategic plan to guide decision-making and actions of the School District to improve academic achievement. The goal is to improve the processes and results as they relate to teaching and learning. The first steps, data collection and analysis, have begun.

Technology

All buildings are wired, and computers have been purchased. Throughout the campus computers are networked and have Internet access. The School District has received a third year of SchoolNet Plus grant money from the state.

Fiscally Sound

Despite growing costs of doing business, the controversy over state funding and increasing numbers of unfunded state and federal mandates, Norton City Schools remains in sound financial condition. This is noteworthy because the School District has not had to return to the taxpayers for additional operating revenues since 1995. In fact, Norton has had only three additional tax increases in the past 24 years.

FINANCIAL INFORMATION

The organization of the School District's accounting system is operated on a "fund" basis. Each fund and account group is a distinct, self-balancing accounting entity. Reports for general governmental operations and expendable trust funds 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" indicates that the amount of the transaction can be determined. "Available" signifies that it is 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 are recognized when incurred.

Internal Controls

The establishment and maintenance of an internal control structure, designed for safeguarding from loss, theft or misuse of the School District's assets, is the responsibility of Management. An effective fiscal management system incorporating internal accounting controls ensures the School District's assets, liabilities, revenues and expenditures are properly classified and accurately recorded within the School District accounting records for the appropriate fiscal period in compliance with GAAP. The design of the internal control structure provides reasonable, but not absolute, assurance that these objectives were met. The concept of reasonable assurance assumes that the costs of the controls should not exceed the benefits presumably derived from its implementation. The estimates and judgments related to cost and benefit are determined by management. Management believes the School District's internal control adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.



Budgetary Controls

The School District maintains its accounts, appropriations, and other financial records in accordance with the procedures established and prescribed by the Ohio Revised Code. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function and object within expenditures of the individual fund. The School District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and therefore, are not re-appropriated.

All disbursements and transfers of cash between funds require appropriation authority from the Board. The Treasurer must certify that purchase order requests have the necessary funds available. Then, purchase orders are encumbered and 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. The School District Administrators and Principals receive financial reports monthly.

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

Single Audit Act

As a recipient of federal and state financial assistance, the School District is responsible for ensuring that an adequate internal control structure is in place and is in compliance with applicable laws and regulations relative to those programs.

General Governmental Functions

The School District's general governmental funds include General, Special Revenue, Debt Service, Capital Projects and Expendable Trust fund types. For comparison purposes in the following tables the general government revenues and expenditures consist of those from all governmental fund types and the expendable trust funds.

The following schedule illustrates the Summary of Revenues of the School District's general government for the fiscal year ending June 30, 1999, and the amount and percentage of increase or decrease compared to fiscal year ending June 30, 1998.



In Pursuit of Excellence

The total of General Governmental Revenues for fiscal year 1999 totaled \$15,773,492. Notably, the School District receives 44.79 percent of the total governmental fund receipts from general property taxes and 50.11 percent from state and federal support.

Summary of Revenues

<i>Revenue by Source</i>	<i>Fiscal Year 1999 Amount</i>	<i>Fiscal Year 1998 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease)</i>	<i>Percent of Increase (Decrease)</i>
Taxes	\$ 7,088,311	\$ 6,701,222	44.79%	\$ 387,089	5.78%
Intergovernmental	7,930,250	7,413,515	50.11%	516,735	6.97%
Interest Earnings	247,073	157,888	1.56%	89,185	56.49%
Tuition and Fees	232,262	197,069	1.47%	35,193	17.86%
Extracurricular	158,845	146,710	1.00%	12,135	8.27%
Miscellaneous	169,596	160,730	1.07%	8,866	5.52%
Total	\$ 15,826,337	\$ 14,777,134	100.00%	\$ 1,049,203	7.10%

Tax revenues increased slightly due to new property valuation. The School District realized a 2.74 percent increase in the total valuation or a dollar figure of \$5,743,328 between tax year 1998 and 1999. As a comparison, annual School District valuation increases have averaged one percent in years not related to six-year reappraisal or three-year update.

Interest earnings on investments increased \$89,185 that is attributable to growing interest rates and an increasing interim cash balance during the fiscal year. Investment of the School District's funds in both Star Ohio (State Treasury Asset Reserve) and overnight repurchase agreements in sweep investment accounts facilitated earning interest at a marketable, competitive rate. Prudent investment of available School District interim monies, through an established sound investment policy, entitles the School District's procurement of interest earnings at its greatest potential. A new ruling effective March 1, 1999 required that the District's Food Service Program be allocated interest earnings for its cash balance. At the close of fiscal year 1999 the Food Service Program earned a total of \$4,535 in interest.

Tuition receipts reflect monies attained for the education of other School District's special education students serviced by our School District. Tuition revenues reflect an increase of \$35,193 the result of an increase in tuition rates and greater collections for fiscal year 1999.

Miscellaneous receipts identify dollars received from other sources for various reasons e.g., refunds of prior year expenditures, etc. Miscellaneous revenues reflect an increase of \$8,866.

The following schedule illustrates the Summary of Expenditures of the School District's general government for the fiscal year ending June 30, 1999, and the amount and percentage of increase or decrease compared to fiscal year ending June 30, 1998. Interpretations pertaining to general government expenditure activity follow the schedule.



Summary of Expenditures

<i>Expenditure by Function</i>	<i>Fiscal Year 1999 Amount</i>	<i>Fiscal Year 1998 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease)</i>	<i>Percent of Increase (Decrease)</i>
Instruction	\$ 8,487,626	\$ 8,609,838	59.27%	\$ (122,212)	-(1.42)%
Pupil Support	512,235	480,932	3.58%	31,303.00	6.51%
Instructional Staff	473,678	351,553	3.31%	122,125.00	34.74%
Board of Education	19,081	14,456	0.13%	4,625.00	31.99%
Administration	1,128,782	993,579	7.88%	135,203.00	13.61%
Fiscal	403,386	390,357	2.82%	13,029.00	3.34%
Business	281,573	165,808	1.97%	115,765.00	69.82%
Plant Operations	1,333,538	1,374,875	9.31%	(41,337.00)	-(3.01)%
Pupil Transportation	741,979	775,043	5.18%	(33,064.00)	-(4.27)%
Central	7,119	6,802	0.05%	317.00	4.66%
Other	9,347	22,880	0.07%	(13,533.00)	-(59.15)%
Extracurricular	346,942	285,750	2.42%	61,192.00	21.41%
Capital Outlay	511,031	112,200	3.57%	398,831.00	355.46%
Debt Service	63,017	65,469	0.44%	(2,452.00)	-(3.75)%
Total	\$ 14,319,334	\$ 13,649,542	100.00%	\$ 669,792	4.91%

The area of Instruction is specific to the education of regular, special and vocational students. The Instruction component represents 59.27 percent of the School District's total expenditures, or \$.59 of every dollar the School District spends. Salaries of teachers, classroom aides and counselors as well as classroom materials and textbooks are examples of expenditures in this section.

Support services provided to the School District's students are captured in the Pupil Support and Instructional Staff areas. These areas represent 3.58 and 3.31 percent, respectively, of total District expenditures. These expenditures include activities associated with the assessment, design and improvement of students' well being as well as instructional staff assistance with the process and content of providing pupil learning experiences.

The Administrative function represents 7.88 percent of the total governmental expenditures. This area encompasses activities associated with the establishment and administration of policy concerned with the School District operations as well as the administrative responsibility for the entire School District. Examples of expenditures in this category include the board members, directors and superintendent's salaries and necessary supplies and materials. The increase in Administration is due to the addition of an Assistant Middle School Principal and Director of Personnel/Technology. Also added were an Interim Assistant Middle School Principal and Norton 21 Principal to cover for employees unable to complete their responsibilities due to illness. The Board of Education costs increased due to fee increases that can be attributed to a change in the Ohio School Board Association's fee structure for member School Districts.



In Pursuit of Excellence

The Fiscal and Business operations comprise 4.79 percent of total governmental expenditures. These functions include activities concerned with the financial operations, the purchase and maintenance of goods and services for the School District and internal service areas of the School District. The increase in Business operations can be related to the reclassification of the Custodial/Maintenance Supervisor to Business Manager and outsourcing district-wide printing services.

Expenditures in Plant Operations reflect 9.31 percent of total governmental expenditures. Expenses within this area involve providing open, safe and effective working conditions. Also included are expenses for the maintenance and safety of the buildings and grounds situated within the school vicinity. The decrease in Plant Operations is the result of reclassification of the Custodial/Maintenance Supervisor to Business Manager.

Pupil Transportation, totaling 5.18 percent of governmental costs, reflects salaries for bus drivers, mechanics and the supervisor, as well as costs for fuel, materials, maintenance and repairs to school buses and vans used for transporting students. The purchase of busses out of permanent improvement monies is reflected in the decrease in Pupil Transportation.

The Capital Outlay function represents the purchase, construction or improvement of buildings. Expenditures in Capital Outlay reflect 3.57 percent of total governmental expenditures. This increase is due to the update of electrical wiring for powering up computers and the final payments due to contractors for the completion of the wing at the Middle School.

Significant activity in the various funds that comprise general governmental funds is noted below.

General Fund

The General Fund accounts for all financial resources except those required to be accounted for in another fund. The School District ended the 1999 fiscal year with a General Fund cash balance of \$3,677,383 an increase of \$1,696,572 from the June 30, 1998 balance of \$1,980,811. The improvement in balance is attributable to an increase in the State Foundation's per pupil basic aid, the increase in new property valuation, and the school district's conservative spending performance.

Special Revenue Funds

The Special Revenue Funds account for proceeds from specific revenue sources that are legally restricted to expenditures for specified purposes. The Special Revenue Funds consist primarily of state and/or federal entitlements, grants and the School District Managed Student Activity (Athletic) Fund.

Capital Projects Funds

The Capital Projects Funds account for financial resources used for the acquisition or construction of major capital facilities. The Capital Projects Funds in the School District are comprised of Permanent Improvement Fund, Building Fund, and the SchoolNet Fund.



Significant activity of other miscellaneous funds is noted below.

Enterprise Funds

The Enterprise Funds consist of the Food Services Fund, the Uniform School Supplies (Workbook Fund) and Rotary Fund - Special Services. The Food Service operation in the School District primarily funds itself. For the fiscal year 1999, the Food Service operation generated \$573,951 in revenues and ended the year with a cash balance of \$98,780.

Internal Service Fund

The School District's Internal Service Fund relates to the School District employees' health insurance and IRC Section 125 benefit plan provided to employees through contractual agreement. The receipts and expenditures relative to health and dental benefit claims and IRC Section 125 are handled as an internal service fund. The School District is self-insured for employee's health care benefits and retains a third party claims administrator.

Fiduciary Funds

The Fiduciary Funds utilized by the School District are the Expendable Trust Fund and the Student Managed Activity Fund. The Student Activity Fund is provided to account for student activity programs that have student participation in the activity and have students involved in the management of the program. The School District operated 33 activity programs at the High School level and two activity programs at the Middle School level.

General Fixed Assets

The General Fixed Assets of the School District are utilized to execute the educational and support functions of the School District and are not financial resources available for expenditure. The School District contracted with an appraisal firm for an update of all fixed assets generating the foundation for future capitalization. The total General Fixed Assets at June 30, 1999 was \$10,770,087. These assets are accounted for at historical cost. Depreciation is not recognized on General Fixed Assets.

DEBT ADMINISTRATION

The School District's outstanding debt at the end of June 30, 1999 was \$303,800, consisting of a bond series issued to pay costs of installations, modifications and remodeling of school buildings to conserve energy. This was also known as House Bill 264 Energy Conservation project available under authority of and pursuant to the laws of the State of Ohio, Section 133.06 (G) of the Ohio Revised Code, the approval of the State Department of Education, and Board adopted resolution #8639-95 of May 1, 1995. Original debt issued was for \$434,000 in 1995 with debt retirement scheduled for July, 2005.

CASH MANAGEMENT

The School District historically demonstrates a conservative approach to the cash management program. Investment of School District funds were maintained through the locally approved financial depository's utilization of a sweep account and through STAR Ohio investments.



In Pursuit of Excellence

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 total deposits to secure the repayment of all public moneys deposited in a financial institution. A detailed description of the School District's investment function is described in Note 4 to the financial statements.

RISK MANAGEMENT

The School District, as a political subdivision, 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 operates and manages its hospital, medical, health, dental, prescription, and life insurance program for its employees on a self-insured basis. The health insurance fund was established in conjunction with formalized risk management programs in an effort to minimize risk exposure and to control claims and premium costs. The third party administrator processes and initiates claim payment. The advantages of the self-insurance program include savings on administrative costs as well as the School District's holding of reserve balances.

The health benefits liability is limited by reinsurance that caps the individual specific liability at \$55,000 and an aggregate liability at \$1,056,341 for the School District's plan year from June 1, 1998 through May 31, 1999. Control of the plan rests solely with the School District.

A Section 125 flexible benefit program is offered to all employees. The plan allows employees to pay for eligible benefits with pre-tax dollars, rather than after-tax dollars. Therefore, employees may tax defer anticipated out of pocket medical expenditures through payroll deduction. The plans guidelines are established and regulated by the Internal Revenue Service.

All employees of the School District are covered by worker's compensation. Effective January 1, 1993, the School District joined a group rating program through the Ohio School Board Association in an effort to control costs. Over 423 Ohio school districts are participating members. The School District receives a group premium discount rate for participation in this pooling program. The program has resulted in group savings of over ten million dollars during the 1999 calendar year. The School District has realized, on an individual basis, savings of \$34,164, or a 38.2 percent premium reduction based on School District cost without pooling, during the 1999 fiscal year.



In Pursuit of Excellence

PENSION PLANS

All School 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 pay the employer share as determined by each retirement system, which is currently fourteen percent.

School District contributions for 1999 were \$1,001,316 and \$274,290 to STRS and SERS, respectively. 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 year 1999. Surcharge is calculated at fourteen percent of the difference between the member's annual compensation and the minimum compensation level. For the 1999 fiscal year, a surcharge of \$25,866 was incurred.

OTHER INFORMATION

Independent Audit

Provisions of State statute require the School District's financial statements be subject to an annual examination by an independent auditor. In addition to meeting the requirement set forth in state statutes, the audit was also designed to meet the requirements of the Federal Office of Management and Budget Circular A-133. An audit was performed by Lennon & Company, Inc. for the period ended June 30, 1999. Those provisions have been satisfied and the opinion of the auditing firm is included in the financial section of this Comprehensive Annual Financial Report.

GFOA Certificate of Achievement

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The Norton City School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June, 30, 1998. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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 standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

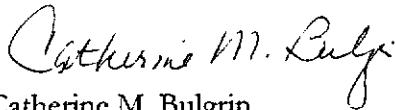
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the high standards required by the Certificate of Achievement program.

Acknowledgments

The preparation and publication of the 1999 Comprehensive Annual Financial Report of the Norton City School District was facilitated through the assistance of many people. My sincere appreciation is extended to the Treasurer's office staff for their dedication, support, and encouragement throughout this process. In addition, sincere thanks are extended to various administrators and employees of the School District, the Summit County Auditor's office staff and other outside agencies whose efforts contributed to the fair presentation of the statistical data.

Finally, sincere appreciation is expressed to the Norton Board of Education for their support and commitment to continuing efforts made in improving financial management and reporting as we strive in our *Pursuit of Excellence*.

Respectfully submitted,



Catherine M. Bulgrin
Treasurer



In Pursuit of Excellence

Norton City School District
Principal Officials Roster
Year Ended June 30, 1999

Board of Education

Mr. Ed Morrison	President
Mrs. Linda Kloetzer	Vice President
Mrs. Evelyn Moinet	Member
Mr. Donald Nutter	Member
Mrs. Cynthia Webel	Member

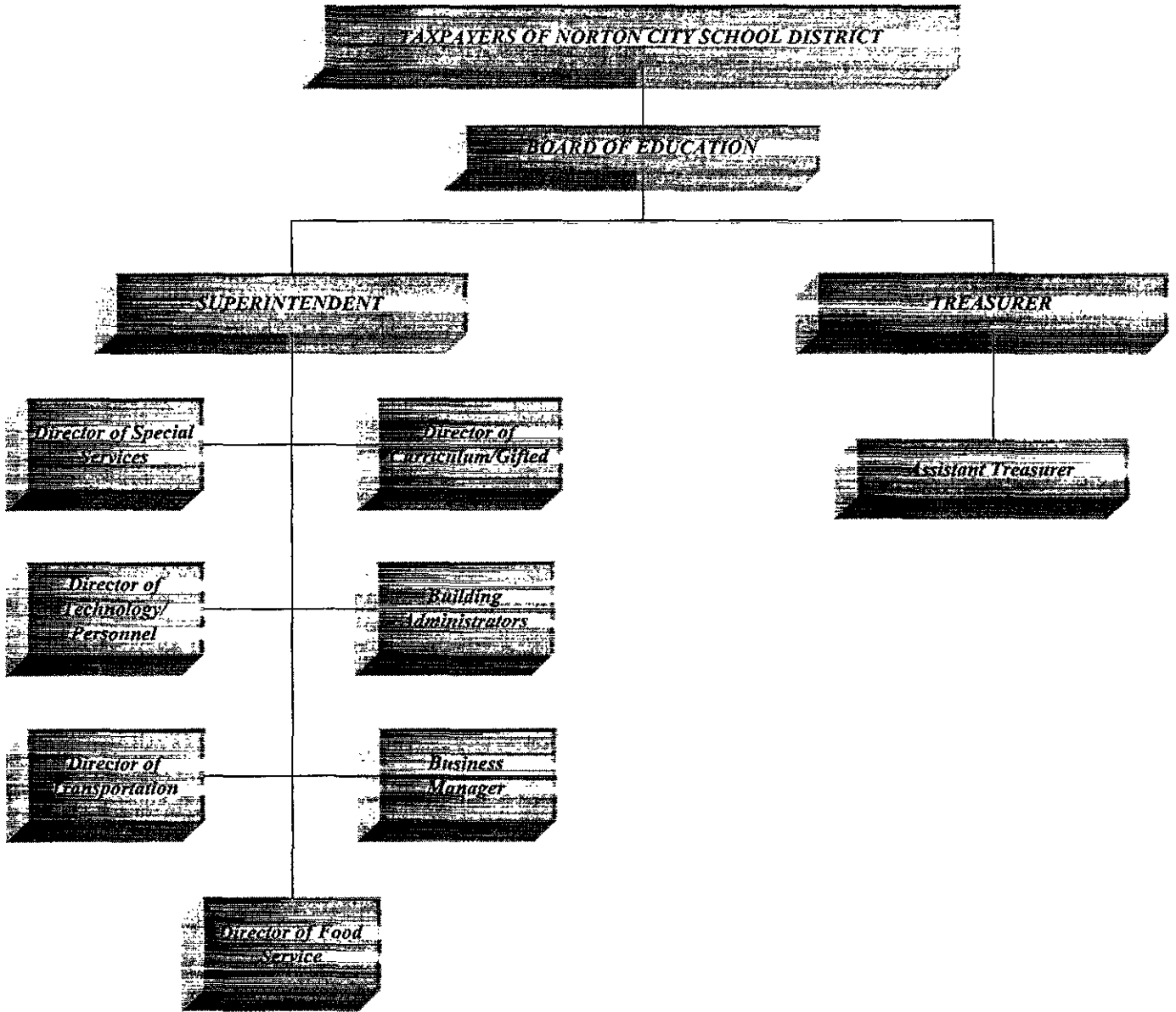
Chief Fiscal Officer

Mrs. Catherine Bulgrin

Administration

Dr. Norma Conner	Superintendent
Mr. Ken Caldwell	Business Manager
Dr. Walter Calinger	Director of Curriculum/Gifted
Mrs. Theresa Frederick	Director of Food Services
Ms. Lynn Moomaw	Director of Technology/Personnel
Mr. Paul Stoneking	Director of Transportation
Mrs. Karen Wilson	Director of Special Services

*Norton City School District
Organization Chart*



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Norton City School District,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1998

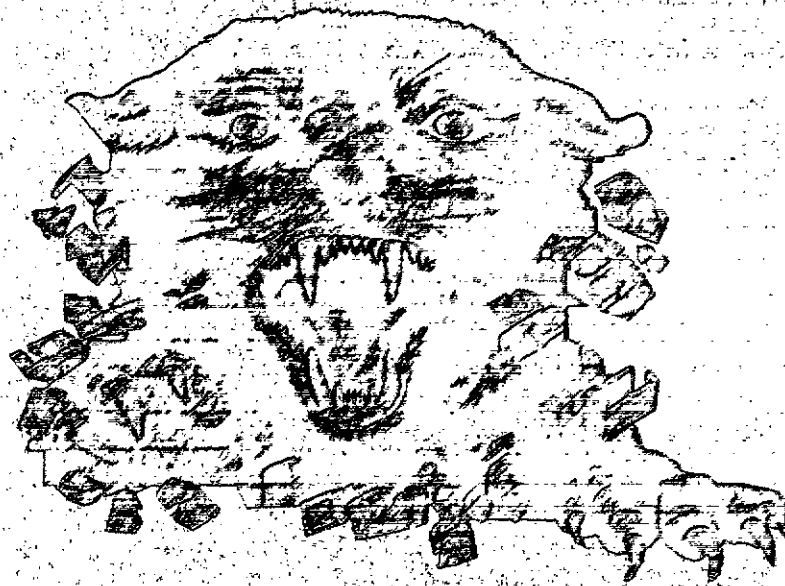
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



Cary Brubaker
President

Jeffrey L. Esalt
Executive Director

Financial Section





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215

Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398

Member of the Board of Education
Norton City School District
Norton, Ohio 44203-5697

We have reviewed the Independent Auditor's Report of the Norton City School District, Summit County, prepared by Lennon & Company, for the audit period July 1, 1998 through June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro", written over a horizontal line.

JIM PETRO
Auditor of State

April 12, 2000

Lennon & Company

Certified Public Accountant

104 High Street, Suite 201 • Wadsworth, Ohio 44281 • (330) 334-7774 • wmlennon@apk.net

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Education
Norton City School District
Norton, Ohio 44203-5697

We have audited the accompanying general purpose financial statements of Norton City School 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 Norton City School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

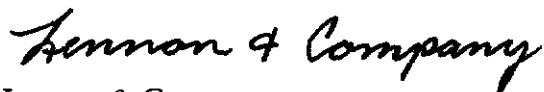
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable 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 Norton City School District, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types 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 26, 2000 on our consideration of Norton City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted 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 of Norton City School District. 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.

The statistical section, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Norton City School District. Such information has not been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and therefore we express no opinion thereon.



Lennon & Company
Certified Public Accountant
January 26, 2000

**Norton 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	\$ 3,448,135	\$ 144,385	\$ 4,703	\$ 1,174,937
Cash and cash equivalents:				
In segregated accounts	-	-	-	-
With fiscal or escrow agents	-	-	390	-
Receivables:				
Taxes	6,944,513	-	60,565	607,680
Accounts	4,063	545	-	-
Intergovernmental	342,131	10,803	-	-
Interfund	11,520	-	-	-
Inventory held for resale	-	-	-	-
Materials and supplies inventory	-	-	-	-
Equity in pooled cash and cash equivalents (restricted)	229,248	-	-	-
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	-
<u>Other debits:</u>				
Amount available in debt service fund for retirement of general obligation bonds	-	-	-	-
Amount to be provided from general government resources	-	-	-	-
Total assets and other debits	\$ 10,979,610	\$ 155,733	\$ 65,658	\$ 1,782,617
<u>Liabilities, fund equity and other credits:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 256,833	\$ 2,400	\$ -	\$ 102,004
Accrued wages	1,102,548	17,329	-	-
Compensated absences payable	34,115	-	-	-
Interfund payable	-	11,520	-	-
Intergovernmental payable	257,814	4,393	-	-
Deferred revenue	7,055,956	-	60,565	593,428
Due to students	-	-	-	-
Matured interest payable	-	-	390	-
Claims payable	-	-	-	-
Claimant liability	-	-	-	-
General obligation bonds payable	-	-	-	-
Total liabilities	8,707,266	35,642	60,955	695,432
<u>Fund equity and other credits:</u>				
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Unreserved	-	-	-	-
Fund balance:				
Reserved for encumbrances	556,781	20,698	-	841,495
Reserved for bus purchases	44,199	-	-	-
Reserved for budget stabilization	185,049	-	-	-
Reserved for debt service	-	-	4,703	-
Unreserved, undesignated	1,486,315	99,393	-	245,690
Total fund equity and other credits	2,272,344	120,091	4,703	1,087,185
Total liabilities, fund equity and other credits	\$ 10,979,610	\$ 155,733	\$ 65,658	\$ 1,782,617

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 183,002	\$ -	\$ 57,003	\$ -	\$ -	\$ 5,012,165
-	436,133	-	-	-	436,133
-	-	-	-	-	390
-	-	-	-	-	7,612,758
-	-	-	-	-	4,608
-	-	-	-	-	352,934
-	-	-	-	-	11,520
3,608	-	-	-	-	3,608
565	-	-	-	-	565
-	-	-	-	-	229,248
104,489	-	-	11,176,690	-	11,281,179
-	-	-	-	4,703	4,703
-	-	-	-	1,103,136	1,103,136
<u>\$ 291,664</u>	<u>\$ 436,133</u>	<u>\$ 57,003</u>	<u>\$ 11,176,690</u>	<u>\$ 1,107,839</u>	<u>\$ 26,052,947</u>
\$ 1,229	\$ -	\$ 100	\$ -	\$ -	\$ 362,566
3,841	-	-	-	-	1,123,718
12,238	-	-	-	686,254	732,607
-	-	-	-	-	11,520
10,569	-	-	-	117,785	390,561
1,871	-	-	-	-	7,711,820
-	-	46,364	-	-	46,364
-	-	-	-	-	390
-	99,049	-	-	-	99,049
-	-	10,039	-	-	10,039
-	-	-	-	303,800	303,800
<u>29,748</u>	<u>99,049</u>	<u>56,503</u>	<u>-</u>	<u>1,107,839</u>	<u>10,792,434</u>
-	-	-	11,176,690	-	11,176,690
261,916	337,084	-	-	-	599,000
-	-	-	-	-	1,418,974
-	-	-	-	-	44,199
-	-	-	-	-	185,049
-	-	-	-	-	4,703
-	-	500	-	-	1,831,898
<u>261,916</u>	<u>337,084</u>	<u>500</u>	<u>11,176,690</u>	<u>-</u>	<u>15,260,513</u>
<u>\$ 291,664</u>	<u>\$ 436,133</u>	<u>\$ 57,003</u>	<u>\$ 11,176,690</u>	<u>\$ 1,107,839</u>	<u>\$ 26,052,947</u>

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

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Revenues:</u>				
Taxes	\$ 6,456,960	\$ -	\$ 63,017	\$ 568,334
Intergovernmental	7,306,230	272,539	-	351,481
Interest	247,073	-	-	-
Tuition and fees	232,262	-	-	-
Extracurricular activities	-	158,845	-	-
Miscellaneous	128,240	40,856	-	-
Total revenues	14,370,765	472,240	63,017	919,815
<u>Expenditures:</u>				
<u>Current:</u>				
<u>Instruction:</u>				
Regular	6,658,018	94,330	-	60,241
Special	938,301	114,606	-	-
Vocational	599,045	12,913	-	-
Adult/continuing	-	9,672	-	-
<u>Support services:</u>				
Pupils	506,709	5,526	-	-
Instructional staff	411,027	61,411	-	1,240
Board of education	19,081	-	-	-
Administration	1,072,228	56,554	-	-
Fiscal	394,383	-	-	9,003
Business	281,573	-	-	-
Operation and maintenance of plant	1,333,538	-	-	-
Pupil transportation	703,014	1,046	-	37,919
Central	-	7,119	-	-
Operation of non-instructional services	-	9,347	-	-
Extracurricular activities	239,110	107,832	-	-
Capital outlay	13,604	-	-	497,427
<u>Debt service:</u>				
Principal retirement	-	-	43,400	-
Interest and fiscal charges	-	-	19,617	-
Total expenditures	13,169,631	480,356	63,017	605,830
Excess of revenues over (under) expenditures	1,201,134	(8,116)	-	313,985
<u>Other financing sources (uses):</u>				
Operating transfers in	-	2,191	-	-
Operating transfers out	(3,118)	-	-	-
Total other financing sources (uses)	(3,118)	2,191	-	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,198,016	(5,925)	-	313,985
Fund balances at beginning of year	1,074,328	126,016	4,703	773,200
Fund balances at end of year	\$ 2,272,344	\$ 120,091	\$ 4,703	\$ 1,087,185

See accompanying notes to the general purpose financial statements.

Fiduciary Fund Type		Totals (Memorandum Only)
Expendable Trust		
\$ -	\$ 7,088,311	
-	7,930,250	
-	247,073	
-	232,262	
-	158,845	
500	169,596	
500	15,826,337	
500	6,813,089	
-	1,052,907	
-	611,958	
-	9,672	
-	512,235	
-	473,678	
-	19,081	
-	1,128,782	
-	403,386	
-	281,573	
-	1,333,538	
-	741,979	
-	7,119	
-	9,347	
-	346,942	
-	511,031	
-	43,400	
-	19,617	
500	14,319,334	
-	1,507,003	
-	2,191	
-	(3,118)	
-	(927)	
-	1,506,076	
500	1,978,747	
\$ 500	\$ 3,484,823	

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

	Governmental Fund Types		
	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues:			
Taxes	\$ 6,418,228	\$ 6,478,672	\$ 60,444
Intergovernmental	7,039,649	7,308,135	268,486
Interest	252,500	247,073	(5,427)
Tuition and fees	253,405	244,152	(9,253)
Extracurricular activities	-	-	-
Miscellaneous	35,747	19,705	(16,042)
Total revenues	13,999,529	14,297,737	298,208
Expenditures:			
Current:			
Instruction:			
Regular	6,808,474	6,573,293	235,181
Special	1,111,667	1,052,730	58,937
Vocational	640,185	622,250	17,935
Adult/continuing	-	-	-
Support services:			
Pupils	570,987	513,305	57,682
Instructional staff	522,170	424,154	98,016
Board of education	22,066	19,881	2,185
Administration	1,148,039	1,103,740	44,299
Fiscal	447,318	396,696	50,622
Business	393,215	327,828	65,387
Operation and maintenance of plant	1,605,759	1,459,097	146,662
Pupil transportation	794,725	716,945	77,780
Central	-	-	-
Operation of non-instructional services	290	-	290
Extracurricular activities	241,824	235,070	6,754
Capital outlay	177,720	84,235	93,485
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	14,484,439	13,529,224	955,215
Excess of revenues over (under) expenditures	(484,910)	768,513	1,253,423
Other financing sources (uses):			
Proceeds from sale of fixed assets	16,560	16,763	203
Refund of prior year expenditures	104,172	104,172	-
Voluntary contingency reserve balance	185,049	-	(185,049)
Refund of prior year receipts	(13,000)	(12,202)	798
Advances in	20,501	20,501	-
Advances out	(11,520)	(11,520)	-
Operating transfers in	-	-	-
Operating transfers out	(3,118)	(3,118)	-
Total other financing sources (uses)	298,644	114,596	(184,048)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(186,266)	883,109	1,069,375
Fund balances at beginning of year	1,688,227	1,688,227	-
Prior year encumbrances appropriated	292,584	292,584	-
Fund balances at end of year	\$ 1,794,545	\$ 2,863,920	\$ 1,069,375

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)
\$ -	\$ -	\$ -	\$ 63,017	\$ 63,017	\$ -
282,237	282,237	-	-	-	-
-	-	-	-	-	-
158,450	158,450	-	-	-	-
40,856	40,856	-	-	-	-
<u>481,543</u>	<u>481,543</u>	<u>-</u>	<u>63,017</u>	<u>63,017</u>	<u>-</u>
159,127	100,034	59,093	-	-	-
118,152	119,060	(908)	-	-	-
16,980	13,395	3,585	-	-	-
18,574	11,155	7,419	-	-	-
10,907	5,764	5,143	-	-	-
74,286	62,803	11,483	-	-	-
-	-	-	-	-	-
65,580	58,966	6,614	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,449	1,059	390	-	-	-
18,119	7,119	11,000	-	-	-
14,190	13,758	432	-	-	-
130,331	113,102	17,229	-	-	-
-	-	-	-	-	-
-	-	-	43,400	43,400	-
-	-	-	19,617	19,617	-
<u>627,695</u>	<u>506,215</u>	<u>121,480</u>	<u>63,017</u>	<u>63,017</u>	<u>-</u>
<u>(146,152)</u>	<u>(24,672)</u>	<u>121,480</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,520	11,520	-	-	-	-
(20,501)	(20,501)	-	-	-	-
2,191	2,191	-	-	-	-
-	-	-	-	-	-
<u>(6,790)</u>	<u>(6,790)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(152,942)	(31,462)	121,480	-	-	-
136,137	136,137	-	4,703	4,703	-
16,806	16,806	-	-	-	-
<u>\$ 1</u>	<u>\$ 121,481</u>	<u>\$ 121,480</u>	<u>\$ 4,703</u>	<u>\$ 4,703</u>	<u>\$ -</u>

(Continued)

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

	Governmental Fund Types		
	Capital Projects Funds		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues:			
Taxes	\$ 571,335	\$ 571,335	\$ -
Intergovernmental	351,481	351,481	-
Interest	-	-	-
Tuition and fees	-	-	-
Extracurricular activities	-	-	-
Miscellaneous	-	-	-
Total revenues	922,816	922,816	-
Expenditures:			
Current:			
Instruction:			
Regular	258,561	66,493	192,068
Special	-	-	-
Vocational	-	-	-
Adult/continuing	-	-	-
Support services:			
Pupils	-	-	-
Instructional staff	1,240	1,240	-
Board of education	-	-	-
Administration	-	-	-
Fiscal	9,003	9,003	-
Business	-	-	-
Operation and maintenance of plant	-	-	-
Pupil transportation	37,919	37,919	-
Central	-	-	-
Operation of non-instructional services	-	-	-
Extracurricular activities	-	-	-
Capital outlay	1,385,602	1,304,507	81,095
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	1,692,325	1,419,162	273,163
Excess of revenues over (under) expenditures	(769,509)	(496,346)	273,163
Other financing sources (uses):			
Proceeds from sale of fixed assets	-	-	-
Refund of prior year expenditures	-	-	-
Voluntary contingency reserve balance	-	-	-
Refund of prior year receipts	-	-	-
Advances in	-	-	-
Advances out	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(769,509)	(496,346)	273,163
Fund balances at beginning of year	243,926	243,926	-
Prior year encumbrances appropriated	525,583	525,583	-
Fund balances at end of year	\$ -	\$ 273,163	\$ 273,163

See accompanying notes to the general purpose financial statements.

Fiduciary Fund Type			Totals (Memorandum Only)		
Expendable Trust Fund					
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 7,052,580	\$ 7,113,024	\$ 60,444
-	-	-	7,673,367	7,941,853	268,486
-	-	-	252,500	247,073	(5,427)
-	-	-	253,405	244,152	(9,253)
-	-	-	158,450	158,450	-
2,860	2,860	-	79,463	63,421	(16,042)
2,860	2,860	-	15,469,765	15,767,973	298,208
500	500	-	7,226,662	6,740,320	486,342
-	-	-	1,229,819	1,171,790	58,029
-	-	-	657,165	635,645	21,520
-	-	-	18,574	11,155	7,419
-	-	-	581,894	519,069	62,825
-	-	-	597,696	488,197	109,499
-	-	-	22,066	19,881	2,185
-	-	-	1,213,619	1,162,706	50,913
10,539	-	10,539	466,860	405,699	61,161
-	-	-	393,215	327,828	65,387
-	-	-	1,605,759	1,459,097	146,662
-	-	-	834,093	755,923	78,170
-	-	-	18,119	7,119	11,000
-	-	-	14,480	13,758	722
-	-	-	372,155	348,172	23,983
-	-	-	1,563,322	1,388,742	174,580
-	-	-	43,400	43,400	-
-	-	-	19,617	19,617	-
11,039	500	10,539	16,878,515	15,518,118	1,360,397
(8,179)	2,360	10,539	(1,408,750)	249,855	1,658,605
-	-	-	16,560	16,763	203
-	-	-	104,172	104,172	-
-	-	-	185,049	-	(185,049)
-	-	-	(13,000)	(12,202)	798
-	-	-	32,021	32,021	-
-	-	-	(32,021)	(32,021)	-
-	-	-	2,191	2,191	-
-	-	-	(3,118)	(3,118)	-
-	-	-	291,854	107,806	(184,048)
(8,179)	2,360	10,539	(1,116,896)	357,661	1,474,557
8,179	8,179	-	2,081,172	2,081,172	-
-	-	-	834,973	834,973	-
\$ -	\$ 10,539	\$ 10,539	\$ 1,799,249	\$ 3,273,806	\$ 1,474,557

**Norton City School District
 Combined Statement of Revenues,
 Expenses and Changes in Retained Earnings
 All Proprietary Fund Types
 For the Fiscal Year Ended June 30, 1999**

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<u>Operating revenues:</u>			
Sales	\$ 541,413	\$ -	\$ 541,413
Charges for services	-	1,292,328	1,292,328
Other operating revenues	13,926	-	13,926
Total operating revenue	<u>555,339</u>	<u>1,292,328</u>	<u>1,847,667</u>
<u>Operating expenses:</u>			
Salaries	205,375	-	205,375
Fringe benefits	99,385	-	99,385
Purchased services	1,945	222,681	224,626
Materials and supplies	93,008	-	93,008
Cost of sales	279,224	-	279,224
Depreciation	5,346	-	5,346
Claims	-	939,442	939,442
Other operating expenses	550	-	550
Total operating expenses	<u>684,833</u>	<u>1,162,123</u>	<u>1,846,956</u>
Operating income (loss)	<u>(129,494)</u>	<u>130,205</u>	<u>711</u>
<u>Non-operating revenues:</u>			
Federal donated commodities	50,503	-	50,503
Operating grants	90,237	-	90,237
Interest	4,535	15,054	19,589
Total non-operating revenues	<u>145,275</u>	<u>15,054</u>	<u>160,329</u>
Income before operating transfers	<u>15,781</u>	<u>145,259</u>	<u>161,040</u>
Operating transfers in	927	-	927
Net income	16,708	145,259	161,967
Retained earnings at beginning of year	245,208	191,825	437,033
Retained earnings at end of year	<u>\$ 261,916</u>	<u>\$ 337,084</u>	<u>\$ 599,000</u>

See accompanying notes to the general purpose financial statements.

Norton City School District
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 1999

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<u>Cash flows from operating activities:</u>			
Cash received from customers	\$ 555,039	\$ -	\$ 555,039
Cash received from other operating sources	300	-	300
Cash received from quasi-external transactions with other funds	-	1,292,328	1,292,328
Cash payments to suppliers for goods and services	(321,157)	(222,681)	(543,838)
Cash payments to employees for services	(203,833)	-	(203,833)
Cash payments for employee benefits	(99,249)	-	(99,249)
Cash payments for claims	-	(1,076,901)	(1,076,901)
Cash payments for other operating expenses	(2,278)	-	(2,278)
Net cash used for operating activities	(71,178)	(7,254)	(78,432)
<u>Cash flows from noncapital financing activities:</u>			
Operating grants	90,237	-	90,237
Transfers in	927	-	927
Net cash provided by noncapital financing activities	91,164	-	91,164
<u>Cash flows from capital financing activities:</u>			
Acquisition of capital assets	(2,745)	-	(2,745)
<u>Cash flows from investing activities:</u>			
Interest on investments	4,535	15,054	19,589
Net increase in cash and cash equivalents	21,776	7,800	29,576
Cash and cash equivalents at beginning of year	161,226	428,333	589,559
Cash and cash equivalents at end of year	\$ 183,002	\$ 436,133	\$ 619,135
<u>Reconciliation of operating income (loss) to net cash used for operating activities:</u>			
Operating income (loss)	\$ (129,494)	\$ 130,205	\$ 711
Adjustments to reconcile operating income (loss) to net cash used for operating activities:			
Depreciation	5,346	-	5,346
Federal donated commodities	50,503	-	50,503
Change in assets and liabilities:			
(Increase) decrease in assets:			
Inventory	(431)	-	(431)
Increase (decrease) in liabilities:			
Accounts payable	810	-	810
Accrued wages	419	-	419
Compensated absences payable	1,123	-	1,123
Intergovernmental payable	136	-	136
Claims payable	-	(137,459)	(137,459)
Deferred revenue	410	-	410
Total adjustments	58,316	(137,459)	(79,143)
Net cash used for operating activities	\$ (71,178)	\$ (7,254)	\$ (78,432)

See accompanying notes to the general purpose financial statements.

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Norton 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 and provides educational services as mandated by state and/or federal agencies. The Board controls the School District's six instructional/support facilities staffed by ninety-nine non-certificated employees and 176 certificated teaching and support personnel, including fifteen administrators, that provide services to 2,778 students and other community members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organizations' 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 organizations' 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 the Northeast Ohio Network for Educational Technology and the Four Cities Educational Compact, which are defined as jointly governed organizations. Jointly governed organizations are governed by representatives from each of the governments that create the organizations, but there is no ongoing financial interest or responsibility by the participating governments. Information regarding these organizations is presented in Note 13.

**B. 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 expendable available financial resources.

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

Governmental Fund Types

Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary and trust 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 amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures 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 debt 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 or trust funds).

Proprietary Fund Types

Proprietary funds are used to account for the School District's ongoing activities that are similar to those found in the private sector. The following are the School District's proprietary fund types:

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 is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Fund: The internal service fund accounts for the financing of services provided by one department to other departments of the School District on a cost reimbursement basis.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental 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 a specific fund 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.

**C. 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 and expendable trust funds 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 combined balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the combined balance sheet. Proprietary fund 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, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after year end.

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

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when 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 the end of the fiscal period, and delinquent property taxes, whose availability is indeterminable and which are intended to finance the subsequent fiscal year operations, have been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year, and the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. There were no unbilled service charges receivable at year-end. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

**D. Budgets and
Budgetary
Accounting**

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. Even though annual budgets are legally adopted, proprietary budgetary statements have not been presented since they are not required under GAAP. The primary 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: Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during the fiscal year.

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 does 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. Under Ohio law advances are not required to be budgeted.

Encumbrances: As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of moneys 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. Expenditures plus encumbrances may not legally exceed appropriations. 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 general purpose financial statements for enterprise 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.

E. Cash and Investments To improve cash management, all cash received by the School District is pooled in a central bank account. Moneys for all funds, including proprietary funds, are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents" on the combined balance sheet. During the fiscal year, investments were limited to overnight repurchase agreements and interest in Star Ohio, the State Treasurer's Investment Pool. These investments are stated at cost, which approximates market. Under existing Ohio statutes, all investment earnings accrue to the General Fund except those specifically related to certain trust funds, unless the Board specifically allows the interest to be recorded in other funds.

The School District is self-insured for health coverage. These moneys are held separate from the School District's central bank account and are reflected on the combined balance sheet as "Cash and cash equivalents in segregated accounts".

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 an original 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 that are not purchased from the pool are reported as investments. During the fiscal year, all investments of the School District had a maturity of three months or less.

F. Short-term Interfund Assets/Liabilities Short-term interfund loans are classified as "Interfund receivables/payables.

G. Inventory of Supplies

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 was not significant at the end of the fiscal period. Inventories of proprietary funds consist of donated food, purchased food and consumable supplies and are expensed when used.

H. Fixed Assets and Depreciation

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

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

I. 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 purchases of school 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 18 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

J. Intergovernmental Revenues

In governmental funds, federal and state grants awarded on a non-reimbursement basis and federal entitlements are recorded as intergovernmental receivables and revenues when measurable and available. Federal and state reimbursable type grants are recorded as intergovernmental receivables and revenues when the related liabilities are incurred.

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

Entitlements

General Fund

State Foundation Program
State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

Teacher Development
Management Information Systems
Title I
Eisenhower Math and Science
Title VI
Title VI-B
Drug Free Schools
EHA Preschool

Capital Projects

SchoolNet
Technology Grant

Reimbursable Grants

General Fund

Driver Education Reimbursement

Enterprise Fund

National School Lunch Program
Government Donated Commodities

Grants and entitlements amounted to approximately forty-five percent of the School District's revenue during the fiscal year.

K. Compensated Absences

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

Accumulated vacation and sick leave of employees paid from governmental funds has been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources. The balance of the liability is recorded in the general long-term obligations account group. Vacation and sick leave for employees paid from proprietary funds is recorded as an expense and liability of the fund.

L. 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. Bonds 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 proprietary funds.

M. Interfund Transactions

During the course of normal operations, the School District has numerous transactions between funds, most of which are in the form of transfers of resources to provide services, construct assets and service debt. The financial statements generally reflect such transactions as operating transfers. Operating subsidies are also recorded as operating transfers.

N. Estimates

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

O. Fund Balance Reserves

The School District records reservations for portions of fund equity, which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, budget stabilization, bus purchases and debt service.

P. Memorandum Only - Total Columns on General Purpose Financial Statements

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

NOTE 3 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above 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 Expendable Trust Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

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

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

	<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
<i>GAAP basis</i>	\$ 1,198,016	\$ (5,925)	\$ 313,985	\$ -
<i>Revenue accruals</i>	68,408	20,823	3,001	2,360
<i>Expenditure accruals</i>	430,150	(23,400)	130,167	-
<i>Encumbrances (budget basis) outstanding at year end</i>	<u>(813,465)</u>	<u>(22,960)</u>	<u>(943,499)</u>	<u>-</u>
<i>Budget basis</i>	<u>\$ 883,109</u>	<u>\$ (31,462)</u>	<u>\$ (496,346)</u>	<u>\$ 2,360</u>

NOTE 4 - DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such moneys 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 moneys. Interim moneys are those moneys which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts. Interim moneys may be invested in the following obligations provided they mature or are redeemable within five years from the date of settlement:

1. United States Treasury bills, notes, bonds, or any other obligations 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 other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements for a period not to exceed thirty days in securities listed above that mature within five years from the date of settlement;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);

7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time and for a period not to exceed one hundred eighty days; and

8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation, 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 moneys deposited with the institution.

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

Deposits: The carrying value of the School District's deposits totaled (\$90,041), including \$500 in petty cash, and the bank balances of the deposits totaled \$63,328, all of which was covered by federal depository insurance.

Investments: GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that the School District's investments be classified in categories of credit risk. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name.

Interest earned on an investment in the Self Insurance internal service fund is recorded in that fund as required by a board resolution. All other interest is legally required to be placed in the general fund. Interest revenue credited to the general fund during fiscal year 1999 amount to \$247,073 which includes \$64,294 assigned from other School District funds.

Notes to the General Purpose Financial Statements

The District has invested funds in STAR Ohio during 1999. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 1999.

<u>Category 3</u>	<u>Carrying Amounts</u>	<u>Fair Value</u>
<u>Categorized Investments</u>		
<i>Repurchase Agreements</i>	\$ 650,000	\$ 650,000
<u>Noncategorized Investments</u>		
<i>State Treasurer's Pool</i>	5,117,977	5,117,977
<i>Total Investments</i>	<u>\$ 5,767,977</u>	<u>\$ 5,767,977</u>

The School District's investment in Star Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

NOTE 5 - PROPERTY TAX

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located within the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

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 alternative payment dates to be established.

Norton City School District

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

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, tangible personal property and public utility taxes which became measurable as of year end. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at year-end is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at year-end was \$158,626 in the General fund and \$14,252 in the Permanent Improvement capital projects fund and is recognized as revenue.

There were no new levies passed during the current fiscal year. The assessed values upon which the current fiscal year taxes were collected are:

<u>Property Category</u>	<u>1997</u> <u>Assessed Value</u>	<u>1998</u> <u>Assessed Value</u>
<u>Real Property</u>		
Residential and agricultural	\$ 154,307,190	\$ 156,913,580
Commercial, industrial and mineral	26,389,130	27,054,620
Public utilities	73,200	67,580
<u>Tangible Personal Property</u>		
General	17,107,776	18,422,694
Public utilities	11,589,650	12,751,800
Total	<u>\$ 209,466,946</u>	<u>\$ 215,210,274</u>

NOTE 6 - RECEIVABLES

Receivables at year-end consisted of taxes, accounts (tuition and excess costs), interfund and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. The general and special revenue fund's intergovernmental receivable at year-end consisted of \$342,131 and \$10,803 respectively.

NOTE 7 - FIXED ASSETS

Enterprise Fund: A summary of the enterprise funds' fixed assets at year-end follows:

<u>Classification</u>	<u>Balance at June 30, 1999</u>
Equipment	\$ 251,994
Less: accumulated depreciation	<u>(147,505)</u>
Net Fixed Assets	<u>\$ 104,489</u>

General Fixed Assets: Changes in general fixed assets during fiscal year 1999 were as follows:

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30</u>
Land and land improvements	\$ 634,167	\$ 7,653	\$ -	\$ 641,820
Buildings	5,309,388	146,610	-	5,455,998
Furniture, fixtures, and equipment	3,651,792	352,708	-	4,004,500
Vehicles	<u>1,174,740</u>	<u>40,919</u>	<u>(141,287)</u>	<u>1,074,372</u>
Total	<u>\$ 10,770,087</u>	<u>\$ 547,890</u>	<u>\$ (141,287)</u>	<u>\$ 11,176,690</u>

NOTE 8 - RISK MANAGEMENT

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. These risks are covered by commercial insurance purchased from independent third parties. There have been no settlements paid in excess of insurance nor has insurance coverage been significantly reduced in the past three years.

The School District uses an internal service fund to record and report their self funded health care insurance program. The claims liability of \$99,049, reported in the fund at year end was estimated by third party administrators and is based on the requirements of GASB Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The School District purchases stop-loss coverage of \$35,000 per employee.

Changes in the fund's claims liability during 1998 and 1999 were:

	<i>Balance at beginning of year</i>	<i>Current year claims</i>	<i>Claim payments</i>	<i>Balance at end of year</i>
1998	\$ 93,596	\$ 1,116,933	\$ 974,021	\$ 236,508
1999	236,508	939,442	1,076,901	99,049

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 9 - 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 state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute nine percent of their annual covered salary and the School District is required to contribute an actuarially determined rate of fourteen percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to the statutory maximum amounts, 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 \$290,273, \$278,429, and \$240,412, respectively; forty-one percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$177,168 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 defined benefit pension plan. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3307 of the Ohio Revised Code. STRS 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 State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute an actuarially determined rate of fourteen percent of annual covered payroll. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of ten percent for members and fourteen 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 \$1,009,408, \$958,752, and \$876,857, respectively; eighty-three percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$171,460 representing the unpaid contribution for fiscal year 1999 is recorded as a liability within the respective funds.

NOTE 10 – POST-EMPLOYMENT BENEFITS

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System (STRS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Benefit provisions and the obligations to contribute are established by the STRS based on authority granted by State statute. Most benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium.

By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently fourteen percent of covered payroll. The retirement board currently allocates employer contributions equal to eight percent of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. For the School District this amount equaled \$576,805 during the 1999 fiscal year. The balance in the Health Care Reserve Fund for the STRS was \$2,156 million at June 30, 1998, (latest information available). For the year ended June 30, 1998, the net health care costs paid by the STRS were \$219,224,000 and eligible benefit recipients totaled 91,999.

For the School Employees Retirement System (SERS), coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of seventy-five percent of the premium. For this fiscal year, employer contributions to fund health care benefits were 6.30 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to fourteen 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 has been established at \$12,400. The surcharge, added to the unallocated portion of the fourteen percent contribution rate, provides for maintenance of the asset target level for the health care fund. For the School District, the amount of employer contributions used to fund health care equaled \$156,489, which includes a surcharge of \$25,866 during the 1999 fiscal year.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 125 percent of annual health care expenses. Expenses for health care at June 30, 1998, (latest information available) were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998, the SERS's net assets available for payment of health care benefits was \$160.3 million, at cost. The number of participants receiving health care benefits was approximately 50,000.

NOTE 11 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

Changes in long-term obligations of the School District during the fiscal year were as follows:

	<i>Balance</i> <u>July 1</u>	<i>Additions</i>	<i>Reductions</i>	<i>Balance</i> <u>June 30</u>
<u>General Long-Term Obligations</u>				
<i>Bonds</i>				
Energy conservation bonds, 5.65% maturing July 15, 2005	\$ 347,200	\$ -	\$ (43,400)	\$ 303,800
<i>Other Obligations</i>				
Compensated absences	671,694	14,560	-	686,254
Employer pension obligations	119,383	117,785	(119,383)	117,785
Total General Long-Term Obligations	\$ 1,138,277	\$ 132,345	\$ (162,783)	\$ 1,107,839

General Obligation Bonds: General obligation bonds are direct obligations of the School District for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from voted and unvoted general property taxes. Property tax moneys will be received in and the debt will be repaid from the Bond Retirement Fund.

Compensated absences: Sick leave benefits will be paid from the fund from which the person is paid. Additions and reductions of accrued vacation and sick leave are shown at net since it is impractical for the School District to determine these amounts separately.

Employer pension obligations: Employer pension due to the School Employees Retirement System will be paid from the fund from which the person is paid.

The annual requirements to amortize all bonds outstanding as of the end of this fiscal period, including interest payments of \$68,658, are as follows:

<u>General Obligation Bonds</u>	
2000	\$ 60,565
2001	58,113
2002	55,660
2003	53,208
2004	50,756
Thereafter	<u>94,156</u>
Total	\$ 372,458

Norton City School District

NOTE 12 - INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 1999 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Title I special revenue	\$ 7,833
General	Title VI-B special revenue	3,687
	Total	<u>\$ 11,520</u>

NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS

Northeast Ohio Network for Educational Technology (NEONET) is the computer service organization or Data Acquisition Site (DAS) used by the School District. NEONET is an association of public school districts in a geographic area determined by the Ohio Department of Education. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The purpose of the consortium is to develop and employ a computer system efficiently and effectively for the needs of the member Boards of Education. All Districts in the consortium are required to pay fees, charges, and assessments as charged. NEONET is governed by a board made up of superintendents from all of the participating districts. An elected Executive Board consisting of five members of the governing board is the managerial body of the consortium and meets on a monthly basis. The School District does not maintain an ongoing financial interest or an ongoing financial responsibility. Payments to NEONET are made from the general fund. During fiscal year 1999, the School District contributed \$19,202 to NEONET.

The Four Cities Educational Compact is a jointly governed organization to provide for the vocational and special education needs of the students of four participating school districts. The four-member board consists of the superintendent from each of the participating school districts. Students may attend any vocational or special education class offered by any of the four districts. If a student elects to attend a class offered by a school district other than the school district in which the student resides, the school district of residence pays an instructional fee to the school district that offered the class. Wadsworth City School District serves as the fiscal agent for this agreement, collecting and distributing payments. The committee exercises total control over the operation of the compact, including budgeting, appropriating, contracting and designating management. All revenues are generated from charges for services.

NOTE 14 – FUND DEFICITS

As of June 30, 1999, two funds had deficit fund balances. These deficits were caused by the application of generally accepted accounting principles. The General fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur. The following funds had deficits at year-end:

<u>Fund</u>	<u>Deficit</u>
Title VI-B special revenue	\$ 2,545
Title I special revenue	15,586

NOTE 15 - SEGMENT INFORMATION - ENTERPRISE FUNDS

Financial segment information as of and for the year ended June 30, 1999 for the enterprise funds is presented as follows:

<u>Description</u>	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Customer Service Rotary</u>	<u>Total</u>
Operating revenues	\$ 479,179	\$ 62,534	\$ 13,626	\$ 555,339
Depreciation expense	5,346	-	-	5,346
Operating income (loss)	(135,493)	1,928	4,071	(129,494)
Operating grants	90,237	-	-	90,237
Donated commodities	50,503	-	-	50,503
Net income	9,782	2,855	4,071	16,708
Fixed asset additions	2,745	-	-	2,745
Net working capital	86,672	61,951	21,042	169,665
Total assets	207,442	63,180	21,042	291,664
Compensated absences payable	12,238	-	-	12,238
Total equity	178,923	61,951	21,042	261,916
Encumbrances outstanding (budget basis) at June 30, 1999	\$ 2,252	\$ 5,368	\$ 11,895	\$ 19,515

NOTE 16 – CONTINGENT LIABILITIES

A few claims and lawsuits are pending against the School District. It is management's opinion that the ultimate liability will be covered by insurance, and/or will not have a material effect on the financial statements.

The School District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the School District's management believes such disallowances, if any will be immaterial.

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 \$6,060,609 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 17 – THE YEAR 2000 ISSUES

The year 2000 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 completed an inventory of computer systems and other equipment necessary to conducting District operations and has identified such systems as being financial reporting, payroll and employee benefits, equipment inventory and education management information reporting.

The School District uses the State of Ohio Uniform School Accounting System (USAS) for financial reporting, the Uniform Staff Payroll System (USPS) for payroll and employee benefits, the Equipment Inventory System (EIS) for equipment and vehicle inventory and the Education Management and Information System (EMIS) for educational statistics reporting. The State of Ohio distributes a substantial sum of money to the School District in the form of "Foundation" and federal and state grant payments. Further, the State processes a significant amount of financial and non-financial information about the School 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 the tax collection system.

To the best of management's knowledge and belief, as of January 26, 2000, the School District has not experienced any 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.

NOTE 18 – STATUTORY RESERVES

The School District is required by State statute to annually set-aside moneys for the purchase of textbooks and other instructional materials, and for capital improvements. The amounts set-aside may be reduced by offset credits, which are moneys received and restricted for the same specific purpose. Although the School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero, these extra amounts may not be used to reduce the set-aside requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year. Amounts not spent by year-end or reduced by offset credits must be held in cash at year-end and carried forward to be used for the same purposes in future years. The School District received money for the purchase of school buses. The School District did not purchase school buses during the fiscal year, therefore this money is set-aside for future purchases. Amounts are also to be set aside for budget stabilization if the School District's revenues increase three percent or more from the prior year. The School District was required to set-aside additional moneys for fiscal 1999.

Norton City School District

During the fiscal year ended June 30, 1999, the reserve activity was as follows:

	<u>Textbook</u> <u>Reserve</u>	<u>Capital</u> <u>Maintenance</u> <u>Reserve</u>	<u>Budget</u> <u>Stabilization</u> <u>Reserve</u>	<u>School</u> <u>Bus</u> <u>Reserve</u>
<i>Set-aside cash balance as of June 30, 1998</i>	\$ -	\$ -	\$ 79,558	\$ -
<i>Current year set-aside requirement</i>	210,981	210,981	105,491	44,199
<i>Current year offset</i>	(35,868)	(401,626)	-	-
<i>Qualifying disbursements</i>	<u>(179,899)</u>	<u>(20,201)</u>	<u>-</u>	<u>-</u>
<i>Total</i>	<u>\$ (4,786)</u>	<u>\$ (210,846)</u>	<u>\$ 185,049</u>	<u>\$ 44,199</u>
<i>Cash balance carried forward to next year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,049</u>	<u>\$ 44,199</u>

Combining, Individual Fund and
Account Group
Financial Statements and Schedules

GENERAL FUND

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

Norton 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>Revenues:</u>			
Taxes	\$ 6,418,228	\$ 6,478,672	\$ 60,444
Intergovernmental	7,039,649	7,308,135	268,486
Interest	252,500	247,073	(5,427)
Tuition and fees	253,405	244,152	(9,253)
Miscellaneous	35,747	19,705	(16,042)
Total revenues	13,999,529	14,297,737	298,208
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	4,750,372	4,744,643	5,729
Fringe benefits	1,340,488	1,331,723	8,765
Purchased services	139,193	117,547	21,646
Materials and supplies	471,886	274,726	197,160
Capital outlay - new	104,051	103,645	406
Capital outlay - replacement	2,484	1,009	1,475
Total regular	6,808,474	6,573,293	235,181
Special:			
Salaries and wages	619,351	617,459	1,892
Fringe benefits	194,478	189,028	5,450
Purchased services	279,560	236,366	43,194
Materials and supplies	9,928	4,827	5,101
Capital outlay - new	8,350	5,050	3,300
Total special	1,111,667	1,052,730	58,937
Vocational:			
Salaries and wages	439,881	438,667	1,214
Fringe benefits	115,656	112,807	2,849
Purchased services	47,808	40,328	7,480
Materials and supplies	30,500	24,828	5,672
Capital outlay - new	5,282	4,782	500
Capital outlay - replacement	200	-	200
Other	858	838	20
Total vocational	640,185	622,250	17,935
Support services:			
Pupils:			
Salaries and wages	361,387	359,133	2,254
Fringe benefits	112,392	109,818	2,574
Purchased services	86,422	37,069	49,353
Materials and supplies	8,486	6,020	2,466
Capital outlay - replacement	2,300	1,265	1,035
Total pupils	570,987	513,305	57,682

(Continued)

Norton 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	233,607	228,430	5,177
Fringe benefits	68,780	61,616	7,164
Purchased services	57,108	14,993	42,115
Materials and supplies	43,133	33,693	9,440
Capital outlay - new	67,959	42,433	25,526
Capital outlay - replacement	315	315	-
Other	51,268	42,674	8,594
Total instructional staff	522,170	424,154	98,016
Board of education:			
Salaries and wages	7,200	7,200	-
Fringe benefits	560	149	411
Purchased services	4,000	2,349	1,651
Other	10,306	10,183	123
Total board of education	22,066	19,881	2,185
Administration:			
Salaries and wages	708,159	706,270	1,889
Fringe benefits	235,037	232,267	2,770
Purchased services	134,948	107,684	27,264
Materials and supplies	30,082	21,710	8,372
Capital outlay - new	24,213	21,630	2,583
Capital outlay - replacement	1,600	745	855
Other	14,000	13,434	566
Total administration	1,148,039	1,103,740	44,299
Fiscal:			
Salaries and wages	158,020	158,015	5
Fringe benefits	57,927	56,061	1,866
Purchased services	50,253	26,000	24,253
Materials and supplies	11,000	10,814	186
Capital outlay - new	11,591	7,059	4,532
Capital outlay - replacement	100	52	48
Other	158,427	138,695	19,732
Total fiscal	447,318	396,696	50,622
Business:			
Salaries and wages	60,605	60,446	159
Fringe benefits	11,220	10,648	572
Purchased services	252,039	190,845	61,194
Materials and supplies	36,351	35,731	620
Capital outlay - new	31,000	30,158	842
Capital outlay - replacement	2,000	-	2,000
Total business	393,215	327,828	65,387

Norton 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	629,841	628,934	907
Fringe benefits	227,577	225,733	1,844
Purchased services	598,842	481,116	117,726
Materials and supplies	147,401	122,176	25,225
Capital outlay - new	1,138	1,138	-
Capital outlay - replacement	960	-	960
Total operation and maintenance of plant	1,605,759	1,459,097	146,662
Pupil transportation:			
Salaries and wages	401,594	400,805	789
Fringe benefits	139,537	136,044	3,493
Purchased services	45,414	28,508	16,906
Materials and supplies	202,680	146,586	56,094
Capital outlay - new	3,000	2,824	176
Capital outlay - replacement	2,500	2,178	322
Total pupil transportation	794,725	716,945	77,780
Operation of non-instructional services:			
Food service operations:			
Purchased services	290	-	290
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	42,873	39,397	3,476
Fringe benefits	4,013	3,877	136
Total academic and subject oriented activities	46,886	43,274	3,612
Sports oriented activities:			
Salaries and wages	165,053	164,450	603
Fringe benefits	18,785	16,246	2,539
Purchased services	11,100	11,100	-
Total sports oriented activities	194,938	191,796	3,142
Total extracurricular activities	241,824	235,070	6,754

(Continued)

Norton 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)
Capital outlay:			
Facilities acquisition and construction services:			
Architecture and engineering services:			
Purchased services	145,635	71,835	73,800
Building improvement services:			
Purchased services	32,085	12,400	19,685
Total capital outlay	177,720	84,235	93,485
Total expenditures	14,484,439	13,529,224	955,215
Excess of revenues over (under) expenditures	(484,910)	768,513	1,253,423
<u>Other financing sources (uses):</u>			
Proceeds from sale of fixed assets	16,560	16,763	203
Refund of prior year expenditures	104,172	104,172	-
Voluntary contingency reserve balance	185,049	-	(185,049)
Refund of prior year receipts	(13,000)	(12,202)	798
Advances in	20,501	20,501	-
Advances out	(11,520)	(11,520)	-
Operating transfers out	(3,118)	(3,118)	-
Total other financing sources (uses)	298,644	114,596	(184,048)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(186,266)	883,109	1,069,375
Fund balance at beginning of year	1,688,227	1,688,227	-
Prior year encumbrances appropriated	292,584	292,584	-
Fund balance at end of year	\$ 1,794,545	\$ 2,863,920	\$ 1,069,375

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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 expenditures for specified purposes. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

Public School Support: To account for specific local revenue sources (other than taxes) generated by individual school buildings (e.g. 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.

Miscellaneous Local Grant: To account for funds received from private organizations that are restricted for specific purposes.

Underground Storage Tank: To account for the financial responsibility rules of the State Fire Marshall to cover deductibles.

Athletics and Music: To account for those 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 extra-curricular activities.

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.

Eisenhower Math and Science: 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 provided to meet the special 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 for professional development; programs to enhance personal excellence of students and student achievement.

Drug Free School: To account for federal funds provided to establish, operate and improve programs for drug abuse prevention, early intervention, rehabilitation referral and education in schools.

EHA Preschool Grant: To account for federal funds used for the improvement and expansion of services for handicapped children ages three through five years.

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

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

	<u>Public School Support</u>	<u>Miscellaneous Local Grant</u>	<u>Underground Storage Tank</u>	<u>Athletics and Music</u>	<u>Teacher Development</u>	<u>Management Information Systems</u>
<u>Assets:</u>						
Equity in pooled cash and cash equivalents	\$ 63,686	\$ 10,584	\$ 11,000	\$ 19,957	\$ 9,659	\$ -
Receivables:						
Accounts	545	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Total assets	\$ 64,231	\$ 10,584	\$ 11,000	\$ 19,957	\$ 9,659	\$ -
<u>Liabilities and fund equity:</u>						
<u>Liabilities:</u>						
Accounts payable	\$ 570	\$ -	\$ -	\$ 998	\$ 291	\$ -
Accrued wages	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-
Total liabilities	570	-	-	998	291	-
<u>Fund equity:</u>						
Fund balance:						
Reserved for encumbrances	8,358	350	-	5,674	672	-
Unreserved, undesignated	55,303	10,234	11,000	13,285	8,696	-
Total fund equity	63,661	10,584	11,000	18,959	9,368	-
Total liabilities and fund equity	\$ 64,231	\$ 10,584	\$ 11,000	\$ 19,957	\$ 9,659	\$ -

Eisenhower Math and Science	Title VI-B	Title I	Title VI	Drug Free School	EHA Preschool Grant	Miscellaneous Federal Grant	Total All Funds
\$ 6,325	\$ 1,538	\$ 2,886	\$ 8,622	\$ 2,654	\$ 145	\$ 7,329	\$ 144,385
-	-	-	-	-	-	-	545
-	5,383	5,420	-	-	-	-	10,803
<u>\$ 6,325</u>	<u>\$ 6,921</u>	<u>\$ 8,306</u>	<u>\$ 8,622</u>	<u>\$ 2,654</u>	<u>\$ 145</u>	<u>\$ 7,329</u>	<u>\$ 155,733</u>
\$ 41	\$ 306	\$ 194	\$ -	\$ -	\$ -	\$ -	\$ 2,400
-	3,588	13,741	-	-	-	-	17,329
-	3,687	7,833	-	-	-	-	11,520
384	1,885	2,124	-	-	-	-	4,393
<u>425</u>	<u>9,466</u>	<u>23,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,642</u>
207	1,232	2,692	30	-	-	1,483	20,698
5,693	(3,777)	(18,278)	8,592	2,654	145	5,846	99,393
5,900	(2,545)	(15,586)	8,622	2,654	145	7,329	120,091
<u>\$ 6,325</u>	<u>\$ 6,921</u>	<u>\$ 8,306</u>	<u>\$ 8,622</u>	<u>\$ 2,654</u>	<u>\$ 145</u>	<u>\$ 7,329</u>	<u>\$ 155,733</u>

Norton 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>Public</u> <u>School Support</u>	<u>Miscellaneous</u> <u>Local Grant</u>	<u>Underground</u> <u>Storage Tank</u>	<u>Athletics</u> <u>and Music</u>	<u>Teacher</u> <u>Development</u>	<u>Management</u> <u>Information</u> <u>Systems</u>
<u>Revenues:</u>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 10,750	\$ 7,119
Extracurricular activities	76,533	-	-	82,312	-	-
Miscellaneous	6,154	11,120	-	23,582	-	-
Total revenues	<u>82,687</u>	<u>11,120</u>	<u>-</u>	<u>105,894</u>	<u>10,750</u>	<u>7,119</u>
<u>Expenditures:</u>						
Current:						
Instruction:						
Regular	56,057	4,535	-	-	-	-
Special	-	-	-	-	-	-
Vocational	-	12,913	-	-	-	-
Adult/continuing	-	179	-	-	-	-
Support services:						
Pupils	-	-	-	-	-	-
Instructional staff	3,909	-	-	-	11,150	-
Administration	6,519	-	-	-	-	-
Pupil transportation	216	830	-	-	-	-
Central	-	-	-	-	-	7,119
Operation of non-instructional services						
	-	-	-	9,337	-	-
Extracurricular activities	-	-	-	107,832	-	-
Total expenditures	<u>66,701</u>	<u>18,457</u>	<u>-</u>	<u>117,169</u>	<u>11,150</u>	<u>7,119</u>
Excess of revenues over (under) expenditures	<u>15,986</u>	<u>(7,337)</u>	<u>-</u>	<u>(11,275)</u>	<u>(400)</u>	<u>-</u>
<u>Other financing sources:</u>						
Operating transfers in	-	-	-	2,191	-	-
Excess of revenues and other financing sources over (under) expenditures	<u>15,986</u>	<u>(7,337)</u>	<u>-</u>	<u>(9,084)</u>	<u>(400)</u>	<u>-</u>
Fund balances (deficit) at beginning of year	<u>47,675</u>	<u>17,921</u>	<u>11,000</u>	<u>28,043</u>	<u>9,768</u>	<u>-</u>
Fund balances (deficit) at end of year	<u>\$ 63,661</u>	<u>\$ 10,584</u>	<u>\$ 11,000</u>	<u>\$ 18,959</u>	<u>\$ 9,368</u>	<u>\$ -</u>

Eisenhower Math and Science	Title VI-B	Title I	Title VI	Drug Free School	EHA Preschool Grant	Miscellaneous Federal Grant	Total All Funds
\$ 8,239	\$ 93,728	\$ 109,700	\$ 9,449	\$ 12,769	\$ 3,042	\$ 17,743	\$ 272,539
-	-	-	-	-	-	-	158,845
-	-	-	-	-	-	-	40,856
<u>8,239</u>	<u>93,728</u>	<u>109,700</u>	<u>9,449</u>	<u>12,769</u>	<u>3,042</u>	<u>17,743</u>	<u>472,240</u>
4,627	-	-	7,567	10,685	-	10,859	94,330
-	5,011	108,617	-	-	978	-	114,606
-	-	-	-	-	-	-	12,913
-	-	-	-	-	-	9,493	9,672
149	5,377	-	-	-	-	-	5,526
2,286	34,668	7,356	-	-	2,042	-	61,411
-	50,035	-	-	-	-	-	56,554
-	-	-	-	-	-	-	1,046
-	-	-	-	-	-	-	7,119
-	-	-	-	10	-	-	9,347
-	-	-	-	-	-	-	107,832
<u>7,062</u>	<u>95,091</u>	<u>115,973</u>	<u>7,567</u>	<u>10,695</u>	<u>3,020</u>	<u>20,352</u>	<u>480,356</u>
<u>1,177</u>	<u>(1,363)</u>	<u>(6,273)</u>	<u>1,882</u>	<u>2,074</u>	<u>22</u>	<u>(2,609)</u>	<u>(8,116)</u>
-	-	-	-	-	-	-	2,191
1,177	(1,363)	(6,273)	1,882	2,074	22	(2,609)	(5,925)
<u>4,723</u>	<u>(1,182)</u>	<u>(9,313)</u>	<u>6,740</u>	<u>580</u>	<u>123</u>	<u>9,938</u>	<u>126,016</u>
<u>\$ 5,900</u>	<u>\$ (2,545)</u>	<u>\$ (15,586)</u>	<u>\$ 8,622</u>	<u>\$ 2,654</u>	<u>\$ 145</u>	<u>\$ 7,329</u>	<u>\$ 120,091</u>

Norton 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	\$ 76,138	\$ 76,138	\$ -
Miscellaneous	6,154	6,154	-
Total revenues	82,292	82,292	-
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	77	314	(237)
Fringe benefits	-	4,856	(4,856)
Purchased services	21,087	16,566	4,521
Materials and supplies	58,369	27,454	30,915
Capital outlay - new	4,466	1,506	2,960
Other	23,465	11,280	12,185
Total instruction	107,464	61,976	45,488
Support services:			
Instructional staff:			
Materials and supplies	7,335	3,975	3,360
Administration:			
Purchased services	12,281	8,174	4,107
Materials and supplies	2,967	1,067	1,900
Total administration	15,248	9,241	6,007
Pupil transportation:			
Materials and supplies	269	229	40
Total Support services	22,852	13,445	9,407
Total expenditures	130,316	75,421	54,895
Excess of revenues over (under) expenditures	(48,024)	6,871	54,895
Fund balance at beginning of year	44,591	44,591	-
Prior year encumbrances appropriated	3,433	3,433	-
Fund balance at end of year	\$ -	\$ 54,895	\$ 54,895

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

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Miscellaneous	\$ 11,120	\$ 11,120	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and supplies	488	488	-
Capital outlay - new	4,047	4,047	-
Total regular	4,535	4,535	-
Vocational:			
Salaries and wages	2,270	2,270	-
Purchased services	8,313	7,014	1,299
Materials and supplies	2,863	577	2,286
Capital outlay - new	3,534	3,534	-
Total vocational	16,980	13,395	3,585
Adult/Continuing:			
Capital outlay - new	6,828	179	6,649
Total instruction	28,343	18,109	10,234
Support services:			
Pupil transportation:			
Salaries and wages	830	830	-
Total expenditures	29,173	18,939	10,234
Excess of revenues under expenditures	(18,053)	(7,819)	10,234
Fund balance at beginning of year	17,903	17,903	-
Prior year encumbrances appropriated	150	150	-
Fund balance at end of year	\$ -	\$ 10,234	\$ 10,234

Norton City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Underground Storage Tank Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Central:			
Purchased services	11,000	-	11,000
Excess of revenues over (under) expenditures	(11,000)	-	11,000
Fund balance at beginning of year	11,000	11,000	-
Fund balance at end of year	\$ -	\$ 11,000	\$ 11,000

Norton 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)
<u>Revenues:</u>			
Extracurricular activities	\$ 82,312	\$ 82,312	\$ -
Miscellaneous	23,582	23,582	-
Total revenues	105,894	105,894	-
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services:			
Enterprise operations:			
Purchased services	722	683	39
Materials and supplies	11,501	11,108	393
Total enterprise operations	12,223	11,791	432
Extracurricular activities:			
Academic and subject oriented activities:			
Other	254	-	254
Sports oriented activities:			
Salaries and wages	5,825	5,824	1
Fringe benefits	62	31	31
Purchased services	92,755	81,867	10,888
Materials and supplies	16,914	16,857	57
Capital outlay - new	5,426	5,411	15
Capital outlay - replacement	159	91	68
Other	4,560	3,021	1,539
Total sports oriented activities	125,701	113,102	12,599
Total extracurricular activities	125,955	113,102	12,853
Total expenditures	138,178	124,893	13,285
Excess of revenues under expenditures	(32,284)	(18,999)	13,285
<u>Other financing sources:</u>			
Operating transfers in	2,191	2,191	-
Excess of revenues and other financing sources under expenditures and other financing sources	(30,093)	(16,808)	13,285
Fund balance at beginning of year	24,289	24,289	-
Prior year encumbrances appropriated	5,804	5,804	-
Fund balance at end of year	\$ -	\$ 13,285	\$ 13,285

Norton 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	\$ 10,750	\$ 10,750	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff:			
Purchased services	21,275	12,579	8,696
Excess of revenues under expenditures	(10,525)	(1,829)	8,696
Fund balance at beginning of year	8,227	8,227	-
Prior year encumbrances appropriated	2,298	2,298	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 8,696</u>	<u>\$ 8,696</u>

Norton 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	\$ 7,119	\$ 7,119	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Central:			
Salaries and wages	6,173	6,173	-
Fringe benefits	946	946	-
Total Support services	7,119	7,119	-
Excess of revenues over expenditures	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

Norton City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance-
Budget and Actual - Eisenhower Math and Science Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 8,239	\$ 8,239	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	3,892	1,891	2,001
Fringe benefits	611	292	319
Materials and supplies	1,888	2,199	(311)
Total instruction	<u>6,391</u>	<u>4,382</u>	<u>2,009</u>
Support services:			
Pupils:			
Purchased services	<u>4,271</u>	<u>217</u>	<u>4,054</u>
Instructional staff:			
Capital outlay - new	<u>2,300</u>	<u>2,286</u>	<u>14</u>
Total Support services	<u>6,571</u>	<u>2,503</u>	<u>4,068</u>
Total expenditures	<u>12,962</u>	<u>6,885</u>	<u>6,077</u>
Excess of revenues over (under) expenditures	(4,723)	1,354	6,077
Fund balance at beginning of year	<u>4,723</u>	<u>4,723</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 6,077</u>	<u>\$ 6,077</u>

Norton 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)
Revenues:			
Intergovernmental	\$ 97,561	\$ 97,561	\$ -
Expenditures:			
Current:			
Instruction:			
Special:			
Materials and supplies	2,936	2,936	-
Capital outlay - replacement	5,000	5,000	-
Total special	7,936	7,936	-
Support services:			
Pupils:			
Purchased services	955	955	-
Materials and supplies	5,281	4,192	1,089
Capital outlay - new	400	400	-
Total pupils	6,636	5,547	1,089
Instructional staff:			
Salaries and wages	28,469	28,469	-
Fringe benefits	4,135	5,831	(1,696)
Purchased services	265	265	-
Total instructional staff	32,869	34,565	(1,696)
Administration:			
Salaries and wages	39,461	39,461	-
Fringe benefits	7,747	7,178	569
Purchased services	1,402	1,400	2
Materials and supplies	1,722	1,686	36
Total administration	50,332	49,725	607
Total expenditures	97,773	97,773	-
Excess of revenues under expenditures	(212)	(212)	-
Other financing sources (uses):			
Advances in	3,687	3,687	-
Advances out	(9,216)	(9,216)	-
Total other financing sources (uses)	(5,529)	(5,529)	-
Excess of revenues and other financing sources under expenditures and other financing uses	(5,741)	(5,741)	-
Fund balance at beginning of year	2,286	2,286	-
Prior year encumbrances appropriated	3,455	3,455	-
Fund balance at end of year	\$ -	\$ -	\$ -

Norton 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)
<u>Revenues:</u>			
Intergovernmental	\$ 115,565	\$ 115,565	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and wages	79,877	82,289	(2,412)
Fringe benefits	24,886	24,886	-
Materials and supplies	4,330	2,971	1,359
Total special	109,093	110,146	(1,053)
Support services:			
Instructional staff:			
Salaries and wages	4,000	4,000	-
Fringe benefits	961	961	-
Purchased services	3,504	2,395	1,109
Total instructional staff	8,465	7,356	1,109
Operation of non-instructional services:			
Community services:			
Purchased services	1,957	1,957	-
Total expenditures	119,515	119,459	56
Excess of revenues under expenditures	(3,950)	(3,894)	56
<u>Other financing sources (uses):</u>			
Advances in	7,833	7,833	-
Advances out	(11,285)	(11,285)	-
Total other financing sources (uses)	(3,452)	(3,452)	-
Excess of revenues and other financing sources under expenditures and other financing uses	(7,402)	(7,346)	56
Fund balance at beginning of year	5,842	5,842	-
Prior year encumbrances appropriated	1,561	1,561	-
Fund balance at end of year	\$ 1	\$ 57	\$ 56

Norton 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	\$ 9,449	\$ 9,449	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	2,057	721	1,336
Fringe benefits	392	8	384
Purchased services	1,000	791	209
Materials and supplies	6,000	-	6,000
Capital outlay - new	6,740	6,077	663
Total expenditures	16,189	7,597	8,592
Excess of revenues over (under) expenditures	(6,740)	1,852	8,592
Fund balance at beginning of year	6,740	6,740	-
Fund balance at end of year	\$ -	\$ 8,592	\$ 8,592

Norton 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	\$ 12,769	\$ 12,769	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	10,807	8,153	2,654
Fringe benefits	2,361	2,361	-
Purchased services	171	171	-
Total instruction	<u>13,339</u>	<u>10,685</u>	<u>2,654</u>
Operation of non-instructional services:			
Community services:			
Fringe benefits	10	10	-
Total expenditures	<u>13,349</u>	<u>10,695</u>	<u>2,654</u>
Excess of revenues over (under) expenditures	(580)	2,074	2,654
Fund balance at beginning of year	580	580	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,654</u>	<u>\$ 2,654</u>

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

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 3,042	\$ 3,042	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Materials and supplies	1,123	978	145
Support services:			
Instructional staff:			
Salaries and wages	2,042	2,042	-
Total expenditures	3,165	3,020	145
Excess of revenues over (under) expenditures	(123)	22	145
Fund balance at beginning of year	18	18	-
Prior year encumbrances appropriated	105	105	-
Fund balance at end of year	\$ -	\$ 145	\$ 145

Norton 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	\$ 17,743	\$ 17,743	\$ -
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	10,859	10,859	-
Purchased services	350	-	350
Total regular	11,209	10,859	350
Adult/Continuing:			
Salaries and wages	7,979	7,209	770
Purchased services	3,483	3,483	-
Capital outlay - new	284	284	-
Total adult/continuing	11,746	10,976	770
Total instruction	22,955	21,835	1,120
Support services:			
Pupil transportation:			
Salaries and wages	350	-	350
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	2,000	-	2,000
Materials and supplies	2,376	-	2,376
Total extracurricular activities	4,376	-	4,376
Total expenditures	27,681	21,835	5,846
Excess of revenues under expenditures	(9,938)	(4,092)	5,846
Fund balance at beginning of year	9,938	9,938	-
Fund balance at end of year	\$ -	\$ 5,846	\$ 5,846

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources and the 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 the 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 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 wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

Technology Grant: To account for state grant funds provided for electrical upgrades to school facilities.

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

	<u>Permanent Improvement</u>	<u>SchoolNet</u>	<u>Technology Grant</u>	<u>Total All Funds</u>
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 881,385	\$ 243,924	\$ 49,628	\$ 1,174,937
Receivables:				
Taxes	607,680	-	-	607,680
Total assets	<u>\$ 1,489,065</u>	<u>\$ 243,924</u>	<u>\$ 49,628</u>	<u>\$ 1,782,617</u>
 <u>Liabilities and fund equity:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 53,732	\$ 22,550	\$ 25,722	\$ 102,004
Deferred revenue	593,428	-	-	593,428
Total liabilities	<u>647,160</u>	<u>22,550</u>	<u>25,722</u>	<u>695,432</u>
 <u>Fund equity:</u>				
Fund balance:				
Reserved for encumbrances	818,763	6,729	16,003	841,495
Unreserved, undesignated	23,142	214,645	7,903	245,690
Total fund equity	<u>841,905</u>	<u>221,374</u>	<u>23,906</u>	<u>1,087,185</u>
Total liabilities and fund equity	<u>\$ 1,489,065</u>	<u>\$ 243,924</u>	<u>\$ 49,628</u>	<u>\$ 1,782,617</u>

Norton 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>Technology Grant</u>	<u>Total All Funds</u>
<u>Revenues:</u>				
Taxes	\$ 568,334	\$ -	\$ -	\$ 568,334
Intergovernmental	73,765	224,488	53,228	351,481
Total revenues	<u>642,099</u>	<u>224,488</u>	<u>53,228</u>	<u>919,815</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	-	60,241	-	60,241
Support services:				
Instructional staff	-	1,240	-	1,240
Fiscal	9,003	-	-	9,003
Pupil transportation	37,919	-	-	37,919
Capital outlay	<u>424,082</u>	<u>44,023</u>	<u>29,322</u>	<u>497,427</u>
Total expenditures	<u>471,004</u>	<u>105,504</u>	<u>29,322</u>	<u>605,830</u>
Excess of revenues over expenditures	171,095	118,984	23,906	313,985
Fund balances at beginning of year	<u>670,810</u>	<u>102,390</u>	-	<u>773,200</u>
Fund balances at end of year	<u>\$ 841,905</u>	<u>\$ 221,374</u>	<u>\$ 23,906</u>	<u>\$ 1,087,185</u>

Norton 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)
<u>Revenues:</u>			
Taxes	\$ 571,335	\$ 571,335	\$ -
Intergovernmental	73,765	73,765	-
Total revenues	<u>645,100</u>	<u>645,100</u>	<u>-</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Fiscal:			
Other	9,003	9,003	-
Pupil transportation:			
Capital outlay - new	37,919	37,919	-
Capital outlay:			
Facilities acquisition and construction services:			
Site improvement services:			
Capital outlay - new	9,335	9,335	-
Capital outlay - replacement	118,497	116,872	1,625
Total Site improvement services	<u>127,832</u>	<u>126,207</u>	<u>1,625</u>
Building improvement services:			
Capital outlay - new	714,568	714,568	-
Other Facilities acquisition and construction services:			
Capital outlay - new	415,822	408,557	7,265
Capital outlay - replacement	7,075	7,075	-
Total other facilities acquisition and construction services	<u>422,897</u>	<u>415,632</u>	<u>7,265</u>
Total capital outlay	<u>1,265,297</u>	<u>1,256,407</u>	<u>8,890</u>
Total expenditures	<u>1,312,219</u>	<u>1,303,329</u>	<u>8,890</u>
Excess of revenues under expenditures	(667,119)	(658,229)	8,890
Fund balance at beginning of year	143,236	143,236	-
Prior year encumbrances appropriated	523,883	523,883	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 8,890</u>	<u>\$ 8,890</u>

Norton 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>			
Intergovernmental	\$ 224,488	\$ 224,488	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased services	41,016	-	41,016
Materials and supplies	45,000	22,550	22,450
Capital outlay - new	172,545	43,943	128,602
Total regular	258,561	66,493	192,068
Instructional staff:			
Purchased services	1,240	1,240	-
Site improvement services:			
Capital outlay - new	67,077	44,500	22,577
Total expenditures	326,878	112,233	214,645
Excess of revenues over (under) expenditures	(102,390)	112,255	214,645
Fund balance at beginning of year	100,690	100,690	-
Prior year encumbrances appropriated	1,700	1,700	-
Fund balance at end of year	\$ -	\$ 214,645	\$ 214,645

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

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 53,228	\$ 53,228	\$ -
<u>Expenditures:</u>			
Architecture and engineering services:			
Purchased services	3,600	3,600	-
Building improvement services:			
Capital outlay - new	49,628	-	49,628
Total expenditures	53,228	3,600	49,628
Excess of revenues over expenditures	-	49,628	49,628
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 49,628	\$ 49,628

ENTERPRISE FUNDS

Enterprise funds are established to account for operations that are financed and operated in a manner similar to private sector businesses where the intent is that the expenses (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 School District students and staff.

Uniform School Supply: 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.

Customer Service Rotary: To account for the revenues and expenses related to the auto mechanic and auto body vocational programs.

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

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Customer Service Rotary</u>	<u>Total All Funds</u>
<u>Assets:</u>				
<u>Current assets:</u>				
Equity in pooled cash and cash equivalents	\$ 98,780	\$ 63,180	\$ 21,042	\$ 183,002
Inventory held for resale	3,608	-	-	3,608
Materials and supplies inventory	565	-	-	565
Total current assets	<u>102,953</u>	<u>63,180</u>	<u>21,042</u>	<u>187,175</u>
<u>Non-current assets:</u>				
Fixed assets	104,489	-	-	104,489
Total assets	<u>\$ 207,442</u>	<u>\$ 63,180</u>	<u>\$ 21,042</u>	<u>\$ 291,664</u>
<u>Liabilities and fund equity:</u>				
<u>Current liabilities:</u>				
Accounts payable	\$ -	\$ 1,229	\$ -	\$ 1,229
Accrued wages	3,841	-	-	3,841
Intergovernmental payable	10,569	-	-	10,569
Deferred revenue	1,871	-	-	1,871
Total current liabilities	<u>16,281</u>	<u>1,229</u>	<u>-</u>	<u>17,510</u>
<u>Long-term liabilities:</u>				
Compensated absences payable	12,238	-	-	12,238
Total liabilities	<u>28,519</u>	<u>1,229</u>	<u>-</u>	<u>29,748</u>
<u>Fund equity:</u>				
Retained earnings:				
Unreserved	178,923	61,951	21,042	261,916
Total liabilities and fund equity	<u>\$ 207,442</u>	<u>\$ 63,180</u>	<u>\$ 21,042</u>	<u>\$ 291,664</u>

Norton City School District
Combining Statement of Revenues,
Expenses and Changes in Retained Earnings
All Enterprise Funds
For the Fiscal Year Ended June 30, 1999

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Customer Service Rotary</u>	<u>Total All Funds</u>
<u>Operating revenues:</u>				
Sales	\$ 479,179	\$ 62,234	\$ -	\$ 541,413
Other operating revenues	-	300	13,626	13,926
Total operating revenue	<u>479,179</u>	<u>62,534</u>	<u>13,626</u>	<u>555,339</u>
<u>Operating expenses:</u>				
Salaries	205,375	-	-	205,375
Fringe benefits	99,385	-	-	99,385
Purchased services	1,945	-	-	1,945
Materials and supplies	22,847	60,606	9,555	93,008
Cost of sales	279,224	-	-	279,224
Depreciation	5,346	-	-	5,346
Other operating expenses	550	-	-	550
Total operating expenses	<u>614,672</u>	<u>60,606</u>	<u>9,555</u>	<u>684,833</u>
Operating income (loss)	<u>(135,493)</u>	<u>1,928</u>	<u>4,071</u>	<u>(129,494)</u>
<u>Non-operating revenues:</u>				
Federal donated commodities	50,503	-	-	50,503
Operating grants	90,237	-	-	90,237
Interest	4,535	-	-	4,535
Total non-operating revenues	<u>145,275</u>	<u>-</u>	<u>-</u>	<u>145,275</u>
Income before operating transfers	<u>9,782</u>	<u>1,928</u>	<u>4,071</u>	<u>15,781</u>
Operating transfers in	-	927	-	927
Net income	9,782	2,855	4,071	16,708
Retained earnings at beginning of year	169,141	59,096	16,971	245,208
Retained earnings at end of year	<u>\$ 178,923</u>	<u>\$ 61,951</u>	<u>\$ 21,042</u>	<u>\$ 261,916</u>

Norton 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	\$ 479,179	\$ 479,179	\$ -
Interest	4,535	4,535	-
Operating grants	90,237	90,237	-
Total revenues	573,951	573,951	-
<u>Expenses:</u>			
<u>Salaries:</u>			
Food service operations	211,072	203,833	7,239
<u>Fringe benefits:</u>			
Food service operations	128,282	99,730	28,552
<u>Purchased services:</u>			
Food service operations	30,393	2,653	27,740
<u>Materials and supplies:</u>			
Food service operations	279,330	250,866	28,464
<u>Capital outlay:</u>			
<u>Capital outlay - new:</u>			
Vocational instruction	3,623	3,623	-
<u>Capital outlay - replacement:</u>			
Regular instruction	1,050	1,050	-
Total capital outlay	4,673	4,673	-
<u>Other:</u>			
Food service operations	550	550	-
Total expenses	654,300	562,305	91,995
Excess of revenues over (under) expenses	(80,349)	11,646	91,995
Fund equity at beginning of year	84,030	84,030	-
Prior year encumbrances appropriated	852	852	-
Fund equity at end of year	\$ 4,533	\$ 96,528	\$ 91,995

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

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$ 62,234	\$ 62,234	\$ -
Other revenues	300	300	-
Total revenues	<u>62,534</u>	<u>62,534</u>	<u>-</u>
<u>Expenses:</u>			
Materials and supplies:			
Regular instruction	108,481	58,760	49,721
Vocational instruction	14,353	6,262	8,091
Total expenses	<u>122,834</u>	<u>65,022</u>	<u>57,812</u>
Excess of revenues under expenses	(60,300)	(2,488)	57,812
Operating transfers in	927	927	-
Excess of revenues and operating transfers under expenses	(59,373)	(1,561)	57,812
Fund equity at beginning of year	57,322	57,322	-
Prior year encumbrances appropriated	2,051	2,051	-
Fund equity at end of year	<u>\$ -</u>	<u>\$ 57,812</u>	<u>\$ 57,812</u>

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

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Other revenues	\$ 13,626	\$ 13,626	\$ -
<u>Expenses:</u>			
Materials and supplies:			
Vocational instruction	29,452	21,450	8,002
Capital outlay:			
Capital outlay - new:			
Vocational instruction	1,145	-	1,145
Total expenses	30,597	21,450	9,147
Excess of revenues under expenses	(16,971)	(7,824)	9,147
Fund equity at beginning of year	11,704	11,704	-
Prior year encumbrances appropriated	5,267	5,267	-
Fund equity at end of year	\$ -	\$ 9,147	\$ 9,147

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

	Food Service	Uniform School Supply	Customer Service Rotary	Total All Funds
<u>Cash flows from operating activities:</u>				
Cash received from customers	\$ 479,179	\$ 62,234	\$ 13,626	\$ 555,039
Cash received from other operating sources	-	300	-	300
Cash payments to suppliers for goods and services	(251,948)	(59,654)	(9,555)	(321,157)
Cash payments to employees for services	(203,833)	-	-	(203,833)
Cash payments for employee benefits	(99,249)	-	-	(99,249)
Cash payments for other operating expenses	(2,278)	-	-	(2,278)
Net cash provided by (used for) operating activities	<u>(78,129)</u>	<u>2,880</u>	<u>4,071</u>	<u>(71,178)</u>
<u>Cash flows from noncapital financing activities:</u>				
Operating grants	90,237	-	-	90,237
Transfers in	-	927	-	927
Net cash provided by noncapital financing activities	<u>90,237</u>	<u>927</u>	<u>-</u>	<u>91,164</u>
<u>Cash flows from capital financing activities:</u>				
Acquisition of capital assets	(2,745)	-	-	(2,745)
<u>Cash flows from investing activities:</u>				
Interest on investments	4,535	-	-	4,535
Net increase in cash and cash equivalents	13,898	3,807	4,071	21,776
Cash and cash equivalents at beginning of year	84,882	59,373	16,971	161,226
Cash and cash equivalents at end of year	<u>\$ 98,780</u>	<u>\$ 63,180</u>	<u>\$ 21,042</u>	<u>\$ 183,002</u>
<u>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</u>				
Operating income (loss)	\$ (135,493)	\$ 1,928	\$ 4,071	\$ (129,494)
<u>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</u>				
Depreciation	5,346	-	-	5,346
Federal donated commodities	50,503	-	-	50,503
<u>Change in assets and liabilities:</u>				
<u>(Increase) decrease in assets:</u>				
Inventory	(431)	-	-	(431)
<u>Increase (decrease) in liabilities:</u>				
Accounts payable	(142)	952	-	810
Accrued wages	419	-	-	419
Compensated absences payable	1,123	-	-	1,123
Intergovernmental payable	136	-	-	136
Deferred revenue	410	-	-	410
Total adjustments	<u>57,364</u>	<u>952</u>	<u>-</u>	<u>58,316</u>
Net cash provided by (used for) operating activities	<u>\$ (78,129)</u>	<u>\$ 2,880</u>	<u>\$ 4,071</u>	<u>\$ (71,178)</u>

INTERNAL SERVICE FUND

The internal service fund is used to account for the financing of goods or services provided by one fund of the School District to other funds of the School District on a cost reimbursement basis. The title of the fund indicates the type of service provided. The internal service fund is:

Self Insurance: To account for the cost of medical benefits provided to School District employees.

Norton City School District
Schedule of Revenues, Expenses, and Changes in Fund Equity-
Budget and Actual - Self-Insurance Fund
For the Fiscal Year Ended June 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Interest	\$ 15,054	\$ 15,054	\$ -
Other revenues	1,292,328	1,292,328	-
Total revenues	<u>1,307,382</u>	<u>1,307,382</u>	<u>-</u>
<u>Expenses:</u>			
Purchased services:			
Central support services	1,734,412	1,299,582	434,830
Excess of revenues over (under) expenses	(427,030)	7,800	434,830
Fund equity at beginning of year	428,333	428,333	-
Fund equity at end of year	<u>\$ 1,303</u>	<u>\$ 436,133</u>	<u>\$ 434,830</u>

TRUST AND AGENCY FUNDS

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

EXPENDABLE TRUST

Special Trust: To account for assets held by the School District in a trustee capacity for individuals and/or private organizations which benefit the student body or the local community.

AGENCY

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

**Norton City School District
Combining Balance Sheet
Trust and Agency Funds
June 30, 1999**

	<u>Expendable Trust Fund</u>	<u>Agency Fund</u>	
	<u>Special Trust</u>	<u>Student Activities</u>	<u>Totals</u>
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 10,539	\$ 46,464	\$ 57,003
<u>Liabilities and fund equity:</u>			
<u>Liabilities:</u>			
Accounts payable	\$ -	\$ 100	\$ 100
Due to students	-	46,364	46,364
Claimant liability	10,039	-	10,039
Total liabilities	10,039	46,464	56,503
<u>Fund equity:</u>			
Fund balance:			
Unreserved, undesignated	500	-	500
Total liabilities and fund equity	\$ 10,539	\$ 46,464	\$ 57,003

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

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Miscellaneous	\$ 2,860	\$ 2,860	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Other	500	500	-
Support services:			
Fiscal:			
Other	10,539	-	10,539
Total expenditures	11,039	500	10,539
Excess of revenues over (under) expenditures	(8,179)	2,360	10,539
Fund balance at beginning of year	8,179	8,179	-
Fund balance at end of year	\$ -	\$ 10,539	\$ 10,539

Norton City School District
Statement of Changes in Assets and Liabilities
Student Activities Agency Fund
For the Fiscal Year Ended June 30, 1999

	Beginning Balance <u>July 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 1999</u>
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 45,353	\$ 1,111	\$ -	\$ 46,464
Accounts receivable	370	-	370	-
Total assets	<u>\$ 45,723</u>	<u>\$ 1,111</u>	<u>\$ 370</u>	<u>\$ 46,464</u>
<u>Liabilities:</u>				
Accounts payable	\$ 891	\$ 100	\$ 891	\$ 100
Due to students	44,832	1,532	-	46,364
Total liabilities	<u>\$ 45,723</u>	<u>\$ 1,632</u>	<u>\$ 891</u>	<u>\$ 46,464</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets 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 District. 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.

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

General Fixed Assets:

Land and Land Improvements	\$ 641,820
Buildings	5,455,998
Furniture, Fixtures and Equipment	4,004,500
Vehicles	<u>1,074,372</u>
Total General Fixed Assets	<u>\$ 11,176,690</u>

Investment in General Fixed Assets
by Source:

Acquired before July 1, 1996	\$ 10,272,605
General Fund	155,575
Special Revenue Funds	86,187
Capital Project Fund	602,177
Donations	<u>60,146</u>
Total General Fixed Assets	<u>\$ 11,176,690</u>

Norton 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	\$ 259,000	\$ 5,077,424	\$ 2,712,954	\$ -	\$ 8,049,378
Special	-	-	11,160	-	11,160
Vocational	-	-	6,390	3,000	9,390
Adult/continuing	-	-	3,808	-	3,808
Support services:					
Pupils	-	-	6,297	-	6,297
Instructional staff	-	-	26,925	-	26,925
Administrative	70,146	160,391	333,114	-	563,651
Fiscal	-	-	10,862	-	10,862
Business	-	-	5,236	-	5,236
Operation of maintenance of plant	-	2,275	161,205	-	163,480
Pupil transportation	-	-	172,728	1,071,372	1,244,100
Extracurricular activities	305,021	71,573	245,926	-	622,520
Capital outlay	7,653	144,335	307,895	-	459,883
Total General Fixed Assets	<u>\$ 641,820</u>	<u>\$ 5,455,998</u>	<u>\$ 4,004,500</u>	<u>\$ 1,074,372</u>	<u>\$ 11,176,690</u>

Norton 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	\$ 8,009,697	\$ 39,681	\$ -	\$ 8,049,378
Special	6,496	4,664	-	11,160
Vocational	5,000	4,390	-	9,390
Adult/continuing	3,808	-	-	3,808
Support services:				
Pupils	6,297	-	-	6,297
Instructional staff	17,224	9,701	-	26,925
Administration	545,103	18,548	-	563,651
Fiscal	4,653	6,209	-	10,862
Business	1,119	4,117	-	5,236
Operation of maintenance of plant	160,067	3,413	-	163,480
Pupil transportation	1,344,117	41,270	141,287	1,244,100
Extracurricular activities	575,715	46,805	-	622,520
Capital outlay	90,791	369,092	-	459,883
Total General Fixed Assets	\$ 10,770,087	\$ 547,890	\$ 141,287	\$ 11,176,690

Note - Additions and deletions include adjustments and reclassifications among functions.

Statistical Section



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Norton 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	\$ 7,088,311	\$ 6,701,222	\$ 6,432,707	\$ 5,720,534
Intergovernmental	7,930,250	7,413,515	7,014,244	6,282,663
Interest	247,073	157,888	118,911	111,639
Tuition and fees	232,262	197,069	175,239	13,975
Extracurricular activities	158,845	146,710	152,561	110,193
Miscellaneous	169,596	160,730	111,102	158,610
Total revenues	\$ 15,826,337	\$ 14,777,134	\$ 14,004,764	\$ 12,397,614
Expenditures:				
Current:				
Instruction:				
Regular	\$ 6,813,089	\$ 6,932,488	\$ 6,281,782	\$ 5,779,762
Special	1,052,907	982,493	1,013,884	940,604
Vocational	611,958	677,539	650,805	636,943
Adult/continuing	9,672	17,318	1,818	-
Support services:				
Pupils	512,235	480,932	479,455	407,180
Instructional staff	473,678	351,553	331,534	255,535
Board of education	19,081	14,456	23,144	15,906
Administration	1,128,782	993,579	963,244	842,648
Fiscal	403,386	390,357	298,796	336,653
Business	281,573	165,808	226,293	228,129
Operation and maintenance of plant	1,333,538	1,374,875	1,245,964	1,186,926
Pupil transportation	741,979	775,043	663,761	685,048
Central	7,119	6,802	6,596	6,751
Operation of non-instructional services	9,347	22,880	8,473	8,587
Extracurricular activities	346,942	285,750	326,543	244,445
Capital outlay	511,031	112,200	885,275	704,021
Debt service	63,017	65,469	68,738	-
Total expenditures	\$ 14,319,334	\$ 13,649,542	\$ 13,476,105	\$ 12,279,138

Source: 1999 School District financial records, 1998-1990 School District audit reports

Note: General Governmental includes all governmental funds and expendable trust fund.

(1) 1990 through 1996 reported on a cash basis, 1997-1999 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
\$ 5,079,251	\$ 4,893,367	\$ 4,740,783	\$ 4,336,340	\$ 3,829,041	\$ 3,733,212
5,669,661	5,526,745	5,341,920	5,159,684	5,214,375	5,142,244
102,587	66,286	63,968	62,769	84,394	112,037
80,380	80,054	92,905	42,144	29,142	34,595
92,749	96,485	80,421	142,394	126,778	124,982
79,407	61,986	49,034	136,641	66,979	82,325
<u>\$ 11,104,035</u>	<u>\$ 10,724,923</u>	<u>\$ 10,369,031</u>	<u>\$ 9,879,972</u>	<u>\$ 9,350,709</u>	<u>\$ 9,229,395</u>
\$ 5,536,567	\$ 5,212,505	\$ 4,779,140	\$ 4,649,576	\$ 4,435,089	\$ 4,418,572
851,512	803,454	715,625	575,036	507,923	493,608
585,837	572,304	557,024	515,485	544,329	563,801
-	-	-	-	-	-
418,952	387,504	324,189	347,614	396,781	413,316
207,974	220,241	202,803	188,106	173,150	176,309
23,211	16,995	11,431	11,228	19,659	15,759
843,687	754,797	743,356	654,020	805,073	907,192
284,312	378,315	354,581	345,144	222,921	256,591
282,696	267,947	274,216	266,453	444,600	389,765
1,227,119	1,177,755	1,100,479	1,006,391	806,540	804,013
515,462	603,759	579,763	487,497	564,163	549,916
6,282	5,904	5,789	7,487	-	-
2,532	2,470	2,440	2,463	3,468	4,552
205,006	213,766	198,993	245,466	240,958	213,962
213,227	149,717	88,443	355,902	225,465	410,682
51,500	54,500	57,500	60,500	63,515	66,500
<u>\$ 11,255,876</u>	<u>\$ 10,821,933</u>	<u>\$ 9,995,772</u>	<u>\$ 9,718,368</u>	<u>\$ 9,453,634</u>	<u>\$ 9,684,538</u>

Norton City School District
Property Tax Levies and Collections (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	\$ 7,781,981	\$ 620,136	\$ 8,402,117	\$ 7,587,912	97.51%	\$ 233,503	\$ 7,821,415	93.09%	\$ 580,702
1997	7,420,409	440,589	7,860,998	7,185,887	96.84%	163,207	7,349,094	93.49%	511,904
1996	7,146,046	360,941	7,506,987	6,979,978	97.68%	164,583	7,144,561	95.17%	362,426
1995	5,669,942	319,601	5,989,543	5,537,967	97.67%	135,427	5,673,394	94.72%	316,149
1994	5,605,214	329,050	5,934,264	5,469,466	97.58%	182,366	5,651,832	95.24%	282,432
1993	5,350,559	291,652	5,642,211	5,192,516	97.05%	132,720	5,325,236	94.38%	316,975
1992	5,281,112	336,383	5,617,495	5,156,577	97.64%	154,949	5,311,526	94.55%	305,969
1991	4,322,993	278,501	4,601,494	4,213,173	97.46%	109,239	4,322,412	93.93%	279,082
1990	4,163,371	293,993	4,457,364	4,078,907	97.97%	128,692	4,207,599	94.40%	249,765
1989	4,100,868	290,507	4,391,375	3,997,695	97.48%	135,947	4,133,642	94.13%	257,733

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.

Norton City School District
Assessed 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	\$ 183,968,200	\$ 525,623,429	\$ 12,819,380	\$ 14,567,477	\$ 18,422,694	\$ 73,690,776	\$ 215,210,274	\$ 613,881,682
1998	180,696,320	516,275,200	11,662,850	13,253,239	17,107,776	68,431,104	209,466,946	597,959,543
1997	178,423,000	509,780,000	11,578,900	13,157,841	15,842,483	63,369,932	205,844,383	586,307,773
1996	151,196,360	431,989,600	11,916,780	13,541,795	15,842,483	63,369,932	178,955,623	508,901,327
1995	149,610,000	427,457,143	13,059,840	14,840,727	14,925,300	59,701,200	177,595,140	501,999,070
1994	147,117,930	420,336,943	12,894,970	14,653,375	14,028,746	56,114,984	174,041,646	491,105,302
1993	128,258,870	366,453,914	12,708,220	14,441,159	11,690,746	46,762,984	152,657,836	427,658,057
1992	127,072,480	363,064,229	12,349,180	14,033,159	11,205,404	44,821,616	150,627,064	421,919,004
1991	125,451,190	358,431,971	11,560,550	13,136,989	11,027,903	44,111,612	148,039,643	415,680,572
1990	104,034,490	297,241,400	10,461,720	10,461,720	11,427,794	45,711,176	125,924,004	353,414,296

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.

Norton City School District

Property Tax Rates - Direct and Overlapping Governments (1)
Last Ten Calendar Years

<u>Collection Year</u>	<u>School Levy</u>	<u>City Levy</u>	<u>Franklin Township Levy</u>	<u>County Levy</u>	<u>Akron Summit Library Levy</u>	<u>Total</u>
1999	55.00	10.00 (2)	14.65	12.27	1.79	93.71
1998	55.00	6.50	14.65	11.65	1.87	89.67
1997	55.00	6.50	14.65	11.39	0.89	88.43
1996	55.00	6.50	14.65	13.99	0.89	91.03
1995	47.10	6.50	15.65	14.16	0.89	84.30
1994	47.38	6.50	15.65	12.31	0.89	82.73
1993	47.46	6.50	15.65	12.59	0.89	83.09
1992	47.54	6.50	15.65	12.59	0.89	83.17
1991	41.63	6.80	12.95	12.59	0.89	74.86
1990	41.60	6.80	10.45	12.34	0.89	72.08

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) Rates are per \$1,000 of assessed valuation

(2) The City of Barberton now has overlapping valuations, therefore this includes 6.5 from the City of Norton and 3.5 from the City of Barberton

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

Assessed Valuation (1999)	<u>\$ 215,210,274</u>
Bonded Debt Limit - 9% of Assessed Value (1)	19,368,925
Outstanding debt:	
Energy Conservation Bonds	303,800
Amount of debt applicable to debt limit	303,800
Voted Debt Margin	<u>\$ 19,065,125</u>
Bonded Debt Limit - .10% of Assessed Value (1)	215,210
Outstanding debt:	
Energy Conservation Bonds	303,800
Less exemptions:	
Energy Conservation Bonds	<u>303,800</u>
Amount of debt applicable to debt limit	-
Unvoted Debt Margin	<u>\$ 215,210</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.

Norton City School District
Ratio of Net General Bonded Debt to
Assessed Value and Net General Bonded Debt Per Capita
Last Ten Collection Years

<u>Collection Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value</u>	<u>Population</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
1999	\$ 299,097	\$ 215,210,274	11,477	0.14%	\$26.06
1998	342,497	209,466,946	11,477	0.16%	29.84
1997	385,897	205,844,383	11,477	0.19%	33.62
1996	429,297	178,955,623	11,477	0.24%	37.40
1995	-	177,595,140	11,477	0.00%	0.00
1994	19,837	174,041,646	11,477	0.01%	1.73
1993	66,713	152,657,836	11,477	0.04%	5.81
1992	119,023	150,627,064	11,477	0.08%	10.37
1991	172,896	148,039,643	11,477	0.12%	15.06
1990	215,830	125,924,004	11,477	0.17%	18.81

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.

Norton City School District

**Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General 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	\$ 43,400	\$ 19,617	\$ 63,017	\$ 14,319,334	0.44%
1998	43,400	22,069	65,469	13,649,542	0.48%
1997	43,400	25,338	68,738	13,476,105	0.51%
1996	-	68,738	68,738	12,279,138	0.56%
1995	50,000	1,500	51,500	11,255,876	0.46%
1994	50,000	4,500	54,500	10,821,933	0.50%
1993	50,000	7,500	57,500	9,995,772	0.58%
1992	50,000	10,500	60,500	9,718,368	0.62%
1991	50,000	13,500	63,500	9,453,634	0.67%
1990	50,000	15,000	65,000	9,684,538	0.67%

Source: School District records and School District audit reports

Norton City School District
Demographic Statistics

Selected Population Characteristic	1980	1990
<u>Gender</u>		
Males	6,082	5,618
Females	6,160	5,857
<u>Age Distribution</u>		
Under 5 years	693	717
5 to 17 years	2,794	2,129
18 to 20 years	667	451
21 to 24 years	601	494
25 to 44 years	3,241	3,423
45 to 54 years	1,558	1,364
55 to 59 years	798	671
60 to 64 years	625	645
65 to 74 years	873	1,002
75 to 84 years	316	476
85 years and older	76	103
Percent of population under 18	28.48%	24.80%
Percent of population 65 and older	10.33%	13.78%

Source: U.S. Bureau of the Census

Norton City School District

**Property Value, Construction and Bank Deposits
Last Ten Calendar Years**

<u>Year</u>	<u>Total Assessed Values</u>	<u>Certified Bank Deposits</u>	<u>Value of Building Permits Issued</u>
1998	\$ 215,210,274	\$ 5,749,282,000	\$ 18,232,505
1997	209,466,946	5,153,519,000	8,157,470
1996	205,844,383	4,342,660,000	9,641,452
1995	178,955,623	4,267,009,000	3,629,308
1994	177,595,140	4,199,905,000	7,453,531
1993	174,041,646	3,792,255,000	5,443,521
1992	152,657,836	3,737,694,000	5,597,948
1991	150,627,064	3,610,033,000	3,483,806
1990	148,039,643	3,468,298,000	4,844,101
1989	125,924,004	3,390,944,000	4,879,306

Sources:

Total Assessed Value - Summit County Auditor

Financial Institution Deposits - Federal Reserve Board - Cleveland

Building Permits - City of Norton Building Department

Norton City School District
Principal Taxpayers

Top Taxpayers	Assessed Valuations				Percent of Total	Estimated Actual Valuations			
	Real Property	Tangible Personal	Public Utility	Total		Real Property	Tangible Personal	Public Utility	Total
Ohio Edison	\$ 246,927	-	\$ 5,741,850	\$ 5,988,777	2.78%	\$ 705,506	-	\$ 22,967,400	\$ 23,672,906
PPG Industries	1,956,410	3,199,730	-	5,156,140	2.40%	5,589,743	3,636,057	-	9,225,800
East Ohio Gas	-	-	3,491,740	3,491,740	1.62%	-	-	13,966,960	13,966,960
Albrecht Inc	1,762,922	218,990	-	1,981,912	0.92%	5,036,920	248,852	-	5,285,772
Ohio Bell Telephone	-	-	1,930,000	1,930,000	0.90%	-	-	7,720,000	7,720,000
Isolab	473,095	928,480	-	1,401,575	0.65%	1,351,700	1,055,091	-	2,406,791
Fomo Products Inc.	312,946	982,480	-	1,295,426	0.60%	894,131	1,116,455	-	2,010,586
Praxair Inc	-	1,162,420	-	1,162,420	0.54%	-	1,320,932	-	1,320,932
Albert J. Falkenstein	901,740	-	-	901,740	0.42%	2,576,400	-	-	2,576,400
Albert J. Falkenstein	-	888,110	-	888,110	0.41%	-	1,009,216	-	1,009,216
Total Top Ten Taxpayers	\$ 5,654,040	\$ 7,380,210	\$ 11,163,590	\$ 24,197,840	11.24%	\$ 16,154,400	\$ 8,386,602	\$ 44,654,360	\$ 69,195,362

Total All Assessed Valuations 183,968,200 18,422,694 12,819,380 215,210,274 100.00%

Source: Summit County Auditor

Norton City School District

**Computation of Direct and Overlapping Debt
June 30, 1999**

	<u>Assessed Valuation (1)</u>	<u>Net General Tax Supported Debt (2)</u>	<u>Percent Overlapping (3)</u>	<u>Amount Applicable to Norton CSD</u>
Norton City School District	\$ 215,210,274	\$ 299,097	100.00%	\$ 299,097
City of Norton	189,330,209	-	95.42%	-
Franklin Township	224,777,249	21,595	15.20%	3,283
City of Barberton	315,297,213	8,359,643	0.12%	9,918
Summit County	9,359,780,140	103,413,317	2.27%	2,344,646
Akron Summit Library	6,302,885,193	<u>40,489,269</u>	3.37%	<u>1,363,223</u>
		<u>152,582,921</u>		<u>4,020,168</u>

Source: School District records, Summit County Auditor, City of Norton, and Franklin Township

(1) All valuations are reported as of December 31, 1998, which is the latest information available.

(2) All debt reported is as of December 31, 1998, except for Norton City School District, which is reported as of June 30, 1999.

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

Norton 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	2,553	2453	2,402	2,428
Average Teacher Salary	39,419	39,039	38,811	37,798
Percent of Teachers With No Degree	0.00%	2.20	2.23	2.28
Percent of Teachers With Bachelor Degree	17.43%	17.20	14.12	15.20
Percent of Teachers With Masters Degree	35.58%	40.34	37.22	35.71
Average Teacher Experience (yrs.)	14.10	15.70	16.60	16.30
Pupil Attendance Rate	95.15%	95.22	95.30	94.76
Graduation Rate	89.22%	87.72	86.57	84.68
Percent of College Preparatory Graduates	100.00%	60.67	98.77	71.28

Source: Ohio Department of Education

(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>
2,465	2,435	2,423	2,428	2,379	2,431
36,640	34,752	32,861	32,041	31,246	28,386
2.38	1.61	2.44	2.46	2.07	2.45
13.70	42.34	14.56	14.68	14.73	15.20
36.42	22.40	33.36	32.81	34.00	32.76
22.20	20.30	17.80	16.50	15.70	15.90
95.10	95.11	95.36	95.42	94.83	94.96
80.47	89.00	84.65	75.71	71.50	74.61
68.21	64.61	66.48	73.58	51.05	57.07

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**Norton City School District
Summit County**

Schedule of Federal Awards Expenditures
For the Year Ended June 30, 1999

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$ -	\$ 50,432	-	\$ 50,503
National School Lunch Program	N/A	10.555	83,132	-	83,132	-
National Special Milk Program	N/A	10.556	2,673	-	2,673	-
Total U.S. Department of Agriculture - Nutrition Cluster			<u>85,805</u>	<u>50,432</u>	<u>85,805</u>	<u>50,503</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed Through Ohio Department of Education:						
Goals 2000	GA-A2-99	84.276	368	-	-	-
			<u>368</u>	<u>-</u>	<u>-</u>	<u>-</u>
Title VIB Educationally Handicapped	6B-SF-97 P 6B-SF-98 P	84.027	-	-	5,571	-
			97,561	-	90,665	-
			<u>97,561</u>	<u>-</u>	<u>96,236</u>	<u>-</u>
Title I ESEA	CI-S1-98 CI-S1-99	84.010	-	-	7,403	-
			115,565	-	109,227	-
			<u>115,565</u>	<u>-</u>	<u>116,630</u>	<u>-</u>
Drug Free Schools	DR-S1-98 DR-S1-99	84.186	-	-	580	-
			12,769	-	10,115	-
			<u>12,769</u>	<u>-</u>	<u>10,695</u>	<u>-</u>
Title II IASA Eisenhower Grant	MS-S1-98 MS-S1-99	84.281	-	-	4,709	-
			8,239	-	1,928	-
			<u>8,239</u>	<u>-</u>	<u>6,637</u>	<u>-</u>
EHA Preschool Grants for the Handicapped	PG-S1-98 PG-S1-99	84.173	3,042	-	123	-
			-	-	2,897	-
			<u>3,042</u>	<u>-</u>	<u>3,020</u>	<u>-</u>
Title VI Innovative Programs	C2-S1-98 C2-S1-99	84.298	-	-	6,077	-
			9,449	-	1,490	-
			<u>9,449</u>	<u>-</u>	<u>7,567</u>	<u>-</u>
Total U.S. Department of Education			<u>246,993</u>	<u>-</u>	<u>240,785</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 332,798</u>	<u>\$ 50,432</u>	<u>326,590</u>	<u>\$ 50,503</u>

See accompanying notes to the Schedule of Federal Awards Expenditures.

Norton City School District
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended June 30, 1999

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – FOOD DISTRIBUTION

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

Lennon & Company

Certified Public Accountant

104 High Street, Suite 201 • Wadsworth, Ohio 44281 • (330) 334-7774 • wmlennon@apk.net

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Members of the Board of Education
Norton City School District
4128 Cleveland-Massillon Road
Norton, OH 44203

We have audited the financial statements of Norton City School District as of and for the year ended June 30, 1999, and have issued our report thereon dated January 26, 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.

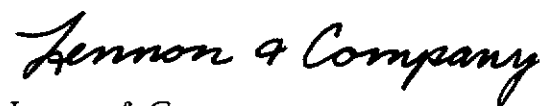
Compliance

As part of obtaining reasonable assurance about whether Norton City School 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*.

Internal Control Over Financial Reporting

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

This report is intended for the information of management 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.



Lennon & Company
Certified Public Accountant
January 26, 2000

Lennon & Company

Certified Public Accountant

104 High Street, Suite 201 • Wadsworth, Ohio 44281 • (330) 334-7774 • wmlennon@apk.net

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

Members of the Board of Education
Norton City School District
4128 Cleveland-Massillon Road
Norton, OH 44203

Compliance

We have audited the compliance of Norton City School 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. Norton City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Norton City School District's management. Our responsibility is to express an opinion on Norton City School 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 Norton City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Norton City School District's compliance with those requirements.

In our opinion, Norton City School 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 Norton City School 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 Norton City School 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.

This report is intended for the information of management 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.

Lennon & Company

Lennon & Company
Certified Public Accountant
January 26, 2000

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

**NORTON CITY SCHOOL DISTRICT
June 30, 1999**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Nutrition Cluster CFDAs 10.555, 10.550
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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NORTON 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.

By: Susan Babbitt

Date: MAY 2, 2000