

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

July 1, 2000 through June 30, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Education
Heath City School District
107 Lancaster Dr.
Heath, OH 43056

We have reviewed the independent auditor's report of the Heath City School District, Licking County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2000 through June 30, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

January 9, 2001

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**Heath City School District
Licking County**

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

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

We have audited the financial statements of Heath City School District as of and for the year ended June 30, 2001, and have issued our report thereon dated November 12, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Heath 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2001-001 and 2001-002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Heath 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

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control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of Heath City School District in a separate letter dated November 12, 2001.

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

Wilson, Shuman & Snow, Inc.

November 12, 2001

HEATH CITY SCHOOL DISTRICT

SCHEDULE OF FINDINGS

June 30, 2001

Finding Number	2001-001
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Ohio Rev. Code 5705.39 states that total appropriations from each fund should not exceed the total estimated revenue. Appropriations exceeded total estimated resources in 22 funds. We recommend the District monitor the estimated resources throughout the fiscal year and obtain an amended certificate of estimated resources when needed.

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
001	8,993,950	9,758,124	(764,174)
018	67,204	74,953	(7,750)
019	3,167	13,328	(10,162)
300	63,958	99,417	(35,459)
401	5,928	16,002	(10,074)
409	1,352	2,052	(700)
416	6,865	11,119	(4,254)
452	-	4,000	(4,000)
514	-	4,643	(4,643)
516	1	124,064	(124,063)
524	41	478	(438)
572	4	68,363	(68,359)
573	6,659	14,605	(7,946)
584	4,218	10,876	(6,658)
588	4,497	21,115	(16,618)
002	17,031,435	17,700,861	(669,426)
450	95	48,926	(48,830)
458	-	15,500	(15,500)
009	92,514	104,612	(12,097)
014	11,972	15,776	(3,804)
024	90	828,664	(828,574)
200	99,230	128,042	(28,812)
			<u>(2,672,341)</u>

Finding Number	2001-002
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Ohio Rev. Code 5705.36 states an increased amended certificate must be obtained from the budget commission if the legislative authority intends to appropriate and expend the excess revenue. The District received revenue in excess of the original estimate and did not increase their amended certificate.

Heath City School District

CORRECTIVE ACTION PLAN

June 30, 2001

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2001-001 & 2001-002	The Treasurer of the district will submit amended certificates of estimated resources as necessary to reflect sources of income that come available during the year.	This process has been implemented.	Brad Hall, Treasurer

Heath City School District

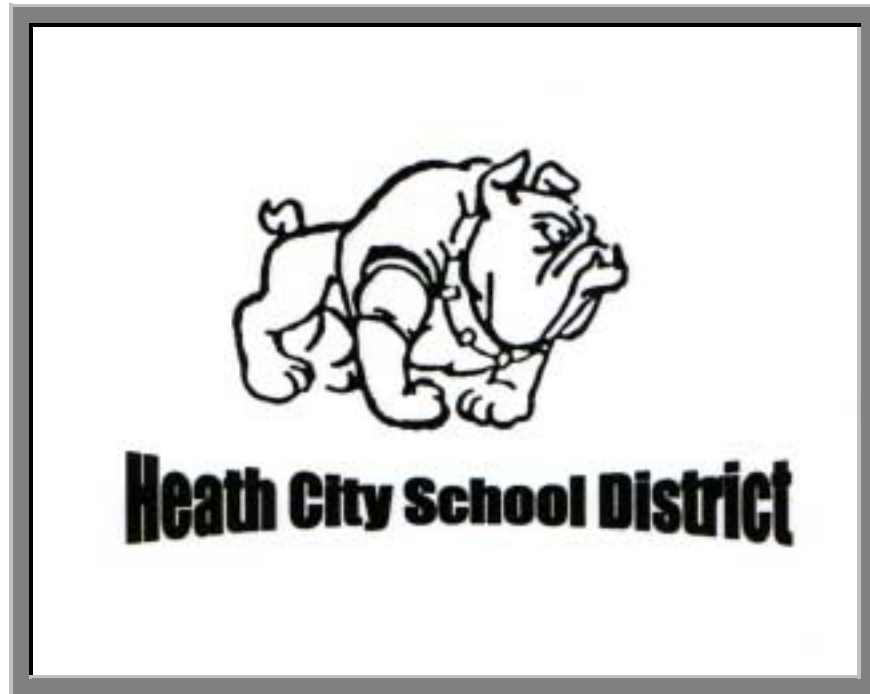
STATUS OF PRIOR AUDIT FINDINGS

June 30, 2001

<u>Citations</u>	<u>Status</u>	<u>Comment if not fully implemented</u>
<u>Citations</u>		
1. ORC Section 5705.39	Not corrected	Treasurer will monitor this more closely.
2. ORC Section 5705.41(D)	Not corrected	Treasurer will monitor this more closely.
3. ORC Section 5705.391(B)	Corrected	N/A

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COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
JUNE 30, 2001

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***HEATH CITY
SCHOOL DISTRICT***

LICKING COUNTY, OHIO

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2001

Prepared by:
Mr. Bradley T. Hall
Treasurer

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INTRODUCTORY SECTION

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Board of Education
Heath City Schools
Office of the Treasurer



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Heath, Ohio 43056
Phone: 740-522-1300
Fax: 740-522-4697

December 1, 2001

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

As the Superintendent and Treasurer of the Heath City School District (the District), we are pleased to submit to you this Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR for the year ended June 30, 2001 is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

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

ECONOMIC CONDITIONS AND OUTLOOK

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

Heath has a diversified commercial and industrial base and has become the center of commercial growth in Licking County. The last fifteen years have seen the construction of the Cross Creek Shopping Center, the Indian Mound Mall (a regional shopping mall drawing shoppers from a fifty-mile radius), and the complete renovation of the Southgate Shopping Center. Industrial employment is expected to remain relatively constant.

New businesses in 2000 (the latest information available) include a new Lowe's Superstore, a new Park Lanes Bowling alley, a new Hinderer Honda, Quick Way Carriers, National Lumber Distribution, Mattress Mart, Michael's Crafts, Huber Import and Mathews Ford Collision Center.

In the residential sector, this year saw the demolition of Carson's Mobile Home Park, the addition of 48 single-family structures, the construction of a new subdivision - Northbrook Estates, and a one hundred fifty-unit expansion of Ramp Creek Mobile Home Park.

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

MAJOR INITIATIVES

Current:

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

During fiscal year 2001, the District focused on the continuing growth in student enrollment. The Board of Education created the Beyond 2001 Task Force in 1998 for the purpose of studying the existing District facilities and making recommendations to the Board regarding additions and upgrades. The Task Force consisted entirely of Heath residents, nominated by the Administration and Board members. The Task Force presented to the Board of Education their recommendation to upgrade the entire District facilities. On March 7, 2000 voters of the Heath City School District passed a 3-mill replacement levy which is used to maintain current levels of operation and a 5.35-mill bond issue to upgrade all District facilities. In August 2000, the District issued \$16,248,718 of general obligation bonds to upgrade all District facilities. The upgrades include expansion and renovation of the elementary schools, conversion of the existing high school into a middle school, closing of the current middle school and construction of a new high school at the same site as the current high school.

Renovations began on Garfield and Stevenson elementary schools where classrooms are being added and roofs and windows replaced. Toward the end of the school year, bids were issued and excavation work started on the new high school facility and renovations had begun on the current high school which will become the new middle school.

In 1995, voters passed a 1.2 mill permanent levy to provide funds for incorporating technology into the curriculum. In fiscal year 2001, the District continued with the implementation of the Technology Plan by implementing an accelerated reader program, which is software that will help students to improve their reading skills.

The District continues to utilize the State Model Curriculum. To keep current with the State Model, the District has implemented a five year cycle for reviewing and updating courses and purchasing new textbooks. During the 2001 school year, the courses reviewed were Science- (K-5), Social Studies- (K-12), and the new textbooks purchased were for Science- (6-12), Health and Physical Education.

Future:

During the 2001-2002 fiscal year, the renovations to Garfield and Stevenson elementary schools will be completed. Beginning in the 2002-2003 school year, the middle school students will be moved to the newly renovated current high school which would allow the District to make plans to sell the current Fulton middle school building. Construction on the new high school will be close to completion with an anticipated opening date of August 2002.

In addition to all the construction taking place within the District, the District will continue to evaluate all curriculum opportunities and build on raising the success rates of every student. With this will come an increase of the District's report card, which currently has a score of 21 out of a possible 27. Curriculum plans for the future include:

- Continue implementation of Technology Plan and State Model Curriculum.
- Continue to investigate the option of all day Kindergarten.
- Offer various classes of summer remediation at no cost to students.
- Strive to reach the goal of 80% on proficiency tests.
- Review all curriculums and upgrade textbooks and materials.
- Continue on Textbook Selection and Course of Study Review Cycle.
- Increase opportunities of Post-secondary options.
- Implement district wide mapping of Proficiency outcomes.
- Implement Accelerated Math Program in Grades K-5.
- Continue to expand technical preparatory opportunities.

FINANCIAL INFORMATION

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

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

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

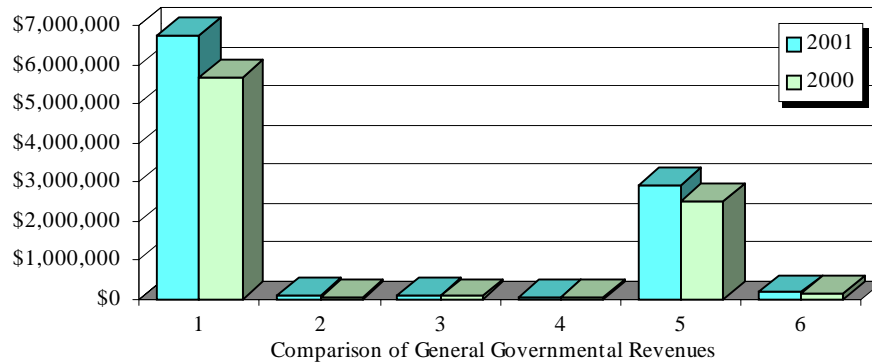
1. A tax budget of estimated cash receipts and disbursements is submitted to the county auditor as secretary of the county budget commission by January 20 of each year for the fiscal year commencing the following July 1. The District's Board of Education (the Board) adopts the tax budget at its January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

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

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

General Governmental -- The following schedule is a summary of general governmental revenues (general fund, special revenue funds, and debt service fund) for the fiscal year ended June 30, 2001 and the percentage increase/(decrease) over revenues for fiscal year 2000:

	Revenues	2001 Amount	Percent of Total	2000 Amount	Percentage Increase (Decrease)
1	Taxes	\$6,736,729	66.67%	\$5,654,331	19.14%
2	Tuition and Fees	109,700	1.09%	61,129	79.46%
3	Investment Earnings	102,015	1.01%	76,691	33.02%
4	Extracurricular Activities	60,091	0.59%	54,117	11.04%
5	Intergovernmental Revenues	2,916,421	28.86%	2,511,861	16.11%
6	All Other	180,243	1.78%	149,965	20.19%
	Total	<u>\$10,105,199</u>	<u>100.00%</u>	<u>\$8,508,094</u>	



Tax revenues, the District's major source of revenue, account for approximately 67% of total general governmental revenues. The increase in taxes from fiscal year 2000 is the result of a 5.35 mill levy that was approved by voters in May 2000.

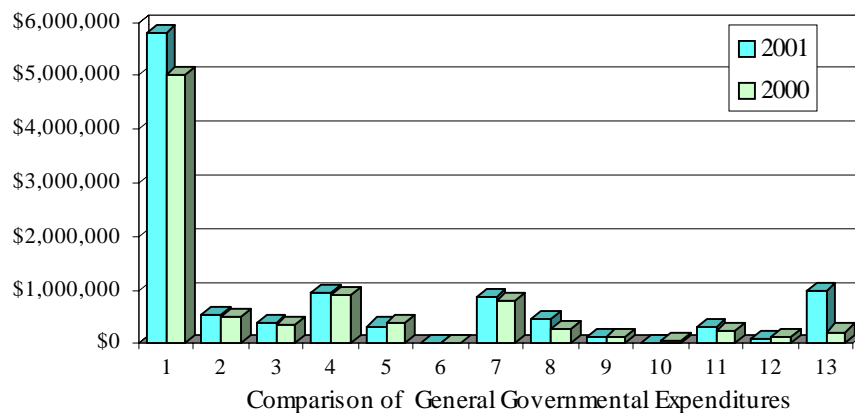
Tuition and fees increased due to an increase in the number of tuition paying pupils attending the District.

Investment earnings increased because more District funds were available for investment.

The major source of intergovernmental revenues is the State's "Foundation Program". This program allocates state dollars to the Ohio districts based upon a basic aid formula which takes into account factors such as: (1) local ability to pay for education (tax base); (2) enrollment; (3) a per pupil allocation; and (4) allocations for various categorical programs such as special education, transportation, etc. The Supreme Court has ruled that the way the State currently funds schools in Ohio is unconstitutional. Footnote 21 provides a more comprehensive discussion of the school funding issue. The Foundation revenue increased by over \$230,000 in 2001. The remaining increase in intergovernmental revenues consisted of increases of certain federal grant programs.

The following schedule is a summary of general governmental expenditures (general fund, special revenue funds, and debt service fund) for the fiscal year ended June 30, 2001 and the percentage increase/(decrease) over expenditures for fiscal year 2000:

Expenditures	2001 Amount	Percent of Total	2000 Amount	Percentage Increase (Decrease)
1 Instructional Services	\$5,802,932	53.09%	\$5,007,976	15.87%
2 Pupils	540,511	4.94%	503,357	7.38%
3 Instructional Staff	401,606	3.67%	356,954	12.51%
4 Board of Education / Administration	961,925	8.80%	915,944	5.02%
5 Fiscal Services	333,600	3.05%	382,453	(12.77%)
6 Business	28,461	0.26%	32,435	(12.25%)
7 Operation and Maintenance of Plant	859,407	7.86%	810,501	6.03%
8 Pupil Transportation Services	448,592	4.10%	276,831	62.05%
9 Central	133,836	1.22%	112,203	19.28%
10 Community Services	14,972	0.14%	50,762	(70.51%)
11 Extracurricular Activities	305,602	2.80%	242,938	25.79%
12 Other Expenditures	102,249	0.94%	143,408	(28.70%)
13 Debt Services	997,629	9.13%	220,218	353.02%
Total	<u>\$10,931,322</u>	<u>100.00%</u>	<u>\$9,055,980</u>	



The largest expenditures in the general governmental function are in the instruction/support services areas, which deal directly with teaching pupils and supporting services that supplement the teaching process. Salaries of teachers, counselors, and classroom aides, as well as the cost of textbooks and instructional materials are examples of expenditures in these functional areas.

The over 15% increase in instructional services expenditures is attributable to a 4% increase in salaries and wages, increases in personnel staffing levels, and the leasing of new copiers for all the schools.

Instructional staff expenditures increased as a result of additional federal grant monies available for special programs.

The decrease in expenditures for fiscal services was due to larger fees charged by the County in 2000 for the collection of delinquent taxes.

Business expenditures decreased in 2001 because the District contracted for the reviews of board policies and safety issues in 2000 which was not repeated in 2001.

Pupil transportation services increased because two new school buses were purchased in 2001.

Extracurricular activities expenditures increased significantly in 2001 because in 2000 funds were low and many expenditures for supplies and equipment were postponed until 2001. In addition, football equipment was reconditioned in 2001.

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

Debt service expenditures increased due to the new bond issue in the first half of fiscal year 2001.

Enterprise Operations: -- The District's enterprise operations are comprised of Food Service and Uniform School Supply. On a combined basis for fiscal year 2001, the Enterprise Funds generated revenues of \$327,467 and expenses of \$430,392.

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

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

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

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

The District's debt position as of June 30, 2001 was as follows:

Overall Legal Debt Margin	\$2,202,503
Unvoted Legal Debt Margin	224,199
Net General Obligation Bonded Debt Payable from Property Taxes	17,375,446
Percentage of Assessed Value	7.75
General Bonded Debt per Capita	\$2,037.70

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

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

Investments are made with the primary objectives of:

Investments are made with the primary objectives of:

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

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

RISK MANAGEMENT -- The District is adequately insured in all areas including buildings, contents, vehicles, equipment and general liability. The District is also covered under the State Workers' Compensation Fund. The District makes every effort to monitor insurance costs and related risk of accident to ensure proper fiscal management in this area. Detailed information regarding the risk management activities of the District can be found in footnote 16 of the general purpose financial statements included within the financial section of this report.

OTHER INFORMATION

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

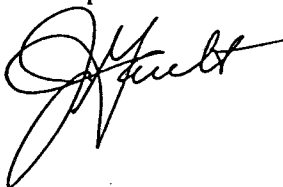
AWARDS -- The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities who qualify. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents satisfy all program standards. The report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements respective to the reporting entity. A Certificate of Achievement is valid for a period of one year only. The District received a Certificate of Achievement for the year ended June 30, 2000. We believe this, our third Comprehensive Annual Financial Report, meets the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting and we are submitting it to GFOA.

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

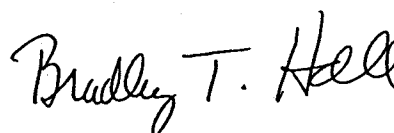
In closing, without the patience and support of the Treasurer's Office Staff and the Board of Education, preparation of this report would not have been possible.

Respectfully submitted,

Jay Gault
Superintendent



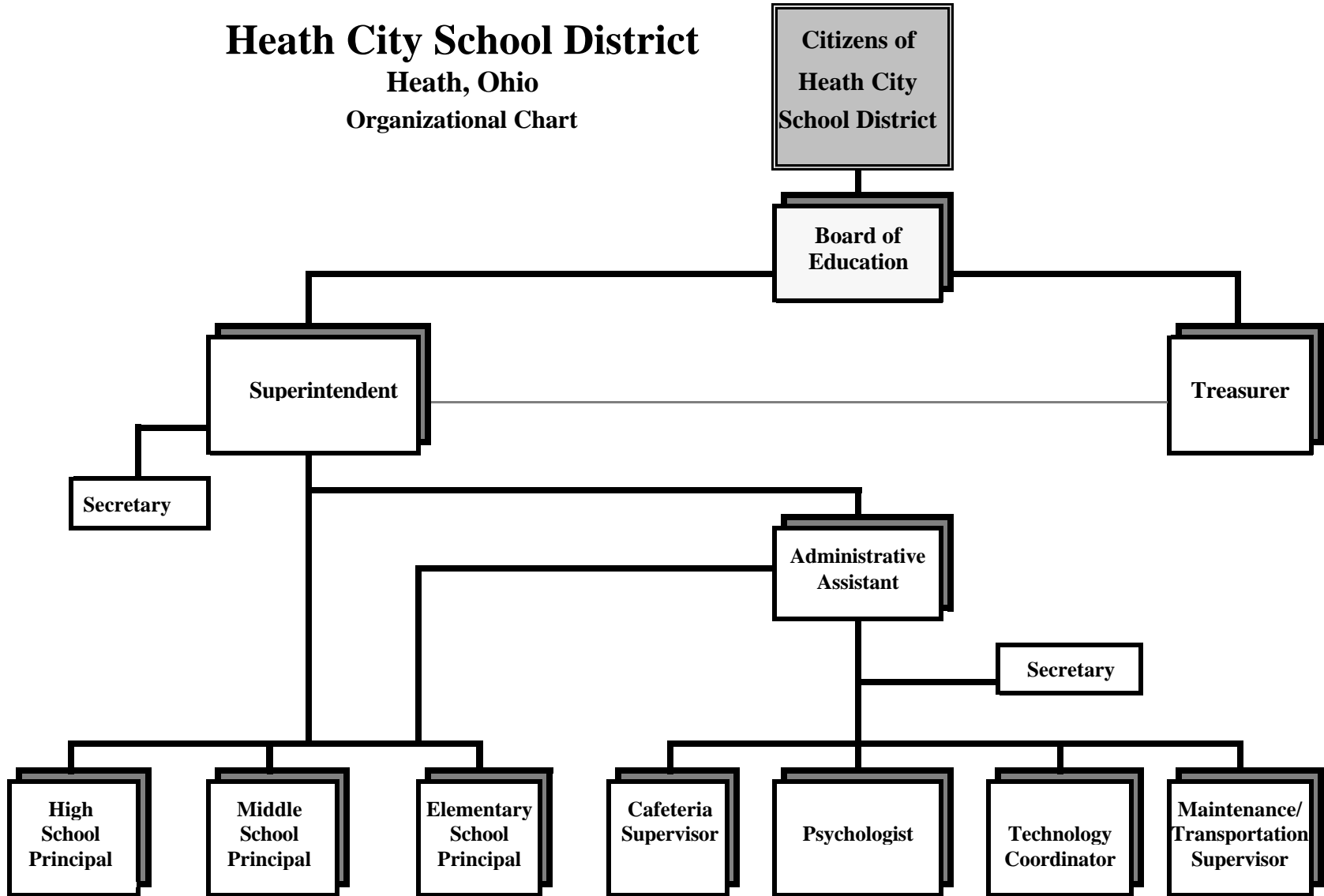
Bradley T. Hall
Treasurer



HEATH CITY SCHOOL DISTRICT, OHIO
LIST OF PRINCIPAL OFFICIALS
SHOWING YEARS OF SERVICE
JUNE 30, 2001

<u>NAME</u>	<u>TITLE</u>	<u>YEARS OF SERVICE</u>	
		<u>Position</u>	<u>Total</u>
<u>Board of Education</u>			
Mr. James Roberts	President	4	
Mr. James Bowers	Vice President	4	
Dr. Michael Gentry	Member	4	
Mr. Steven Carson	Member	2	
Mr. Gary Wimer	Member	0	
<u>Administration</u>			
Mr. Jay M. Gault	Superintendent	2	17
Mr. Bradley T. Hall	Treasurer	6.5	21
Mr. Thomas Forman	Administrative Assistant	2	24

Heath City School District
Heath, Ohio
Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Heath City School
District, Ohio

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

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



Timothy A. Howe
President

Jeffrey L. Esser
Executive Director

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Heath City School District

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FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying general purpose financial statements of the Heath City School District, as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the school district's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated November 12, 2001 on our consideration of the school district's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Wilson, Shannon & Snow, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

Ten West Locust Street

Newark, Ohio 43055

(740) 345-6611

1-800-523-6611

FAX (740) 345-5635

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

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

Wilson, Shuman & Snow, Inc.

November 12, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

THE FOLLOWING GENERAL PURPOSE FINANCIAL STATEMENTS, ALONG WITH THE NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, PRESENT AN OVERVIEW OF THE DISTRICT'S FINANCIAL POSITION AT JUNE 30, 2001, THE RESULTS OF OPERATIONS AND CASH FLOWS OF ITS PROPRIETARY FUNDS FOR THE YEAR THEN ENDED.

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2001

	<i>Governmental</i>			
	<i>Fund Types</i>			
	General	Special	Debt	Capital
	Revenue	Service	Projects	
<u>Assets and Other Debits:</u>	Fund	Funds	Fund	Funds
Assets:				
Cash and Cash Equivalents	\$120,640	\$145,732	\$8,631	\$33,576
Investments	61,142	0	39,259	15,698,579
Receivables (net of allowance for doubtful accounts):				
Taxes	6,000,209	0	1,396,104	226,597
Intergovernmental	0	45,938	0	0
Interest	0	0	0	184,862
Interfund Loan Receivable	4,365	0	0	325,000
Due from Other Funds	0	0	0	0
Inventory of Supplies at Cost	0	0	0	0
Prepaid Items	3,583	0	0	0
Restricted Investments	487,643	0	0	0
Fixed Assets (net of accumulated depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided for General Long-Term Obligations	0	0	0	0
Total Assets and Other Debits	<u>\$6,677,582</u>	<u>\$191,670</u>	<u>\$1,443,994</u>	<u>\$16,468,614</u>
<u>Liabilities, Equity and Other Credits:</u>				
Liabilities:				
Accounts Payable	\$27,145	\$4,151	\$0	\$527,984
Accrued Wages and Benefits	668,762	11,990	0	0
Interfund Loan Payable	0	4,365	325,000	0
Due to Other Funds	163,084	0	0	0
Intergovernmental Payable	184,863	58	0	0
Due to Students	0	0	0	0
Claims Payable	0	0	0	0
Deferred Revenue - Taxes	5,564,109	0	1,292,404	220,597
Deferred Revenue	0	0	0	54,084
General Obligation Bonds Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
Compensated Absences Payable	10,618	0	0	0
Early Retirement Incentive Payable	17,780	0	0	0
Long-Term Notes Payable	0	0	0	0
Total Liabilities	<u>6,636,361</u>	<u>20,564</u>	<u>1,617,404</u>	<u>802,665</u>
Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings - Unreserved	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	93,412	12,028	0	3,360,435
Reserved for Property Taxes	436,100	0	103,700	6,000
Statutory Reserves	487,643	0	0	0
Reserved for Prepaid Items	3,583	0	0	0
Reserved for Debt Service	0	0	47,890	0
Unreserved:				
Undesignated	(979,517)	159,078	(325,000)	12,299,514
Total Equity and Other Credits	<u>41,221</u>	<u>171,106</u>	<u>(173,410)</u>	<u>15,665,949</u>
Total Liabilities, Equity and Other Credits	<u>\$6,677,582</u>	<u>\$191,670</u>	<u>\$1,443,994</u>	<u>\$16,468,614</u>

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

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2001

<i>Proprietary</i>		<i>Fiduciary</i>	<i>Account</i>		Totals (Memorandum Only)
<i>Fund Types</i>		<i>Fund Types</i>	<i>Groups</i>		
Enterprise Funds	Internal Service Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Obligations	
\$108,839	\$66,524	\$45,387	\$0	\$0	\$529,329
0	0	3,300	0	0	15,802,280
0	0	0	0	0	7,622,910
0	0	0	0	0	45,938
0	0	0	0	0	184,862
0	0	0	0	0	329,365
9,300	162,235	0	0	0	171,535
7,919	0	0	0	0	7,919
0	0	0	0	0	3,583
0	0	0	0	0	487,643
82,852	0	0	10,454,998	0	10,537,850
0	0	0	0	47,890	47,890
0	0	0	0	19,324,706	19,324,706
<u>\$208,910</u>	<u>\$228,759</u>	<u>\$48,687</u>	<u>\$10,454,998</u>	<u>\$19,372,596</u>	<u>\$55,095,810</u>
\$150	\$90	\$0	\$0	\$0	\$559,520
17,517	0	0	0	0	698,269
0	0	0	0	0	329,365
8,451	0	0	0	0	171,535
20,895	0	0	0	58,284	264,100
0	0	43,674	0	0	43,674
0	134,021	0	0	0	134,021
0	0	0	0	0	7,077,110
4,481	0	0	0	0	58,565
0	0	0	0	17,423,336	17,423,336
0	0	0	0	134,685	134,685
3,188	0	0	0	773,511	787,317
0	0	0	0	17,780	35,560
0	0	0	0	965,000	965,000
<u>54,682</u>	<u>134,111</u>	<u>43,674</u>	<u>0</u>	<u>19,372,596</u>	<u>28,682,057</u>
0	0	0	10,454,998	0	10,454,998
35,407	0	0	0	0	35,407
118,821	94,648	0	0	0	213,469
0	0	0	0	0	3,465,875
0	0	0	0	0	545,800
0	0	0	0	0	487,643
0	0	0	0	0	3,583
0	0	0	0	0	47,890
0	0	5,013	0	0	11,159,088
<u>154,228</u>	<u>94,648</u>	<u>5,013</u>	<u>10,454,998</u>	<u>0</u>	<u>26,413,753</u>
<u>\$208,910</u>	<u>\$228,759</u>	<u>\$48,687</u>	<u>\$10,454,998</u>	<u>\$19,372,596</u>	<u>\$55,095,810</u>

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Heath City School District

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HEATH CITY SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	<i>Governmental</i>			<i>Fiduciary</i>		Totals (Memorandum Only)
	<i>Fund Types</i>			<i>Fund Type</i>		
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Expendable Trust Fund	
Revenues:						
Local Sources:						
Taxes	\$6,011,981	\$0	\$724,748	\$73,805	\$0	\$6,810,534
Tuition	109,700	0	0	0	0	109,700
Investment Earnings	101,153	862	0	1,631,118	182	1,733,315
Extracurricular Activities	0	60,091	0	0	0	60,091
Intergovernmental - State	2,616,882	37,198	52,026	94,216	0	2,800,322
Intergovernmental - Federal	0	210,315	0	0	0	210,315
All Other Revenues	85,245	94,998	0	440	2,556	183,239
Total Revenues	<u>8,924,961</u>	<u>403,464</u>	<u>776,774</u>	<u>1,799,579</u>	<u>2,738</u>	<u>11,907,516</u>
Expenditures:						
Current:						
Instruction	5,725,052	77,880	0	202,432	847	6,006,211
Supporting Services:						
Pupils	479,803	60,708	0	0	0	540,511
Instructional Staff	308,130	93,476	0	0	0	401,606
Board of Education	24,182	0	0	0	0	24,182
Administration	934,558	3,185	0	11,558	0	949,301
Fiscal Services	326,217	177	7,206	3,632	0	337,232
Business	28,461	0	0	0	0	28,461
Operation and Maintenance of Plant	859,407	0	0	4,000	0	863,407
Pupil Transportation	448,592	0	0	0	0	448,592
Central	133,836	0	0	0	2,904	136,740
Community Services	0	14,972	0	0	0	14,972
Extracurricular Activities	213,854	91,748	0	0	0	305,602
Other Expenditures	74,539	0	0	0	0	74,539
Capital Outlay	27,710	0	0	3,248,614	0	3,276,324
Debt Service:						
Principal Retirements	0	0	195,000	0	0	195,000
Interest and Fiscal Charges	0	0	802,629	601,867	0	1,404,496
Total Expenditures	<u>9,584,341</u>	<u>342,146</u>	<u>1,004,835</u>	<u>4,072,103</u>	<u>3,751</u>	<u>15,007,176</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(659,380)	61,318	(228,061)	(2,272,524)	(1,013)	(3,099,660)
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	1,510	0	0	0	0	1,510
Proceeds of Premium on Bonds	0	0	0	694,827	0	694,827
Proceeds of General Obligation Bonds	0	0	0	16,248,718	0	16,248,718
Other Financing Sources-Capital Lease	149,198	0	0	0	0	149,198
Operating Transfers In	0	0	0	37,173	0	37,173
Operating Transfers Out	0	0	(37,173)	0	0	(37,173)
Total Other Financing Sources (Uses)	<u>150,708</u>	<u>0</u>	<u>(37,173)</u>	<u>16,980,718</u>	<u>0</u>	<u>17,094,253</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(508,672)	61,318	(265,234)	14,708,194	(1,013)	13,994,593
Fund Balance Beginning of Year	<u>549,893</u>	<u>109,788</u>	<u>91,824</u>	<u>957,755</u>	<u>6,026</u>	<u>1,715,286</u>
Fund Balance (Deficit) End of Year	<u>\$41,221</u>	<u>\$171,106</u>	<u>(\$173,410)</u>	<u>\$15,665,949</u>	<u>\$5,013</u>	<u>\$15,709,879</u>

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

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FISCAL YEAR ENDED JUNE 30, 2001

	<i>General Fund</i>			<i>Special Revenue Funds</i>		
	Revised	Variance: Favorable	(Unfavorable)	Revised	Variance: Favorable	(Unfavorable)
	Budget			Actual		
Revenues:						
Local Sources:						
Taxes	\$5,518,260	\$5,913,981	\$395,721	\$0	\$0	\$0
Tuition	0	109,700	109,700	0	0	0
Investment Earnings	0	105,153	105,153	200	862	662
Extracurricular Activities	0	0	0	60,000	60,091	91
Intergovernmental - State	2,567,765	2,616,882	49,117	5,750	37,198	31,448
Intergovernmental - Federal	0	0	0	1,024	164,377	163,353
All Other Revenues	0	85,245	85,245	58,800	94,998	36,198
Total Revenues	<u>8,086,025</u>	<u>8,830,961</u>	<u>744,936</u>	<u>125,774</u>	<u>357,526</u>	<u>231,752</u>
Expenditures:						
Current:						
Instruction	5,571,376	5,484,772	86,604	102,040	83,008	19,032
Supporting Services:						
Pupils	483,572	464,965	18,607	97,826	61,495	36,331
Instructional Staff	333,233	308,069	25,164	128,925	93,956	34,969
Board of Education	34,735	25,624	9,111	0	0	0
Administration	933,220	911,311	21,909	3,185	3,185	0
Fiscal Services	382,850	327,275	55,575	177	177	0
Business	29,204	29,106	98	0	0	0
Operation and Maintenance of Plant	1,031,157	887,290	143,867	0	0	0
Pupil Transportation	461,333	445,250	16,083	0	0	0
Central	134,000	121,905	12,095	21,115	0	21,115
Community Services	0	0	0	16,648	16,368	280
Extracurricular Activities	222,881	214,510	8,371	99,418	96,237	3,181
Other Expenditures	74,527	74,524	3	0	0	0
Capital Outlay	61,671	27,710	33,961	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	<u>9,753,759</u>	<u>9,322,311</u>	<u>431,448</u>	<u>469,334</u>	<u>354,426</u>	<u>114,908</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,667,734)	(491,350)	1,176,384	(343,560)	3,100	346,660
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	0	1,510	1,510	0	0	0
Proceeds of Premium on Bonds	0	0	0	0	0	0
Proceeds of General Obligation Bonds	0	0	0	0	0	0
Advances In	0	3,640	3,640	0	4,365	4,365
Advances Out	(4,365)	(4,365)	0	(3,360)	(3,360)	0
Total Other Financing Sources (Uses)	<u>(4,365)</u>	<u>785</u>	<u>5,150</u>	<u>(3,360)</u>	<u>1,005</u>	<u>4,365</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,672,099)	(490,565)	1,181,534	(346,920)	4,105	351,025
Fund Balance at Beginning of Year	907,925	907,925	0	86,522	86,522	0
Prior Year Encumbrances	136,286	136,286	0	39,051	39,051	0
Fund Balance at End of Year	<u>(\$627,888)</u>	<u>\$553,646</u>	<u>\$1,181,534</u>	<u>(\$221,347)</u>	<u>\$129,678</u>	<u>\$351,025</u>

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

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FISCAL YEAR ENDED JUNE 30, 2001

<i>Debt Service Fund</i>			<i>Capital Projects Funds</i>			<i>Totals (Memorandum Only)</i>		
Revised		Variance:	Revised		Variance:	Revised		Variance:
Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
\$191,604	\$621,048	\$429,444	\$205,963	\$69,705	(\$136,258)	\$5,915,827	\$6,604,734	\$688,907
0	0	0	0	0	0	0	109,700	109,700
0	0	0	750,000	1,375,203	625,203	750,200	1,481,218	731,018
0	0	0	0	0	0	60,000	60,091	91
52,026	52,026	0	19,968	94,216	74,248	2,645,509	2,800,322	154,813
0	0	0	0	0	0	1,024	164,377	163,353
0	0	0	0	440	440	58,800	180,683	121,883
243,630	673,074	429,444	975,931	1,539,564	563,633	9,431,360	11,401,125	1,969,765
0	0	0	281,271	226,187	55,084	5,954,687	5,793,967	160,720
0	0	0	2,000	0	2,000	583,398	526,460	56,938
0	0	0	0	0	0	462,158	402,025	60,133
0	0	0	0	0	0	34,735	25,624	9,111
0	0	0	42,000	42,000	0	978,405	956,496	21,909
7,250	7,206	44	5,300	3,632	1,668	395,577	338,290	57,287
0	0	0	0	0	0	29,204	29,106	98
0	0	0	14,000	4,000	10,000	1,045,157	891,290	153,867
0	0	0	0	0	0	461,333	445,250	16,083
0	0	0	0	0	0	155,115	121,905	33,210
0	0	0	0	0	0	16,648	16,368	280
0	0	0	0	0	0	322,299	310,747	11,552
0	0	0	0	0	0	74,527	74,524	3
0	0	0	6,647,801	6,637,205	10,596	6,709,472	6,664,915	44,557
16,445,000	16,445,000	0	0	0	0	16,445,000	16,445,000	0
1,248,611	1,248,610	1	0	0	0	1,248,611	1,248,610	1
17,700,861	17,700,816	45	6,992,372	6,913,024	79,348	34,916,326	34,290,577	625,749
(17,457,231)	(17,027,742)	429,489	(6,016,441)	(5,373,460)	642,981	(25,484,966)	(22,889,452)	2,595,514
0	0	0	0	0	0	0	1,510	1,510
122,263	410,090	287,827	0	0	0	122,263	410,090	287,827
16,248,718	16,248,718	0	16,250,000	0	(16,250,000)	32,498,718	16,248,718	(16,250,000)
325,000	325,000	0	0	0	0	325,000	333,005	8,005
0	0	0	(325,000)	(325,000)	0	(332,725)	(332,725)	0
16,695,981	16,983,808	287,827	15,925,000	(325,000)	(16,250,000)	32,613,256	16,660,598	(15,952,658)
(761,250)	(43,934)	717,316	9,908,559	(5,698,460)	(15,607,019)	7,128,290	(6,228,854)	(13,357,144)
91,824	91,824	0	17,245,102	17,245,102	0	18,331,373	18,331,373	0
0	0	0	23,854	23,854	0	199,191	199,191	0
(\$669,426)	\$47,890	\$717,316	\$27,177,515	\$11,570,496	(\$15,607,019)	\$25,658,854	\$12,301,710	(\$13,357,144)

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Enterprise Funds	Internal Service Funds	Totals (Memorandum Only)
<u>Operating Revenues:</u>			
Tuition and Fees	\$67,491	\$9,247	\$76,738
Sales	259,976	0	259,976
Interfund Charges	0	986,384	986,384
Total Operating Revenues	<u>327,467</u>	<u>995,631</u>	<u>1,323,098</u>
<u>Operating Expenses:</u>			
Salaries and Wages	125,290	0	125,290
Fringe Benefits	72,443	902,931	975,374
Contractual Services	705	0	705
Materials and Supplies	221,892	7,773	229,665
Depreciation	9,405	0	9,405
Other Operating Expenses	657	1,059	1,716
Total Operating Expenses	<u>430,392</u>	<u>911,763</u>	<u>1,342,155</u>
Operating Income (Loss)	(102,925)	83,868	(19,057)
<u>Non-Operating Revenues:</u>			
Operating Grants	52,679	0	52,679
Federally Donated Commodities	21,789	0	21,789
Investment Earnings	4,000	3,068	7,068
Miscellaneous	6,822	0	6,822
Total Non-Operating Revenues	<u>85,290</u>	<u>3,068</u>	<u>88,358</u>
Net Income (Loss)	(17,635)	86,936	69,301
Retained Earnings at Beginning of Year	136,456	7,712	144,168
Retained Earnings at End of Year	<u>\$118,821</u>	<u>\$94,648</u>	<u>\$213,469</u>

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

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Enterprise Funds	Internal Service Funds	Totals (Memorandum Only)
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$266,798	\$0	\$266,798
Cash Received from Tuition and Fee Payments	67,491	9,247	76,738
Cash Received from Interfund Charges	0	824,149	824,149
Cash Payments for Goods and Services	(201,015)	(8,742)	(209,757)
Cash Payments to Employees for Services and Benefits	<u>(185,131)</u>	<u>(768,910)</u>	<u>(954,041)</u>
Net Cash Provided (Used) by Operating Activities	<u>(51,857)</u>	<u>55,744</u>	<u>3,887</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	52,679	0	52,679
Repayment of Advance from General Fund	<u>(280)</u>	<u>0</u>	<u>(280)</u>
Net Cash Provided by Noncapital Financing Activities	<u>52,399</u>	<u>0</u>	<u>52,399</u>
<u>Cash Flows from Investing Activities:</u>			
Receipts of Interest	0	3,068	3,068
Net Cash Provided by Investing Activities	<u>0</u>	<u>3,068</u>	<u>3,068</u>
Net Increase in Cash and Cash Equivalents	542	58,812	59,354
Cash and Cash Equivalents at Beginning of Year	108,297	7,712	116,009
Cash and Cash Equivalents at End of Year	<u><u>\$108,839</u></u>	<u><u>\$66,524</u></u>	<u><u>\$175,363</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u> Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$102,925)	\$83,868	(\$19,057)
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Miscellaneous Non-Operating Income	6,822	0	6,822
Depreciation Expense	9,405	0	9,405
Donated Commodities Used During the Year	21,789	0	21,789
Changes in Assets and Liabilities:			
Increase in Due from Other Funds	0	(162,235)	(162,235)
Decrease in Inventory	1,621	0	1,621
Increase (Decrease) in Accounts Payable	(1,014)	90	(924)
Increase in Accrued Wages and Benefits	4,778	0	4,778
Increase in Due to Other Funds	8,451	0	8,451
Increase in Intergovernmental Payables	514	0	514
Increase in Claims Payable	0	134,021	134,021
Decrease in Deferred Revenue	(157)	0	(157)
Increase in Compensated Absences	636	0	636
Decrease in Early Retirement Incentive Payable	<u>(1,777)</u>	<u>0</u>	<u>(1,777)</u>
Total Adjustments	<u>51,068</u>	<u>(28,124)</u>	<u>22,944</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$51,857)</u></u>	<u><u>\$55,744</u></u>	<u><u>\$3,887</u></u>

Schedule of Noncash Investing, Capital and Financing Activities:

During fiscal year 2001, the Food Service Fund received \$21,789 in donated commodities from the federal government.
During fiscal year 2001, the Food Service Fund received \$12,288 of capital assets from other funds.

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

HEATH CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2001

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The District is governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the District's instructional support facilities staffed by approximately 58 noncertified and approximately 113 certified teaching personnel and administrative employees providing education to 1,566 students.

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

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

B. Basis of Presentation - Fund Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

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

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

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

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Funds

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

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

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

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

C. Basis of Accounting

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

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

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

Current property taxes measurable at June 30, 2001, and which are not intended to finance fiscal 2001 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end. Taxes available for advance and recognized as revenue but not received by the District prior to June 30, 2001 are reflected as a reservation of fund balance for future appropriations. The District is prohibited by law from appropriating this revenue in accordance with ORC Section 5705.35, since an advance of revenue was not requested or received prior to the fiscal year end.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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

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

D. Budgetary Process

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

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

1. Tax Budget

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

2. Estimated Resources

Prior to March 15, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2001.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

3. Appropriations

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

4. Encumbrances

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

5. Lapsing of Appropriations

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

6. Budgetary Basis of Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process (Continued)

6. Budgetary Basis of Accounting (Continued)

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

	Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds
GAAP Basis (as reported)	(\$508,672)	\$61,318	(\$265,234)	\$14,708,194
Increase (Decrease):				
Accrued Revenues at June 30, 2001, received during FY 2002	(440,465)	(45,938)	(103,700)	(461,778)
Accrued Revenues at June 30, 2000, received during FY 2001	341,740	0	0	51,801
Accrued Expenditures at June 30, 2001, paid during FY 2002	1,072,252	20,564	325,000	527,984
Accrued Expenditures at June 30, 2000, paid during FY 2001	(839,349)	(15,785)	0	(213,659)
FY 2000 Prepays for FY 2001	3,291	0	0	0
FY 2001 Prepays for FY 2002	(3,583)	0	0	0
Note Retirements	0	0	0	(16,250,000)
Adjustment to Fair Value	0	0	0	(175,038)
Encumbrances Outstanding	(115,779)	(16,054)	0	(3,885,964)
Budget Basis	<u>(\$490,565)</u>	<u>\$4,105</u>	<u>(\$43,934)</u>	<u>(\$5,698,460)</u>

E. Cash and Cash Equivalents

During fiscal year 2001, cash and cash equivalents included amounts in demand deposits, short-term certificates of deposit with original maturities of three months or less, repurchase agreements and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the general purpose financial statements.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 4, "Cash, Cash Equivalents and Investments."

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Investments

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

The District has invested funds in the STAR Ohio during 2001. 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, 2001. See Note 4, "Cash, Cash Equivalents and Investments."

G. Inventory

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

H. Fixed Assets and Depreciation

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

1. Property, Plant and Equipment - General Governmental Purposes

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets and Depreciation (Continued)

2. Property, Plant and Equipment - Proprietary Fund

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

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

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

I. Long-Term Obligations

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

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

J. Compensated Absences

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Pensions

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

L. Interfund Transactions

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

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

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

M. Reservations of Fund Balance

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

N. Restricted Assets

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

O. Estimates

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

P. Total Columns on Combined Financial Statements - Overview

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

NOTE 2 – CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2001, the District has implemented GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions” and GASB Statement No. 36 “Recipient Reporting for Certain Shared Nonexchange Revenues”. At June 30, 2000, there was no effect on fund balance as a result of implementing GASB 33 and GASB 36.

NOTE 3 - COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Equities

The fund deficit at June 30, 2001 of \$173,410 in the General Obligation Bond Retirement Fund (debt service) arose from the recognition of an interfund payable on the modified accrual basis which does not exist on the budgetary basis. A deficit does not exist under the cash basis of accounting.

B. Excess Appropriations over Estimated Revenues

Ohio Revised Code requires that appropriations do not exceed estimated revenues. Appropriations exceeded estimated revenues in twenty-two funds, including the General Fund and the General Obligation Bond Retirement Fund, by in excess of \$2.5 million. Under the cash basis of accounting, expenditures did not exceed revenues.

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions, and
- The State Treasury Asset Reserve of Ohio (STAR Ohio).

Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). The securities pledged as collateral are pledged to a pool for each individual financial institution in amounts equal to at least 105% of the carrying value of all public collateral are limited to obligations of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation or other authority. Based upon criteria described in GASB Statement No. 3, "*Deposits With Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,*" collateral held in single financial institution collateral pools with securities being held by the pledging financial institutions' agent in the pool's name are classified as Category 3. The Governmental Accounting Standards Board has established risk categories for deposits and investments as follows:

Deposits:

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

Investments:

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

NOTE 4 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits

At year end the carrying amount of the District's deposits was an overdraft of \$417,644 and the bank balance was \$221,330. Federal Deposit Insurance Corporation (FDIC) insured \$180,062 of the bank balance; the remaining deposits are classified as Category 3.

B. Investments

The District's investments at June 30, 2001 were as follows:

	<u>Category 1</u>	<u>Category 2</u>	<u>Fair Value</u>
Categorized Investments			
Repurchase Agreements	\$0	\$150,446	\$150,446
Federal Home Loan Mortgage Corporation	2,275,095	0	2,275,095
Federal National Mortgage Association	2,155,196	0	2,155,196
Federal Home Loan Bank	8,360,235	0	8,360,235
Federal Farm Credit Bank	504,062	0	504,062
Commercial Paper	2,992,035	0	2,992,035
Noncategorized Investments			
STAR Ohio	N/A	N/A	799,827
Total Investments	<u>\$16,286,623</u>	<u>\$150,446</u>	<u>\$17,236,896</u>

C. Reconciliation of Cash, Cash Equivalents and Investments

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

	<u>Cash and Cash</u> <u>Equivalents</u>	<u>Investments</u>
Per Combined Balance Sheet	\$529,329	\$16,289,923
Certificates of Deposit (with maturities of more than 3 months)	3,300	(3,300)
Repurchase Agreements	(150,446)	150,446
STAR Ohio	(799,827)	799,827
Per GASB Statement No. 3	<u>(\$417,644)</u>	<u>\$17,236,896</u>

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against all real estate and public utility property, and tangible personal property used in business and located in the District. Real property taxes (other than public utility) collected during 2001 were levied after October 1, 2000 on assessed values as of January 1, 2000, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be reappraised every six years and equalization adjustments made the third year following reappraisal. The last revaluation was completed in 1999. Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by June 20.

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

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

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Heath City School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values for collection in 2001, upon which the 2000 levies were based, were as follows:

	<u>Assessed Values for Collection in:</u>	
	<u>2000 Second Half</u>	<u>2001 First Half</u>
Agricultural/Residential and Other Real Estate	\$169,063,570	\$172,295,770
Public Utility Personal	7,546,730	7,851,500
Tangible Personal Property	<u>44,507,210</u>	<u>44,052,160</u>
Total Assessed Value	<u>\$221,117,510</u>	<u>\$224,199,430</u>
Tax rate per \$1,000 of assessed valuation	\$43.10	\$48.38

NOTE 6 - RECEIVABLES

Receivables at June 30, 2001 consisted of taxes, interest and interfund loan receivables.

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2001, is as follows:

A. Interfund Loans Receivable/Payable

	<u>Interfund Loans Receivable</u>	<u>Interfund Loans Payable</u>
General Fund	\$4,365	\$0
Special Revenue Funds:		
Title VI-B Fund	0	220
Title I Fund	0	1,565
Title VI Fund	0	2,580
Total Special Revenue Funds	<u>0</u>	<u>4,365</u>
Debt Service Fund:		
General Obligation Bond Retirement Fund	0	325,000
Capital Projects Fund:		
Building Fund	325,000	0
Totals	<u>\$329,365</u>	<u>\$329,365</u>

B. Due to/from Other Funds

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$0	\$163,084
Enterprise Fund:		
Food Service Fund	9,300	8,451
Internal Service Fund:		
Employee Benefits Self Insurance Fund	162,235	0
Totals	<u>\$171,535</u>	<u>\$171,535</u>

NOTE 8 - OPERATING TRANSFERS

Following is a summary of operating transfers in and out for all funds at June 30, 2001:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Bond Retirement Fund	\$0	\$37,173
Capital Projects Fund:		
Building Fund	37,173	0
Total All Funds	<u>\$37,173</u>	<u>\$37,173</u>

NOTE 9 - FIXED ASSETS

A. General Fixed Assets

Summary by category of changes in general fixed assets at June 30, 2001:

<u>Class</u>	<u>June 30, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2001</u>
Land and Improvements	\$1,021,125	\$0	\$0	\$1,021,125
Buildings and Improvements	3,225,198	0	0	3,225,198
Machinery and Equipment	1,946,896	327,475	(81,818)	2,192,553
Vehicles	464,793	159,058	0	623,851
Construction In Progress	132,099	3,260,172	0	3,392,271
Totals	<u>\$6,790,111</u>	<u>\$3,746,705</u>	<u>(\$81,818)</u>	<u>\$10,454,998</u>

B. Proprietary Fixed Assets

Summary by Category at June 30, 2001:

<u>Category</u>	<u>Historical Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Machinery and Equipment	\$282,953	(\$200,101)	\$82,852
Total Property, Plant and Equipment	<u>\$282,953</u>	<u>(\$200,101)</u>	<u>\$82,852</u>

NOTE 10 - DEFINED BENEFIT PENSION PLANS

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

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

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

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

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

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 9% respectively. The contribution rates are determined actuarially, and are established and may be amended, up to statutory amounts, by the School Employees Retirement Board (Retirement Board) within the rates allowed by State statute. The required employer contribution rate is allocated to basic retirement benefits and health care by the Retirement Board. At June 30, 2001, 4.2% was allocated to fund the pension benefit and 9.8% to fund health care. The District's contributions to the SERS of Ohio for the years ending June 30, 2001, 2000, and 1999 were \$165,690, \$162,348, and \$148,938, respectively, which were equal to the required contributions for each year.

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. The portion of the 2001 employer contribution rate (identified above) that was used to fund health care for the year 2001 was 9.8%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between minimum pay and the member's pay, prorated for partial service credit. For fiscal year 2001, the minimum pay has been established as \$12,400. The amount contributed to fund health care benefits, including the surcharge amounted to \$136,536.

Health care benefits are financed on a pay-as-you-go basis. The number of retirees and covered dependents currently receiving benefits is approximately 50,000. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2000 (the latest information available) were \$140,696,340 and the target level was \$211.0 million. Net assets available for payment of benefits at June 30, 2000 was \$252.3 million.

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

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

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

The Ohio Revised Code provides statutory authority for District and employee contributions of 14% and 9.3%, respectively. The contribution requirements of plan members and the District are established and may be amended by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. At June 30, 2001, 9.5% was allocated to fund the pension benefit and 4.5% to fund health care. The District's contributions to the STRS of Ohio for the years ending June 30, 2001, 2000, and 1999 were \$687,420, \$620,724, and \$553,740, respectively, which were equal to the required contributions for each year.

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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

Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions to a Health Care Reserve Fund. For the fiscal year ended June 30, 2001, the board allocated employer contributions are equal to 4.5% of covered payroll to the Health Care Reserve Fund, which amounted to \$220,956 for the District. The balance of the Health Care Reserve Fund was \$3.419 billion at June 30, 2000 (the latest information available). For the fiscal year ended June 30, 2000, the net health care costs paid by STRS were \$283,137,000. There were 99,011 eligible benefit recipients.

NOTE 11 - COMPENSATED ABSENCES

The District provides a liability for accumulated unpaid sick leave and vacation time benefits when earned by employees. Accrued employee benefits for governmental funds not currently due and payable at year end are recorded in the General Long-Term Obligations Account Group. At June 30, 2001, the total accumulated unpaid sick and vacation time recorded in the General Long-Term Obligations Account Group was:

	<u>Sick Leave</u>	<u>Vacation</u>	<u>Total</u>
Liability	\$754,050	\$19,461	\$773,511

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

NOTE 12 - NOTE PAYABLE

Note Payable activity of the District for the year ended June 30, 2001, was as follows:

<u>Note Payable</u>	<u>Balance</u> <u>June 30, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2001</u>
Bond Anticipation Note 4.99%	\$16,250,000	\$0	(\$16,250,000)	\$0
	<u>\$16,250,000</u>	<u>\$0</u>	<u>(\$16,250,000)</u>	<u>\$0</u>

NOTE 13 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Detail of the changes in the notes, bonds, intergovernmental payable, capital lease payable and compensated absences of the District for the year ended June 30, 2001 is as follows:

		Balance June 30, 2000	Issued (Retired)	Balance June 30, 2001
General Long-Term Debt:				
(Long-Term Notes Payable)				
Energy Conservation Project	6.05%	\$70,000	(\$35,000)	\$35,000
Permanent Improvement	4.00%	700,000	(100,000)	600,000
Energy Conservation Project	4.50%	375,000	(45,000)	330,000
Total Long-Term Notes Payable		1,145,000	(180,000)	965,000
(General Obligation Bonds Payable)				
School Improvement Bonds	6.38%	993,350	0	993,350
School Bus Bonds	5.5-6.1%	175,000	(15,000)	160,000
School Improvement Bonds	4.35-5.6%	0	16,248,718	16,248,718
		1,168,350	16,233,718	17,402,068
Interest Accretion		0	21,268	21,268
Total General Obligation Bonds Payable		1,168,350	16,254,986	17,423,336
Total General Long-Term Debt		2,313,350	16,074,986	18,388,336
Other General Long-Term Obligations:				
Intergovernmental Payable		59,114	(830)	58,284
Capital Leases		48,993	149,198	198,191
			(63,506)	134,685
Compensated Absences		786,215	(12,704)	773,511
Early Retirement Incentive Payable		29,383	(11,603)	17,780
Total Other General Long-Term Obligations		923,705	60,555	984,260
Total General Long-Term Debt and Other General Long-Term Obligations		\$3,237,055	\$16,135,541	\$19,372,596

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

A. Principal and Interest Requirements

A summary of the District's future long-term debt funding requirements, including principal and interest payments as of June 30, 2001, follows:

Years	Long-Term Notes Payable		General Obligation Bonds Payable		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$185,000	\$42,408	\$118,350	\$918,735	\$31,122	\$11,196
2003	150,000	33,402	175,000	912,695	29,070	7,203
2004	155,000	26,258	240,000	902,945	31,472	4,801
2005	155,000	18,904	250,000	891,274	34,072	2,201
2006	160,000	11,415	205,000	878,967	8,949	119
2007-2028	160,000	3,805	16,413,718	13,941,911	0	0
Totals	\$965,000	\$136,192	\$17,402,068	\$18,446,527	\$134,685	\$25,520

NOTE 14 - CAPITALIZED LEASES

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

The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2001:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>
2002	\$42,318
2003	36,273
2004	36,273
2005	36,273
2006	<u>9,068</u>
Minimum Lease Payments	160,205
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(25,520)</u>
Present Value of minimum lease payments	<u><u>\$134,685</u></u>

NOTE 15 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains two Enterprise Funds to account for the operation of Food Services and Uniform School Supply Sales. The key financial information for the year ended June 30, 2001 for these enterprise activities is as follows:

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Total</u>
Operating Revenues	\$259,976	\$67,491	\$327,467
Depreciation Expense	9,405	0	9,405
Operating Income (Loss)	(108,055)	5,130	(102,925)
Net Income (Loss)	(22,765)	5,130	(17,635)
Operating Grants	52,679	0	52,679
Federal Donated Commodities	21,789	0	21,789
Property, Plant and Equipment:			
Additions	12,288	0	12,288
Total Assets	163,901	45,009	208,910
Net Working Capital	29,705	44,859	74,564
Contributed Capital Additions	12,288	0	12,288
Total Equity	109,369	44,859	154,228

NOTE 16 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During fiscal year 2001 the District contracted with several different insurance providers for various insurance coverages, as follows:

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

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

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

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

The claims liability of \$134,021 reported in the fund at June 30, 2001 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTE 16 - RISK MANAGEMENT (Continued)

Changes in the fund's claims liability amount in 2000 and 2001 were:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2000	\$0	\$0	\$0	\$0
2001	0	902,931	(768,910)	134,021

NOTE 17 – STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts for textbook and capital acquisition into various reserves. The reserve for budget stabilization became optional under state law in fiscal year 2001. The District has chosen to continue reserving amounts for budget stabilization. During the fiscal year ended June 30, 2001, the reserve activity (cash-basis) was as follows:

	<u>Textbook Reserve</u>	<u>Capital Acquisition Reserve</u>	<u>Budget Stabilization Reserve</u>	<u>Total</u>
Set-aside Cash Balance as of June 30, 2000	\$100,509	\$61,912	\$169,424	\$331,845
Current Year Set-Aside Requirement	215,000	215,000	61,278	491,278
Qualifying Disbursements	<u>(348,116)</u>	<u>(2,890,842)</u>	<u>0</u>	<u>(3,238,958)</u>
Set-aside Balance at June 30, 2001	<u>(\$32,607)</u>	<u>(\$2,613,930)</u>	<u>\$230,702</u>	<u>(\$2,415,835)</u>
Restricted Cash Balance at June 30, 2001	<u>\$39,524</u>	<u>\$217,417</u>	<u>\$230,702</u>	<u>\$487,643</u>

The District's qualifying disbursements were made against general fund appropriations other than the textbook reserve and the capital acquisition reserve. In addition, \$2,804,318 in qualifying expenditures were made out of the capital projects fund. As a result, there is a difference between the restricted cash and June 30, 2001 and the set-aside balance.

NOTE 18 - CONTRIBUTED CAPITAL

A schedule of changes in contributed capital is presented below:

	<u>Food Service Fund</u>
Balance at June 30, 2000	\$23,119
Additions:	
Contributions from Other Funds	<u>12,288</u>
Contributed Capital at June 30, 2001	<u><u>\$35,407</u></u>

NOTE 19 – CONSTRUCTION COMMITMENTS

As of June 30, 2001, the District had contractual purchase commitments for construction of a new school and renovation to other school buildings as follows:

<u>Company</u>	<u>Amount Remaining</u>	<u>Company</u>	<u>Amount Remaining</u>
BBC&M Engineering, Inc.	\$5,270	Layton Excavating, Inc.	\$488,629
Claggett & Son, Inc.	821,696	Lepi Enterprises, Inc.	14,995
Dezign Unlimited	2,145	Marco Plumbing & Heating	106,108
General Temperature Control	338,474	Monk's Printing	9,187
Goodin Electric, Inc.	201,321	Newark Advocate	4,441
Guthridge Plumbing	35,332	Peck, Shaffer & Williams	31,301
Harden, Reid, Jahnes, Luchtenberg	792,087	Smith Roofing Ltd.	61,976
Hilscher-Clarke Electric Co.	290,900	Southern Bleacher Co.	362,500
Keen & Cross, Inc.	33,747	The Quandel Group, Inc.	647,270
Kenton Structural Steel	343,298	Tom Sexton	24,595

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS

Licking Area Computer Association - The District is a participant in the Licking Area Computer Association (LACA) which is a computer consortium. LACA is an association of public school districts within the boundaries of Licking and Muskingum Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of LACA consists of thirteen members made up of the thirteen district superintendents. The District paid LACA \$79,508 for services provided during the year. Financial information can be obtained from their fiscal agent, the Licking County Joint Vocational School, Shirley Dupps, who serves as Treasurer, at 150 Price Road, Newark, Ohio 43055.

NOTE 21 – CONTINGENCIES

A. Grants

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2001.

B. Litigation

The District is not a party to any legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2001.

C. State School Funding

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

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

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

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of November 12, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

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

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

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

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

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Heath City School District

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GENERAL FUND

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

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Local Sources:			
Taxes	\$5,518,260	\$5,913,981	\$395,721
Tuition	0	109,700	109,700
Investment Earnings	0	105,153	105,153
Intergovernmental - State	2,567,765	2,616,882	49,117
All Other Revenues	0	85,245	85,245
Total Revenues	<u>8,086,025</u>	<u>8,830,961</u>	<u>744,936</u>
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Salaries and Wages	3,251,932	3,242,161	9,771
Fringe Benefits	1,030,173	1,002,075	28,098
Purchased Services	96,080	88,647	7,433
Supplies and Materials	347,445	326,405	21,040
Other Expenditures	184	184	0
Capital Outlay	1,211	1,112	99
Total Regular	<u>4,727,025</u>	<u>4,660,584</u>	<u>66,441</u>
Special:			
Salaries and Wages	416,210	414,623	1,587
Fringe Benefits	129,393	121,438	7,955
Purchased Services	706	486	220
Supplies and Materials	3,625	3,392	233
Total Special	<u>549,934</u>	<u>539,939</u>	<u>9,995</u>
Vocational:			
Salaries and Wages	93,384	93,306	78
Fringe Benefits	25,268	23,448	1,820
Supplies and Materials	511	511	0
Total Vocational	<u>119,163</u>	<u>117,265</u>	<u>1,898</u>
Other:			
Purchased Services	132,200	123,930	8,270
Other Expenditures	43,054	43,054	0
Total Other	<u>175,254</u>	<u>166,984</u>	<u>8,270</u>
Total Instructional Services	<u>5,571,376</u>	<u>5,484,772</u>	<u>86,604</u>

(Continued)

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	335,381	334,304	1,077
Fringe Benefits	101,811	96,399	5,412
Purchased Services	15,708	7,346	8,362
Supplies and Materials	30,672	26,916	3,756
Total Pupils	<u>483,572</u>	<u>464,965</u>	<u>18,607</u>
Instructional Staff:			
Salaries and Wages	197,349	195,834	1,515
Fringe Benefits	103,692	80,923	22,769
Purchased Services	112	112	0
Supplies and Materials	31,978	31,098	880
Other Expenditures	102	102	0
Total Instructional Staff	<u>333,233</u>	<u>308,069</u>	<u>25,164</u>
Board of Education:			
Salaries and Wages	2,300	2,300	0
Fringe Benefits	3,437	3,345	92
Purchased Services	24,850	15,875	8,975
Supplies and Materials	850	849	1
Other Expenditures	3,298	3,255	43
Total Board of Education	<u>34,735</u>	<u>25,624</u>	<u>9,111</u>
Administration:			
Salaries and Wages	597,596	596,800	796
Fringe Benefits	240,318	227,260	13,058
Purchased Services	79,494	71,484	8,010
Supplies and Materials	11,524	11,519	5
Other Expenditures	2,657	2,646	11
Capital Outlay	1,631	1,602	29
Total Administration	<u>933,220</u>	<u>911,311</u>	<u>21,909</u>
Fiscal Services:			
Salaries and Wages	128,893	128,753	140
Fringe Benefits	56,916	54,140	2,776
Purchased Services	14,933	10,409	4,524
Supplies and Materials	5,000	3,962	1,038
Other Expenditures	176,108	129,513	46,595
Capital Outlay	1,000	498	502
Total Fiscal Services	<u>382,850</u>	<u>327,275</u>	<u>55,575</u>

(Continued)

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Business:			
Purchased Services	25,745	25,687	58
Supplies and Materials	2,750	2,711	39
Other Expenditures	709	708	1
Total Business	<u>29,204</u>	<u>29,106</u>	<u>98</u>
Operation and Maintenance of Plant:			
Salaries and Wages	334,985	315,935	19,050
Fringe Benefits	111,240	107,017	4,223
Purchased Services	427,276	360,486	66,790
Supplies and Materials	141,046	90,717	50,329
Other Expenditures	620	613	7
Capital Outlay	15,990	12,522	3,468
Total Operation and Maintenance of Plant	<u>1,031,157</u>	<u>887,290</u>	<u>143,867</u>
Pupil Transportation:			
Salaries and Wages	159,570	158,845	725
Fringe Benefits	94,261	90,546	3,715
Purchased Services	17,602	14,674	2,928
Supplies and Materials	27,800	20,451	7,349
Other Expenditures	2,100	1,676	424
Capital Outlay	160,000	159,058	942
Total Pupil Transportation	<u>461,333</u>	<u>445,250</u>	<u>16,083</u>
Central:			
Salaries and Wages	53,750	53,709	41
Fringe Benefits	8,079	7,723	356
Purchased Services	46,637	35,384	11,253
Supplies and Materials	1,435	1,018	417
Other Expenditures	24,099	24,071	28
Total Central	<u>134,000</u>	<u>121,905</u>	<u>12,095</u>
Total Support Services	<u>3,823,304</u>	<u>3,520,795</u>	<u>302,509</u>
Extracurricular Activities:			
Academic and Subject Oriented:			
Salaries and Wages	28,971	23,888	5,083
Fringe Benefits	301	300	1
Purchased Services	3,805	3,802	3
Capital Outlay	20,622	20,605	17
Total Academic and Subject Oriented	<u>53,699</u>	<u>48,595</u>	<u>5,104</u>

(Continued)

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2001

GENERAL FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Occupation Oriented:			
Salaries and Wages	1,965	1,873	92
Total Occupation Oriented	1,965	1,873	92
Sports Oriented:			
Salaries and Wages	133,931	133,392	539
Fringe Benefits	20,034	19,428	606
Total Sports Oriented	153,965	152,820	1,145
School and Public Service Co-Curricular:			
Salaries and Wages	13,112	11,083	2,029
Fringe Benefits	140	139	1
Total School and Public Service Co-Curricular	13,252	11,222	2,030
Total Extracurricular Activities	222,881	214,510	8,371
Other Expenditures:			
Salaries and Wages	1,967	1,964	3
Purchased Services	225	225	0
Other Expenditures	72,335	72,335	0
Total Other Expenditures	74,527	74,524	3
Capital Outlay	61,671	27,710	33,961
Total Expenditures	9,753,759	9,322,311	431,448
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,667,734)	(491,350)	1,176,384
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	0	1,510	1,510
Advances In	0	3,640	3,640
Advances Out	(4,365)	(4,365)	0
Total Other Financing Sources (Uses):	(4,365)	785	5,150
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,672,099)	(490,565)	1,181,534
Fund Balance at Beginning of Year	907,925	907,925	0
Prior Year Encumbrances	136,286	136,286	0
Fund Balance at End of Year	(\$627,888)	\$553,646	\$1,181,534

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Heath City School District

SPECIAL REVENUE FUNDS

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

Public School Support Fund

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

Other Grants Fund

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

District Managed Student Activity Fund

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

Auxiliary Services Fund

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

Career Development Fund

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

Teacher Development Fund

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

Management Information System Fund

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

Data Communication Fund

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

(Continued)

SchoolNet Professional Development Fund

To account for professional development subsidy grants.

Textbook/Instructional Materials Subsidy Fund

To account for monies received to provide textbooks for elementary and secondary schools. (The Balance Sheet is not presented because there are no assets or liabilities at year end.)

OhioReads Fund

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

Summer Intervention Fund

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

Miscellaneous State Grants Fund

To account for various monies received from state agencies which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

Title II Fund

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

Title VI-B Fund

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

Vocational Education Fund

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

Title I Fund

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

(Continued)

SPECIAL REVENUE FUNDS

Title VI Fund

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

Drug Free Grant Fund

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

Telecommunications Fund

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

Other Federal Grants Fund

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

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HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2001

	Public School Support	Other Grants	District Managed Student Activity	Auxiliary Services
<u>Assets:</u>				
Cash and Cash Equivalents	\$35,159	\$12,239	\$11,854	\$3,267
Receivables (net of allowance for doubtful accounts):				
Intergovernmental	0	0	0	0
Total Assets	<u>\$35,159</u>	<u>\$12,239</u>	<u>\$11,854</u>	<u>\$3,267</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$21	\$0	\$17	\$1,591
Accrued Wages and Benefits	0	0	0	0
Interfund Loan Payables	0	0	0	0
Intergovernmental Payables	0	0	0	0
Total Liabilities	<u>21</u>	<u>0</u>	<u>17</u>	<u>1,591</u>
Fund Equity:				
Reserved for Encumbrances	452	4,943	4,489	1,420
Unreserved	34,686	7,296	7,348	256
Total Fund Equity	<u>35,138</u>	<u>12,239</u>	<u>11,837</u>	<u>1,676</u>
Total Liabilities and Fund Equity	<u>\$35,159</u>	<u>\$12,239</u>	<u>\$11,854</u>	<u>\$3,267</u>

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2001

Career Development	Teacher Development	Management Information System	Data Communication	SchoolNet Professional Development	Summer Intervention
\$959	\$1,061	\$28,001	\$7,096	\$8,000	\$5,311
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$959</u>	<u>\$1,061</u>	<u>\$28,001</u>	<u>\$7,096</u>	<u>\$8,000</u>	<u>\$5,311</u>
\$0	\$80	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>80</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
959	981	28,001	7,096	8,000	5,311
<u>959</u>	<u>981</u>	<u>28,001</u>	<u>7,096</u>	<u>8,000</u>	<u>5,311</u>
<u>\$959</u>	<u>\$1,061</u>	<u>\$28,001</u>	<u>\$7,096</u>	<u>\$8,000</u>	<u>\$5,311</u>

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2001

	Misellaneous State Grants	Title II	Title VI-B	Vocational Education
<u>Assets:</u>				
Cash and Cash Equivalents	\$1,170	\$3,851	\$2	\$227
Receivables (net of allowance for doubtful accounts):				
Intergovernmental	0	0	30,402	0
Total Assets	<u>\$1,170</u>	<u>\$3,851</u>	<u>\$30,404</u>	<u>\$227</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	0	0	4,010	0
Interfund Loan Payables	0	0	220	0
Intergovernmental Payables	0	0	58	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>4,288</u>	<u>0</u>
Fund Equity:				
Reserved for Encumbrances	0	0	0	0
Unreserved	1,170	3,851	26,116	227
Total Fund Equity	<u>1,170</u>	<u>3,851</u>	<u>26,116</u>	<u>227</u>
Total Liabilities and Fund Equity	<u>\$1,170</u>	<u>\$3,851</u>	<u>\$30,404</u>	<u>\$227</u>

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2001

Title I	Title VI	Drug Free Grant	Tele- communications	Other Federal Grants	Totals
\$1	\$3,416	\$727	\$18,894	\$4,497	\$145,732
11,405	4,131	0	0	0	45,938
<u>\$11,406</u>	<u>\$7,547</u>	<u>\$727</u>	<u>\$18,894</u>	<u>\$4,497</u>	<u>\$191,670</u>
\$0	\$2,442	\$0	\$0	\$0	\$4,151
7,980	0	0	0	0	11,990
1,565	2,580	0	0	0	4,365
0	0	0	0	0	58
<u>9,545</u>	<u>5,022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,564</u>
0	724	0	0	0	12,028
1,861	1,801	727	18,894	4,497	159,078
<u>1,861</u>	<u>2,525</u>	<u>727</u>	<u>18,894</u>	<u>4,497</u>	<u>171,106</u>
<u>\$11,406</u>	<u>\$7,547</u>	<u>\$727</u>	<u>\$18,894</u>	<u>\$4,497</u>	<u>\$191,670</u>

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

	Public School Support	Other Grants	District Managed Student Activity	Auxiliary Services
Revenues:				
Local Sources:				
Investment Earnings	\$0	\$0	\$862	\$0
Extracurricular Activities	0	0	60,091	0
Intergovernmental - State	0	0	0	4,430
Intergovernmental - Federal	0	0	0	0
All Other Revenues	56,875	10,716	18,500	0
Total Revenues	56,875	10,716	79,453	4,430
Expenditures:				
Current:				
Instructional Services	0	4,344	0	0
Support Services:				
Pupils	39,810	0	0	0
Instructional Staff	3,308	0	0	0
Administration	0	0	0	0
Fiscal Services	0	0	0	177
Community Services	0	0	0	14,149
Extracurricular Activities	0	0	91,748	0
Total Expenditures	43,118	4,344	91,748	14,326
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	13,757	6,372	(12,295)	(9,896)
Fund Balance (Deficit) at Beginning of Year	21,381	5,867	24,132	11,572
Fund Balance at End of Year	\$35,138	\$12,239	\$11,837	\$1,676

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

Career Development	Teacher Development	Management Information System	Data Communication	SchoolNet Professional Development	Textbook/ Instructional Materials Subsidy	OhioReads
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
700	8,477	6,280	6,000	4,000	0	2,000
0	0	0	0	0	0	0
0	0	0	0	0	0	0
700	8,477	6,280	6,000	4,000	0	2,000
0	7,175	0	0	0	5,107	0
1,093	0	0	0	0	0	0
0	0	0	0	0	0	2,000
0	3,185	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,093	10,360	0	0	0	5,107	2,000
(393)	(1,883)	6,280	6,000	4,000	(5,107)	0
1,352	2,864	21,721	1,096	4,000	5,107	0
\$959	\$981	\$28,001	\$7,096	\$8,000	\$0	\$0

(Continued)

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

	Summer Intervention	Miscellaneous State Grants	Title II	Title VI-B
<u>Revenues:</u>				
Local Sources:				
Investment Earnings	\$0	\$0	\$0	\$0
Extracurricular Activities	0	0	0	0
Intergovernmental - State	5,311	0	0	0
Intergovernmental - Federal	0	0	4,179	124,063
All Other Revenues	0	0	0	0
Total Revenues	5,311	0	4,179	124,063
<u>Expenditures:</u>				
Current:				
Instructional Services	0	0	0	0
Support Services:				
Pupils	0	0	0	12,419
Instructional Staff	0	0	328	81,395
Administration	0	0	0	0
Fiscal Services	0	0	0	0
Community Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Total Expenditures	0	0	328	93,814
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	5,311	0	3,851	30,249
Fund Balance (Deficit) at Beginning of Year	0	1,170	0	(4,133)
Fund Balance at End of Year	\$5,311	\$1,170	\$3,851	\$26,116

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

Vocational Education	Title I	Title VI	Drug Free Grant	Tele- communications	Other Federal Grants	Totals
\$0	\$0	\$0	\$0	\$0	\$0	\$862
0	0	0	0	0	0	60,091
0	0	0	0	0	0	37,198
438	68,359	8,970	4,306	0	0	210,315
0	0	0	0	8,907	0	94,998
438	68,359	8,970	4,306	8,907	0	403,464
252	55,779	5,223	0	0	0	77,880
0	0	0	7,386	0	0	60,708
0	0	6,445	0	0	0	93,476
0	0	0	0	0	0	3,185
0	0	0	0	0	0	177
0	0	412	411	0	0	14,972
0	0	0	0	0	0	91,748
252	55,779	12,080	7,797	0	0	342,146
186	12,580	(3,110)	(3,491)	8,907	0	61,318
41	(10,719)	5,635	4,218	9,987	4,497	109,788
\$227	\$1,861	\$2,525	\$727	\$18,894	\$4,497	\$171,106

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

PUBLIC SCHOOL SUPPORT FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$53,800	\$56,875	\$3,075
Total Revenues	<u>53,800</u>	<u>56,875</u>	<u>3,075</u>
 <u>Expenditures:</u>			
Support Services:			
Pupils:			
Supplies and Materials	68,427	40,597	27,830
Instructional Staff:			
Purchased Services	<u>6,525</u>	<u>3,308</u>	<u>3,217</u>
Total Expenditures	<u>74,952</u>	<u>43,905</u>	<u>31,047</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(21,152)	12,970	34,122
Fund Balance at Beginning of Year			
Fund Balance at Beginning of Year	13,404	13,404	0
Prior Year Encumbrances			
Prior Year Encumbrances	<u>8,333</u>	<u>8,333</u>	<u>0</u>
Fund Balance at End of Year			
Fund Balance at End of Year	<u><u>\$585</u></u>	<u><u>\$34,707</u></u>	<u><u>\$34,122</u></u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

OTHER GRANTS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$0	\$10,716	\$10,716
Total Revenues	0	10,716	10,716
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Supplies and Materials	13,328	9,287	4,041
Total Expenditures	13,328	9,287	4,041
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,328)	1,429	14,757
Fund Balance at Beginning of Year	3,167	3,167	0
Prior Year Encumbrances	2,700	2,700	0
Fund Balance at End of Year	(\$7,461)	\$7,296	\$14,757

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

DISTRICT MANAGED STUDENT ACTIVITY FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$200	\$862	\$662
Extracurricular Activities	60,000	60,091	91
All Other Revenues	2,000	18,500	16,500
Total Revenues	62,200	79,453	17,253
<u>Expenditures:</u>			
Extracurricular Activities:			
Sports Oriented:			
Salaries and Wages	12,607	12,496	111
Purchased Services	35,826	32,758	3,068
Supplies and Materials	20,903	20,903	0
Other Expenditures	9,320	9,319	1
Capital Outlay	20,762	20,761	1
Total Expenditures	99,418	96,237	3,181
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(37,218)	(16,784)	20,434
Fund Balance at Beginning of Year			
Prior Year Encumbrances	1,758	1,758	0
Fund Balance at End of Year	22,374	22,374	0
	(\$13,086)	\$7,348	\$20,434

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

AUXILIARY SERVICES FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$0	\$4,430	\$4,430
Total Revenues	0	4,430	4,430
<u>Expenditures:</u>			
Support Services:			
Fiscal Services:			
Other Expenditures	177	177	0
Community Services:			
Supplies and Materials	9,776	9,776	0
Other Expenditures	1,200	1,200	0
Capital Outlay	4,849	4,569	280
Total Community Services	15,825	15,545	280
Total Expenditures	16,002	15,722	280
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(16,002)	(11,292)	4,710
Fund Balance at Beginning of Year	5,928	5,928	0
Prior Year Encumbrances	5,644	5,644	0
Fund Balance at End of Year	(\$4,430)	\$280	\$4,710

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

CAREER DEVELOPMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$0	\$700	\$700
Total Revenues	0	700	700
<u>Expenditures:</u>			
Support Services:			
Pupils:			
Supplies and Materials	2,052	1,093	959
Total Expenditures	2,052	1,093	959
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,052)	(393)	1,659
Fund Balance at Beginning of Year	1,352	1,352	0
Fund Balance at End of Year	(\$700)	\$959	\$1,659

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

TEACHER DEVELOPMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$0	\$8,477	\$8,477
Total Revenues	0	8,477	8,477
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Salaries and Wages	3,000	3,000	0
Purchased Services	4,933	4,095	838
Total Instructional Services	7,933	7,095	838
Support Services:			
Administration:			
Salaries and Wages	3,000	3,000	0
Purchased Services	185	185	0
Total Administration	3,185	3,185	0
Total Expenditures	11,118	10,280	838
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,118)	(1,803)	9,315
Fund Balance at Beginning of Year	2,864	2,864	0
Fund Balance at End of Year	(\$8,254)	\$1,061	\$9,315

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

MANAGEMENT INFORMATION SYSTEM FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$3,750	\$6,280	\$2,530
Total Revenues	3,750	6,280	2,530
 <u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,750	6,280	2,530
Fund Balance at Beginning of Year	21,721	21,721	0
Fund Balance at End of Year	\$25,471	\$28,001	\$2,530

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

DATA COMMUNICATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$0	\$6,000	\$6,000
Total Revenues	0	6,000	6,000
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	6,000	6,000
Fund Balance at Beginning of Year	1,096	1,096	0
Fund Balance at End of Year	\$1,096	\$7,096	\$6,000

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

SCHOOLNET PROFESSIONAL DEVELOPMENT FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$0	\$4,000	\$4,000
Total Revenues	0	4,000	4,000
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Purchased Services	4,000	0	4,000
Total Expenditures	4,000	0	4,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,000)	4,000	8,000
Fund Balance at Beginning of Year	4,000	4,000	0
Fund Balance at End of Year	\$0	\$8,000	\$8,000

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

TEXTBOOK/INSTRUCTIONAL MATERIALS SUBSIDY FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Supplies and Materials	1,640	1,640	0
Special:			
Supplies and Materials	4,039	4,039	0
Total Instructional Services	5,679	5,679	0
Total Expenditures	5,679	5,679	0
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(5,679)	(5,679)	0
Fund Balance at Beginning of Year	5,679	5,679	0
Fund Balance at End of Year	\$0	\$0	\$0

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

OHIOREADS FUND

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

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

SUMMER INTERVENTION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$0	\$5,311	\$5,311
Total Revenues	0	5,311	5,311
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	5,311	5,311
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$5,311	\$5,311

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

MISCELLANEOUS STATE GRANTS FUND

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

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

TITLE II FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$0	\$4,179	\$4,179
Total Revenues	0	4,179	4,179
<u>Expenditures:</u>			
Instructional Staff:			
Purchased Services	4,643	328	4,315
Total Expenditures	4,643	328	4,315
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,643)	3,851	8,494
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	(\$4,643)	\$3,851	\$8,494

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

TITLE VI-B FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$0	\$93,661	\$93,661
Total Revenues	0	93,661	93,661
<u>Expenditures:</u>			
Support Services:			
Pupils:			
Purchased Services	6,882	6,882	0
Supplies and Materials	10,000	5,537	4,463
Total Pupils	16,882	12,419	4,463
Instructional Staff:			
Salaries and Wages	31,795	25,681	6,114
Fringe Benefits	33,475	33,475	0
Purchased Services	41,602	21,995	19,607
Total Instructional Staff	106,872	81,151	25,721
Total Expenditures	123,754	93,570	30,184
Excess (Deficiency) of Revenues Over (Under) Expenditures	(123,754)	91	123,845
<u>Other Financing Sources (Uses):</u>			
Advances In	0	220	220
Advances Out	(310)	(310)	0
Total Other Financing Sources (Uses):	(310)	(90)	220
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(124,064)	1	124,065
Fund Balance at Beginning of Year	1	1	0
Fund Balance at End of Year	(\$124,063)	\$2	\$124,065

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

VOCATIONAL EDUCATION FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$0	\$438	\$438
Total Revenues	0	438	438
<u>Expenditures:</u>			
Instructional Services:			
Vocational:			
Purchased Services	479	252	227
Total Expenditures	479	252	227
Excess (Deficiency) of Revenues Over (Under) Expenditures	(479)	186	665
Fund Balance at Beginning of Year	41	41	0
Fund Balance at End of Year	(\$438)	\$227	\$665

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

TITLE I FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$0	\$56,954	\$56,954
Total Revenues	0	56,954	56,954
<u>Expenditures:</u>			
Instructional Services:			
Special:			
Salaries and Wages	59,484	51,560	7,924
Fringe Benefits	5,829	3,912	1,917
Total Instructional Services	65,313	55,472	9,841
Total Expenditures	65,313	55,472	9,841
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,313)	1,482	66,795
<u>Other Financing Sources (Uses):</u>			
Advances In	0	1,565	1,565
Advances Out	(3,050)	(3,050)	0
Total Other Financing Sources (Uses):	(3,050)	(1,485)	1,565
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(68,363)	(3)	68,360
Fund Balance at Beginning of Year	4	4	0
Fund Balance at End of Year	(\$68,359)	\$1	\$68,360

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

TITLE VI FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$1,024	\$4,839	\$3,815
Total Revenues	1,024	4,839	3,815
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Salaries and Wages	3,000	3,000	0
Supplies and Materials	2,308	2,223	85
Total Instructional Services	5,308	5,223	85
Support Services:			
Instructional Staff:			
Supplies and Materials	8,885	7,169	1,716
Community Services:			
Supplies and Materials	412	412	0
Total Expenditures	14,605	12,804	1,801
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,581)	(7,965)	5,616
<u>Other Financing Sources (Uses):</u>			
Advances In	0	2,580	2,580
Total Other Financing Sources (Uses):	0	2,580	2,580
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(13,581)	(5,385)	8,196
Fund Balance at Beginning of Year	5,635	5,635	0
Fund Balance at End of Year	(\$7,946)	\$250	\$8,196

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

DRUG FREE GRANT FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - Federal	\$0	\$4,306	\$4,306
Total Revenues	<u>0</u>	<u>4,306</u>	<u>4,306</u>
<u>Expenditures:</u>			
Support Services:			
Pupils:			
Salaries and Wages	400	400	0
Purchased Services	2,079	2,079	0
Supplies and Materials	7,986	4,907	3,079
Total Pupils	<u>10,465</u>	<u>7,386</u>	<u>3,079</u>
Community Services:			
Purchased Services	411	411	0
Total Community Services	<u>411</u>	<u>411</u>	<u>0</u>
Total Expenditures	<u>10,876</u>	<u>7,797</u>	<u>3,079</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,876)	(3,491)	7,385
Fund Balance at Beginning of Year	<u>4,218</u>	<u>4,218</u>	<u>0</u>
Fund Balance at End of Year	<u><u>(\$6,658)</u></u>	<u><u>\$727</u></u>	<u><u>\$7,385</u></u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

TELECOMMUNICATIONS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
All Other Revenues	\$3,000	\$8,907	\$5,907
Total Revenues	3,000	8,907	5,907
<u>Expenditures:</u>			
Support Services:			
Central:			
Supplies and Materials	10,000	0	10,000
Capital Outlay	11,115	0	11,115
	21,115	0	21,115
Total Expenditures	21,115	0	21,115
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,115)	8,907	27,022
Fund Balance at Beginning of Year	9,987	9,987	0
Fund Balance at End of Year	(\$8,128)	\$18,894	\$27,022

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

OTHER FEDERAL GRANTS FUND

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	0	0
Fund Balance at Beginning of Year	4,497	4,497	0
Fund Balance at End of Year	<u>\$4,497</u>	<u>\$4,497</u>	<u>\$0</u>

CAPITAL PROJECTS FUNDS

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

Permanent Improvement Fund

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

Building Fund

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

Vocational Education Equipment Fund

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

SchoolNet Plus Fund

To account for monies received from state grant to provide computer workstations for all classrooms, grades K-4.

Interactive Video Distance Learning Grant Fund

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

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
JUNE 30, 2001

	Permanent Improvement	Building	Vocational Education Equipment	SchoolNet Plus	Interactive Video Distance Learning Grant	Totals
Assets:						
Cash and Cash Equivalents	\$22,960	\$0	\$598	\$35	\$9,983	\$33,576
Investments	104,442	15,594,137	0	0	0	15,698,579
Receivables (net of allowance for doubtful accounts):						
Taxes	226,597	0	0	0	0	226,597
Interest	0	184,862	0	0	0	184,862
Interfund Loan Receivable	0	325,000	0	0	0	325,000
Total Assets	\$353,999	\$16,103,999	\$598	\$35	\$9,983	\$16,468,614
Liabilities and Fund Equity:						
Liabilities:						
Accounts Payable	\$278	\$527,706	\$0	\$0	\$0	\$527,984
Deferred Revenue - Taxes	220,597	0	0	0	0	220,597
Deferred Revenue	0	54,084	0	0	0	54,084
Total Liabilities	220,875	581,790	0	0	0	802,665
Fund Equity:						
Reserved for Encumbrances	21,776	3,338,659	0	0	0	3,360,435
Reserved for Property Taxes	6,000	0	0	0	0	6,000
Unreserved	105,348	12,183,550	598	35	9,983	12,299,514
Total Fund Equity	133,124	15,522,209	598	35	9,983	15,665,949
Total Liabilities and Fund Equity	\$353,999	\$16,103,999	\$598	\$35	\$9,983	\$16,468,614

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

	Permanent Improvement	Building	Vocational Education Equipment	SchoolNet Plus	Interactive Video Distance Learning Grant	Totals
Revenues:						
Local Sources:						
Taxes	\$73,805	\$0	\$0	\$0	\$0	\$73,805
Investment Earnings	20,720	1,610,398	0	0	0	1,631,118
Intergovernmental - State	19,968	0	0	48,830	25,418	94,216
All Other Revenues	140	300	0	0	0	440
Total Revenues	<u>114,633</u>	<u>1,610,698</u>	<u>0</u>	<u>48,830</u>	<u>25,418</u>	<u>1,799,579</u>
Expenditures:						
Instructional Services	138,107	0	0	48,890	15,435	202,432
Support Services:						
Administration	0	11,558	0	0	0	11,558
Fiscal Services	3,632	0	0	0	0	3,632
Operations and Maintenance of Plant	4,000	0	0	0	0	4,000
Capital Outlay	0	3,248,614	0	0	0	3,248,614
Debt Service:						
Interest and Fiscal Charges	0	601,867	0	0	0	601,867
Total Expenditures	<u>145,739</u>	<u>3,862,039</u>	<u>0</u>	<u>48,890</u>	<u>15,435</u>	<u>4,072,103</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,106)	(2,251,341)	0	(60)	9,983	(2,272,524)
Other Financing Sources (Uses):						
Proceeds of Premium on Bonds	0	694,827	0	0	0	694,827
Proceeds of General Obligation Bonds	0	16,248,718	0	0	0	16,248,718
Operating Transfers In	0	37,173	0	0	0	37,173
Total Other Financing Sources (Uses)	<u>0</u>	<u>16,980,718</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>16,980,718</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(31,106)	14,729,377	0	(60)	9,983	14,708,194
Fund Balance at Beginning of Year	164,230	792,832	598	95	0	957,755
Fund Balance at End of Year	<u>\$133,124</u>	<u>\$15,522,209</u>	<u>\$598</u>	<u>\$35</u>	<u>\$9,983</u>	<u>\$15,665,949</u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

PERMANENT IMPROVEMENT FUND

	<u>Revised Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$205,963	\$69,705	(\$136,258)
Investment Earnings	0	20,720	20,720
Intergovernmental - State	19,968	19,968	0
All Other Revenues	<u>0</u>	<u>140</u>	<u>140</u>
Total Revenues	<u>225,931</u>	<u>110,533</u>	<u>(115,398)</u>
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Purchased Services	8,500	3,836	4,664
Supplies and Materials	53,812	29,851	23,961
Capital Outlay	<u>154,534</u>	<u>128,175</u>	<u>26,359</u>
Total Instructional Services	<u>216,846</u>	<u>161,862</u>	<u>54,984</u>
Support Services:			
Pupils:			
Purchased Services	2,000	0	2,000
Fiscal Services:			
Other Expenditures	5,300	3,632	1,668
Operation and Maintenance of Plant Services:			
Purchased Services	9,000	4,000	5,000
Capital Outlay	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Operation and Maintenance of Plant Services	<u>14,000</u>	<u>4,000</u>	<u>10,000</u>
Total Expenditures	<u>238,146</u>	<u>169,494</u>	<u>68,652</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(12,215)	(58,961)	(46,746)
Fund Balance at Beginning of Year	140,733	140,733	0
Prior Year Encumbrances	<u>23,854</u>	<u>23,854</u>	<u>0</u>
Fund Balance at End of Year	<u>\$152,372</u>	<u>\$105,626</u>	<u>(\$46,746)</u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

BUILDING FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Investment Earnings	\$750,000	\$1,354,483	\$604,483
All Other Revenues	0	300	300
Total Revenues	<u>750,000</u>	<u>1,354,783</u>	<u>604,783</u>
<u>Expenditures:</u>			
Support Services:			
Administration:			
Purchased Services	42,000	42,000	0
Capital Outlay	<u>6,647,801</u>	<u>6,637,205</u>	<u>10,596</u>
Total Expenditures	<u>6,689,801</u>	<u>6,679,205</u>	<u>10,596</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,939,801)	(5,324,422)	615,379
<u>Other Financing Sources (Uses):</u>			
Proceeds of General Obligation Bonds	16,250,000	0	(16,250,000)
Advances Out	<u>(325,000)</u>	<u>(325,000)</u>	<u>0</u>
Total Other Financing Sources (Uses):	<u>15,925,000</u>	<u>(325,000)</u>	<u>(16,250,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	9,985,199	(5,649,422)	(15,634,621)
Fund Balance at Beginning of Year	<u>17,103,676</u>	<u>17,103,676</u>	<u>0</u>
Fund Balance at End of Year	<u>\$27,088,875</u>	<u>\$11,454,254</u>	<u>(\$15,634,621)</u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

VOCATIONAL EDUCATION EQUIPMENT FUND

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

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

SCHOOLNET PLUS FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$0	\$48,830	\$48,830
Total Revenues	0	48,830	48,830
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Capital Outlay	48,925	48,890	35
Total Expenditures	48,925	48,890	35
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,925)	(60)	48,865
Fund Balance at Beginning of Year	95	95	0
Fund Balance at End of Year	(\$48,830)	\$35	\$48,865

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

INTERACTIVE VIDEO DISTANCE LEARNING FUND

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental - State	\$0	\$25,418	\$25,418
Total Revenues	0	25,418	25,418
<u>Expenditures:</u>			
Instructional Services:			
Regular:			
Capital Outlay	15,500	15,435	65
Total Expenditures	15,500	15,435	65
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,500)	9,983	25,483
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	(\$15,500)	\$9,983	\$25,483

ENTERPRISE FUNDS

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

Food Service Fund

To record financial transactions associated with food service operations.

Uniform School Supply Fund

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

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
JUNE 30, 2001

	Food Service	Uniform School Supply	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$63,830	\$45,009	\$108,839
Due from Other Funds	9,300	0	9,300
Inventory of Supplies at Cost	7,919	0	7,919
Property Plant and Equipment	282,953	0	282,953
Less: Accumulated Depreciation	(200,101)	0	(200,101)
Net Fixed Assets	82,852	0	82,852
Total Assets	<u>\$163,901</u>	<u>\$45,009</u>	<u>\$208,910</u>
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Accounts Payable	\$0	\$150	\$150
Accrued Wages and Benefits	17,517	0	17,517
Due to Other Funds	8,451	0	8,451
Intergovernmental Payables	20,895	0	20,895
Deferred Revenue	4,481	0	4,481
Compensated Absences Payable	3,188	0	3,188
Total Liabilities	<u>54,532</u>	<u>150</u>	<u>54,682</u>
Fund Equity:			
Contributed Capital	35,407	0	35,407
Retained Earnings:			
Unreserved	73,962	44,859	118,821
Total Retained Earnings	<u>73,962</u>	<u>44,859</u>	<u>118,821</u>
Total Fund Equity	<u>109,369</u>	<u>44,859</u>	<u>154,228</u>
Total Liabilities and Fund Equity	<u>\$163,901</u>	<u>\$45,009</u>	<u>\$208,910</u>

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

	Food Service	Uniform School Supply	Totals
<u>Operating Revenues:</u>			
Tuition and Fees	\$0	\$67,491	\$67,491
Sales	259,976	0	259,976
Total Operating Revenues	<u>259,976</u>	<u>67,491</u>	<u>327,467</u>
<u>Operating Expenses:</u>			
Salaries and Wages	125,290	0	125,290
Fringe Benefits	72,443	0	72,443
Contractual Services	705	0	705
Materials and Supplies	159,531	62,361	221,892
Depreciation	9,405	0	9,405
Other Operating Expenses	657	0	657
Total Operating Expenses	<u>368,031</u>	<u>62,361</u>	<u>430,392</u>
Operating Income (Loss)	(108,055)	5,130	(102,925)
<u>Nonoperating Revenues:</u>			
Operating Grants	52,679	0	52,679
Federally Donated Commodities	21,789	0	21,789
Investment Earnings	4,000	0	4,000
Miscellaneous	6,822	0	6,822
Total Nonoperating Revenues	<u>85,290</u>	<u>0</u>	<u>85,290</u>
Net Income (Loss)	(22,765)	5,130	(17,635)
Retained Earnings at Beginning of Year	96,727	39,729	136,456
Retained Earnings at End of Year	<u>\$73,962</u>	<u>\$44,859</u>	<u>\$118,821</u>

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

	Food Service	Uniform School Supply	Totals
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$266,798	\$0	\$266,798
Cash Received from Tuition and Fee Payments	0	67,491	67,491
Cash Payments for Goods and Services	(138,753)	(62,262)	(201,015)
Cash Payments to Employees for Services and Benefits	(185,131)	0	(185,131)
Net Cash Provided (Used) by Operating Activities	(57,086)	5,229	(51,857)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	52,679	0	52,679
Repayment of Advance from General Fund	0	(280)	(280)
Net Cash Provided (Used) by Noncapital Financing Activities	52,679	(280)	52,399
Net Increase (Decrease) in Cash and Cash Equivalents	(4,407)	4,949	542
Cash and Cash Equivalents at Beginning of Year	68,237	40,060	108,297
Cash and Cash Equivalents at End of Year	\$63,830	\$45,009	\$108,839
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</u>			
Operating Income (Loss)	(\$108,055)	\$5,130	(\$102,925)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Miscellaneous Non-Operating Income	6,822	0	6,822
Depreciation Expense	9,405	0	9,405
Donated Commodities Used During the Year	21,789	0	21,789
Changes in Assets and Liabilities:			
Decrease in Inventory	1,621	0	1,621
Increase (Decrease) in Accounts Payable	(1,113)	99	(1,014)
Increase in Accrued Wages and Benefits	4,778	0	4,778
Increase in Due to Other Funds	8,451	0	8,451
Increase in Intergovernmental Payables	514	0	514
Decrease in Deferred Revenues	(157)	0	(157)
Increase in Compensated Absences	636	0	636
Decrease in Early Retirement Incentive Payable	(1,777)	0	(1,777)
Total Adjustments	50,969	99	51,068
Net Cash Provided (Used) by Operating Activities	(\$57,086)	\$5,229	(\$51,857)

Schedule of Noncash Investing, Capital and Financing Activities:

During fiscal year 2001, the Food Service Fund received \$21,789 in donated commodities from the federal government.
During fiscal year 2001, the Food Service Fund received \$12,288 of capital assets from other funds.

INTERNAL SERVICE FUNDS

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

Rotary Fund

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

Employee Benefits Self Insurance Fund

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

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
JUNE 30, 2001

	Rotary	Employee Benefits Self Insurance	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$8,408	\$58,116	\$66,524
Due from Other Funds	0	162,235	162,235
Total Assets	<u>\$8,408</u>	<u>\$220,351</u>	<u>\$228,759</u>
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Accounts Payable	\$90	\$0	\$90
Claims Payable	0	134,021	134,021
Total Liabilities	<u>\$90</u>	<u>\$134,021</u>	<u>\$134,111</u>
Fund Equity:			
Retained Earnings:			
Unreserved	8,318	86,330	94,648
Total Retained Earnings	<u>8,318</u>	<u>86,330</u>	<u>94,648</u>
Total Fund Equity	<u>8,318</u>	<u>86,330</u>	<u>94,648</u>
Total Liabilities and Fund Equity	<u>\$8,408</u>	<u>\$220,351</u>	<u>\$228,759</u>

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

	Rotary	Employee Benefits Self Insurance	Totals
<u>Operating Revenues:</u>			
Tuition and Fees	\$9,247	\$0	\$9,247
Interfund Charges	0	986,384	986,384
Total Operating Revenues	<u>9,247</u>	<u>986,384</u>	<u>995,631</u>
<u>Operating Expenses:</u>			
Fringe Benefits	0	902,931	902,931
Materials and Supplies	7,773	0	7,773
Other Operating Expenses	1,059	0	1,059
Total Operating Expenses	<u>8,832</u>	<u>902,931</u>	<u>911,763</u>
Operating Income	415	83,453	83,868
<u>Nonoperating Revenues:</u>			
Investment Earnings	281	2,787	3,068
Total Nonoperating Revenues	<u>281</u>	<u>2,787</u>	<u>3,068</u>
Net Income	696	86,240	86,936
Retained Earnings at Beginning of Year	7,622	90	7,712
Retained Earnings at End of Year	<u><u>\$8,318</u></u>	<u><u>\$86,330</u></u>	<u><u>\$94,648</u></u>

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

	<u>Rotary</u>	<u>Employee Benefits Self Insurance</u>	<u>Totals</u>
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Tuition and Fee Payments	\$9,247	\$0	\$9,247
Cash Received from Interfund Charges	0	824,149	824,149
Cash Payments for Goods and Services	(8,742)	0	(8,742)
Cash Payments to Employees for Services and Benefits	<u>0</u>	<u>(768,910)</u>	<u>(768,910)</u>
Net Cash Provided by Operating Activities	<u>505</u>	<u>55,239</u>	<u>55,744</u>
<u>Cash Flows from Investing Activities:</u>			
Receipt of Interest	<u>281</u>	<u>2,787</u>	<u>3,068</u>
Net Cash Provided by Investing Activities	<u>281</u>	<u>2,787</u>	<u>3,068</u>
Net Increase in Cash and Cash Equivalents	786	58,026	58,812
Cash and Cash Equivalents at Beginning of Year	<u>7,622</u>	<u>90</u>	<u>7,712</u>
Cash and Cash Equivalents at End of Year	<u><u>\$8,408</u></u>	<u><u>\$58,116</u></u>	<u><u>\$66,524</u></u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</u>			
Operating Income	\$415	\$83,453	\$83,868
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Changes in Assets and Liabilities:			
Increase in Due from Other Funds	0	(162,235)	(162,235)
Increase in Accounts Payable	90	0	90
Increase in Claims Payable	<u>0</u>	<u>134,021</u>	<u>134,021</u>
Total Adjustments	<u>90</u>	<u>(28,214)</u>	<u>(28,124)</u>
Net Cash Provided by Operating Activities	<u><u>\$505</u></u>	<u><u>\$55,239</u></u>	<u><u>\$55,744</u></u>

FIDUCIARY FUND TYPES

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

EXPENDABLE TRUST FUND

Special Trust Fund

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

AGENCY FUND

Student Managed Activity Fund

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

HEATH CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
JUNE 30, 2001

	<u><i>Expendable</i></u> <u><i>Trust Fund</i></u>	<u><i>Agency Fund</i></u> Student Managed Activity	<u>Totals</u>
<u>Assets:</u>			
Cash and Cash Equivalents	\$1,713	\$43,674	\$45,387
Investments	3,300	0	3,300
Total Assets	<u>\$5,013</u>	<u>\$43,674</u>	<u>\$48,687</u>
<u>Liabilities and Fund Equity:</u>			
Liabilities:			
Due to Students	\$0	\$43,674	\$43,674
Total Liabilities	<u>0</u>	<u>43,674</u>	<u>43,674</u>
Fund Equity:			
Unreserved	5,013	0	5,013
Total Fund Equity	<u>5,013</u>	<u>0</u>	<u>5,013</u>
Total Liabilities and Fund Equity	<u>\$5,013</u>	<u>\$43,674</u>	<u>\$48,687</u>

HEATH CITY SCHOOL DISTRICT, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

	Balance June 30, 2000	Additions	Deductions	Balance June 30, 2001
<u>Student Managed Activity Fund</u>				
Assets:				
Cash and Cash Equivalents	\$42,500	\$92,855	(\$91,681)	\$43,674
Total Assets	<u>\$42,500</u>	<u>\$92,855</u>	<u>(\$91,681)</u>	<u>\$43,674</u>
Liabilities:				
Due to Students	\$42,500	\$92,855	(\$91,681)	\$43,674
Total Liabilities	<u>\$42,500</u>	<u>\$92,855</u>	<u>(\$91,681)</u>	<u>\$43,674</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
JUNE 30, 2001

General Fixed Assets

Land and Improvements	\$1,021,125
Buildings and Improvements	3,225,198
Machinery and Equipment	2,192,553
Vehicles	623,851
Construction In Progress	<u>3,392,271</u>
Total General Fixed Assets	<u><u>\$10,454,998</u></u>

Investment in General Fixed Assets from:

General Fund	\$6,505,207
Special Revenue Fund	332,700
Capital Project Funds	<u>3,617,091</u>
Total Investment in General Fixed Assets	<u><u>\$10,454,998</u></u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY CATEGORY
JUNE 30, 2001

Function and Activity	Land and Improvements	Buildings and Improvements	Machinery and Equipment	Vehicles	Construction in Progress	Total
Instruction	\$344,079	\$3,076,423	\$1,542,476	\$0	\$3,392,271	\$8,355,249
Support Services:						
Pupils	0	0	105,683	0	0	105,683
Instructional Staff	0	0	190,293	0	0	190,293
Administration	1,892	100,000	187,973	0	0	289,865
Fiscal Services	0	0	1,222	0	0	1,222
Operation and Maintenance of Plant	0	0	43,161	26,171	0	69,332
Pupil Transportation	1,305	32,675	37,081	597,680	0	668,741
Central	0	0	10,340	0	0	10,340
Community Service	0	0	2,468	0	0	2,468
Extracurricular Activities	212,477	16,100	71,856	0	0	300,433
Facility Acquisition and Improvement	461,372	0	0	0	0	461,372
Total General Fixed Assets	<u>\$1,021,125</u>	<u>\$3,225,198</u>	<u>\$2,192,553</u>	<u>\$623,851</u>	<u>\$3,392,271</u>	<u>\$10,454,998</u>

HEATH CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

Function and Activity	June 30, 2000	Additions	Deletions	June 30, 2001
Instruction	\$4,874,583	\$3,562,484	(\$81,818)	\$8,355,249
Support Services:				
Pupils	105,683	0	0	105,683
Instructional Staff	190,293	0	0	190,293
Administration	288,615	1,250	0	289,865
Fiscal Services	1,222	0	0	1,222
Operation and Maintenance of Plant	67,332	2,000	0	69,332
Pupil Transportation	509,683	159,058	0	668,741
Central	10,340	0	0	10,340
Community Service		2,468	0	2,468
Extracurricular Activities	280,988	19,445	0	300,433
Facility Acquisition and Improvement	461,372	0	0	461,372
Total General Fixed Assets	<u>\$6,790,111</u>	<u>\$3,746,705</u>	<u>(\$81,818)</u>	<u>\$10,454,998</u>

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Heath City School District

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STATISTICAL SECTION

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STATISTICAL TABLES

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

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

Year	Instructional Services	Pupils	Instructional Staff	Board of Education and Administration	Fiscal Services	Business	Operation and Maintenance of Plant	Subtotal
1992 a	\$3,258,959	\$295,814	\$167,689	\$606,338	\$179,443	\$25,657	\$549,255	\$5,083,155
1993 a	3,331,142	338,796	173,418	603,122	223,254	48,595	522,732	5,241,059
1994 a	3,578,046	349,984	218,906	641,105	242,199	60,937	580,060	5,671,237
1995 a	3,532,030	404,583	215,835	723,959	304,633	61,902	568,235	5,811,177
1996 a	3,754,054	440,015	228,908	714,478	259,513	74,530	577,162	6,048,660
1997 b	3,904,658	472,098	266,260	749,229	302,810	51,650	604,111	6,350,816
1998 b	3,893,379	427,074	287,335	786,174	314,891	110,929	706,486	6,526,268
1999 b	4,543,627	478,355	286,163	817,381	312,569	16,003	801,530	7,255,628
2000 b	5,007,976	503,357	356,954	915,944	382,453	32,435	810,501	8,009,620
2001 b	5,802,932	540,511	401,606	961,925	333,600	28,461	859,407	8,928,442

a - Cash Basis Financial Data

b - GAAP Basis Financial Data

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

(Continued)

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

Year	Pupil Transportation	Central	Community Service	Extracurricular Activities	Other	Debt Services	Subtotal Page 2	Total
1992 a	\$192,807	\$15,597	\$768	\$152,716	\$0	\$0	\$361,888	\$5,445,043
1993 a	158,184	17,542	1,862	142,618	0	39,364	359,570	5,600,629
1994 a	188,797	14,936	2,023	170,163	0	41,034	416,953	6,088,190
1995 a	167,212	25,368	2,349	172,579	0	39,520	407,028	6,218,205
1996 b	259,467	34,757	1,114	190,348	0	45,841	531,527	6,580,187
1997 b	191,953	41,689	6,788	194,578	3,101	83,495	521,604	6,872,420
1998 b	239,337	46,123	33,909	180,415	3,053	184,632	687,469	7,213,737
1999 b	314,317	137,245	36,787	272,077	197,670 (2)	178,118	1,136,214	8,391,842
2000 b	276,831	112,203	50,762	242,938	143,408 (2)	220,218	1,046,360	9,055,980
2001 b	448,592	133,836	14,972	305,602	102,249 (2)	997,629	2,002,880	10,931,322

a - Cash Basis Financial Data

b - GAAP Basis Financial Data

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

(2) Includes Other Expenditures and Capital Outlay

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

Year		Taxes	Tuition and Fees	Investment Earnings	Extracurricular Activities	Intergovernmental Revenues	All Other	Total
1992	a	\$4,215,894	\$20,762	\$41,706	\$37,118	\$66,576	\$1,181,310	\$5,563,366
1993	a	4,102,830	25,596	30,297	39,324	70,982	1,312,555	5,581,584
1994	a	4,506,551	14,090	32,543	43,831	102,319	1,507,424	6,206,758
1995	a	4,750,902	3,867	57,237	67,852	94,244	1,479,097	6,453,199
1996	a	4,877,788	12,333	12,083	63,531	100,185	1,422,011	6,487,931
1997	b	4,865,663	27,614	248	72,583	1,868,239	101,732	6,936,079
1998	b	5,397,330	16,155	91,570	82,074	2,096,273	124,984	7,808,386
1999	b	6,099,304	42,592	73,446	58,642	2,349,206	200,216	8,823,406
2000	b	5,654,331	61,129	76,691	54,117	2,511,861	149,965	8,508,094
2001	b	6,736,729	109,700	102,015	60,091	2,916,421	180,243	10,105,199

a - Cash Basis Financial Data

b - GAAP Basis Financial Data

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

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

Collection Year	Total Tax Levy	Current Tax Collections	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Accumulated Outstanding Delinquent Taxes	Percentage of Accumulated Delinquent Taxes to Total Tax Levy
1991	\$4,500,201	\$4,289,845	\$133,530	\$4,423,375	98.29%	\$270,951	6.02%
1992	4,447,752	4,280,825	71,082	4,351,907	97.85%	358,734	8.07%
1993	4,423,930	4,252,642	179,766	4,432,408	100.19%	498,088	11.26%
1994	5,009,442	4,824,689	409,858	5,234,547	104.49%	628,797	12.55%
1995	5,089,474	5,014,918	181,967	5,196,885	102.11%	346,057	6.80%
1996	5,135,951	4,919,942	135,847	5,055,789	98.44%	321,456	6.26%
1997	5,362,353	5,649,147	86,162	5,735,309	106.96%	186,266	3.47%
1998	5,855,193	5,436,190	198,193	5,634,383	96.23%	228,252	3.90%
1999	6,467,714	5,303,187	104,776	5,407,963	83.61%	1,059,752	16.39%
2000	6,782,280	6,384,904	100,674	6,485,578	95.63%	296,702	4.37%

Source: Licking County Auditor

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

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

Tax Year	Real Property		Public Utility Personal		Tangible Personal Property		Total		Assessed Value as a Percent of Actual Value
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	
1991	\$89,002,050	\$254,291,571	\$8,021,000	\$8,021,000	\$44,672,270	\$165,452,852	\$141,695,320	\$427,765,423	33.12%
1992	91,399,570	261,141,629	8,008,210	8,008,210	39,982,350	153,778,269	139,390,130	422,928,108	32.96%
1993 *	103,406,360	295,446,743	8,127,460	8,127,460	37,941,710	151,766,840	149,475,530	455,341,043	32.83%
1994	108,987,570	311,393,057	8,314,550	8,314,550	46,991,410	187,965,640	164,293,530	507,673,247	32.36%
1995	112,909,910	322,599,743	8,049,430	8,049,430	46,029,380	184,117,520	166,988,720	514,766,693	32.44%
1996 **	126,591,240	361,689,257	7,860,160	7,860,160	47,552,130	190,208,520	182,003,530	559,757,937	32.51%
1997	132,339,250	378,112,143	7,594,650	7,594,650	47,019,450	188,077,800	186,953,350	573,784,593	32.58%
1998	145,418,700	415,482,000	8,135,630	8,135,630	42,289,650	169,158,600	195,843,980	592,776,230	33.04%
1999 *	169,063,570	483,038,771	7,546,730	7,546,730	44,507,210	178,028,840	221,117,510	668,614,341	33.07%
2000	172,295,770	492,273,629	7,851,500	7,851,500	44,052,160	176,208,640	224,199,430	676,333,769	33.15%

Source: Licking County Auditor

* Reappraisal

** Update

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

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

Tax Year	Heath City School District			Total	City of Heath	Joint Vocational School	Licking County	Total
	General Fund	Bond Retirement Fund	Permanent Improvement Fund					
1991	38.90	0.00	0.00	38.90	3.90	2.80	7.20	52.80
1992	38.90	0.00	0.00	38.90	3.90	2.00	7.20	52.00
1993	38.90	0.00	0.00	38.90	3.90	2.00	7.20	52.00
1994	38.90	0.00	0.00	38.90	3.90	2.00	7.20	52.00
1995	38.90	0.00	1.20	40.10	3.90	2.00	6.70	52.70
1996	38.90	0.00	1.20	40.10	3.90	2.00	7.20	53.20
1997	41.90	0.00	1.20	43.10	5.40	2.00	7.20	57.70
1998	41.90	0.00	1.20	43.10	5.40	2.00	7.20	57.70
1999	41.90	0.00	1.20	43.10	5.40	2.00	7.20	57.70
2000	41.90	5.28	1.20	48.38	5.40	2.00	7.20	62.98

Source: Licking County Auditor
Licking County Treasurer

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

THE HEATH CITY SCHOOL DISTRICT, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2001

Net Assessed Valuation	\$224,199,430
Legal Debt Limitation (%) (1)	9.00%
Legal Debt Limitation (\$) (1)	20,177,949
Applicable District Debt Outstanding	18,023,336
Less: Applicable Debt Service Fund Amounts	<u>(47,890)</u>
Net Indebtedness Subject to Limitation	<u>17,975,446</u>
Overall Legal Debt Margin	<u><u>\$2,202,503</u></u>
Legal Debt Limitation (%) (1)	0.10%
Legal Debt Limitation (\$) (1)	224,199
Applicable District Debt Outstanding	<u>0</u>
Unvoted Legal Debt Margin	<u><u>\$224,199</u></u>
Legal Debt Limitation (%) (1)	0.90%
Legal Debt Limitation (\$) (1)	2,017,795
Applicable District Debt Outstanding	<u>(365,000)</u>
Unvoted Energy Conservation Notes Legal Debt Margin	<u><u>\$1,652,795</u></u>

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

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

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

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

(1) City of Heath 2000 Census.

(2) Source: Licking County Auditor

(3) Includes all general obligation bonded debt supported by property taxes.

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

<u>Year</u>	<u>Debt Principal</u>	<u>Debt Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Tax Debt Service to General Governmental Expenditures</u>
2000	\$0	\$0	\$0	\$9,055,980	0.00%
2001	15,000	751,440	766,440	10,931,322	7.01%

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

THE HEATH CITY SCHOOL DISTRICT, OHIO
COMPUTATION OF ALL DIRECT AND OVERLAPPING GOVERNMENTAL DEBT
JUNE 30, 2001

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Heath City School District</u>	<u>Amount Applicable to Heath City School District</u>
Direct			
Heath City School District	\$18,340,446	100.00%	\$18,340,446
Overlapping Subdivisions			
City of Heath	5,470,000	94.71%	5,180,637
Licking County	15,282,138	8.56%	1,308,151
		Subtotal	<u>6,488,788</u>
		Total	<u><u>\$24,829,234</u></u>
Total			

Source: Licking County Auditor and Fiscal Officers of Subdivision.

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

<u>Year</u>		<u>Heath City Population (1)</u>	<u>Licking County Population (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate Licking County (4)</u>
1992	a	7,384	132,350	1,281	6.1%
1993	a	7,452	134,860	1,296	6.3%
1994	a	7,500	137,417	1,291	5.7%
1995	a	7,650	140,020	1,321	4.8%
1996	a	8,000	142,678	1,369	5.1%
1997	a	8,100	145,384	1,434	3.9%
1998	a	8,100	148,140	1,471	3.8%
1999	a	8,100	150,951	1,535	3.8%
2000	b	8,527	154,520	1,537	3.6%
2001	b	8,527	154,520	1,566	3.2%

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

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

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>	
	<u>Number of Permits</u>	<u>Property Value</u>	<u>Number of Permits</u>	<u>Property Value</u>
1991	14	\$1,196,500	8	\$5,187,500
1992	30	2,549,800	4	3,371,000
1993	32	2,844,701	2	2,615,000
1994	56	6,245,628	5	6,587,000
1995	53	6,655,138	6	779,286
1996	45	7,037,765	10	5,310,100
1997	28	4,646,240	7	3,645,000
1998	43	5,738,269	15	8,315,306
1999	56	8,326,708	10	8,827,000
2000	49	7,063,709	13	15,440,000

Source: City of Heath Building Department

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

THE HEATH CITY SCHOOL DISTRICT, OHIO
PRINCIPAL TAXPAYERS (TANGIBLE PERSONAL PROPERTY TAX)
DECEMBER 31, 2000

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1	Meritor Automotive, Inc.	Heavy Truck Axles	\$12,533,610	28.45%
2	Kaiser Aluminum and Chemical Corporation	Aluminum Products	6,840,990	15.53%
3	Wal*Mart Stores, Inc.	Retail Store	1,373,630	3.12%
4	Mathews Ford, Inc.	Automotive Sales and Service	1,246,480	2.83%
5	Lowes	Home Improvement Center	1,161,950	2.64%
6	Sears Roebuck & Company	Retail Store	992,690	2.25%
7	Boeing Company	Aeronautic	898,440	2.04%
8	Southeastern Equipment Center	Heavy Equipment Rental	820,130	1.86%
9	Marathon Ashland Petroleum	Petroleum Products	796,270	1.81%
10	JLH Automotive, Inc.	Automotive	705,120	1.60%
		Sub-Total	27,369,310	62.13%
		All Others	16,682,850	37.87%
		Total	<u>\$44,052,160</u>	<u>100.00%</u>

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2000

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

THE HEATH CITY SCHOOL DISTRICT, OHIO
PRINCIPAL TAXPAYERS (REAL PROPERTY AND PUBLIC UTILITY PERSONAL PROPERTY TAX)
DECEMBER 31, 2000

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation (Tax Duplicate)</u>	<u>Percentage of Total Assessed Valuation</u>
1	Glimcher Properties Limited Partnership	Shopping Mall	\$18,272,100	10.14%
2	Cross Creek Limited Partnership	Shopping Center	3,651,800	2.03%
3	Ohio Power Co.	Utility Company - Electric	3,501,160	1.94%
4	Southgate Association Limited Partnership	Shopping Center	3,257,240	1.81%
5	Heathwood Village Ltd Partnership	Apartments	3,046,780	1.69%
6	Kaiser Aluminum and Chemical Corporation	Aluminum Processing	2,717,540	1.51%
7	Heath-Newark-Licking County Port Authority	Real Estate - Leasing	2,717,190	1.51%
8	Rockwell/Meritor Heavy Vehicle System	Manufacturer	2,526,830	1.40%
9	Alltel Ohio, Inc.	Utility Company - Telephone	2,382,140	1.32%
10	National Gas and Oil Corporation	Utility Company - Gas	1,835,550	1.02%
		Sub-Total	43,908,330	24.37%
		All Others	136,238,940	75.63%
		Total	<u>\$180,147,270</u>	<u>100.00%</u>

Source: Licking County Auditor - Land and Buildings
Based on valuation of property in 2000

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

**THE HEATH CITY SCHOOL DISTRICT, OHIO
PRINCIPAL EMPLOYERS
DECEMBER 31, 1999**

	Employer	Type of Business	Number of Employees		
			Full Time	Part Time	Total
1	Central Ohio Aerospace and Technology Center	Manufacturing	997	0	997
2	Rockwell/Meritor Heavy Vehicle Systems	Manufacturing	661	0	661
3	Kaiser Aluminum and Chemical Corporation	Manufacturing	259	4	263
4	Wal-Mart Stores	Retail Sales	187	69	256
5	Krogers	Retail Grocery	124	77	201
6	Heath Nursing Home	Health Care	175	25	200
7	Englefield Oil	Petroleum Products	141	29	170
8	Heath City Schools	Education	166	0	166
9	Sears	Retail Sales	52	109	161
10	Mathews Ford	Automobile Sales and Service	96	0	96

Source: City of Heath Income Tax Department

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

THE HEATH CITY SCHOOL DISTRICT, OHIO
MISCELLANEOUS STATISTICS
JUNE 30, 2001

Date of Incorporation	1922
Form of Government	School - Political Subdivision
Area (square miles)	11.29
Miles traveled by Transportation Fleet for the 2000-2001 School Year	115,223
Meals Served by Food Service Department for the 2000-2001 School Year	101,532

<u>School Buildings</u>	<u>Grade Levels</u>	<u>Enrollment</u>
Heath High School	9 - 12	454
Fulton Middle School	6 - 8	380
Stevenson Elementary School	3 - 5	367
Garfield Elementary School	K - 2	365

Source: District Treasurer's Office

THE HEATH CITY SCHOOL DISTRICT, OHIO
STAFF STATISTICS
JUNE 30, 2001

Average classroom teacher salary	\$42,372
Average classroom teacher experience	14.57 years
Districtwide student/teacher ratio	16.5 : 1

Certified Staff

Classroom Teachers	100
Instructional Support	5
Administrators and Supervisors	8

Support Staff

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

Source: District Treasurer's Office

THE HEATH CITY SCHOOL DISTRICT, OHIO
TEACHERS EDUCATION AND EXPERIENCE STATISTICS
JUNE 30, 2001

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	18	18.0%
Bachelor + 15	32	32.0%
Master's Degree	36	36.0%
Master's + 15	7	7.0%
Master's + 30	7	7.0%
Total	100	100.0%

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	32	32.0%
6 - 10	16	16.0%
11 - 15	9	9.0%
16 - 20	9	9.0%
21 - 25	17	17.0%
26 and over	17	17.0%
Total	100	100.0%

Source: District Treasurer's Office

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

<u>Fiscal Year</u>	<u>General Governmental Expenditures</u>	<u>Enrollment</u>	<u>Cost per Pupil</u>
1992	\$5,445,043	1,281	\$4,251
1993	5,600,629	1,296	4,321
1994	6,088,190	1,291	4,716
1995	6,218,205	1,321	4,707
1996	6,580,187	1,369	4,807
1997	6,872,420	1,434	4,792
1998	7,213,737	1,471	4,904
1999	8,391,842	1,535	5,467
2000	9,055,980	1,537	5,892
2001	10,931,322	1,566	6,980

Source: District Treasurer's Office

THE HEATH CITY SCHOOL DISTRICT, OHIO
TRANSPORTATION STATISTICS
JUNE 30, 2001

Number of assigned school buses in fleet	16
Average age of school buses in fleet	11.5
Number of bus drivers	11
Number of miles driven per day	647
Number of miles driven annually	115,223
Average miles per bus	7,201

Students Transported per Day

Public School	1,087
Non-public School	24
Handicapped	17
Preschool	<u>8</u>
Total	1,136
Percent of student enrollment transported	72.5%

Source: District Treasurer's Office

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

Fiscal Year	K	1	2	3	4	5	6	7	8	9	10	11	12	JVS	Total
1991	88	112	99	90	101	101	93	88	93	75	89	99	99	45	1,272
1992	101	88	104	96	98	102	103	93	82	93	80	94	101	46	1,281
1993	87	101	94	105	98	93	110	108	93	91	80	81	106	49	1,296
1994	94	96	94	96	105	101	97	112	100	89	89	86	84	48	1,291
1995	92	99	96	100	99	119	102	103	115	90	85	88	86	47	1,321
1996	86	106	97	101	116	102	128	110	103	121	87	89	78	45	1,369
1997	97	100	103	111	109	129	111	124	102	109	112	95	86	46	1,434
1998	97	113	102	111	127	114	129	119	134	118	113	84	69	41	1,471
1999	98	107	128	101	114	131	127	134	126	140	115	94	80	40	1,535
2000	110	121	108	143	107	111	137	128	127	127	121	80	78	39	1,537
2001	109	124	132	100	155	112	115	143	122	121	125	85	72	51	1,566

Source: District Treasurer's Office



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

HEATH CITY SCHOOL DISTRICT

LICKING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 22, 2002**