

**NEWBURY LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2003**



**Auditor of State  
Betty Montgomery**



NEWBURY LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY

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**Auditor of State  
Betty Montgomery**

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

Board of Education  
Newbury Local School District  
Geauga County  
14775 Auburn Road  
Newbury, Ohio 44065-9745

We have audited the financial statements of the Newbury Local School District as of and for the year ended June 30, 2003, and have issued our report thereon dated December 4, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

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

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. 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 the School District in a separate letter dated December 4, 2003.

Newbury Local School District  
Geauga County  
Independent Accountants' Report on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

December 4, 2003

**Newbury Local School District**  
*Newbury Township, Ohio*

**Comprehensive Annual Financial Report**  
*For the Fiscal Year Ended June 30, 2003*

Prepared by

Treasurer's Office  
Stephanie Swain  
Treasurer





**Newbury Local School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2003*  
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# NEWBURY LOCAL SCHOOL DISTRICT

14775 Auburn Road • Newbury, OH 44065-9745

*1928–2003: Celebrating 75 Years of Excellence*

December 4, 2003

Board of Education Members  
Newbury Local School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Newbury Local School District (the "School District") for the fiscal year ended June 30, 2003. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. This report will provide the taxpayers of the Newbury Local School District with comprehensive financial data in a format, which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Geauga County Public Library, major taxpayers, financial rating services and other interested parties.

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

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

## The School District

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

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

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

Office of the  
Superintendent

440-564-5501  
FAX: 440-564-9460

Office of the  
Treasurer

440-564-5501  
FAX: 440-564-9460

Office of the Junior/Senior  
High School Principal

440-564-2281  
FAX: 440-564-9788

Office of the  
Elementary Principal

440-564-2282  
FAX: 440-564-9690

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

### **The Reporting Entity and Services Provided**

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

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

The School District participates in six jointly governed organizations and two insurance purchasing pools. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, the Newbury Joint Recreation Council, the East Shore Center, the East Shore Regional Transportation System, the Ohio Schools' Council, the Ohio Schools Boards Association Workers' Compensation Group Rating Program and the Ohio School Plan. These organizations are presented in Notes 17 and 18 of the Basic Financial Statements.

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

### **Economic Condition and Outlook**

The Newbury Local School District is located entirely in Newbury Township, which is located about 30 miles east of Cleveland. The current population estimate is approximately 5,805 and current assessed valuation of property within the township is \$164,636,030.

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

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

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

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

### **Major Initiatives**

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

The Newbury Local School District has achieved an “Excellent” status based on the state of Ohio’s Report Card by having met 19 of 22 standards (2002-2003 data) including proficiency test scores, dropout and graduation rates.

The No Child Left Behind federal legislation has also lead to the rating of each building. Newbury Elementary School currently has an “Effective” rating and our Junior/Senior High School is rated “Excellent.”

The School District completely renovated the secondary complex’s heating system in the summer of 1999. More energy efficient lighting was placed throughout the School District, including enhancements for handicapped accessibility and the replacement of the stadium lighting. These improvements have resulted in savings and the energy audit completed by the Brewer-Garrett Company has estimated the energy savings over the last 3 years at approximately \$85,000. The superstructure of the stadium bleachers was renovated in the summer of 2000. During this time period, the gymnasium floor was replaced after 30 years of use. Roofs at the high school/elementary facility have been replaced in the summers of 2001, 2002 and 2003 along with locker replacement in the junior/senior high school, the rekeying of the junior/senior high school building to attain a higher level of security standards and a significant renovation to a junior/senior high school classroom so that students would have the benefit of an additional laboratory science. The air conditioning condenser for the Intermediate Building was replaced during the summer of 2003 and the Board of Education also anticipates replacing approximately twenty-five computers during the calendar year.

In anticipating the repairs in the upcoming years, the School District placed a 1 mill permanent improvement replacement levy on the November 7, 2000 ballot. Voters approved this issue by a wide margin bringing an additional \$70,000 into the School District on an annual basis for the care and repair of our buildings and grounds.

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

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

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

The Newbury Local School District supports a wide range of athletic, music and co-curricular activities. Students also have opportunities for domestic and foreign travel.

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

## **Financial Information**

### ***Internal Accounting and Budgetary Control***

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

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

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

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

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

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

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

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

### ***Financial Condition***

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

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

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

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

As part of this reporting model, management is responsible for preparing a Management's Discussion and Analysis of the School District. This discussion appears after the Independent Accountants' Report in the financial section of this report. Management's Discussion and Analysis provides an assessment of the School District's finances for fiscal year 2003.

### **Cash Management**

The Board has established a cash management program that expedites the collection of local and State funds through electronic fund transfers and daily deposits. Funds are deposited in local financial institutions insured by the Federal Deposit Insurance Corporation as well as collateralized by investments in instruments issued by the United States Government or the State of Ohio. The total amount of interest earned for the year ended June 30, 2003, was \$17,888, of which \$17,382 was credited to the general fund.

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

### **Risk Management**

The School District contracts for general liability insurance. The School District also carries a single occurrence \$1,000,000 limit for professional liability with no deductible and automobile liability which has a \$1,000,000 combined single limit of liability. Settled claims have not exceeded this commercial coverage in any of the past three years.

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



## Independent Audit

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2003. The opinion appears at the beginning of the financial section of this report.

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

## Awards

### *GFOA Certificate of Achievement*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Newbury Local School District for its Comprehensive Annual Report for fiscal year ended June 30, 2002. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

## Acknowledgments

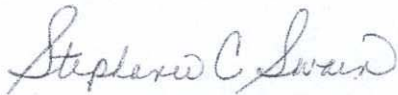
The publication of this report is a significant step toward professionalizing the Newbury Local School District's financial reporting. It enhances the School District's accountability to the residents of the Newbury Local School District.

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

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

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

Respectfully submitted,



Stephanie C. Swain  
Treasurer



John A. Reno  
Superintendent

**Newbury Local School District**

*Principal Officials*

*June 30, 2003*

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***Board of Education***

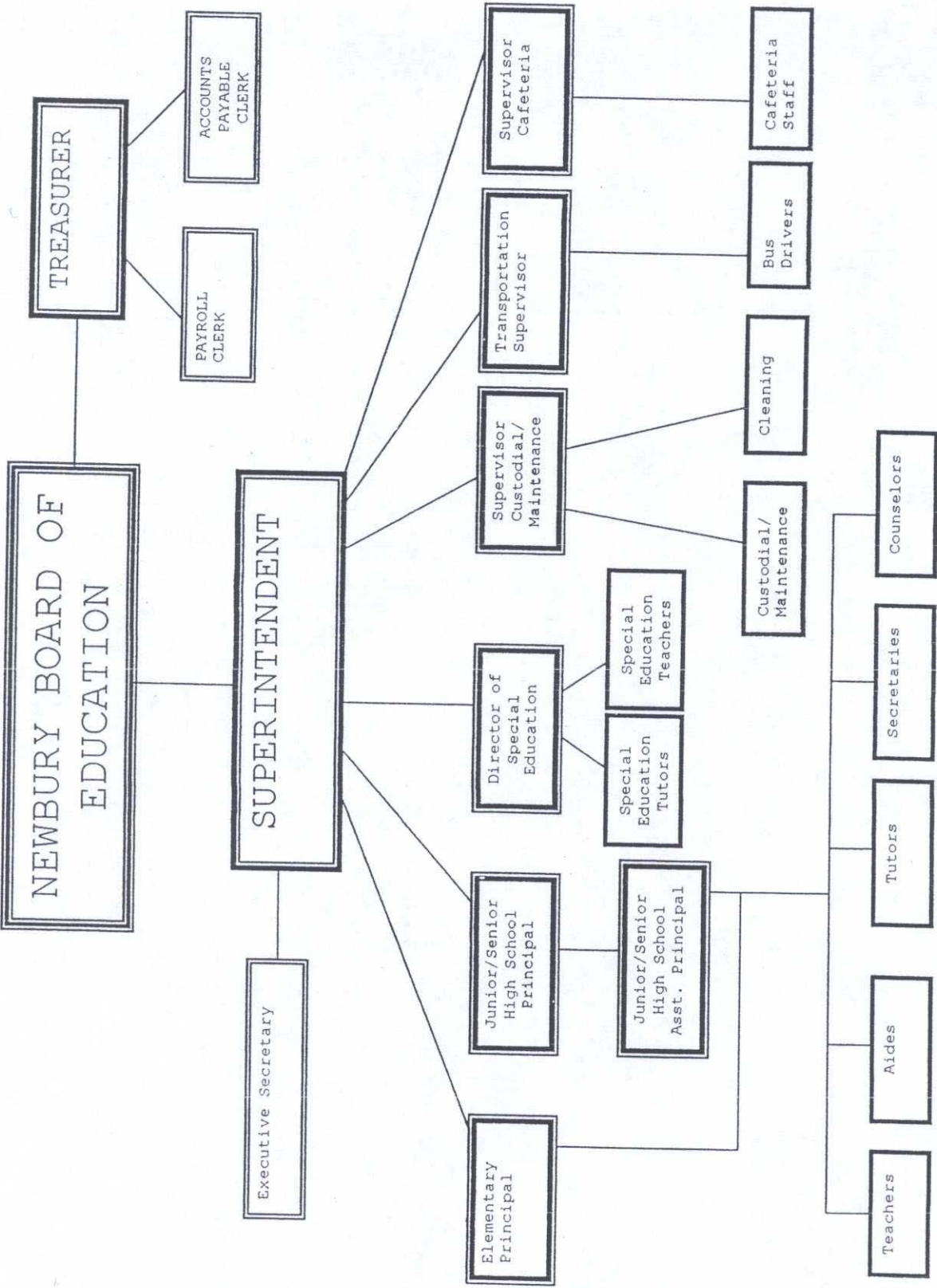
Mr. L. Judd Douglas ..... President  
Mr. Kenneth Blair Jr. .... Vice President  
Ms. Sue Nelson ..... Member  
Ms. Cathleen McBride ..... Member  
Mr. Richard Endres ..... Member

***Treasurer***

Ms. Stephanie C. Swain

***Superintendent***

Mr. John A. Reno





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Newbury Local School  
District, Ohio

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

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



*William Patrick Bate*

President

*Jeffrey R. Erwin*

Executive Director



**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANT'S REPORT**

Board of Education  
Newbury Local School District  
Geauga County  
14775 Auburn Road  
Newbury, Ohio 44065-9745

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Newbury Local School District, Geauga County, Ohio (the District) as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Newbury Local School District, Geauga County, Ohio, as of June 30, 2003, and the respective changes in financial position, where applicable, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2003 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

December 4, 2003

**Newbury Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year June 30, 2003*  
*Unaudited*

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It is a privilege to present to you the financial picture of Newbury Local School District. The discussion and analysis of Newbury Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key financial highlights for 2003 are as follows:

- ◆ In total, net assets of governmental activities decreased \$723,325, which represents a 21.6 percent decrease from 2002.
- ◆ Revenues for governmental activities totaled \$6,721,102 in 2003. Of this total, \$5,972,346 or 88.9 percent consisted of general revenues while program revenues accounted for the balance of \$748,756 or 11.2 percent.
- ◆ Total assets of governmental activities decreased by \$785,518 which includes a cash and cash equivalent decrease of \$832,615 and an increase in taxes receivable of \$135,586 making up the majority of the difference.
- ◆ The School District had \$7,444,427 in expenses related to governmental activities; only \$748,756 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and school foundation) of \$5,972,346 helped to provide for these programs.
- ◆ Program expenses totaled \$7,444,427. Instructional expenses made up \$4,017,072 or 54.0 percent of this total while support services accounted for \$2,721,189 or 36.5 percent. Other expenses, \$706,166 rounded out the remaining 9.5 percent.
- ◆ Unrestricted net assets decreased \$598,873 from \$12,788 to (\$586,085). The Board of Education has placed a 4.9 mill continuing levy on November 4, 2003 ballot. The levy was defeated. The Board has plans for \$500,000 in reductions.

### **Using the Comprehensive Annual Financial Report (CAFR)**

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

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

**Newbury Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year June 30, 2003*  
*Unaudited*

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***Reporting the School District as a Whole***

*Statement of Net Assets and the Statement of Activities*

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

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

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

***Reporting the School District's Most Significant Funds***

*Fund Financial Statements*

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

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



**Newbury Local School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year June 30, 2003  
Unaudited

***The School District as a Whole***

You may recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2003 compared to 2002:

**Table 1**  
Net Assets  
Governmental Activities

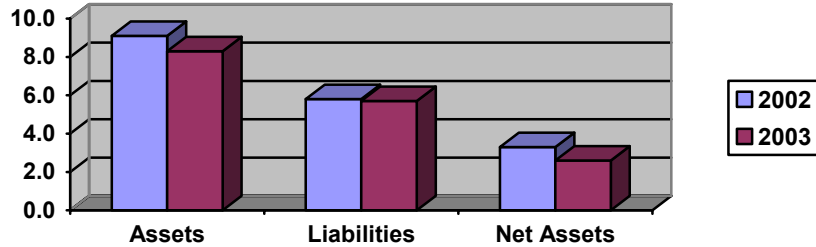
	2003	2002
<b>Assets</b>		
Current and Other Assets	\$4,863,991	\$5,569,710
Capital Assets, Net	3,492,888	3,572,687
<i>Total Assets</i>	<i>8,356,879</i>	<i>9,142,397</i>
<b>Liabilities</b>		
Current and Other Liabilities	4,843,624	4,826,379
Long-term Liabilities		
Due Within One Year	74,347	77,060
Due In More Than One Year	815,685	892,410
<i>Total Liabilities</i>	<i>5,733,656</i>	<i>5,795,849</i>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	3,081,205	3,104,997
Restricted For:		
Capital Projects	64,642	99,151
Debt Service	51	0
Set Asides	31,149	31,149
Other Purposes	32,261	98,463
Unrestricted (Deficit)	(586,085)	12,788
<i>Total Net Assets</i>	<i>\$2,623,223</i>	<i>\$3,346,548</i>

Graph 1  
(in millions)

	2003	2002
Total Assets	\$8.3	\$9.1
Total Liabilities	5.7	5.8
Total Net Assets	\$2.6	\$3.3

**Newbury Local School District**  
*Management's Discussion and Analysis*  
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 Unaudited

**Net Assets Governmental Activities**  
 (In Millions of Dollars)



Total assets decreased \$785,518. The majority of this decrease can be attributed to a decrease in cash caused by increased spending for salaries and benefits mainly in regular and special instruction and pupils, administration, fiscal and pupil transportation support services.

Total liabilities decreased by \$62,193 during the fiscal year. The decrease in long term liabilities was due primarily to staff retirements during June 2003 which resulted from a retirement incentive program and the decrease in outstanding general obligation bonds. The retirements resulted in a decrease in the long term compensated absences payable and \$56,007 was paid on the outstanding bonds during the fiscal year, which also lowered long term obligations.

The vast majority of revenues supporting governmental activities were general revenues. General revenue totaled \$5,972,346 or 88.9 percent of total revenue. The most significant portion of the general revenue is local property tax which is 62.3 percent of total revenue and intergovernmental revenue (consisting of state foundation, homestead and rollback, and personal property tax exemption) which is 26.1 percent of total revenue. Interest income, contributions and miscellaneous revenue account for .4 percent of total revenue. The remaining amount of revenue received was in the form of program revenues, which equated \$748,756 or only 11.2 percent of total revenue.

Table 2 shows the changes in net assets for fiscal year 2003.

**Table 2**  
 Governmental Activities

	2003	2002
<b>Program Revenues</b>		
Charges for Services	\$346,695	\$296,266
Operating Grants, and Contributions	374,715	363,714
Capital Grants and Contributions	27,346	49,708
<i>Total Program Revenues</i>	<u>748,756</u>	<u>709,688</u>

**Newbury Local School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year June 30, 2003  
Unaudited

**Table 2**  
Governmental Activities (continued)

	<u>2003</u>	<u>2002</u>
<b>General Revenues</b>		
Property Taxes	\$4,189,848	\$3,932,727
Grants and Entitlements	1,755,801	1,712,723
Investments	17,382	55,335
Contributions and Donations	0	525
Miscellaneous	9,315	36,337
<i>Total General Revenues</i>	<u>5,972,346</u>	<u>5,737,647</u>
<i>Total Revenues</i>	<u>6,721,102</u>	<u>6,447,335</u>
<b>Program Expenses</b>		
Instruction:		
Regular	3,333,966	3,231,699
Special	627,836	651,462
Vocational	55,270	55,889
Support Services:		
Pupil	296,956	312,852
Instructional Staff	218,958	158,852
Board of Education	47,495	121,230
Administration	520,092	558,543
Fiscal	256,700	256,111
Business	1,063	1,435
Operations and Maintenance of Plant	802,690	669,286
Pupil Transportation	519,832	545,094
Central	57,403	84,817
Operation of Non-Instructional Services	345,638	364,471
Extracurricular Activities	334,345	314,781
Interest and Fiscal Charges	26,183	29,322
<i>Total Program Expenses</i>	<u>7,444,427</u>	<u>7,355,844</u>
Decrease in Net Assets	(723,325)	(908,509)
Net Assets Beginning of Year	<u>3,346,548</u>	<u>4,255,057</u>
<i>Net Assets End of Year</i>	<u>\$2,623,223</u>	<u>\$3,346,548</u>

The decrease in Board of Education is due to a reduction of purchased services during the year. The increase in Operations and Maintenance of Plant is due to more maintenance.

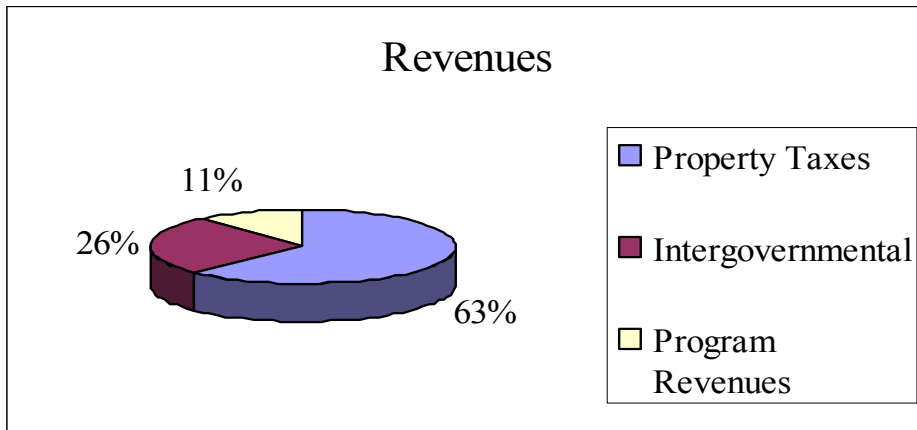
The Board of Education placed a 4.9 mill continuing levy on the November 4, 2003 ballot. This would have raised \$800,000 annually to cover current operating expenses. The levy was defeated. As a result, an additional \$500,000 in reductions in faculty, staff supplies, and supplemental contracts will be reduced.

**Newbury Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year June 30, 2003*  
*Unaudited*

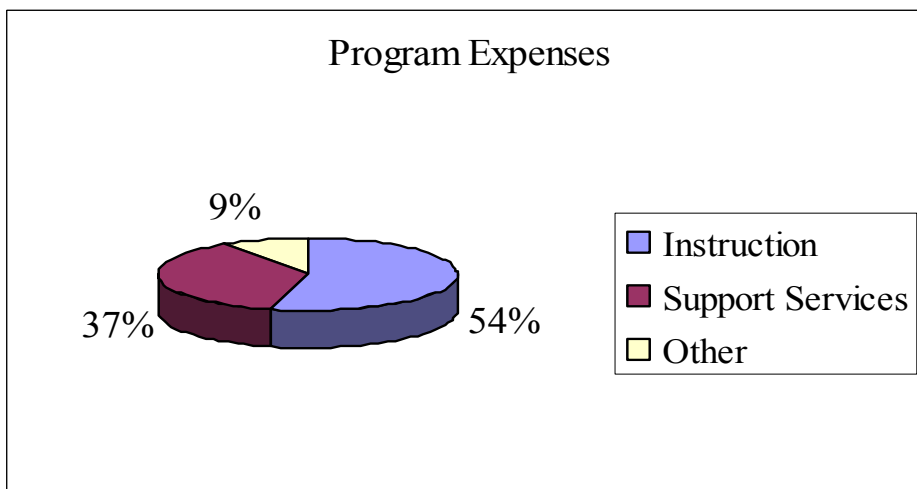
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***Governmental Activities***

The School District has carefully planned its financial existence by forecasting its revenues and expenditures over the next five years. The School District's revenue growth is mostly dependent upon property tax increases and new construction. Property taxes made up 62.3 percent of revenues for governmental activities for Newbury Local School District in fiscal year 2003. Although the School District relies heavily upon local property taxes to support its operations, the School District does actively solicit and receive additional grant and entitlement funds to help offset some operating cost.



Instruction comprises 54.0 percent of governmental program expenses. Additional supporting services for pupils, staff and business operations encompassed an additional 36.5 percent. The remaining 9.5 percent of program expenses is used for other obligations of the School District such as non-instructional services, extracurricular activities and interest and fiscal charges.



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

**Newbury Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year June 30, 2003*  
*Unaudited*

**Table 3**  
 Total and Net Cost of Program Services  
 Governmental Activities

	2003		2002	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction:				
Regular	\$3,333,966	\$3,199,990	\$3,231,699	\$3,158,223
Special	627,836	463,517	651,462	511,218
Vocational	55,270	55,270	55,889	55,839
Support Services:				
Pupil	296,956	282,981	312,852	292,256
Instructional Staff	218,958	218,958	158,852	158,852
Board of Education	47,495	47,495	121,230	121,230
Administration	520,092	520,092	558,543	558,543
Fiscal	256,700	256,700	256,111	256,111
Business	1,063	1,063	1,435	1,435
Operation and Maintenance of Plant	802,690	800,865	669,286	669,286
Pupil Transportation	519,832	492,486	545,094	495,386
Central	57,403	57,403	84,817	77,817
Operation of Non-Instructional Services	345,638	123,864	364,471	15,842
Extracurricular Activities	334,345	148,804	314,781	244,796
Interest and Fiscal Charges	26,183	26,183	29,322	29,322
<b>Total</b>	<b>\$7,444,427</b>	<b>\$6,695,671</b>	<b>\$7,355,844</b>	<b>\$6,646,156</b>

The dependence upon tax revenues for governmental activities is apparent. 56.3 percent of expenses are directly supported by local property taxes. Grant and entitlements not restricted to specific programs support 23.6 percent, while investment and other miscellaneous type revenues support .4 percent of the costs. Program revenues only account for 10.1 percent of all governmental expenses. Program revenues include charges for services grants and contributions that are program specific. Surrounding schools with resident students attending Newbury Local School District pay the School District \$5,058 per pupil under Ohio's open enrollment plan. The community, as a whole, is the primary support for Newbury Local School District students.

**The School District's Funds**

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$6,726,020 and expenditures of \$7,432,929. The net change in fund balance for the fiscal year was most significant in the General Fund, a decrease of \$659,936 due to an increase in salaries, staff and health insurance premiums. An increase in lunch prices have sustained a positive balance in the food service fund's ending balance of \$12,286. The School District has also received an increase in grant monies to better provide services to our students. As one can see from the Statement of Revenues, Expenditures and Changes in Fund Balances-All Governmental Funds, property taxes are the largest revenue source, accounting for 62.4 percent of total governmental revenue. Clearly, the community of Newbury is the greatest source of financial support for the students of the Newbury Local School District.

**Newbury Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year June 30, 2003*  
*Unaudited*

**General Fund Budgeting Highlights**

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

During the course of fiscal year 2003, the School District amended its general fund budget several times. The most significant amendments occurred due to changes in the increase in salary expenditures. For the general fund, the final budget basis revenue was \$5,678,087 representing a \$44,092 increase from the original budget estimate of \$5,633,995. Most of this difference is due to property taxes increases. The original budget estimate was amended with the June 2003 amended certificate of resources. The School District's general fund unencumbered cash balance at the end of the fiscal year was \$398,171 reflecting additional funds budgeted but not expended or encumbered.

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

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal year 2003, the School District had \$3,492,888 invested in land, buildings, equipment and vehicles. Table 4 shows fiscal year 2003 values compared to 2002.

**Table 4**  
 Capital Assets at June 30  
 Governmental Activities

	2003	2002
Land	\$248,900	\$248,900
Buildings and Improvements	2,567,202	2,590,886
Furniture and Equipment	318,521	369,325
Vehicles	358,265	363,576
Total Capital Assets	\$3,492,888	\$3,572,687

All capital assets, except land, are reported net of depreciation. As one can see, changes in capital assets during the fiscal year occurred in buildings and improvements, furniture and equipment and vehicles. Although the School District did dispose of a few capital asset items, the decrease in buildings and improvements, furniture and equipment and vehicles was due primarily to the additional year of accumulated depreciation. Additional information on capital assets can be found in Note 11.

For fiscal year 2003, Ohio law required school districts to set aside three percent of certain revenues for capital improvements and an additional three percent for textbooks and instructional materials. For fiscal years 2003 and 2002, the School District had qualifying disbursements or offsets exceeding both the capital and maintenance requirement and the textbook and instructional requirement.

**Newbury Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year June 30, 2003*  
*Unaudited*

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*Debt*

At June 30, 2003, the School District had \$411,683 in energy conservation bonds outstanding with \$59,272 due within one year. At June 30, 2002, the School District had \$467,690 in energy conservation bonds outstanding with \$56,007 due within one year.

At June 30, 2003, the School District's overall legal debt margin was \$14,817,243 with an unvoted debt margin of \$164,636. The School District maintains an AAA bond rating. All existing bond obligations are general obligation debt backed by the full faith and credit of the School District and will be retired fully by fiscal year 2009. For additional information see Note 12.

**School District Outlook**

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

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

Externally, the State of Ohio was found by the Ohio Supreme court in March 1997 to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable." Since 1997, the State has directed its tax growth toward school districts with little property tax wealth. In May of 2000, the Ohio Supreme again ruled that while the State had made some progress, the current funding system for schools is far too dependent on property taxes, which are inherently not 'equitable' nor 'adequate.' The court directed the Government and the legislature to address the fundamental issue creating inequities. In December 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding system. The decision identified aspects of the current plan that require modification.

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

**Newbury Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year June 30, 2003*  
*Unaudited*

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The Board of Education placed a 7.9 mill continuing levy on the May 6, 2003 ballot that would have generated 1.2 million dollars annually to cover current operating expenses. The levy was soundly defeated and the Board of Education had to initiate \$670,000 in faculty, staff and program reductions. The Board of Education then placed another levy on the November 4, 2003 ballot for 4.9 mills on a continuing basis that would have generated \$800,000 to support current operating needs. Since the levy was not successful an additional \$500,000 in reductions in faculty, staff, supplies and supplemental contracts will be reduced.

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

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

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers and investors and creditors with a general overview of the School District's finances and show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Stephanie Swain, Treasurer at Newbury Local School District, 14775 Auburn Road, Newbury, Ohio 44065 or email at [Ne\\_Swain@lgca.org](mailto:Ne_Swain@lgca.org).



## **Basic Financial Statements**

**Newbury Local School District**

*Statement of Net Assets*

*June 30, 2003*

	<u>Governmental Activities</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$563,453
Accounts Receivable	2,066
Intergovernmental Receivable	1,799
Accrued Interest Receivable	1,200
Prepaid Items	4,713
Inventory Held for Resale	7,789
Materials and Supplies Inventory	16,614
Taxes Receivable	4,266,357
Nondepreciable Capital Assets	248,900
Depreciable Capital Assets, Net	<u>3,243,988</u>
<i>Total Assets</i>	<u>8,356,879</u>
<b>Liabilities</b>	
Accounts Payable	6,192
Accrued Wages and Benefits	588,052
Matured Compensated Absences Payable	125,910
Intergovernmental Payable	201,889
Deferred Revenue	3,843,545
Special Termination Benefits Payable	76,102
Accrued Interest Payable	1,934
Long-Term Liabilities:	
Due Within One Year	74,347
Due In More Than One Year	<u>815,685</u>
<i>Total Liabilities</i>	<u>5,733,656</u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	3,081,205
Restricted for:	
Capital Projects	64,642
Debt Service	51
Set Asides	31,149
Other Purposes	32,261
Unrestricted (Deficit)	<u>(586,085)</u>
<i>Total Net Assets</i>	<u><u>\$2,623,223</u></u>

See accompanying notes to the basic financial statements

**Newbury Local School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2003

	Program Revenues				Net (Expense) Revenue and Change in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants Contributions and Interest	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Instruction:					
Regular	\$3,333,966	\$94,983	\$38,993	\$0	(\$3,199,990)
Special	627,836	0	164,319	0	(463,517)
Vocational	55,270	0	0	0	(55,270)
Support Services:					
Pupil	296,956	0	13,975	0	(282,981)
Instructional Staff	218,958	0	0	0	(218,958)
Board of Education	47,495	0	0	0	(47,495)
Administration	520,092	0	0	0	(520,092)
Fiscal	256,700	0	0	0	(256,700)
Business	1,063	0	0	0	(1,063)
Operation and Maintenance of Plant	802,690	1,825	0	0	(800,865)
Pupil Transportation	519,832	0	0	27,346	(492,486)
Central	57,403	0	0	0	(57,403)
Operation of Non-Instructional Services	345,638	111,604	110,170	0	(123,864)
Extracurricular Activities	334,345	138,283	47,258	0	(148,804)
Interest and Fiscal Charges	26,183	0	0	0	(26,183)
<i>Total Governmental Activities</i>	<u>\$7,444,427</u>	<u>\$346,695</u>	<u>\$374,715</u>	<u>\$27,346</u>	<u>(6,695,671)</u>

**General Revenues**

Property Taxes Levied for:

General Purposes	3,923,206
Debt Service	82,476
Capital Outlay	184,166
Grants and Entitlements not Restricted to Specific Programs	1,755,801
Investment Earnings	17,382
Miscellaneous	9,315

*Total General Revenues*

5,972,346

Change in Net Assets

(723,325)

*Net Assets Beginning of Year*

3,346,548

*Net Assets End of Year*

\$2,623,223

See accompanying notes to the basic financial statements

**Newbury Local School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2003*

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$377,125	\$152,400	\$529,525
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	33,928	0	33,928
Taxes Receivable	4,047,988	218,369	4,266,357
Accounts Receivable	1,817	249	2,066
Accrued Interest Receivable	1,200	0	1,200
Intergovernmental Receivable	1,000	799	1,799
Interfund Receivable	1,057	0	1,057
Prepaid Items	4,519	194	4,713
Inventory Held for Resale	0	7,789	7,789
Materials and Supplies Inventory	15,574	1,040	16,614
<i>Total Assets</i>	<u>\$4,484,208</u>	<u>\$380,840</u>	<u>\$4,865,048</u>
 <b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$5,449	\$743	\$6,192
Accrued Wages and Benefits	551,092	36,960	588,052
Interfund Payable	0	1,057	1,057
Intergovernmental Payable	139,761	3,164	142,925
Matured Compensated Absences Payable	124,318	1,592	125,910
Special Termination Benefits Payable	71,838	4,264	76,102
Deferred Revenue	3,730,717	206,350	3,937,067
<i>Total Liabilities</i>	<u>4,623,175</u>	<u>254,130</u>	<u>4,877,305</u>
 <b>Fund Balances</b>			
Reserved for Encumbrances	7,431	63,796	71,227
Reserved for Property Taxes	317,271	12,818	330,089
Reserved for Budget Stabilization	31,149	0	31,149
Reserved for School Bus Purchase	2,779	0	2,779
Unreserved:			
Undesignated (Deficit), Reported in:			
General Fund	(497,597)	0	(497,597)
Special Revenue Funds	0	39,322	39,322
Debt Service Fund	0	51	51
Capital Projects Funds	0	10,723	10,723
<i>Total Fund Balances (Deficit)</i>	<u>(138,967)</u>	<u>126,710</u>	<u>(12,257)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$4,484,208</u>	<u>\$380,840</u>	<u>\$4,865,048</u>

See accompanying notes to the basic financial statements

**Newbury Local School District**  
*Reconciliation of Total Governmental Funds Balances to  
 Net Assets of Governmental Activities  
 June 30, 2003*

<b>Total Governmental Funds Balances</b>	<b>(\$12,257)</b>
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	3,492,888
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Property Taxes	92,723
Intergovernmental	799
Total	93,522
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General Obligation Bonds	(411,683)
Compensated Absences	(478,349)
Total	(890,032)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(1,934)
Due to other governments includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(58,964)
<i>Net Assets of Governmental Activities</i>	<b>\$2,623,223</b>

See accompanying notes to the basic financial statements

**Newbury Local School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2003*

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property and Other Local Taxes	\$3,974,155	\$221,041	\$4,195,196
Intergovernmental	1,738,831	390,749	2,129,580
Interest	17,382	506	17,888
Tuition and Fees	24,890	0	24,890
Extracurricular Activities	0	111,864	111,864
Contributions and Donations	27,346	0	27,346
Charges for Services	31,190	176,926	208,116
Rentals	1,825	0	1,825
Miscellaneous	2,061	7,254	9,315
<i>Total Revenues</i>	<u>5,817,680</u>	<u>908,340</u>	<u>6,726,020</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	3,227,361	52,274	3,279,635
Special	444,287	176,807	621,094
Vocational	54,611	0	54,611
Support Services:			
Pupil	265,877	26,738	292,615
Instructional Staff	187,903	0	187,903
Board of Education	74,951	0	74,951
Administration	522,819	662	523,481
Fiscal	258,409	41	258,450
Business	1,063	0	1,063
Operation and Maintenance of Plant	626,002	0	626,002
Pupil Transportation	455,826	1,159	456,985
Central	57,403	0	57,403
Operation of Non-Instructional Services	2,902	336,068	338,970
Extracurricular Activities	215,658	114,093	329,751
Capital Outlay	57,537	190,017	247,554
Debt Service:			
Principal Retirement	0	56,007	56,007
Interest and Fiscal Charges	0	26,454	26,454
<i>Total Expenditures</i>	<u>6,452,609</u>	<u>980,320</u>	<u>7,432,929</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(634,929)</u>	<u>(71,980)</u>	<u>(706,909)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	0	25,007	25,007
Transfers Out	(25,007)	0	(25,007)
<i>Total Other Financing Sources (Uses)</i>	<u>(25,007)</u>	<u>25,007</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(659,936)	(46,973)	(706,909)
<i>Fund Balances Beginning of Year</i>	<u>520,969</u>	<u>173,683</u>	<u>694,652</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$138,967)</u>	<u>\$126,710</u>	<u>(\$12,257)</u>

See accompanying notes to the basic financial statements

**Newbury Local School District**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2003*

**Net Change in Fund Balances - Total Governmental Funds** (\$706,909)

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

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

Capital Outlay	155,460
Depreciation	<u>(227,259)</u>

Total (71,799)

Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (8,000)

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

Property Taxes	(5,348)
Intergovernmental	<u>430</u>

Total (4,918)

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

Pension Obligation	(11,408)
Compensated Absences	<u>23,431</u>

Total 12,023

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 56,007

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 271

*Change in Net Assets of Governmental Activities* (\$723,325)

See accompanying notes to the basic financial statements

**Newbury Local School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Local Taxes	\$3,780,892	\$3,841,184	\$3,841,184	\$0
Intergovernmental	1,752,851	1,738,930	1,738,930	0
Interest	25,843	16,978	16,978	0
Tuition and Fees	11,482	19,129	24,890	5,761
Contributions and Donations	28,268	27,346	27,346	0
Charges for Services	31,206	31,190	31,190	0
Rentals	1,887	1,825	1,825	0
Miscellaneous	1,566	1,505	1,505	0
<i>Total Revenues</i>	5,633,995	5,678,087	5,683,848	5,761
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	3,208,054	3,234,892	3,143,995	90,897
Special	538,698	532,222	480,687	51,535
Vocational	58,500	59,023	56,189	2,834
Support Services:				
Pupil	274,604	275,727	270,018	5,709
Instructional Staff	202,734	203,461	188,035	15,426
Board of Education	83,789	83,775	81,189	2,586
Administration	550,361	549,957	522,599	27,358
Fiscal	283,943	283,801	273,935	9,866
Business	5,410	4,533	1,063	3,470
Operation and Maintenance of Plant	713,834	697,115	644,363	52,752
Pupil Transportation	528,306	525,148	482,594	42,554
Central	70,990	71,731	57,403	14,328
Operation of Non-Instructional Services	3,230	3,264	2,902	362
Extracurricular Activities	224,752	228,814	216,990	11,824
Capital Outlay	54,943	57,537	57,537	0
<i>Total Expenditures</i>	6,802,148	6,811,000	6,479,499	331,501
<i>Excess of Revenues Under Expenditures</i>	(1,168,153)	(1,132,913)	(795,651)	337,262
<b>Other Financing Uses</b>				
Advances Out	(1,057)	(1,057)	(1,057)	0
Transfers Out	(25,007)	(25,007)	(25,007)	0
<i>Total Other Financing Uses</i>	(26,064)	(26,064)	(26,064)	0
<i>Net Change in Fund Balance</i>	(1,194,217)	(1,158,977)	(821,715)	337,262
<i>Fund Balance Beginning of Year</i>	1,158,135	1,158,135	1,158,135	0
Prior Year Encumbrances Appropriated	61,751	61,751	61,751	0
<i>Fund Balance End of Year</i>	\$25,669	\$60,909	\$398,171	\$337,262

See accompanying notes to the basic financial statements.



**Newbury Local School District**  
*Statement of Fiduciary Assets and Liabilities*  
*Agency Funds*  
*June 30, 2003*

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	<u>Agency</u>
<b>Assets</b>	
Equity Pooled in Cash and Cash Equivalents	<u>\$15,419</u>
<b>Liabilities</b>	
Undistributed Monies	\$3,567
Due to Students	<u>11,852</u>
<i>Total Liabilities</i>	<u>\$15,419</u>

See accompanying notes to the basic financial statements

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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**Note 1 - Description of the School District and Reporting Entity**

Newbury Local School District (the School District) operates under a locally-elected Board form of government and provides educational services authorized by State and federal agencies. This Board controls the School District's 2 instructional/support facilities staffed by 35 non-certified employees, 56 certificated full time teaching personnel and 8 administrative employees to provide services to 802 students and other community members.

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

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

*Reporting Entity*

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

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

The School District participates in six jointly governed organizations and two insurance purchasing pools. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, the Newbury Joint Recreation Council, the East Shore Center, the East Shore Regional Transportation System, the Ohio Schools' Council, the Ohio School Boards Association Workers' Compensation Group Rating Program and the Ohio School Plan. These organizations are discussed in Notes 17 and 18 to the basic financial statements.

**Note 2 - Summary of Significant Accounting Policies**

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

***A. Basis of Presentation***

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

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

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

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

***B. Fund Accounting***

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

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

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

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

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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***Fiduciary Fund Types*** Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only fiduciary funds are agency funds. The School District's agency funds are for future medical needs of employee's children and student activities.

***C. Measurement Focus***

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

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

***D. Basis of Accounting***

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

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

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

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

***E. Cash and Cash Equivalents***

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

During fiscal year 2003, the School District's investments were limited to STAROhio, the State Treasurer's Investment Pool and a non-negotiable certificate of deposit which is reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2003.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2003 amounted to \$17,382, which includes \$4,332 assigned from other School District funds.

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

***F. Restricted Assets***

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by enabling legislation. Restricted assets in the general fund are amounts required by State statute to be set aside to create a reserve for budget stabilization and unspent resources restricted for the purchase of buses. See Note 20 for additional information regarding set-asides.

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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***G. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

***H. Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption and donated and purchased food.

***I. Capital Assets***

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

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

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

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

***J. Interfund Balances***

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

***K. Compensated Absences***

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

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

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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The entire compensated absences liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund(s) from which the employees who have resigned or retired will be paid.

***L. Accrued Liabilities and Long-term Obligations***

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

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

***M. Interfund Activity***

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

***N. Fund Balance Reserves***

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

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

***O. Net Assets***

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

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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

***P. Extraordinary and Special Items***

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

***Q. Estimates***

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

***R. Budgetary Data***

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

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

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

**Note 3 - Change in Accounting Principle**

For fiscal year 2003, the School District has implemented GASB Statement No. 41, "Budgetary Comparison Schedules – Perspective Differences". GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the School District not being able to present budgetary comparisons for the general and each major special revenue fund. This new pronouncement was not applicable to the School District for fiscal year 2003.



**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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**Note 4 – Accountability and Compliance**

***A. Accountability***

Fund balances at June 30, 2003 included the following individual fund deficits:

General Fund	\$138,967
<b><i>Special Revenue Funds</i></b>	
Auxiliary Services	2,162
Educational Management Information Systems	3,140
Disadvantaged Pupil Impact Aid	43
Title VI-B	6,888
Title I	7,253
Class Size Reduction	4,769
Miscellaneous Federal Grants	1,057

The general fund concluded fiscal year 2003 with a deficit fund balance of \$138,967. The deficit resulted from the conversion to generally accepted accounting principles and adjustments for accrued liabilities. The School District is aware of the deficit and has placed a 4.9 mill continuing levy on the November 4, 2003 ballot. This levy is expected to generate \$800,000 annually.

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

***B. Compliance***

The following funds had original appropriations in excess of estimated resources and carryover balances contrary to Section 5705.39, Revised Code: These oversights were identified and corrected by fiscal year end.

Fund	Estimated Resources	Appropriations	Excess
<b><i>Special Revenue Funds</i></b>			
Athletics/District Managed	\$139,874	\$160,128	\$20,254
Educational Management Information Systems	16,117	25,000	8,883
Disadvantaged Pupil Impact Aid	9,935	10,000	65
Ohio Reads Grant	582	1,000	418
Summer Intervention	0	1,000	1,000
Eisenhower Math and Science	1,305	4,546	3,241
Uniform School Supplies	54,375	80,600	26,225

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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**Note 5 - Budgetary Basis of Accounting**

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

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

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

Net Change in Fund Balance	
GAAP Basis	(\$659,936)
Net Adjustment for Revenue Accruals	(133,832)
Net Adjustment for Expenditure Accruals	(14,008)
Advance Out	(1,057)
Adjustment for Encumbrances	<u>(12,882)</u>
Budget Basis	<u><u>(\$821,715)</u></u>

**Note 6 - Deposits and Investments**

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

1. United States Treasury Notes, Bill, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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

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

**Deposits** At fiscal year end, the carrying amount of the School District's deposits was \$144,712 and the bank balance was \$247,634. Of the bank balance:

1. \$200,000 was covered by federal depository insurance; and
2. \$47,634 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

**Investments** GASB Statement No. 3 requires the School District's investments are required to be categorized below to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District invests in STAROhio, which is an unclassified investment that is not evidenced by securities that exist in physical or book entry form. STAROhio’s fair value at June 30, 2003 is \$434,110.

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

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	\$578,872	\$0
Cash on Hand	(50)	0
Investments:		
STAROhio	(434,110)	434,110
GASB Statement No. 3	\$144,712	\$434,110

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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**Note 7 – Property Taxes**

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

Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the School District. Real property tax received in calendar 2003 represents collections of calendar year 2002 taxes. Real property taxes received in calendar year 2003 were levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

Tangible personal property tax received during calendar year 2003 (other than public utility property) represents collection of 2003 taxes. Tangible personal property taxes received in calendar year 2003 were levied after April 1, 2002, on the value as of December 31, 2002. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty four percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Geauga County. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half property tax payments collected by the County by June 30, 2003, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public property and tangible personal property taxes which are measurable as of June 30, 2003 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2003 was \$317,271 in the general fund, \$12,818 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2002 was \$184,300 in the general fund and \$8,800 in the permanent improvement capital projects fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
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The assessed values upon which the fiscal year 2003 taxes were collected are:

	2002 Second Half Collections		2003 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	\$133,495,680	87.60%	\$147,319,920	89.48%
Public Utility Personal	5,400,690	3.54	5,479,360	3.33
Tanagible Personal Property	13,501,770	8.86	11,836,750	7.19
<b>Total</b>	<b>\$152,398,140</b>	<b>100.00%</b>	<b>\$164,636,030</b>	<b>100.00%</b>
Tax rate per \$1,000 of assessed valuation	\$55.15		\$54.90	

**Note 8 - Receivables**

Receivables at June 30, 2003, consisted of taxes, accounts (rent, student fees and tuition), intergovernmental grants and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. All receivables are expected to be collected within one year.

Intergovernmental receivables at June 30, 2003, consisted of \$1,000 in the general fund and \$799 in the title II special revenue fund for federal and state subsidies.

**Note 9 – Interfund Balances**

On the fund financial statements the general fund reported an interfund receivable at June 30, 2003 of \$1,057. The miscellaneous federal grants special revenue fund has an interfund payable of \$1,057. The interfund payable in this fund is due to the timing of the receipt of grant monies received by the fund.

**Note 10 - Interfund Transfers**

During fiscal year 2003, the general fund transferred \$23,600 to the athletics/district managed special revenue fund and \$1,407 to the educational management information systems special revenue fund. These transfers were made to move unrestricted balances to support programs and projects accounted for in other funds.

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

**Note 11 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	Balance June 30, 2002	Additions	Deletions	Balance June 30, 2003
<b>Nondepreciable Capital Assets</b>				
Land	\$248,900	\$0	\$0	\$248,900
<b>Depreciable Capital Assets</b>				
Buildings and Improvements	4,997,295	73,860	0	5,071,155
Furniture and Equipment	1,080,673	24,063	(35,342)	1,069,394
Vehicles	640,381	57,537	0	697,918
Total Historical Cost	<u>6,718,349</u>	<u>155,460</u>	<u>(35,342)</u>	<u>6,838,467</u>
Less Accumulated Depreciation				
Buildings and Improvements	(2,406,409)	(97,544)	0	(2,503,953)
Furniture and Equipment	(711,348)	(66,867)	27,342	(750,873)
Vehicles	(276,805)	(62,848)	0	(339,653)
Total Accumulated Depreciation	<u>(3,394,562)</u>	<u>(227,259) *</u>	<u>27,342</u>	<u>(3,594,479)</u>
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>3,323,787</u>	<u>(71,799)</u>	<u>(8,000)</u>	<u>3,243,988</u>
Governmental Activities Capital Assets, Net	<u>\$3,572,687</u>	<u>(\$71,799)</u>	<u>(\$8,000)</u>	<u>\$3,492,888</u>

\* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$144,148
Special	1,227
Support Services:	
Pupil	1,227
Instructional Staff	1,191
Administration	1,498
Fiscal	1,133
Operation and Maintenance of Plant	3,434
Pupil Transportation	64,534
Operation of Non Instructional Services	5,080
Extracurricular Activities	3,787
Total Depreciation Expense	<u>\$227,259</u>

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

**Note 12 - Long Term Obligations**

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

	Principal Outstanding 06/30/02	Additions	Deletions	Principal Outstanding 06/30/03	Amounts Due in One Year
<b>Governmental Activities</b>					
5.748% Energy Conservaton Bonds	\$467,690	\$0	\$56,007	\$411,683	\$59,272
Compensated Absences	501,780	463,274	486,705	478,349	15,075
Total Governmental Activities Long-Term Liabilities	<u>\$969,470</u>	<u>\$463,274</u>	<u>\$542,712</u>	<u>\$890,032</u>	<u>\$74,347</u>

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

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

The School District's overall legal debt margin was \$14,817,243 with and unvoted debt margin of \$164,636 at June 30, 2003. Principal and interest requirements to retire the energy conservation bonds outstanding at June 30, 2003 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2004	\$59,272	\$23,204	\$82,476
2005	62,728	19,639	82,367
2006	66,386	15,931	82,317
2007	70,257	12,007	82,264
2008	74,353	7,873	82,226
2009	78,687	3,459	82,146
Total	<u>\$411,683</u>	<u>\$82,113</u>	<u>\$493,796</u>



**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
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**Note 13 - Risk Management**

***A. Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2003, the School District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The District pays this annual premium to the OSP (Note 18). Coverages provided through the Ohio School Plan and other companies for various types of insurance are as follows:

Company	Type of Coverage	Coverage
Indiana Insurance Company	Building and Contents-Replacement Cost	\$18,696,083
	Inland Marine Coverage	1,062,406
Travelers Property Casualty	Boiler and Machinery	30,000,000
Ohio Casualty Insurance Company	Crime Insurance	250,000
Indiana Insurance Company	Automobile Liability	
	Per Occurance	1,000,000
	Uninsured Motorist	1,000,000
Ohio School Plan/Harcum-Hyre Insurance	General Liability	
	Per Occurance	1,000,000
	Total per year	2,000,000

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

***B. Workers' Compensation***

The School District participates in the Ohio Schools Boards Association Workers' Compensation Group Rating Program (the Plan), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School 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". The "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 Gates McDonald & Company provides administrative, cost control and actuarial services to the GRP.

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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**Note 14 - Employee Benefits**

***A. Compensated Absences***

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

***B. Health Care Benefits***

The School District provides life insurance and accidental death and dismemberment insurance to most employees through OSC Life Insurance Group through Ohio Schools' Council. The School District has contracted with Medical Mutual to provide employee medical/surgical and dental benefits. The School District pays \$861.24 per family coverage and \$429.65 per single coverage per month which represents 90 percent of the family premium and 100 percent of the single premium. This premium covers medical/surgical and major medical portion of the insurance.

**Note 15 - Pension Plans**

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

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State Statute Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002 and 2001 were \$39,522, \$49,463 and \$35,218 respectively; 71.70 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001.

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
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***B. State Teachers Retirement System***

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2003, 2002 and 2001 were \$307,515, \$288,915 and \$278,911 respectively; 74.67 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. Contributions to the DC and Combined Plans for fiscal year 2003 were \$99 made by the School District and \$5,929 made by the plan members.

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

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**C. Social Security System**

Effective July 1, 1991, employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System/ State Teachers Retirement System of Ohio. As of June 30, 2003, two members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

**Note 16 - Postemployment Benefits**

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2003, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District this amount equaled \$32,370 for fiscal year 2003.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2002, (the latest information available) the balance in the Fund was \$3.011 billion. For the year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000 and STRS had 105,300 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll, a decrease of 2.71 percent from fiscal year 2002. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established as \$12,400. For the School District, the amount to fund health care benefits, including surcharge, during the 2003 fiscal year equaled \$65,873.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2002, (the latest information available), were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of \$335.2 million. SERS has approximately 50,000 participants currently receiving health care benefits.

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
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**Note 17 - Jointly Governed Organizations**

***Auburn Career Center*** The Auburn Career Center is a joint vocational school district which is a jointly governed organization among eleven School Districts. Each participating school district appoints one member to the Auburn Career Center's Board of Education. The students of each participating school district may attend classes offered at the vocational facility. Each participant's control over the operation of Auburn Career Center is not dependent on the School District's continued participation. The School District did not make a contribution to the Auburn Career Center during fiscal year 2003. Financial information can be obtained from 8140 Auburn Road, Painesville, Ohio 44077.

***Lake Geauga Computer Association*** The Lake Geauga Computer Association (the "LGCA") is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its 18 member school districts. Each of the districts supports LGCA based upon a per pupil charge. The executive committee (governing board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. LGCA's continued existence is not dependent on Newbury Local School District's continued participation. The School District made no payment to the Lake Geauga Computer Association during fiscal year 2003. To obtain financial information, write to Lake Geauga Computer Association, 8140 Auburn Road, Painesville, Ohio 44077.

***Newbury Joint Recreation Council*** The Newbury Joint Recreation Council ( the "Council" ) is a jointly governed organization. The School District appoints three members of the seven-member board. The purpose of the Council is to further athletic and recreational opportunities. The School District has made financial contributions to the Council in prior years, but not during fiscal year ended June 30, 2003. The School District's degree of control is limited to its representation on the board. The Council's continued existence is not dependent on the School District's continued participation. To obtain financial information, write to Newbury Joint Recreation Board, Newbury Town Hall, Newbury, Ohio 44065.

***East Shore Center*** The East Shore Center is a jointly governed organization that was formed for the purpose of providing special education for the handicapped children in the sixteen member school districts. The governing board consists of the superintendents of the member school district. The degree of control exercised by any participating school district is limited to its representation of the governing board. East Shore Center is not accumulating significant resources or experiencing fiscal distress, which would cause additional financial benefit of burden on the School District. The School District did not make a contribution to East Shore Center during fiscal year 2003. Financial information can be obtained by writing the fiscal agent, Mentor Exempted Village School District, 6451 Center Street, Mentor, Ohio 44060.

***East Shore Regional Transportation System*** The East Shore Regional Transportation System (the "ESRTA") is a jointly governed organization that was formed for the purpose of providing a transportation system for the handicapped children in the 16 member school districts. The transportation committee (governing board) consists of the superintendents of the member school districts. The degree of control exercised by Newbury Local School District is limited to its representation on the governing board. The continued existence of ESRTA is not dependent on the School District's continued participation. The School District did not make a contribution to East Shore Regional Transportation System during fiscal year 2003. To obtain financial information, write to Kirkland Board of Education, 9252 Chillicothe Road, Kirkland, Ohio 44094

***Ohio Schools' Council*** The Ohio Schools' Council (OSC) is a jointly governed organization among ninety-one School Districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to member districts. Each district supports the OSC by paying an annual

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
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participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district limited to its representation on the Board. In fiscal year 2003, the School District paid \$350 to the Council. Financial information can be obtained by contacting Albert Vasek, Executive Secretary/Treasurer, Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

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

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

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

#### **Note 18 – Insurance Purchasing Pools**

***Ohio School Boards Association Workers' Compensation Group Rating Program*** The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. 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 Director of 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 cost of administering the program.

***Ohio School Plan*** The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of directors consisting of school district superintendents and treasurers, as well as the president of Harcum-Hyre Insurance Agency, Inc. and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of

**Newbury Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2003*

the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

**Note 19 - Contingencies**

**A. Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2003.

**B. Litigation**

The School District is not party to any legal proceedings.

**Note 20 - Set asides**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. In prior years, the School District was also required to set aside money for budget stabilization. At June 30, 2003, only the unspent portion of certain workers' compensation refunds continues to be set aside.

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

	Textbook Instructional Materials Reserve	Capital Improvements Reserve	Budget Stabilization Reserve
	<u>          </u>	<u>          </u>	<u>          </u>
Set-aside Reserve Balance as of June 30, 2002	(\$425,249)	\$0	\$31,149
Current Year Set-aside Requirement	107,729	107,729	0
Qualifying Disbursements	<u>(220,871)</u>	<u>(443,806)</u>	<u>0</u>
Total	<u>(\$538,391)</u>	<u>(\$336,077)</u>	<u>\$0</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>(\$538,391)</u>	<u>\$0</u>	<u>\$31,149</u>
Set-aside Reserve Balance as of June 30, 2003	<u>\$0</u>	<u>\$0</u>	<u>\$31,149</u>

**Newbury Local School District**  
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*For the Fiscal Year Ended June 30, 2003*

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The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. This amount may be used to reduce the set-aside requirement of future years. Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement for future years. These negative balances are therefore not presented as being carried forward to future years. The total reserve balance for the three set-asides at the end of the fiscal year was \$31,149.

**Note 21 – State School Funding Decision**

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

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

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

**Note 22 – Subsequent Event**

The School District placed a 4.9 mill continuing operating levy on November 4, 2003. This levy was defeated by the voters.



## Combining Statements and Individual Fund Schedules

### *Combining Statements-Nonmajor Funds*

#### *Nonmajor Special Revenue Funds*

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

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

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

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

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

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

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

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

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

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

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

***Miscellaneous State Grants Fund*** – This fund accounts for State monies which support academic and enrichment programs for the student body.

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

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

(continued)

***Combining Statements-Nonmajor Funds (continued)***

***Nonmajor Special Revenue Fund (continued)***

***Title III Fund*** – This fund accounts for monies used to assist schools in meeting the needs of its pupils.

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

***Title V Fund*** - This fund accounts for monies which assist State and local educational agencies in the reform of elementary and secondary education.

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

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

***Miscellaneous Federal Grants Fund*** – This fund accounts for various monies received through State agencies from the Federal government or directly from the Federal government which are not classified elsewhere.

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

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

***Nonmajor Debt Service Fund***

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

***Nonmajor Capital Projects Funds***

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

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

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

**Newbury Local School District**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*June 30, 2003*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$103,818	\$51	\$48,531	\$152,400
Taxes Receivable	0	82,476	135,893	218,369
Accounts Receivable	249	0	0	249
Intergovernmental Receivable	799	0	0	799
Prepaid Items	194	0	0	194
Inventory Held for Resale	7,789	0	0	7,789
Materials and Supplies Inventory	1,040	0	0	1,040
<i>Total Assets</i>	<u>\$113,889</u>	<u>\$82,527</u>	<u>\$184,424</u>	<u>\$380,840</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$743	\$0	\$0	\$743
Accrued Wages and Benefits	36,960	0	0	36,960
Interfund Payable	1,057	0	0	1,057
Intergovernmental Payable	3,164	0	0	3,164
Matured Compensated Absences Payable	1,592	0	0	1,592
Special Termination Benefits Payable	4,264	0	0	4,264
Deferred Revenue	799	82,476	123,075	206,350
<i>Total Liabilities</i>	<u>48,579</u>	<u>82,476</u>	<u>123,075</u>	<u>254,130</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	25,988	0	37,808	63,796
Reserved for Property Taxes	0	0	12,818	12,818
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	39,322	0	0	39,322
Debt Service Fund	0	51	0	51
Capital Projects Funds	0	0	10,723	10,723
<i>Total Fund Balances</i>	<u>65,310</u>	<u>51</u>	<u>61,349</u>	<u>126,710</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$113,889</u>	<u>\$82,527</u>	<u>\$184,424</u>	<u>\$380,840</u>

**Newbury Local School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2003*

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>				
Property and Other Local Taxes	\$0	\$82,461	\$138,580	\$221,041
Intergovernmental	373,779	0	16,970	390,749
Interest	506	0	0	506
Extracurricular Activities	111,864	0	0	111,864
Charges for Services	176,926	0	0	176,926
Miscellaneous	7,254	0	0	7,254
<i>Total Revenues</i>	<u>670,329</u>	<u>82,461</u>	<u>155,550</u>	<u>908,340</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	52,274	0	0	52,274
Special	176,807	0	0	176,807
Support Services:				
Pupil	26,738	0	0	26,738
Administration	662	0	0	662
Fiscal	0	41	0	41
Pupil Transportation	1,159	0	0	1,159
Operation of Non-Instructional Services	336,068	0	0	336,068
Extracurricular Activities	114,093	0	0	114,093
Capital Outlay	0	0	190,017	190,017
Debt Service:				
Principal Retirement	0	56,007	0	56,007
Interest and Fiscal Charges	0	26,454	0	26,454
<i>Total Expenditures</i>	<u>707,801</u>	<u>82,502</u>	<u>190,017</u>	<u>980,320</u>
<i>Excess of Revenues Under Expenditures</i>	(37,472)	(41)	(34,467)	(71,980)
<b>Other Financing Sources</b>				
Transfers In	25,007	0	0	25,007
<i>Net Change in Fund Balances</i>	(12,465)	(41)	(34,467)	(46,973)
<i>Fund Balances Beginning of Year</i>	<u>77,775</u>	<u>92</u>	<u>95,816</u>	<u>173,683</u>
<i>Fund Balances End of Year</i>	<u><u>\$65,310</u></u>	<u><u>\$51</u></u>	<u><u>\$61,349</u></u>	<u><u>\$126,710</u></u>

**Newbury Local School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2003*

	Special Trust	Public School Support	Athletics/ District Managed	Auxiliary Services
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$11	\$16,158	\$41,905	\$0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	0	0
Prepaid Items	0	0	0	194
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$11</u>	<u>\$16,158</u>	<u>\$41,905</u>	<u>\$194</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$214	\$0	\$0
Accrued Wages and Benefits	0	0	0	2,070
Interfund Payable	0	0	0	0
Intergovernmental Payable	0	0	26	286
Matured Compensated Absences Payable	0	0	0	0
Special Termination Benefits Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>214</u>	<u>26</u>	<u>2,356</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	4,524	21,464	0
Unreserved, Undesignated (Deficit)	11	11,420	20,415	(2,162)
<i>Total Fund Balances (Deficit)</i>	<u>11</u>	<u>15,944</u>	<u>41,879</u>	<u>(2,162)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$11</u>	<u>\$16,158</u>	<u>\$41,905</u>	<u>\$194</u>

(continued)

**Newbury Local School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2003*

	Educational Management Information Systems	Disadvantaged Pupil Impact Aid	SchoolNet Professional Development	Title VI-B
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$0	\$1,696	\$0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	0	0	0	0
Prepaid Items	0	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,696</u>	<u>\$0</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	3,030	0	0	6,474
Interfund Payable	0	0	0	0
Intergovernmental Payable	110	43	0	414
Matured Compensated Absences Payable	0	0	0	0
Special Termination Benefits Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>3,140</u>	<u>43</u>	<u>0</u>	<u>6,888</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated (Deficit)	<u>(3,140)</u>	<u>(43)</u>	<u>1,696</u>	<u>(6,888)</u>
<i>Total Fund Balances (Deficit)</i>	<u>(3,140)</u>	<u>(43)</u>	<u>1,696</u>	<u>(6,888)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,696</u>	<u>\$0</u>

(continued)

<u>Title I</u>	<u>Class Size Reduction</u>	<u>Miscellaneous Federal Grants</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$1,642	\$683	\$0	\$23,166	\$18,557	\$103,818
0	0	0	0	249	249
0	0	799	0	0	799
0	0	0	0	0	194
0	0	0	7,789	0	7,789
0	0	0	1,040	0	1,040
<u>\$1,642</u>	<u>\$683</u>	<u>\$799</u>	<u>\$31,995</u>	<u>\$18,806</u>	<u>\$113,889</u>
\$0	\$0	\$0	\$529	\$0	\$743
8,466	5,191	0	11,729	0	36,960
0	0	1,057	0	0	1,057
429	261	0	1,595	0	3,164
0	0	0	1,592	0	1,592
0	0	0	4,264	0	4,264
0	0	799	0	0	799
<u>8,895</u>	<u>5,452</u>	<u>1,856</u>	<u>19,709</u>	<u>0</u>	<u>48,579</u>
0	0	0	0	0	25,988
<u>(7,253)</u>	<u>(4,769)</u>	<u>(1,057)</u>	<u>12,286</u>	<u>18,806</u>	<u>39,322</u>
<u>(7,253)</u>	<u>(4,769)</u>	<u>(1,057)</u>	<u>12,286</u>	<u>18,806</u>	<u>65,310</u>
<u>\$1,642</u>	<u>\$683</u>	<u>\$799</u>	<u>\$31,995</u>	<u>\$18,806</u>	<u>\$113,889</u>

**Newbury Local School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2003*

	Special Trust	Public School Support	Athletics/ District Managed	Auxiliary Services
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$0	\$109,664
Interest	0	0	0	246
Extracurricular Activities	0	29,766	82,098	0
Charges for Services	0	0	0	0
Miscellaneous	0	0	7,254	0
<i>Total Revenues</i>	<u>0</u>	<u>29,766</u>	<u>89,352</u>	<u>109,910</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	333	6,615	0	0
Special	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Administration	0	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	0	0	0	110,047
Extracurricular Activities	0	16,224	97,869	0
<i>Total Expenditures</i>	<u>333</u>	<u>22,839</u>	<u>97,869</u>	<u>110,047</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(333)	6,927	(8,517)	(137)
<b>Other Financing Sources</b>				
Transfers In	0	0	23,600	0
<i>Net Change in Fund Balances</i>	(333)	6,927	15,083	(137)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>344</u>	<u>9,017</u>	<u>26,796</u>	<u>(2,025)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$11</u>	<u>\$15,944</u>	<u>\$41,879</u>	<u>(\$2,162)</u>



Educational Management Information Systems	Disadvantaged Pupil Impact Aid	SchoolNet Professional Development	Ohio Reads Grant	Miscellaneous State Grants	Eisenhower Math and Science
\$5,000	\$9,755	\$2,396	\$0	\$691	\$397
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>5,000</u>	<u>9,755</u>	<u>2,396</u>	<u>0</u>	<u>691</u>	<u>397</u>
0	0	4,609	582	691	0
0	9,954	0	0	0	0
16,472	0	0	0	0	1,305
662	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>17,134</u>	<u>9,954</u>	<u>4,609</u>	<u>582</u>	<u>691</u>	<u>1,305</u>
(12,134)	(199)	(2,213)	(582)	0	(908)
<u>1,407</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(10,727)	(199)	(2,213)	(582)	0	(908)
<u>7,587</u>	<u>156</u>	<u>3,909</u>	<u>582</u>	<u>0</u>	<u>908</u>
<u>(\$3,140)</u>	<u>(\$43)</u>	<u>\$1,696</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(continued)

**Newbury Local School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Fiscal Year Ended June 30, 2003*

	Title VI-B	Title I	Title V	Drug Free Schools Grant
<b>Revenues</b>				
Intergovernmental	\$78,412	\$76,152	\$5,566	\$4,797
Interest	0	0	0	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>78,412</u>	<u>76,152</u>	<u>5,566</u>	<u>4,797</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	4,335	0
Special	81,176	85,677	0	0
Support Services:				
Pupil	0	0	0	4,553
Administration	0	0	0	0
Pupil Transportation	0	1,159	0	0
Operation of Non-Instructional Services	4,393	0	1,185	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>85,569</u>	<u>86,836</u>	<u>5,520</u>	<u>4,553</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(7,157)	(10,684)	46	244
<b>Other Financing Sources</b>				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	(7,157)	(10,684)	46	244
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>269</u>	<u>3,431</u>	<u>(46)</u>	<u>(244)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>(\$6,888)</u>	<u>(\$7,253)</u>	<u>\$0</u>	<u>\$0</u>

Class Size Reduction	Miscellaneous Federal Grants	Food Service	Uniform School Supplies	Total Nonmajor Special Revenue Funds
\$30,340	\$3,351	\$47,258	\$0	\$373,779
0	0	260	0	506
0	0	0	0	111,864
0	0	138,023	38,903	176,926
0	0	0	0	7,254
<u>30,340</u>	<u>3,351</u>	<u>185,541</u>	<u>38,903</u>	<u>670,329</u>
35,109	0	0	0	52,274
0	0	0	0	176,807
0	4,408	0	0	26,738
0	0	0	0	662
0	0	0	0	1,159
0	0	184,434	36,009	336,068
0	0	0	0	114,093
<u>35,109</u>	<u>4,408</u>	<u>184,434</u>	<u>36,009</u>	<u>707,801</u>
(4,769)	(1,057)	1,107	2,894	(37,472)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,007</u>
(4,769)	(1,057)	1,107	2,894	(12,465)
<u>0</u>	<u>0</u>	<u>11,179</u>	<u>15,912</u>	<u>77,775</u>
<u>(\$4,769)</u>	<u>(\$1,057)</u>	<u>\$12,286</u>	<u>\$18,806</u>	<u>\$65,310</u>

**Newbury Local School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2003*

	<u>Permanent Improvement</u>	<u>SchoolNet Plus</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$48,273	\$258	\$48,531
Taxes Receivable	<u>135,893</u>	<u>0</u>	<u>135,893</u>
<i>Total Assets</i>	<u><u>\$184,166</u></u>	<u><u>\$258</u></u>	<u><u>\$184,424</u></u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Deferred Revenue	<u>\$123,075</u>	<u>\$0</u>	<u>\$123,075</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	37,808	0	37,808
Reserved for Property Taxes	12,818	0	12,818
Unreserved, Undesignated	<u>10,465</u>	<u>258</u>	<u>10,723</u>
<i>Total Fund Balances</i>	<u>61,091</u>	<u>258</u>	<u>61,349</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$184,166</u></u>	<u><u>\$258</u></u>	<u><u>\$184,424</u></u>

**Newbury Local School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Permanent Improvement</u>	<u>SchoolNet Plus</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Revenues</b>			
Property and Other Local Taxes	\$138,580	\$0	\$138,580
Intergovernmental	15,867	1,103	16,970
<i>Total Revenues</i>	154,447	1,103	155,550
<b>Expenditures</b>			
Capital Outlay	189,172	845	190,017
<i>Net Change in Fund Balances</i>	(34,725)	258	(34,467)
<i>Fund Balances Beginning of Year</i>	95,816	0	95,816
<i>Fund Balances End of Year</i>	<u>\$61,091</u>	<u>\$258</u>	<u>\$61,349</u>

***Fiduciary Funds***

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

***Agency Funds***

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

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

**Newbury Local School District**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Fiscal Year Ended June 30, 2003*

	Balance 06/30/02	Additions	Deductions	Balance 06/30/03
<b>Employee Benefits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$3,427	\$13,887	\$13,747	\$3,567
<b>Liabilities</b>				
Undistributed Monies	\$3,427	\$13,887	\$13,747	\$3,567
<b>Student Managed Activities</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$11,006	\$19,456	\$18,610	\$11,852
<b>Liabilities</b>				
Due to Students	\$11,006	\$19,456	\$18,610	\$11,852
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$14,433	\$33,343	\$32,357	\$15,419
<b>Liabilities</b>				
Undistributed Monies	\$3,427	\$13,887	\$13,747	\$3,567
Due to Students	11,006	19,456	18,610	11,852
<i>Total Liabilities</i>	\$14,433	\$33,343	\$32,357	\$15,419

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



**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues</b>				
Property and Other Local Taxes	\$3,780,892	\$3,841,184	\$3,841,184	\$0
Intergovernmental	1,752,851	1,738,930	1,738,930	0
Interest	25,843	16,978	16,978	0
Tuition and Fees	11,482	19,129	24,890	5,761
Contributions and Donations	28,268	27,346	27,346	0
Charges for Services	31,206	31,190	31,190	0
Rentals	1,887	1,825	1,825	0
Miscellaneous	1,566	1,505	1,505	0
<i>Total Revenues</i>	5,633,995	5,678,087	5,683,848	5,761
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,264,746	2,284,804	2,213,687	71,117
Fringe Benefits	665,853	671,808	668,259	3,549
Purchased Services	95,538	96,147	95,889	258
Materials and Supplies	144,648	145,701	134,063	11,638
Capital Outlay - New	24,678	24,082	23,635	447
Capital Outlay - Replacement	12,591	12,350	8,462	3,888
Total Regular	3,208,054	3,234,892	3,143,995	90,897
Special:				
Salaries and Wages	172,605	174,149	153,867	20,282
Fringe Benefits	69,067	69,685	64,664	5,021
Purchased Services	292,384	283,905	259,192	24,713
Materials and Supplies	4,642	4,483	2,964	1,519
Total Special	538,698	532,222	480,687	51,535
Vocational:				
Salaries and Wages	41,383	41,753	41,263	490
Fringe Benefits	17,117	17,270	14,926	2,344
Total Vocational	58,500	59,023	56,189	2,834
Total Instruction	\$3,805,252	\$3,826,137	\$3,680,871	\$145,266

(continued)

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Support Services:				
Pupil:				
Salaries and Wages	\$153,790	\$155,165	\$155,138	\$27
Fringe Benefits	49,843	50,289	48,924	1,365
Purchased Services	67,708	67,122	63,938	3,184
Materials and Supplies	3,263	3,151	2,018	1,133
Total Pupil	<u>274,604</u>	<u>275,727</u>	<u>270,018</u>	<u>5,709</u>
Instructional Staff:				
Salaries and Wages	120,638	121,717	121,296	421
Fringe Benefits	25,423	25,650	25,084	566
Purchased Services	21,864	22,060	13,794	8,266
Materials and Supplies	30,444	29,630	23,457	6,173
Capital Outlay - New	4,365	4,404	4,404	0
Total Instructional Staff	<u>202,734</u>	<u>203,461</u>	<u>188,035</u>	<u>15,426</u>
Board of Education:				
Salaries and Wages	5,140	5,139	4,800	339
Fringe Benefits	1,100	1,100	189	911
Purchased Services	77,093	77,080	76,042	1,038
Materials and Supplies	456	456	158	298
Total Board of Education	<u>83,789</u>	<u>83,775</u>	<u>81,189</u>	<u>2,586</u>
Administration:				
Salaries and Wages	389,765	389,699	373,941	15,758
Fringe Benefits	142,234	142,210	138,530	3,680
Purchased Services	11,448	11,446	4,172	7,274
Materials and Supplies	6,914	6,602	5,956	646
Total Administration	<u>\$550,361</u>	<u>\$549,957</u>	<u>\$522,599</u>	<u>\$27,358</u>

(continued)

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Fiscal:				
Salaries and Wages	\$101,724	\$101,707	\$101,466	\$241
Fringe Benefits	55,834	55,825	51,448	4,377
Purchased Services	17,004	16,906	11,843	5,063
Materials and Supplies	2,036	2,036	2,036	0
Capital Outlay - New	10,161	10,159	10,159	0
Other	97,184	97,168	96,983	185
<b>Total Fiscal</b>	<b>283,943</b>	<b>283,801</b>	<b>273,935</b>	<b>9,866</b>
Business:				
Purchased Services	4,895	4,013	1,063	2,950
Materials and Supplies	515	520	0	520
<b>Total Business</b>	<b>5,410</b>	<b>4,533</b>	<b>1,063</b>	<b>3,470</b>
Operation and Maintenance of Plant:				
Salaries and Wages	259,424	264,546	254,896	9,650
Fringe Benefits	99,461	102,520	95,207	7,313
Purchased Services	326,117	302,943	271,172	31,771
Materials and Supplies	28,832	27,106	23,088	4,018
<b>Total Operation and Maintenance of Plant</b>	<b>713,834</b>	<b>697,115</b>	<b>644,363</b>	<b>52,752</b>
Pupil Transportation:				
Salaries and Wages	265,746	270,540	264,938	5,602
Fringe Benefits	133,808	137,225	126,877	10,348
Purchased Services	47,240	47,010	35,898	11,112
Materials and Supplies	80,522	69,373	54,625	14,748
Capital Outlay - New	990	1,000	256	744
<b>Total Pupil Transportation</b>	<b>528,306</b>	<b>525,148</b>	<b>482,594</b>	<b>42,554</b>
Central:				
Purchased Services	70,990	71,731	57,403	14,328
<b>Total Support Services</b>	<b>\$2,713,971</b>	<b>\$2,695,248</b>	<b>\$2,521,199</b>	<b>\$174,049</b>

(continued)

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operation of Non-Instructional Services:				
Purchased Services	\$2,735	\$2,764	\$2,764	\$0
Materials and Supplies	495	500	138	362
Total Operation of Non-Instructional Services	3,230	3,264	2,902	362
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries and Wages	35,786	36,159	35,734	425
Fringe Benefits	762	770	401	369
Total Academic Oriented Activities	36,548	36,929	36,135	794
Sports Oriented Activities:				
Salaries and Wages	155,007	158,645	158,071	574
Fringe Benefits	23,079	23,320	22,125	1,195
Purchased Services	9,623	9,420	659	8,761
Materials and Supplies	495	500	0	500
Total Sport Oriented Activities	188,204	191,885	180,855	11,030
Total Extracurricular Activities	224,752	228,814	216,990	11,824
Capital Outlay:				
Building Improvement:				
Purchased Services	54,943	57,537	57,537	0
Total Expenditures	6,802,148	6,811,000	6,479,499	331,501
Excess of Revenues Under Expenditures	(1,168,153)	(1,132,913)	(795,651)	337,262
<b>Other Financing Uses</b>				
Advances Out	(1,057)	(1,057)	(1,057)	0
Transfers Out	(25,007)	(25,007)	(25,007)	0
Total Other Financing Uses	(26,064)	(26,064)	(26,064)	0
Net Change in Fund Balance	(1,194,217)	(1,158,977)	(821,715)	337,262
Fund Balance Beginning of Year	1,158,135	1,158,135	1,158,135	0
Prior Year Encumbrances Appropriated	61,751	61,751	61,751	0
Fund Balance End of Year	\$25,669	\$60,909	\$398,171	\$337,262

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Special Trust Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	333	333	333	0
<i>Net Change in Fund Balance</i>	(333)	(333)	(333)	0
<i>Fund Balance Beginning of Year</i>	344	344	344	0
<i>Fund Balance End of Year</i>	\$11	\$11	\$11	\$0

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Public School Support Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Extracurricular Activities	\$29,766	\$29,766	\$29,766	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	10,384	11,505	7,027	4,478
Extracurricular Activities:				
School and Public Service				
Co-Curricular Activities:				
Purchased Services	9,692	3,493	554	2,939
Materials and Supplies	10,117	19,975	19,975	0
Total Extracurricular Activities	19,809	23,468	20,529	2,939
<i>Total Expenditures</i>	30,193	34,973	27,556	7,417
<i>Net Change in Fund Balance</i>	(427)	(5,207)	2,210	7,417
<i>Fund Balance Beginning of Year</i>	9,017	9,017	9,017	0
Prior Year Encumbrances Appropriated	193	193	193	0
<i>Fund Balance End of Year</i>	<u>\$8,783</u>	<u>\$4,003</u>	<u>\$11,420</u>	<u>\$7,417</u>

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Athletics/District Managed Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Extracurricular Activities	\$83,105	\$83,105	\$83,105	\$0
Miscellaneous	7,254	7,254	7,254	0
<i>Total Revenues</i>	<u>90,359</u>	<u>90,359</u>	<u>90,359</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Materials and Supplies	8,706	6,820	6,730	90
Sports Oriented Activities:				
Salaries and Wages	7,589	5,945	5,250	695
Purchased Services	31,355	24,564	24,463	101
Materials and Supplies	38,873	30,407	26,872	3,535
Capital Outlay - New	30,322	23,755	23,423	332
Total Sports Oriented Activities	<u>108,139</u>	<u>84,671</u>	<u>80,008</u>	<u>4,663</u>
School and Public Service Co-Curricular Activities:				
Purchased Services	15,445	12,100	11,829	271
Materials and Supplies	27,838	21,756	20,866	890
Total School and Public Service Co-Curricular Activities	<u>43,283</u>	<u>33,856</u>	<u>32,695</u>	<u>1,161</u>
<i>Total Expenditures</i>	<u>160,128</u>	<u>125,347</u>	<u>119,433</u>	<u>5,914</u>
<i>Excess of Revenues Under Expenditures</i>	(69,769)	(34,988)	(29,074)	5,914
<b>Other Financing Sources</b>				
Transfers In	23,600	23,600	23,600	0
<i>Net Change in Fund Balance</i>	(46,169)	(11,388)	(5,474)	5,914
<i>Fund Balance Beginning of Year</i>	25,788	25,788	25,788	0
Prior Year Encumbrances Appropriated	127	127	127	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$20,254)</u>	<u>\$14,527</u>	<u>\$20,441</u>	<u>\$5,914</u>

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Auxiliary Services Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$110,018	\$110,018	\$110,018	\$0
Interest	247	246	246	0
<i>Total Revenues</i>	<u>110,265</u>	<u>110,264</u>	<u>110,264</u>	<u>0</u>
<b>Expenditures</b>				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	35,322	43,959	43,959	0
Fringe Benefits	12,230	15,221	15,221	0
Purchased Services	27,092	33,536	33,536	0
Materials and Supplies	16,065	19,292	19,292	0
<i>Total Expenditures</i>	<u>90,709</u>	<u>112,008</u>	<u>112,008</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	19,556	(1,744)	(1,744)	0
<i>Fund Balance Beginning of Year</i>	1,035	1,035	1,035	0
Prior Year Encumbrances Appropriated	709	709	709	0
<i>Fund Balance End of Year</i>	<u>\$21,300</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>



**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Teacher Development Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$4,000	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	4,000	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Educational Management Information Systems Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$5,000	\$5,000	\$5,000	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil:				
Salaries and Wages	23,568	15,194	15,194	0
Fringe Benefits	405	261	261	0
Total Pupil	23,973	15,455	15,455	0
Administration:				
Purchased Services	1,027	662	662	0
<i>Total Expenditures</i>	25,000	16,117	16,117	0
<i>Excess of Revenues Under Expenditures</i>	(20,000)	(11,117)	(11,117)	0
<b>Other Financing Sources</b>				
Transfers In	1,407	1,407	1,407	0
<i>Net Change in Fund Balance</i>	(18,593)	(9,710)	(9,710)	0
<i>Fund Balance Beginning of Year</i>	9,710	9,710	9,710	0
<i>Fund Balance (Deficit) End of Year</i>	(\$8,883)	\$0	\$0	\$0

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Disadvantaged Pupil Impact Aid Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	<u>\$9,755</u>	<u>\$9,755</u>	<u>\$9,755</u>	<u>\$0</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	9,754	9,691	9,691	0
Fringe Benefits	<u>246</u>	<u>244</u>	<u>244</u>	<u>0</u>
<i>Total Expenditures</i>	<u>10,000</u>	<u>9,935</u>	<u>9,935</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(245)	(180)	(180)	0
<i>Fund Balance Beginning of Year</i>	<u>180</u>	<u>180</u>	<u>180</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$65)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*SchoolNet Professional Development Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$2,396	\$2,396	\$2,396	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>4,000</u>	<u>6,305</u>	<u>4,609</u>	<u>1,696</u>
<i>Net Change in Fund Balance</i>	(1,604)	(3,909)	(2,213)	1,696
<i>Fund Balance Beginning of Year</i>	<u>3,909</u>	<u>3,909</u>	<u>3,909</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,305</u></u>	<u><u>\$0</u></u>	<u><u>\$1,696</u></u>	<u><u>\$1,696</u></u>

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Ohio Reads Grant Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular				
Purchased Services	1,000	582	582	0
<i>Net Change in Fund Balance</i>	(1,000)	(582)	(582)	0
<i>Fund Balance Beginning of Year</i>	582	582	582	0
<i>Fund Balance (Deficit) End of Year</i>	(\$418)	\$0	\$0	\$0

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Summer Intervention Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Purchased Services	1,000	0	0	0
<i>Net Change in Fund Balance</i>	(1,000)	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	(\$1,000)	\$0	\$0	\$0

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Miscellaneous State Grants Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$691	\$691	\$691	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	<u>691</u>	<u>691</u>	<u>691</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Eisenhower Math and Science Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$397	\$397	\$397	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil:				
Purchased Services	4,180	1,199	1,199	0
Materials and Supplies	366	106	106	0
<i>Total Expenditures</i>	4,546	1,305	1,305	0
<i>Net Change in Fund Balance</i>	(4,149)	(908)	(908)	0
<i>Fund Balance Beginning of Year</i>	862	862	862	0
Prior Year Encumbrances Appropriated	46	46	46	0
<i>Fund Balance (Deficit) End of Year</i>	<u>(\$3,241)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>



**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title VI-B Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$78,412	\$78,412	\$78,412	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	27,848	43,963	43,963	0
Fringe Benefits	17,736	28,000	28,000	0
Purchased Services	556	878	878	0
Materials and Supplies	1,267	2,000	2,000	0
Total Instruction	47,407	74,841	74,841	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	2,593	4,094	4,094	0
<i>Total Expenditures</i>	50,000	78,935	78,935	0
<i>Net Change in Fund Balance</i>	28,412	(523)	(523)	0
<i>Fund Balance Beginning of Year</i>	523	523	523	0
<i>Fund Balance End of Year</i>	\$28,935	\$0	\$0	\$0

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title III Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$174	\$0	\$0	\$0
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	174	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$174</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$76,154	\$76,152	\$76,152	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	73,444	73,826	73,826	0
Fringe Benefits	6,423	6,455	6,455	0
Purchased Services	3,979	4,000	4,000	0
Total Instruction	83,846	84,281	84,281	0
Support Services:				
Pupil Transportation:				
Salaries and Wages	995	999	999	0
Fringe Benefits	159	160	160	0
Total Support Services	1,154	1,159	1,159	0
<i>Total Expenditures</i>	85,000	85,440	85,440	0
<i>Net Change in Fund Balance</i>	(8,846)	(9,288)	(9,288)	0
<i>Fund Balance Beginning of Year</i>	10,929	10,929	10,929	0
<i>Fund Balance End of Year</i>	\$2,083	\$1,641	\$1,641	\$0

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Title V Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$5,566	\$5,566	\$5,566	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,936	4,381	4,381	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,064	1,185	1,185	0
<i>Total Expenditures</i>	<u>5,000</u>	<u>5,566</u>	<u>5,566</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	566	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$566</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Drug Free Schools Grant Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$4,797	\$4,797	\$4,797	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil:				
Purchased Services	1,251	2,000	2,000	0
Materials and Supplies	1,749	2,797	2,797	0
<i>Total Expenditures</i>	3,000	4,797	4,797	0
<i>Net Change in Fund Balance</i>	1,797	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$1,797	\$0	\$0	\$0

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Class Size Reduction Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$30,340	\$30,340	\$30,340	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	18,247	27,057	27,057	0
Purchased Services	1,416	2,100	2,100	0
Materials and Supplies	337	500	500	0
<i>Total Expenditures</i>	20,000	29,657	29,657	0
<i>Net Change in Fund Balance</i>	10,340	683	683	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$10,340	\$683	\$683	\$0

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Miscellaneous Federal Grants Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$3,351	\$3,351	\$3,351	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil:				
Purchased Services	3,725	3,725	3,725	0
Materials and Supplies	683	683	683	0
<i>Total Expenditures</i>	4,408	4,408	4,408	0
<i>Excess of Revenues Under Expenditures</i>	(1,057)	(1,057)	(1,057)	0
<b>Other Financing Sources</b>				
Advances In	1,057	1,057	1,057	0
<i>Net Change in Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Food Service Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$39,158	\$39,158	\$39,158	\$0
Interest	260	260	260	0
Charges for Services	138,023	138,023	138,023	0
<b>Total Revenues</b>	177,441	177,441	177,441	0
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	75,339	76,194	76,194	0
Fringe Benefits	26,203	26,500	10,388	16,112
Purchased Services	6,713	6,789	6,474	315
Materials and Supplies	74,547	74,482	70,694	3,788
Capital Outlay-New	99	100	100	0
<b>Total Expenditures</b>	182,901	184,065	163,850	20,215
<b>Net Change in Fund Balance</b>	(5,460)	(6,624)	13,591	20,215
<b>Fund Balance Beginning of Year</b>	8,359	8,359	8,359	0
Prior Year Encumbrances Appropriated	901	901	901	0
<b>Fund Balance End of Year</b>	\$3,800	\$2,636	\$22,851	\$20,215



**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Uniform School Supplies Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Charges for Services	\$38,516	\$38,516	\$38,707	\$191
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Service:				
Purchased Services	13,678	6,817	3,351	3,466
Materials and Supplies	66,922	41,181	32,658	8,523
<i>Total Expenditures</i>	<u>80,600</u>	<u>47,998</u>	<u>36,009</u>	<u>11,989</u>
<i>Net Change in Fund Balance</i>	(42,084)	(9,482)	2,698	12,180
<i>Fund Balance Beginning of Year</i>	13,259	13,259	13,259	0
Prior Year Encumbrances Appropriated	<u>2,600</u>	<u>2,600</u>	<u>2,600</u>	<u>0</u>
<i>Fund Balance (Deficit) End of Year</i>	<u><u>(\$26,225)</u></u>	<u><u>\$6,377</u></u>	<u><u>\$18,557</u></u>	<u><u>\$12,180</u></u>

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Bond Retirement Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Local Taxes	\$82,461	\$82,461	\$82,461	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal				
Other	41	41	41	0
Debt Service:				
Principal Retirement	55,978	56,007	56,007	0
Interest and Fiscal Charges	26,442	26,454	26,454	0
Total Debt Service	82,420	82,461	82,461	0
<i>Total Expenditures</i>	82,461	82,502	82,502	0
<i>Net Change in Fund Balance</i>	0	(41)	(41)	0
<i>Fund Balance Beginning of Year</i>	92	92	92	0
<i>Fund Balance End of Year</i>	\$92	\$51	\$51	\$0

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*Permanent Improvement Fund*  
*For the Fiscal Year Ended June 30, 2003*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property and Other Local Taxes	\$134,353	\$134,562	\$134,562	\$0
Intergovernmental	15,867	15,867	15,867	0
<b>Total Revenues</b>	<b>150,220</b>	<b>150,429</b>	<b>150,429</b>	<b>0</b>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal:				
Other	2,000	2,345	2,345	0
Operation and Maintenance:				
Purchased Services	218,753	231,642	224,635	7,007
<b>Total Expenditures</b>	<b>220,753</b>	<b>233,987</b>	<b>226,980</b>	<b>7,007</b>
<b>Net Change in Fund Balance</b>	<b>(70,533)</b>	<b>(83,558)</b>	<b>(76,551)</b>	<b>7,007</b>
<b>Fund Balance Beginning of Year</b>	<b>66,263</b>	<b>66,263</b>	<b>66,263</b>	<b>0</b>
Prior Year Encumbrances Appropriated	20,753	20,753	20,753	0
<b>Fund Balance End of Year</b>	<b>\$16,483</b>	<b>\$3,458</b>	<b>\$10,465</b>	<b>\$7,007</b>

**Newbury Local School District**  
*Schedule of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget (Non-GAAP Basis) and Actual*  
*SchoolNet Plus Fund*  
*For the Fiscal Year Ended June 30, 2003*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$845	\$1,103	\$1,103	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	845	845	845	0
<i>Net Change in Fund Balance</i>	0	258	258	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$258</u>	<u>\$258</u>	<u>\$0</u>

**Newbury Local School District**  
*Governmental Activities*  
*Revenues by Source and Expenses by Function*  
*Last Two Fiscal Years*

	2003	2002
<b>Program Revenues</b>		
Charges for Services and Sales	\$346,695	\$296,266
Operating Grants, Contributions and Interest	374,715	363,714
Capital Grants and Contributions	27,346	49,708
<b>General Revenues</b>		
Property and Other Local Taxes	4,189,848	3,932,727
Grants and Entitlements not Restricted to Specific Programs	1,755,801	1,712,723
Unrestricted Contribution	0	525
Investment Earnings	17,382	55,335
Miscellaneous	9,315	36,337
<i>Total</i>	<u>\$6,721,102</u>	<u>\$6,447,335</u>
<b>Expenses</b>		
Current:		
Instruction:		
Regular	\$3,333,966	\$3,231,699
Special	627,836	651,462
Vocational	55,270	55,889
Support Services:		
Pupil	296,956	312,852
Instructional Staff	218,958	158,852
Board of Education	47,495	121,230
Administration	520,092	558,543
Fiscal	256,700	256,111
Business	1,063	1,435
Operation and Maintenance of Plant	802,690	669,286
Pupil Transportation	519,832	545,094
Central	57,403	84,817
Operation of Non-Instructional Services	345,638	364,471
Extracurricular Activities	334,345	314,781
Interest and Fiscal Charges	26,183	29,322
<i>Total</i>	<u>\$7,444,427</u>	<u>\$7,355,844</u>

Source: School District Financial Records

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

	2003	2002	2001	2000
<b>Revenues</b>				
Property and Other Local Taxes	\$3,974,155	\$3,743,158	\$3,801,261	\$3,617,068
Intergovernmental	1,738,831	1,749,469	1,700,615	1,772,208
Interest	17,382	55,335	146,475	140,627
Tuition and Fees	24,890	11,909	14,544	64,458
Contributions and Donations	27,346	525	1,125	655
Charges for Services	31,190	28,145	27,050	1,495
Rentals	1,825	0	0	0
Miscellaneous	2,061	24,062	18,594	25,733
<i>Total</i>	<u>\$5,817,680</u>	<u>\$5,612,603</u>	<u>\$5,709,664</u>	<u>\$5,622,244</u>
<b>Expenditures (2)</b>				
Current:				
Instruction				
Regular	\$3,227,361	\$3,133,756	\$2,978,525	\$2,618,078
Special	444,287	503,086	443,584	401,305
Vocational	54,611	55,356	48,527	45,822
Support Services:				
Pupil	265,877	276,628	189,917	238,786
Instructional Staff	187,903	156,446	141,977	173,014
Board of Education	74,951	121,230	62,200	59,408
Administration	522,819	523,455	488,706	511,464
Fiscal	258,409	252,097	215,803	149,703
Business	1,063	1,435	2,131	0
Operation and				
Maintenance of Plant	626,002	676,810	705,558	589,718
Pupil Transportation	455,826	570,849	407,046	497,518
Central	57,403	77,817	44,357	0
Operation of Non-				
Instructional Services	2,902	0	0	0
Extracurricular Activities	215,658	203,988	191,482	164,695
Capital Outlay	57,537	0	0	0
Debt Service	0	0	0	16,862
<i>Total</i>	<u>\$6,452,609</u>	<u>\$6,552,953</u>	<u>\$5,919,813</u>	<u>\$5,466,373</u>

Source: School District Financial Records

(1) 1996 through 2003 reported on a GAAP Basis; All others on Cash Basis.

(2) Includes other financing uses

1999	1998	1997	1996	1995	1994
\$3,879,673	\$3,749,886	\$3,917,184	\$3,465,154	\$2,893,636	\$2,904,576
1,597,965	1,377,358	1,428,652	1,381,906	1,288,435	1,261,535
106,860	110,745	111,302	108,294	84,733	43,572
45,874	29,878	24,955	44,844	63,804	50,249
6,674	32,888	2,508	2,014	0	0
2,689	0	0	0	0	0
0	0	0	0	0	0
22,474	5,218	35,387	9,571	6,022	8,399
<u>\$5,662,209</u>	<u>\$5,305,973</u>	<u>\$5,519,988</u>	<u>\$5,011,783</u>	<u>\$4,336,630</u>	<u>\$4,268,331</u>

\$2,497,458	\$2,328,924	\$2,605,541	\$2,412,201	\$1,569,815	\$1,558,978
329,803	277,836	313,137	195,633	244,335	234,165
31,399	41,854	34,459	0	9,223	61,972
203,657	199,614	205,707	178,029	174,107	159,847
164,614	157,622	125,112	79,142	100,956	121,477
45,667	32,694	137,832	93,774	58,387	17,580
491,427	465,108	514,335	460,085	414,197	422,167
168,952	154,728	141,667	176,203	121,635	120,670
0	0	0	0	0	0
588,920	626,400	626,203	582,803	542,220	544,640
382,934	559,421	516,190	483,811	515,953	395,831
0	0	0	0	0	0
0	0	0	0	0	0
194,792	209,696	194,887	139,934	131,924	133,067
0	0	234,083	242,806	0	0
0	2,078	2,265	21,055	3,509	0
<u>\$5,099,623</u>	<u>\$5,055,975</u>	<u>\$5,651,418</u>	<u>\$5,065,476</u>	<u>\$3,886,261</u>	<u>\$3,770,394</u>

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

Year (2)	Total Tax Levy	Current Tax Collections	Percent of Current Levy Collected	Delinquent Tax Collections	Total Tax Collections (3)
2002	\$5,036,275	\$4,277,179	96.12%	\$400,420	\$4,677,599
2001	4,825,427	4,350,924	96.97	106,567	4,457,491
2000	4,674,162	4,250,663	97.82	101,709	4,352,372
1999	4,593,370	4,067,845	97.88	178,492	4,246,337
1998	4,660,823	4,096,132	97.77	138,977	4,235,109
1997	4,542,048	4,011,528	97.90	132,906	4,144,434
1996	4,630,382	4,069,767	97.45	130,889	4,200,656
1995	4,489,500	3,945,660	97.68	170,108	4,115,768
1994	4,297,288	3,756,226	96.65	119,398	3,875,624
1993	4,473,519	3,748,268	97.40	154,206	3,902,474

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through State and reported as Intergovernmental Revenue.
- (2) Represents the collection year. The 2003 information cannot be presented because all collections have not been made by June 30.
- (3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.



Ratio of Total Collections to Current Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Levy
105.12%	\$185,896	3.69%
99.35	232,088	0.05
100.16	227,035	0.05
102.18	258,951	0.06
101.08	332,045	0.07
101.14	311,365	0.07
100.59	323,301	0.07
101.89	279,820	0.06
99.72	291,539	0.07
101.20	265,673	0.06

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

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2003	\$147,319,920	\$420,714,057	\$5,479,360	\$6,226,545
2002	133,495,680	381,416,227	5,400,690	6,137,148
2001	131,524,890	375,785,400	6,048,000	6,872,727
2000	128,589,730	367,399,229	6,132,380	6,968,614
1999	106,308,400	303,738,286	6,715,750	7,631,534
1998	104,101,180	297,431,943	6,837,170	7,769,511
1997	101,757,350	290,735,286	6,774,760	7,698,591
1996	91,254,450	260,727,000	7,031,240	7,990,045
1995	89,193,340	254,838,114	7,935,120	9,017,182
1994	85,623,090	244,637,400	6,972,270	7,923,034

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

(1) This amount is calculated based on the following percentages:

Real estate is assessed at 35 percent of actual value.

Public utility personal is assessed at various rates ranging from 25 to 88 percent of actual value.

Tangible personal property is assessed at 25 percent of actual value for capital assets and 24 percent for inventory.

Tangible Personal Property		Total	
Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
\$11,836,750	\$47,347,000	\$164,636,030	\$474,287,602
13,501,770	54,007,080	152,398,140	441,560,455
12,264,750	49,059,000	149,837,640	431,717,127
12,645,100	50,580,400	147,367,210	424,948,242
14,450,520	57,802,080	127,474,670	369,171,900
13,687,130	54,748,520	124,625,480	359,949,974
15,188,090	60,752,360	123,720,200	359,186,237
13,559,180	54,236,720	111,844,870	322,953,765
13,124,468	52,497,872	110,252,928	316,353,168
12,706,240	50,824,960	105,301,600	303,385,394

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

Year	School Levy	JVS	Newbury Township	Library	County Levy	Total Levy	Debt Service Included in Total Levy		
							County	Township	Total
2003	\$54.90	\$1.50	\$8.70	\$1.00	\$14.60	\$80.70	\$0.00	\$0.30	\$0.30
2002	55.15	1.50	9.00	1.00	14.40	81.05	0.00	0.30	0.30
2001	55.31	1.50	9.00	1.00	12.65	79.46	0.00	0.30	0.30
2000	55.31	1.50	9.00	1.00	12.45	79.26	0.00	0.30	0.30
1999	56.50	1.50	9.00	1.00	12.45	80.45	0.00	0.30	0.30
1998	56.50	1.50	9.00	1.00	12.45	80.45	0.00	0.30	0.30
1997	56.70	1.50	10.00	1.00	12.85	82.05	0.20	0.30	0.50
1996	57.80	1.50	10.00	1.00	10.85	81.15	0.30	0.30	0.60
1995	57.90	1.50	10.00	1.00	10.85	81.25	0.50	0.60	1.10
1994	62.55	1.50	10.00	1.00	10.20	85.25	0.40	0.30	0.70

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

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

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2003	\$411,683	\$164,636,030	5,805	0.31%	\$70.92
2002	467,690	152,398,140	5,805	0.35	80.57
2001	520,612	149,837,640	5,805	0.35	89.68
2000	570,618	147,367,210	6,059	0.39	94.18
1999	0	127,474,670	5,997	0.00	0.00
1998	0	124,625,480	5,925	0.00	0.00
1997	0	123,720,200	5,823	0.00	0.00
1996	0	111,844,870	5,745	0.00	0.00
1995	17,688	110,252,928	5,653	0.02	3.13
1994	46,941	105,301,600	5,694	0.04	8.24

Source:

(1) School District Financial Records

(2) Geauga County Auditor

(3) U.S.Census Population

**Newbury Local School District**  
*Computation of Legal Debt Margin*  
*June 30, 2003*

<b>Assessed Valuation</b>	<b>\$164,636,030</b>
Debt Limit - 9% of Assessed Value (1)	\$14,817,243
Amount of Debt Applicable to Debt Limit:	
Energy Conservation Bonds	(411,683)
Exemptions:	
Energy Conservation Bonds	411,683
Overall Voted Debt Margin	<b>\$14,817,243</b>
Debt Limit - 0.1% of Assessed Value (1)	\$164,636
Amount of Debt Applicable	0
All Other Unvoted Debt Margin	<b>\$164,636</b>
Additional Limit for Unvoted Energy Conservation Bonds:	
Debt Limit- .9% of Assessed Value	\$1,481,724
Energy Conservaton Bonds	411,683
Additional Unvoted Debt Margin	<b>\$1,070,041</b>

Source: Geauga County Auditor and School District Financial Records

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

**Newbury Local School District**  
*Computation of Direct and Overlapping General Obligation Bonded Debt*  
*December 31, 2002*

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
<u>Direct:</u>			
Newbury Local School District	\$411,683	100.00%	\$411,683
<u>Overlapping:</u>			
Geauga County	<u>4,723,947</u>	6.28	<u>296,664</u>
Total	<u><u>\$5,135,630</u></u>		<u><u>\$708,347</u></u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2002 collection year.

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

Year (1)	Principal	Interest	Total Debt Service	Total General Fund Expenditures (2)	Ratio of Debt Service to General Fund Expenditures (Percentage)
2003	\$56,007	\$26,454	82,461	\$6,452,609	1.28%
2002	52,922	29,582	82,504	6,552,953	1.26
2001	50,006	32,538	82,544	5,919,813	1.39
2000	70,141	33,192	103,333	5,466,373	1.89
1999	20,000	1,850	21,850	5,099,623	0.43
1998	20,000	3,250	23,250	5,055,975	0.46
1997	20,000	4,550	24,550	5,651,418	0.43
1996	20,000	5,850	25,850	5,065,476	0.51
1995	25,000	7,281	32,281	3,886,261	0.83
1994	50,000	9,500	59,500	3,770,394	1.58

Source: School District Financial Records

(1) Fiscal Years 1996 - 2003 are reported on a GAAP basis, all other years are reported on the cash basis.



## Newbury Local School District

### *Demographic Statistics*

#### *Last Ten Years*

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<u>Year</u>	<u>Newbury LSD Area Population (1)</u>	<u>Geauga County Population (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2003	5,805	92,722	802	4.3%
2002	5,805	91,804	791	3.7
2001	5,805	90,895	782	2.9
2000	6,059	89,598	761	2.8
1999	5,997	87,913	772	3.0
1998	5,925	86,054	773	3.5
1997	5,823	86,054	826	3.6
1996	5,745	84,260	839	3.8
1995	5,653	83,400	868	3.8
1994	5,694	83,241	863	5.1

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

(2) Estimated Figure from Geauga County

(3) School District Records

(4) Ohio Department of Unemployment Services

**Newbury Local School District**  
*Property Value, Financial Institution Deposits  
and Building Permits  
Last Ten Years*

Year	Property Value (1) (Real Estate Only)	Financial Institution Deposits (Banks)	Permits Issued Geauga County	Permits Issued Newbury Township
2002	\$147,319,920	\$288,126,000	\$57,419,620	\$4,652,000
2001	133,495,680	255,568,000	59,559,600	4,301,473
2000	131,524,890	222,519,000	47,423,930	8,355,171
1999	128,589,730	249,478,000	47,227,640	7,599,292
1998	106,308,400	254,641,000	47,503,140	6,614,115
1997	104,101,180	222,203,000	38,142,850	5,683,467
1996	101,757,350	212,614,000	41,162,110	5,230,706
1995	91,254,450	194,409,000	35,438,050	7,702,412
1994	89,193,340	188,020,000	28,009,880	7,737,576
1993	85,623,090	184,462,000	23,820,980	6,260,070

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

(1) Represents assessed value.

**Newbury Local School District**

*Principal Taxpayers*

*Real Estate Tax*

*December 31, 2002*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Property Assessed Value</u>
Kinetico Incorporated	\$2,351,840	1.60%
White Properties Limited	1,411,520	0.96
Blaine and Janet Kaufman	957,660	0.65
Little Acre Nursing Home	808,470	0.55
Mill Run Properties	579,310	0.39
Newbury Kinsman LLC	552,530	0.37
Teague Brothers	518,150	0.35
Louise Profughi	513,210	0.35
Mike Reljanovic	487,910	0.33
J and F Distributing	<u>486,960</u>	<u>0.33</u>
Total	<u>\$8,667,560</u>	<u>5.88%</u>
Total Real Estate Valuation	<u>\$147,319,920</u>	

Source: Geauga County Auditor

(1) Assessed values are for collection year 2003

**Newbury Local School District**

*Principal Taxpayers*

*Tangible Personal Property Tax*

*December 31, 2002*

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<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Tangible Personal Property Assessed Value</u>
Saint Gobain Norton Industrial Ceramics Incorporated	\$3,824,240	32.31%
Kinetico Incorporated	1,629,310	13.76
Creative Mold and Machine Incorporated	300,900	2.54
Hostar International Incorporated	211,770	1.79
Wilson Piston Company Incorporated	195,240	1.65
Van Ness Landscaping Incorporated	186,630	1.58
Key Corporate Capital Incorporated	170,190	1.44
Bank One Corporation	167,030	1.41
Dunamax Incorporated	163,580	1.38
Dash Tree Service Incorporated	154,280	1.30
Total	<u>\$7,003,170</u>	<u>59.16%</u>
Total Tangible Assessed Valuation	<u>\$11,836,750</u>	

Source: Geauga County Auditor

(1) Assessed values are for collection year 2003

**Newbury Local School District**

*Principal Taxpayers*

*Public Utilities Tax*

*December 31, 2002*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$2,491,290	45.47%
Western Reserve Telephone Company	1,441,870	26.31
AT & T Wireless PCS	377,980	6.90
American Transmission	343,790	6.27
East Ohio Gas	222,400	4.06
Allied Ohio Limited	216,820	3.96
Total	<u>\$5,094,150</u>	<u>92.97%</u>
Total District Public Utility Assessed Value	<u>\$5,479,360</u>	

Source: Geauga County Auditor

(1) Assessed values are for collection year 2003

**Newbury Local School District**

*Cost Per Pupil*

*Last Ten Fiscal Years*

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<u>Year (1)</u>	<u>General Fund Expenditures (2)</u>	<u>Average Daily Student Enrollment</u>	<u>Cost Per Pupil</u>
2003	\$6,452,609	802	\$8,046
2002	6,552,953	791	8,284
2001	5,919,813	782	7,570
2000	5,466,373	761	7,183
1999	5,099,623	772	6,606
1998	5,055,975	773	6,541
1997	5,651,418	826	6,842
1996	5,065,476	839	6,038
1995	3,886,261	868	4,477
1994	3,770,394	863	4,369

Source: District Financial Records

- (1) Fiscal Years 1996 - 2003 are reported on a GAAP basis, all other years are reported on the cash basis.
- (2) Includes other financing uses.

**Newbury Local School District**  
*Teacher Education and Experience*  
 June 30, 2003

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	5	8.93 %
Bachelor + 15	4	7.14
Bachelor + 30	18	32.14
Master's Degree	13	23.21
Master's + 15	6	10.71
Master's + 30	10	17.87
Total	<u>56</u>	<u>100.00 %</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	19	33.93 %
6 - 10	10	17.87
11 and Over	27	48.20
	<u>56</u>	<u>100.00 %</u>

Source: School District Personnel Records

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**Auditor of State  
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**NEWBURY LOCAL SCHOOL DISTRICT**

**GEAUGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 13, 2004**