

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT

Single Audit Reports

June 30, 1999



PLATTENBURG & ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS
CINCINNATI/DAYTON



**Report on compliance and on internal control over financial reporting
based on an audit of financial statements performed in accordance with
*Government Auditing Standards***

November 18, 1999

Board of Education
Middletown/Monroe City School District

We have audited the general purpose financial statements of the Middletown/Monroe City School District, (the District), as of and for the year ended June 30, 1999, and have issued our report thereon dated November 18, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

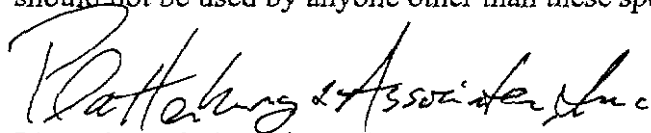
Internal Control Over Financial Reporting

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.

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. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

A handwritten signature in cursive script that reads "Plattenburg & Associates, Inc." The signature is written in black ink and is positioned above the printed name of the firm.

Plattenburg & Associates, Inc.

Certified Public Accountants



PLATTENBURG & ASSOCIATES, INC./CERTIFIED PUBLIC ACCOUNTANTS

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Report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133

November 18, 1999

Board of Education
Middletown/Monroe City School District

Compliance

We have audited the compliance of the District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 1999. The District's major federal program is identified in the summary of auditor's results portion of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

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

Internal Control Over Compliance

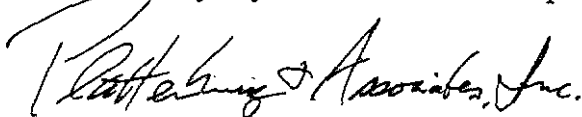
The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over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

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

Schedule of Federal Awards Expenditures

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 1999, and have issued our report thereon dated November 18, 1999. Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the District taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by *OMB Circular A-133* and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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



Plattenburg & Associates, Inc.
Certified Public Accountants

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED June 30, 1999

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entry Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
Passed Through Ohio Department of Education:						
Child Nutrition Cluster:						
Food Distribution Program	03-PU	10.550	\$0	\$183,690	\$0	\$183,690
National School Breakfast Program	05-PU	10.553	136,021	0	136,021	0
National School Lunch Program	04-PU	10.555	731,374	0	731,374	0
Child Care Food Program	21-ML	10.558	17,983	0	0	0
Total U.S. Department of Agriculture - Nutrition Cluster			<u>885,378</u>	<u>183,690</u>	<u>867,395</u>	<u>183,690</u>
U.S. DEPARTMENT OF EDUCATION						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Title VI - B Grant	6B-SF	84.027	487,271	0	473,156	0
Preschool Grant	PG-S1	84.173	14,196	0	8	0
Total U.S. Special Education Cluster			<u>501,467</u>	<u>0</u>	<u>473,164</u>	<u>0</u>
Adult Basic Education Grant	AB-S1	84.002	275,414	0	238,424	0
Eisenhower Grant	MS-S1	84.281	93,319	0	59,467	0
Title I Grant	C1-S0	84.010	2,137,868	0	2,009,966	0
Title VI	C2-S1	84.298	48,586	0	39,578	0
Tech Literacy	TF-S1	84.318	162,500	0	110,821	0
Drug Free Schools Grant	DR-S1	84.186	112,670	0	81,168	0
Comprehensive School Reform	CR-S1	84.332	200,000	0	7,000	0
Entry Year Grant	G2-S4	84.276	268,490	0	258,679	0
Total Department of Education			<u>3,800,514</u>	<u>0</u>	<u>3,278,267</u>	<u>0</u>
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES						
Passed Through Ohio Department of Education:						
JOBS Educational Grant	JB-S1	92.561	30	0	10,202	0
Total U.S. Department of Health & Human Services			<u>30</u>	<u>0</u>	<u>10,202</u>	<u>0</u>
U.S. DEPARTMENT OF LABOR						
Employment Services and Job Training, Pilot and Demonstration Programs						
School To Work	n/a	17.250	2,000	0	2,000	0
Total Department of Labor			<u>2,000</u>	<u>0</u>	<u>2,000</u>	<u>0</u>
DIRECT PROGRAMS						
U.S. DEPARTMENT OF EDUCATION						
Impact Aid Grant	n/a	84.041	8,630	0	8,630	0
OHIO HUNGER TASK FORCE						
Keep Year 2	n/a	93.575	18,000	0	18,580	0
USI School Age Care	n/a	84.312	241,568	0	110,706	0
Total Ohio Hunger Task Force - Direct			<u>259,568</u>	<u>0</u>	<u>129,286</u>	<u>0</u>
Total Federal Assistance			<u>\$4,956,120</u>	<u>\$183,690</u>	<u>\$4,295,780</u>	<u>\$183,690</u>

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B -- FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. Monies are commingled with state grants, and it is assumed that federal monies are expended first.

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT
June 30, 1999

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None Noted

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None Noted

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT
JUNE 30, 1999

SCHEDULE OF PRIOR AUDIT AND QUESTIONED COSTS
OMB CIRCULAR A-133

Middletown/Monroe City School District had no prior audit findings or questioned costs.

Middletown/Monroe City School District
Middletown, Ohio

**Comprehensive Annual
Financial Report**



*For the Fiscal Year Ended
June 30, 1999*

Middletown/Monroe City School District

Middletown, Ohio

Comprehensive Annual Financial Report For The Fiscal Year Ended June 30, 1999

Prepared by the Office of the Treasurer
Edmund R. Pokora, Treasurer
Robin B. Perry, Assistant Treasurer

Middletown/Monroe City School District
Middletown, Ohio

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 1999**

Prepared by the Office of the Treasurer
Edmund R. Pokora, Treasurer
Robin B. Perry, Assistant Treasurer

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

TABLE OF CONTENTS

	<u>PAGE</u>
I. INTRODUCTORY SECTION	
Title Page	-
Table of Contents	I
Letter of Transmittal	V
List of Principal Officials	XVII
GFOA Certificate of Achievement	XVIII
ASBO Certificate of Excellence	XIX
Organizational Chart	XX
 II. FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1
 GENERAL PURPOSE FINANCIAL STATEMENTS	
Combined Balance Sheet All Fund Types and Account Groups	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances -- All Governmental Fund Types and Expendable Trust Funds	6
Combined Statement of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual (Non-GAAP Budgetary Basis) -- All Governmental Fund Types and Expendable Trust Fund	8
Combined Statement of Revenues, Expenses and Changes in Retained Earnings Proprietary Fund Type	12
Combined Statement of Cash Flows Proprietary Fund Type	13
Combined Statement of Revenues, Expenses and Changes in Fund Equity -- Budget to Actual (Non-GAAP Budgetary Basis) - Proprietary Fund Type	14
Notes to the Financial Statements	15

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

TABLE OF CONTENTS
 (Continued)

	<u>PAGE</u>
COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES	
General Fund:	
General Fund Description	43
Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual (Non-GAAP Budgetary Basis)	44
Special Revenue Funds:	
Description of Funds	48
Combining Balance Sheet	51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	56
Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual (Non-GAAP Budgetary Basis):	
Emergency Levy Fund	61
Public School Support Fund	64
Venture Capital Fund	65
Local Grant Fund	66
Auxiliary Services Fund	68
Athletic Fund	69
Professional Development Fund	70
Disadvantaged Pupil Impact Aid (D.P.I.A.) Program Fund	71
Discipline Intervention Grant Fund	73
Management Information System Fund	74
Textbook/Instructional Material Subsidy Fund	75
School Readiness Program Fund	76
Project Connect Program Fund	77
Miscellaneous State Programs Fund	78
Adult Basic Education Program Fund	79
D. Eisenhower Math and Science Program Fund	80
Title VI-B Program Fund	81
Title I Program Fund	82
Title VI Program Fund	84
Drug Free Schools Program Fund	85
Goals 2000 Program Fund	86
KEEP Program Fund	87
Handicap Preschool Program Fund	88
Miscellaneous Federal Programs Fund	89

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

TABLE OF CONTENTS
 (Continued)

	<u>PAGE</u>
Debt Service Fund:	
Description of Fund	91
Capital Projects Funds:	
Description of Funds	92
Combining Balance Sheet	93
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	94
Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual (Non-GAAP Budgetary Basis):	
Permanent Improvement Fund	95
SchoolNet Plus Fund	96
SchoolNet Power-Up Fund	97
Interactive Video Distance Learning (IVDL) Fund	98
Enterprise Funds:	
Description of Funds	99
Combining Balance Sheet	100
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	101
Combining Statement of Cash Flows	102
Schedule of Revenues, Expenses and Changes in Fund Equity, Budget and Actual (Non-GAAP Budgetary Basis):	
Food Services Fund	103
Uniform School Supply Fund	104
Special Rotary Fund	105
Adult Education Fund	106
Fiduciary Funds:	
Description of Funds	107
Combining Balance Sheet	108
Combining Statement of Changes in Assets and Liabilities -- Agency Funds	109
General Fixed Assets Account Group:	
Description of Account Group	110
Schedule of General Fixed Assets by Source	111
Schedule of General Fixed Assets by Function and Type	112
Schedule of Changes in Fixed Assets by Function	113

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

TABLE OF CONTENTS
 (Continued)

		<u>PAGE</u>
 III. STATISTICAL SECTION		
Table 1	General Operating Expenditures by Function	S-1
Table 2	General Operating Revenues by Source	S-3
Table 3	Property Tax Levies and Collections - Real and Public Utility Property	S-4
Table 4	Assessed and Estimated Actual Value of Taxable Property	S-5
Table 5	Property Tax Rates - Direct and Overlapping Governments	S-6
Table 6	Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita	S-7
Table 7	Computation of Legal Debt Margin	S-8
Table 8	Computation of Direct and Overlapping Debt	S-9
Table 9	Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Operating Expenditures	S-10
Table 10	Demographic Statistics	S-11
Table 11	Construction, Bank Deposits and Property Values	S-12
Table 12	Real and Tangible Personal Property - Top Ten Principal Taxpayers	S-13
Table 13	Middletown Area Ten Largest Employers	S-14
Table 14	Teaching Staff Vital Statistics	S-15
Table 15	Student Vital Statistics	S-16
Table 16	Schedule of Insurance Policies	S-17
Table 17	Directory of School Facilities	S-18
Table 18	Cost to Educate a 1999 Graduate	S-19
Table 19	Partnership With Youth Program Participants	S-20

MIDDLETOWN/MONROE BOARD OF EDUCATION

Middletown/Monroe City School District
1515 Girard Avenue
Middletown, OH 45044-4396

December 31, 1999

Board Members:

Mr. Tom Brickey
President

Dr. Mark Frazer
Vice-President

Mr. A.C. Mitchell

Mrs. Katie McNeil

Mrs. Carol Brotherton

To The Citizens And Board Of Education Of The Middletown/Monroe City School District:

The Comprehensive Annual Financial Report (CAFR) of the Middletown/Monroe City School District (District) for the fiscal year ended June 30, 1999, is hereby submitted. This report contains financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 1998-99 fiscal year.

Responsibility for the accuracy, completeness, and fairness of this report rests with the District and specifically, the Office of the Treasurer. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District.

This report is divided into three sections:

The Introductory Section includes the table of contents, this transmittal letter which provides an overview of the District for the 1998-99 school year, a list of principal officials, and an organizational chart.

The Financial Section includes the unqualified opinion of our independent auditors, Walter W. Plattenburg and Associates, Inc., the general purpose financial statements, and the combining and individual fund and account group financial statements and schedules.

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

This report was prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and is representative of the District's continuing commitment to provide meaningful financial information to the citizens of Middletown and Monroe.

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DESCRIPTION OF THE DISTRICT

The District serves an area of 44 square miles, encompassing the City of Middletown, the City of Monroe, and Lemon Township in the northeast corner of Butler County. It also encompasses a small portion of Franklin Township in Warren County. The total District population has increased from 60,757 in 1980 to 62,684 in 1990 according to census information. The tax base of the District is comprised of a unique blend of residential, commercial, and industrial property, with over 60% of the tax revenue of the District paid by business and industry.

During the 1998-99 school year, the District had 9,466 students enrolled in 13 elementary schools, 2 middle schools serving grades 7-8, 2 comprehensive high schools for grades 9-12, and 1 alternative high school. The District also operates a variety of other facilities, including a central administration building, bus garage, central supply warehouse, and several sports fields. The District's enrollment has declined slightly over the past several years, and is expected to continue to decline again in the 1999-00 school year. Current residential developments in the District, however, point to a slight increase in enrollment over the next few years.

The student enrollment of the District is a reflection of the diversity of the communities it serves. For the 1998-99 school year 13% of the students were receiving Aid to Dependent Children (ADC); over 40% of the students enrolled were participating in the free lunch program; over 1,500 students receive instruction through a variety of special education programs; and over 250 students were served in the Gifted and Talented Enrichment Program (GATE). The District also offers a comprehensive adult education program to the community to help adults obtain a high school diploma, in addition to other community education programs. During the year the District issued over 350 High School diplomas to adults through these programs.

The District provides a full range of programs and services for its students and citizens. These include elementary and secondary course offerings at the general and college preparatory levels; a broad range of co-curricular and extra-curricular activities to complement the students' curricular program; community education programs for personal development; and adult education offerings for improvement beyond the high school level. Opportunities for vocational education programs are offered through the Butler County Joint Vocational School.

ORGANIZATION OF THE DISTRICT

The Board of Education of the Middletown/Monroe City School District (Board) is composed of five members elected at large by the citizens of the District. The Board serves as the taxing authority, contracting body and policy initiator for the operation of the District. The Board is also responsible for the adoption of the tax budget, the annual operating budget and approves all expenditures of the District. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it by the Code.

The members of the Board, their current terms, and total years served on the Board as of June 30, 1999, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mr. A.C. Mitchell	Jan. 1997 - Dec. 1999	11-1/2
Dr. Mark Frazer	Jan. 1998 - Dec. 2001	9-1/2
Mr. Tom Brickey	Jan. 1997 - Dec. 1999	7-1/2
Mrs. Katie McNeil	Jan. 1997 - Dec. 1999	3-1/2
Mrs. Carol Brotherton	Jan. 1998 - Dec. 2001	1-1/2

For 1999, the members elected Mr. Brickey President and Dr. Frazer Vice-President of the Board of Education. Mr. Brickey and Mr. Mitchell did not seek reelection to the Board at the general election held on November 7, 1999. Mr. John Venturella and Rev. Greg Tyus were elected in November and will begin four-year terms on January 1, 2000.

In addition to policy development, one of the primary duties of the Board is to employ a Superintendent and Treasurer.

The Superintendent is the Chief Executive Officer of the District and is directly responsible to the Board for all operations of the District. On March 9, 1998, the Board named Dr. Wayne Driscoll, Superintendent, for a three-year term ending July 31, 2001. Dr. Driscoll holds a Doctorate in Education from Columbia University and has 27 years experience in education.

The Treasurer is the Chief Financial Officer of the District and is directly responsible to the Board for all financial operations, investments, and serves as Secretary to the Board. Mr. Ed Pokora has served as Treasurer since October 1989 and has 16 years experience as a school treasurer in Ohio. At its Organizational meeting in January 1996 the Board approved a four-year contract with Mr. Pokora that expires in January 2000.

All other District employees are responsible to the Superintendent and are employed by the Board upon the recommendation of the Superintendent.

ECONOMIC CONDITION AND OUTLOOK

The District is located in southwestern Ohio, midway between the cities of Cincinnati and Dayton, in the northeast corner of Butler County. The eastern boundary of the District is along Interstate 75, which runs from Canada to Florida, making it a desirable location for many businesses who require easy access to the nation's interstate system. Approximately 42% of the District's tax base are agricultural and residential properties; the remainder is composed of a wide range of manufacturing, commercial and other business properties.

The overall economic outlook for the area remains very positive with low unemployment rates, growth in the local tax base, and low inflationary pressures. New construction values in the District were slightly behind last year, but still ranked second highest over the last ten years.

EMPLOYEE RELATIONS

The District employed 995 full and part-time staff members during the 1998-99 school year. This included classified employees who are responsible for the operation of the District's support services and the teaching and administrative staff of the District. Two organizations represent the teaching and classified employees. The District's administrative employees are not currently represented.

The Middletown Teachers Association (MTA), an affiliate of the Ohio Education Association (OEA), represents all certificated employees of the District. In September 1998, the MTA and the District entered into a new collective bargaining agreement on language, salary and fringe benefits issues that will remain in effect through June 30, 2001.

The Middletown Classified Employees Association (MCEA), also an affiliate of the Ohio Education Association (OEA), represents a majority of the support staff of the District. Classified employees are responsible for providing the necessary support services of the District, including: transportation services, lunchroom services, clerical support, and building maintenance and custodial needs. In August 1999, the District and the association concluded negotiations on a new collective bargaining agreement that expires on June 30, 2002.

The District has been able to maintain very good employee relations over the past several years due largely in part to the use of Labor Management Councils with each employee Association. Each Council meets monthly to review items of mutual concern regarding the District, employee participation, and the continual development of site-based decision making in each school building.

MAJOR INITIATIVES FOR THE YEAR

The 1998-99 school year proved to be a very exciting year for the Middletown/Monroe schools in many different ways. Some of the more notable initiatives of the year are highlighted below.

Performance Audit Released

During the 1998-99 school year, the District underwent a comprehensive review of the overall operations by the Ohio Auditor of State. On July 1, 1999 Ohio Auditor of State Jim Petro released the Performance Audit of the Middletown/Monroe that compared its operational benchmarks, policies, and procedures with those of 20 similar peer school districts in Ohio. The District was extremely pleased with the findings, commendations and overall results of the audit. The District was cited as one of the best-managed schools in the state by Mr. Petro. Some of the highlights noted in the report include:

- The District has taken a proactive approach to achieving financial stability. These factors have contributed to an environment that has fostered a financially stable, well-managed district.
- The strategic planning, financial planning and budgeting functions of the District are thorough. The District's budgeting process is designed to bring financial stability to the District's operations while maximizing support for student instruction.
- Given the District's limited financial resources, the District's budgeting process is allocating its expenditures in a manner that efficiently supports pupil instruction.
- Through its energy education program, the District is reducing its energy consumption and decreasing utility expenditures. Over 80 percent of District school buildings consume less energy compared to energy consumption standards established for U.S. commercial buildings.
- The District's transportation department has designed 88 percent of its bus routes to include three or more runs per route through the effective use of the Edulog routing software in the route design process. This percentage is the highest of the peer districts.
- The District's efforts to maximize the efficiency of its regular student bus routes have resulted in the achievement of the highest student per bus capacity utilization level of 134 students per bus among the peer districts, as well as among the all 21 school districts receiving performance audits.

The audit was as required by Am. Sub. H.B. 215 as enacted by the Ohio General Assembly in 1997. This bill required Ohio urban school districts to undergo comprehensive operational reviews in order to receive certain state funding and grants. Over 70 commendations and 100 recommendations were outlined in the District's audit that covered five areas: Financial Systems, Human Resources, Technology Utilization, Facilities, and Transportation.

In December 1999, the Board adopted an Economy and Efficiency Plan in response to the performance audit. The Plan endorsed over 90% of the recommendations made and is intended to become an integral part of the Middletown/Monroe City Schools 2000 strategic plan and the efforts of the Business Education Collaborative (BEC). Over the coming months, various recommendations will be studied, reviewed, and implemented that will further improve the overall operational efficiency and effectiveness of the school district.

Creation of Monroe Local School District

On September 14, 1999 the Ohio State Board of Education approved a resolution that, if approved by voters at the March 7, 2000 election, would establish a separate Monroe Local School District on July 1, 2000. The new school district would be created from parts of the present Middletown/Monroe School District and the adjacent Lebanon School District and roughly follow the Monroe city limits. Only the residents living in the proposed area are eligible to vote on the issue of a new school district. Approximately 1,051 of the present student enrollment of 9,466 in the Middletown/Monroe School District would become students of a new Monroe Local School District.

The schools of Middletown and Lemon Township, which served students in the Monroe area, were merged into the Middletown City School District in 1954. In 1995, a group of Monroe residents, concerned over the possible loss or closing of Lemon-Monroe High School, formed the Committee on Reviewing Education (CORE) to examine the feasibility of creating a separate school district that would serve the needs of the students living within the City of Monroe. In 1997, CORE presented a petition and request to form a new Monroe Local School District to the Ohio State Board of Education. After a review of the facts and the implications of creating a new school district, the State Board voted 12-6 against forming a new district at its December 1997 meeting.

At the November 1998 general election, the residents of Monroe approved an advisory referendum to the Monroe City Council that supported a separate Monroe school district. CORE subsequently re-filed for the creation of a new school district in December 1998 with the State Board of Education. In a reversal of its earlier vote, the State Board approved the resolution that cleared the way for the March 2000 popular vote. The Ohio Revised Code outlines the procedures to follow for the creation of a new district in Section 3311 in terms of how property, personnel and assets are considered when a new school district is created from parts of two separate school districts.

Tax Levy Renewed

In November 1998 the residents of the communities of Middletown and Monroe renewed an operating levy for a three-year period beginning January 1, 1999. This levy, last renewed in 1995, generates \$4.975 million annually for specific program areas in the District. Renewal of this operating levy will also provide future financial stability for the District and continue to provide for direct instructional needs such as textbooks, technology, and classroom equipment and supplies in all schools.

On November 5, 1999 residents also approved the renewal of a five-year levy that will now expire in December 2005. This levy generates \$8.2 million annually and was originally passed in 1990. Renewal of both of these operating levies within twelve months demonstrates the improving community support for the schools and is critical to the future financial success of the District and the continuity of programs and services.

Middletown/Monroe City Schools 2000

In 1995, through the combined efforts of the District, the Mid-Miami Valley Chamber of Commerce, and the area's largest employer, AK Steel Corporation, the Middletown/Monroe Business Education Collaborative (BEC) was formed. This unique partnership of business leaders, school district officials, and community representatives was created to undertake a critical review of the entire District, including the financial operations, facility needs, and instructional programs and strategies. The purpose of this review was to help the District, and the community, develop a comprehensive, attainable plan for the next several years, that integrates the elements of efficiency and effectiveness.

The current phase of the Middletown/Monroe City Schools 2000 has involved over 150 individuals on one of six School Improvement Teams who have been reviewing, refining and further developing the key elements of the strategic plan into specific recommendations and action plans. These teams are focusing on the following areas: computer technology, state proficiency tests, full-service and site-based schools, a consistent and challenging curriculum, a multi-year financial plan, and school facilities. Major initiative during the 1999 fiscal year include the passage of a renewal operating levy, a comprehensive facility plan, and various school improvement programs. This process is continuing into the 1999-00 school year as the School Improvement Teams continue to implement specific action plans for the District.

Investment in Classroom Technology

After the passage of additional funding in 1995, the District embarked on an ambitious technology improvement program, aimed to increase the amount of computers and other technology available to the students in the schools. As a result of the levy passage in 1995, and the revenue from the state-funded SchoolNet Plus program, the District has been able to provide over \$4,000,000 in the last three years for computer hardware and software for all grades and buildings. As a result of these and other similar programs, the District has in place one computer for every five students in kindergarten through sixth grade.

The 1998 levy renewal has allowed the District to provide much needed technology to the remaining classrooms in the fifth through twelfth grades. At the end of the 1997-98 school year, over 2,000 computer workstations, as well as related software and peripheral equipment were in place throughout all school buildings. School libraries have been supplied with research stations and Internet capabilities, new computer labs have been installed at the high schools, and overall student access to computer technology has been doubled as a result of this program. The District will continue with this investment initiative through the 1999-00 school year with the continued development of the local area network and the continued introduction of technology related courses.

The 1998-99 school year also brought the District into the electronic era with the expansion of its homepage on the World Wide Web (www). Middletown/Monroe Schools Online was introduced which provide staff, students and community with information about the District. Currently, all staff members have email access, networking capabilities, and a local Intranet has been developed to improve the business operations of the District. School closings, lunch menus, homework assignments, and other information is available on the at <http://www.mcsd.k12.oh.us>

Bond Issue Defeated

Voters in the District defeated a capital improvement bond issue at the February 1999 special election that would have implemented a comprehensive school facility plan.

In 1998 the School Facilities Committee of the BEC presented a comprehensive report to the Board of Education and community regarding the school building needs of the District. The Committee included provisions for smaller class sizes in grades K-4 at all elementary schools and for all-day kindergarten. The Board adopted the report and placed a \$97.4 million bond issue before voters at the February 1999 election. The proposed facility plan would reconfigure the present school buildings from K-6 elementary schools (13) and 7-8 grade middle schools (2) to K-4 elementary schools (9) and 5-8 middle schools (5).

The District is continuing to evaluate facility needs and funding options through the BEC committees and will continue to make building improvements as necessary given present funding limitations.

Partnership With Youth Program

In cooperation with the Mid-Miami Valley Chamber of Commerce and other area organizations, the Partnership With Youth Program was created in 1989 and continues to expand each year. The program establishes formal partnership arrangements between District businesses and individual schools that have become a vital link between the community and the school system. There are currently over 60 businesses and organizations, that partner with one or more of the District's school buildings. Several additional partnerships are anticipated for the coming year as interest in the program continues to increase throughout the community. Table 19 in the Statistical Section of this report provides a listing of the participants in the Partnership With Youth Program.

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund and account group is a distinct, self-balancing entity. Records for general governmental operations are maintained on a cash basis system of accounting as prescribed by the Ohio Auditor of State. Cash basis accounting differs from generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). GAAP, as more fully described in the notes to the financial statements, provides for a modified accrual basis of accounting for the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, Expendable Trust Fund, and Agency Funds and for full accrual basis of accounting for all other funds. The District began a conversion to GAAP for financial reporting with the 1991 fiscal year making this report the ninth CAFR published by the District.

Internal Controls

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

Single Audit Act

As a recipient of federal and state financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the District and annual reviews by the District's independent auditors.

As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 1999 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

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

Governmental and Expendable Trust Funds

The following schedule presents a summary of the major revenues for all Governmental Funds (including the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund) and the Expendable Trust Fund for the fiscal year ended June 30, 1999, and the amount and percentage of increases and decreases in relation to the 1998 fiscal year:

<u>Revenue by Source</u>	<u>1999 Amount</u>	<u>Percent of Total</u>	<u>Incr/(Decr) from 1998</u>	<u>Percent of Incr/(Decr)</u>
Local Taxes	\$ 36,035,145	54.2%	\$ 5,124,843	16.6%
State Sources	25,093,941	37.8%	4,118,765	19.6%
Federal Sources	3,792,315	5.7%	523,491	16.0%
Interest Income	823,497	1.2%	20,555	2.6%
Other Income	747,504	1.1%	(485,754)	(39.4%)
Total	<u>\$ 66,492,402</u>	<u>100.0%</u>	<u>\$ 9,301,900</u>	<u>16.3%</u>

Overall, total revenues increased 16.3% from the 1998 fiscal year. Local tax revenue increased 16.6% primarily due to an increase of \$3,497,668 in the amount of taxes available as an advance and recognized as revenue for the current year-end. When this is accounted for, local taxes grew 5.25% as a result of new construction and an increase in public utility property values.

State funding grew by nearly 20% from last year as a result of an increase in basic state funding and through new or increased state grants received by the District. These grants included \$240,000 for school readiness, \$200,000 for Project Connect, and over \$300,000 for discipline intervention programs. Disadvantaged pupil funding also increased as a result of funding for smaller class sizes in the primary grade levels.

Federal revenue sources also increased significantly as a result of additional grants received by the District. These included after-school childcare funding and increases in Title 1 and Goals 200 school improvement grants.

A decrease in Other Income was a result of the District receiving a one-time rebate from the Ohio Bureau of Workers' Compensation in the amount of \$477,000 during the 1998 fiscal year.

Improved cash flow available for investment purposes contributed to the increase of over \$20,000 in interest income over the previous year. Rates are expected to remain at or near current levels into the 1999 fiscal year.

The following schedule presents a summary of expenditures for all Governmental Funds and the Expendable Trust Fund for the fiscal year ended June 30, 1999, and the amount and percentage of increases and decreases in relation to the 1998 fiscal year.

Expenditure by Function	1999 Amount	Percent of Total	Incr/(Decr) From 1998	Percent of Incr/(Decr)
Classroom Instruction	\$ 33,890,382	58.0%	\$ 1,872,818	5.8%
Pupil Support	3,008,253	5.1%	431,613	16.8%
Staff Support	2,887,864	4.9%	553,409	23.7%
Administration	4,919,583	8.4%	414,898	9.2%
Fiscal Services	1,163,645	2.0%	41,809	3.7%
Maintenance	6,675,984	11.4%	563,115	9.2%
Transportation	2,564,669	4.4%	51,799	2.1%
Central Services	1,449,453	2.5%	628,069	76.5%
Community Services	900,563	1.5%	336,945	59.8%
Extracurricular	774,104	1.3%	80,755	11.6%
Capital Outlay	132,300	0.2%	132,300	100.0%
Debt Service	151,163	0.3%	(608,873)	(80.1%)
Total	\$ 58,517,963	100.0%	\$ 4,498,657	8.3%

Total Governmental Fund expenditures increased 8.3% or approximately \$4,500,000 as a result of increased spending in the areas of salaries and wages, classroom equipment and capital outlay expenditures for building improvements and electrical upgrades. Expenditure increases in the Central Services area reflect the investment in technology and related infrastructure made by the District. The increase in Community Services expenditures is a result of additional state and federal grants received by the District. In terms of actual dollars expended, nearly 60% was directed for instructional programs and classroom needs, which included materials, supplies, textbooks, and other classroom needs.

Significant activity in the major funds of each major Governmental Fund Type is highlighted below:

General Fund

The District continues to operate with a very sound financial base as the General Fund ended the 1999 fiscal year with a balance of \$8,199,457. This includes approximately \$3.5 million in taxes that was available as an advance at year-end. Without this amount, the General Fund still reflects a positive trend in District finances, posting a surplus for the second consecutive year. The District's five-year forecast estimates this trend to continue for the 1999-00 fiscal year.

Special Revenue Funds

Special Revenue Funds account for funds that derive revenue primarily from grants and entitlements restricted by law to expenditures for specific purposes and for a portion of the District's general operating expenditures.

Two property tax levies originally approved by voters in 1995 generated \$12,289,854 this year and makes up 62% of the total revenue in the Special Revenue funds. While the proceeds of these levies may be used for general operations similar to those in the General Fund, state law requires these revenues to be accounted for in the Emergency Levy Fund. These funds provide for specific resources and programs for students and reflect the District's continuing commitment to allocate resources in the most beneficial manner.

Other revenue generated by the major Special Revenue Funds include Title I Fund, \$2,139,335; Disadvantaged Pupil Impact Aid (D.P.I.A.) Fund, \$1,161,260; Auxiliary Services Fund, \$544,569; and Title VI-B Fund, \$487,271. Total expenditures and other financing uses of \$18,355,842 exceeded revenues and other financing sources of \$18,755,917 resulting in an ending balance of \$5,357,106 in the Special Revenue fund type.

Capital Projects Funds

The Capital Projects Funds are made up of a Permanent Improvement Fund and the state funded SchoolNet Program. SchoolNet funding includes resources for electrical improvements (Power Up), distance learning (IVDL) and computer workstations (SchoolNet Plus)

The Permanent Improvement Fund has exhausted virtually all resources and carries only a nominal balance. The SchoolNet Plus Fund accounts for state funds received to implement a comprehensive technology program in grades K-4. A total of \$1,294,852 was used to purchase computers and related technology costs in the District's elementary classrooms. The District also received funding for an Interactive Video Distance Learning (IVDL) lab during the year in the amount of \$30,000 that will be operational for the 1999-00 school year.

Enterprise Funds

The District's Enterprise Funds are the Food Service Fund, Uniform School Supplies Fund, Adult Education Fund, and the Special Rotary Fund. These operations combined produced a total net loss in fiscal year 1999 of (\$279,240). Of this amount, the funds contributed as follows: Food Service (\$539,209), Uniform School Supplies \$211,652, Special Rotary Fund \$8,162, and Adult Education \$40,155.

The deficit in the Food Service Fund has occurred as a result of several factors and the District has taken steps to impact this immediately and over the long-term. Declining enrollment, food price increases, and the need to replace capital equipment has contributed to the present deficit. In the Performance Audit issued in 1999, recommendations were made to improve financial operations and the District began the implementation of some of these for the 1999-00 fiscal year.

Debt Administration

The District had one debt issues outstanding at June 30, 1999. The issue is \$105,000 of general obligation bonds issued under the energy conservation provisions in Ohio law for improvements made at Amanda Elementary School. Originally issued for \$760,000 in 1989, this issue will be retired in December 1999.

Cash Management

The District operates an aggressive cash management program operated under the acronym S.L.Y: Safety, Liquidity and Yield. Investments of funds are made with these three features in mind, safety being the key consideration. In previous years, this program has resulted in interest earnings that place the District in the top 20th percentile statewide in terms of investment returns. Inactive funds are invested in certificates of deposit, in the State Treasury Asset Reserve of Ohio (STAR Ohio), an investment pool managed by the Treasurer of the State of Ohio, or in investments guaranteed by the U. S. Government or its agencies. The amount of investment income in fiscal year 1999 for all District funds was \$823,497, which was an increase of over \$20,000 from the previous year. A more detailed description of the District's investment functions is described in Note 5 to the financial statements.

Risk Management

The District, as a political subdivision, maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, property loss and boiler and machinery coverage is purchased from insurance companies licensed to do business in the State of Ohio. The maximum deductible amount for these coverages is \$1,000 per loss incurred. Table 16 in the Statistical Section of this report provides a detailed listing of the District's insurance policies as of June 30, 1999.

Employee health insurances (medical and dental) are provided through the Butler County Health Plan (BCHP). The District has been successful in controlling health care costs providing coverage through BCHP since 1985.

Note 14 to the financial statements presents a more detailed review of the District's Risk Management Program.

OTHER INFORMATION

Independent Audit

The State of Ohio requires an annual audit by either the Ohio Auditor of State or by an independent public accounting firm. The State Auditor and the District selected Walter W. Plattenburg and Associates, Inc. to perform the audit for the fiscal year ended June 30, 1999. The auditor's unqualified opinion rendered on the District's general purpose financial statements, and their report on the combining and individual fund statements and schedules, is included in the financial section of this report.

ASBO Certificate of Excellence

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Report for the fiscal year ended June 30, 1998. In order to be awarded a Certificate of Excellence, a Comprehensive Annual Financial Report must conform to the principles and standards of financial reporting as adopted by ASBO. This award is granted only after an extensive review of the report by a panel of certified public accountants and practicing school business officials. The District believes this report continues to conform to the Certificate of Excellence program standards and is submitting it to ASBO to determine its eligibility for a certificate.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1998. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This 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. The District believes our current report conforms to the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation and publication of the 1999 Comprehensive Annual Financial Report of the Middletown/Monroe City School District was made possible by the combined efforts of the District's Finance Department and the cooperation of many District employees. The support and commitment to excellence by the Middletown/Monroe Board of Education and the citizens of the District was vital to the successful issuance of this report and the continuing efforts being made to improve our financial management and reporting.

Sincerely,



Edmund R. Pokora
Treasurer

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
LIST OF PRINCIPAL OFFICIALS**

BOARD OF EDUCATION

President
Vice President
Board Member
Board Member
Board Member

Tom Brickey
Dr. Mark Frazer
A.C. Mitchell
Katie McNeil
Carol Brotherton

ADMINISTRATIVE OFFICIALS

Superintendent
Treasurer
Director of Human Resources
Director of Instruction
Director of Pupil Personnel
Director of Athletics
Legal Counsel

Wayne T. Driscoll, Ed.D.
Ed Pokora
Brenda Long
Susan Combs
Dr. Norris Brown
Walt Simkins
Don Crain, Esq.
Frost and Jacobs
Attorneys at Law

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Middletown/Monroe City
School District, Ohio

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

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



Cary Brueck
President

Jeffrey L. Eselle
Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

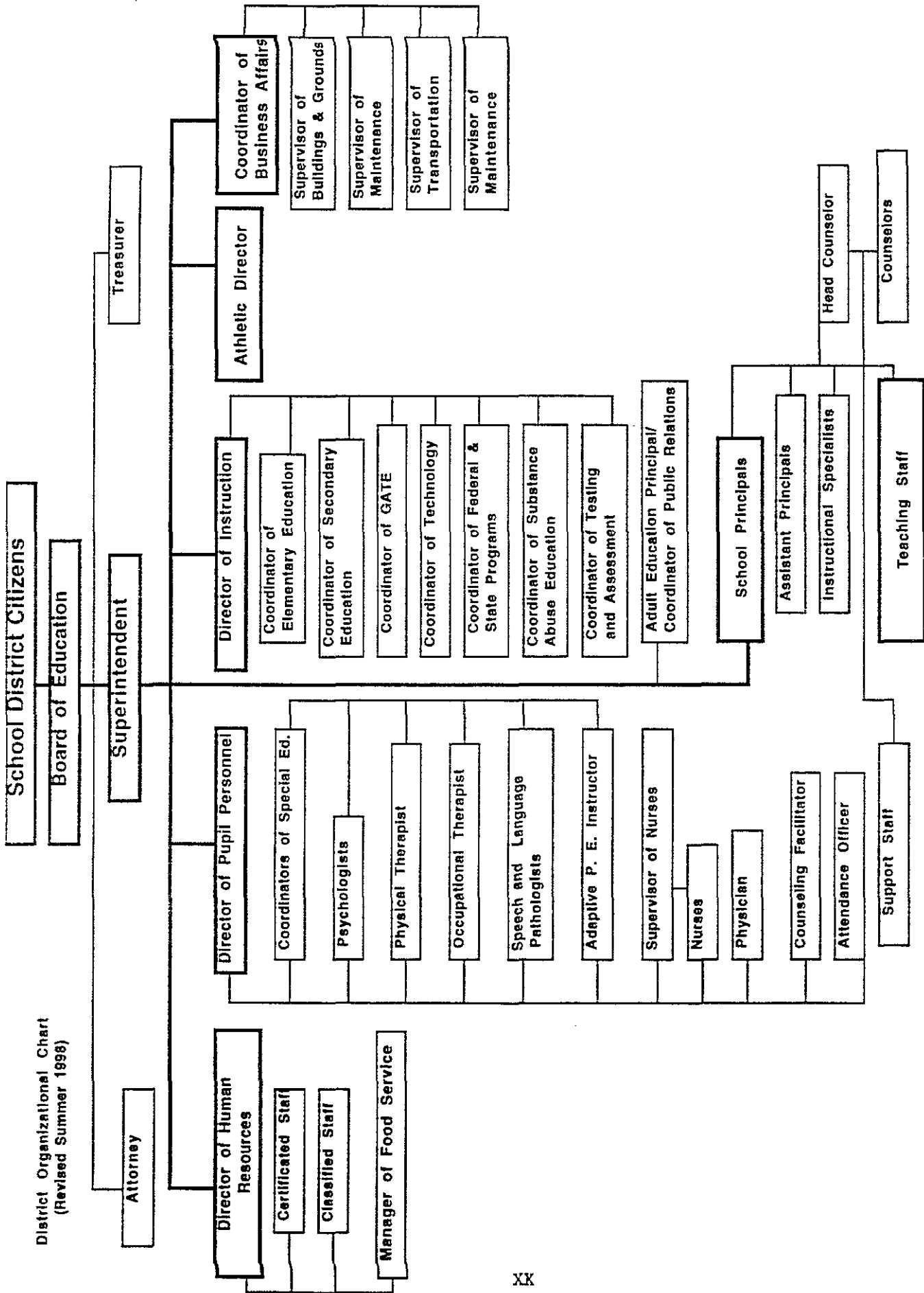
For the Fiscal Year Ended June 30, 1998

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Ellen A. Fleisher
President

Ann F. Hays
Executive Director

District Organizational Chart
(Revised Summer 1998)



FINANCIAL SECTION





STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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


Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398

Board of Education
Middletown/Monroe City School District
Middletown, Ohio 45044

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

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



JIM PETRO
Auditor of State

March 7, 2000



Independent Auditors' Report

November 18, 1999

Board of Education
Middletown/Monroe City School District
Middletown, Ohio

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

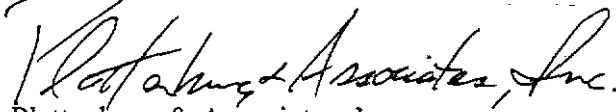
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable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

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

In accordance with Governmental Auditing Standards, we have also issued a report dated November 18, 1999 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.

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

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


Plattenburg & Associates, Inc.
Certified Public Accountants

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999
(With comparative totals for June 30, 1998)

GOVERNMENTAL FUND TYPES

	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS:				
Assets:				
Equity in pooled cash and investments	\$ 7,539,971	\$ 4,689,055	\$ 576,845	\$ 588,353
Restricted Cash	852,007	0	0	0
Receivables (net of allowances for uncollectibles)				
Taxes	18,231,427	10,998,233	248,659	0
Accounts	26,092	12,157	0	0
Accrued interest	43,884	0	0	0
Intergovernmental - state and local	41,383	12,121	0	0
Intergovernmental - federal	0	0	0	0
Interfund loan receivable	807,169	0	0	0
Materials and supplies inventory	0	0	0	0
Inventory held for resale	0	0	0	0
Due from other funds	0	0	0	0
Property, plant and equipment (net of accumulated depreciation, where applicable)	0	0	0	0
Other debits:				
Amount available in Debt Service Fund	0	0	0	0
Amount to be provided for retirement of General Long-term Obligations	0	0	0	0
Total Assets and Other Debits	\$ 27,541,933	\$ 15,711,566	\$ 825,504	\$ 588,353
LIABILITIES, EQUITY AND OTHER CREDITS:				
Liabilities:				
Accounts payable	\$ 138,555	\$ 238,631	\$ 0	\$ 0
Accrued wages and benefits	4,308,045	1,292,907	0	0
Accrued interest payable	24,597	0	0	0
Interfund loans payable	0	22,169	0	0
Due to other governments	0	66,739	0	0
Due to student groups	0	0	0	0
Due to other funds	0	0	0	0
Deferred revenue	14,763,838	8,717,275	206,966	0
General obligation bonds payable	0	0	0	0
Tax anticipation notes payable	0	0	0	0
Compensated absences payable	107,441	16,739	0	0
Total liabilities	19,342,476	10,354,460	206,966	0
Equity and other credits:				
Investment in general fixed assets	0	0	0	0
Retained earnings: unreserved	0	0	0	0
Fund Balances:				
 Reserved-				
Reserved for encumbrances	904,825	1,672,418	0	149,335
Reserved for property tax advances	3,511,473	2,280,960	41,693	0
Reserved for budgetary set-asides	852,007	0	0	0
 Unreserved-				
Undesignated	2,931,152	1,403,728	576,845	439,018
Total equity and other credits	8,199,457	5,357,106	618,538	588,353
Total Liabilities, Equity and Other Credits	\$ 27,541,933	\$ 15,711,566	\$ 825,504	\$ 588,353

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

PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS	
		General Fixed Assets	General Long-Term Obligations	1999 (Memorandum Only)	1998 (Memorandum Only)
Enterprise	Trust and Agency				
\$ 265,611	\$ 105,281	\$ 0	\$ 0	\$ 13,765,116	\$ 11,540,145
0	0	0	0	852,007	477,007
0	0	0	0	29,478,319	36,194,443
9,123	1,100	0	0	48,472	15,048
0	0	0	0	43,884	0
14,382	0	0	0	67,886	34,576
143,814	0	0	0	143,814	122,165
0	0	0	0	807,169	473,693
197,042	0	0	0	197,042	193,521
87,780	0	0	0	87,780	84,218
0	0	0	0	0	618
64,971	0	50,189,415	0	50,254,386	47,954,257
0	0	0	618,538	618,538	503,152
0	0	0	2,382,532	2,382,532	1,590,174
<u>\$ 782,723</u>	<u>\$ 106,381</u>	<u>\$ 50,189,415</u>	<u>\$ 3,001,070</u>	<u>\$ 98,746,945</u>	<u>\$ 99,183,017</u>
\$ 9,279	\$ 0	\$ 0	\$ 0	\$ 386,465	\$ 311,891
118,895	0	0	311,358	6,031,205	5,518,878
0	0	0	0	24,597	23,985
785,000	0	0	0	807,169	473,693
0	0	0	0	66,739	108,593
0	96,646	0	0	96,646	46,664
0	0	0	0	0	618
100,086	0	0	0	23,788,165	33,990,251
0	0	0	105,000	105,000	200,000
0	0	0	0	0	2,000,000
48,703	0	0	2,584,712	2,757,595	1,874,093
<u>1,061,963</u>	<u>96,646</u>	<u>0</u>	<u>3,001,070</u>	<u>34,063,581</u>	<u>44,548,666</u>
0	0	50,189,415	0	50,189,415	47,902,631
(279,240)	0	0	0	(279,240)	(23,980)
0	31	0	0	2,726,609	3,090,722
0	0	0	0	5,834,126	2,336,458
0	0	0	0	852,007	477,007
0	9,704	0	0	5,360,447	851,513
<u>(279,240)</u>	<u>9,735</u>	<u>50,189,415</u>	<u>0</u>	<u>64,683,364</u>	<u>54,634,351</u>
<u>\$ 782,723</u>	<u>\$ 106,381</u>	<u>\$ 50,189,415</u>	<u>\$ 3,001,070</u>	<u>\$ 98,746,945</u>	<u>\$ 99,183,017</u>

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999
(With comparative totals for the fiscal year ended June 30, 1998)

GOVERNMENTAL FUND TYPES

	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
From local sources:				
Taxes	\$ 22,669,221	\$ 11,118,611	\$ 2,247,313	\$ 0
Tuition	42,790	0		0
Earnings on investments	816,274	7,223		0
Other local revenues	300,048	380,067		0
Intergovernmental - state and local	19,266,388	4,500,279	21,305	1,305,969
Intergovernmental - federal	8,630	3,772,885		10,800
Total Revenues	43,103,351	19,779,065	2,268,618	1,316,769
Expenditures:				
Current:				
Instruction:				
Regular	23,067,981	2,429,731	0	1,273,252
Special	300	5,697,454	0	0
Vocational	256	36,007	0	0
Adult/Other	1,136,558	226,728	0	0
Support services:				
Pupil	2,332,524	671,763	0	0
Instructional staff	3,530	2,884,334	0	0
General administration	0	0	0	0
School administration	4,499,796	419,431	356	0
Fiscal	1,020,552	140,768	2,325	0
Operations and maintenance	4,865,706	1,788,678	0	21,600
Pupil transportation	278,107	2,286,562	0	0
Central	977,045	472,408	0	0
Community services	0	900,563	0	0
Extracurricular activities	504,989	269,115	0	0
Capital outlay	0	132,300	0	0
Debt service:				
Principal retirement	0	0	95,000	0
Interest charges	45,488	0	10,675	0
Total Expenditures	38,732,832	18,355,842	108,356	1,294,852
Excess of Revenues Over (Under) Expenditures	4,370,519	1,423,223	2,160,262	21,917
Other financing sources (uses):				
Proceeds from sale of fixed assets	43,049	0	0	0
Operating transfers in	2,044,876	400,075	0	0
Operating transfers (out)	(400,075)	0	(2,044,876)	0
Total other financing sources (uses)	1,687,850	400,075	(2,044,876)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	6,058,369	1,823,298	115,386	21,917
Fund Balance, July 1	2,141,088	3,533,808	503,152	566,436
Fund Balance, June 30	\$ 8,199,457	\$ 5,357,106	\$ 618,538	\$ 588,353

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

FIDUCIARY FUND TYPES	TOTALS	
	1999 (Memorandum Only)	1998 (Memorandum Only)
Expendable Trust		
\$ 0	\$ 36,035,145	\$ 30,910,302
0	42,790	72,309
0	823,497	802,942
24,599	704,714	1,160,949
0	25,093,941	20,975,176
0	3,792,315	3,268,824
<u>24,599</u>	<u>66,492,402</u>	<u>57,190,502</u>
22,115	26,793,079	25,405,783
0	5,697,754	5,386,290
0	36,263	27,656
0	1,363,286	1,197,835
3,966	3,008,253	2,576,640
0	2,887,864	2,334,455
0	0	76,782
0	4,919,583	4,427,903
0	1,163,645	1,121,836
0	6,675,984	6,112,869
0	2,564,669	2,512,870
0	1,449,453	821,384
0	900,563	563,618
0	774,104	693,349
0	132,300	0
0	95,000	589,564
0	56,163	170,472
<u>26,081</u>	<u>58,517,963</u>	<u>54,019,306</u>
(1,482)	7,974,439	3,171,196
0	43,049	15,385
0	2,444,951	3,480,886
0	(2,444,951)	(3,480,886)
<u>0</u>	<u>43,049</u>	<u>15,385</u>
(1,482)	8,017,488	3,186,581
<u>11,217</u>	<u>6,755,701</u>	<u>3,569,120</u>
<u>\$ 9,735</u>	<u>\$ 14,773,189</u>	<u>\$ 6,755,701</u>

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	GENERAL FUND		
	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Taxes	\$ 20,540,500	\$ 20,556,880	\$ 16,380
Tuition	30,000	28,607	(1,393)
Earnings on investments	800,000	816,274	16,274
Other local revenue	254,000	300,564	46,564
Intergovernmental - state	19,245,000	19,266,389	21,389
Intergovernmental - federal	8,000	8,630	630
Total Revenues	40,877,500	40,977,344	99,844
Expenditures:			
Current:			
Instruction:			
Regular	23,049,640	23,127,364	(77,724)
Special	0	0	0
Vocational	0	0	0
Adult/Other	1,231,041	1,225,384	5,657
Support Services:			
Pupil	2,254,757	2,239,621	15,136
Staff	0	0	0
General administration	48,310	39,444	8,866
School administration	4,414,215	4,404,144	10,071
Fiscal and business services	1,052,986	1,024,620	28,366
Operations and maintenance	5,305,118	5,279,118	26,000
Pupil transportation	461,402	429,773	31,629
Central services	1,034,247	1,072,213	(37,966)
Community services	0	0	0
Extracurricular Activities	503,550	501,650	1,900
Capital Outlay	0	0	0
Debt Service			
Principal retirement	0	0	0
Interest charges	0	0	0
Total Expenditures	39,355,266	39,343,331	11,935
Excess (deficiency) of revenues over (under) expenditures	1,522,234	1,634,013	111,779
Other financing sources (uses):			
Refund of prior year receipts	(13,000)	(12,667)	(333)
Refund of prior year expenditures	55,000	52,395	(2,605)
Operating transfers in	0	0	0
Operating transfers (out)	(401,000)	(400,075)	(925)
Advances in	473,693	473,693	0
Advances (out)	(810,000)	(807,169)	(2,831)
Total other financing sources (uses)	(695,307)	(693,823)	(6,694)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	826,927	940,190	113,263
Fund balance, July 1	5,232,567	5,232,567	0
Prior year encumbrances appropriated	1,314,396	1,314,396	0
Fund balance, June 30	\$ 7,373,890	\$ 7,487,153	\$ 113,263

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

SPECIAL REVENUE FUNDS			DEBT SERVICE FUND		
REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
\$ 9,751,339	\$ 9,758,238	\$ 6,899	\$ 2,220,861	\$ 2,222,359	\$ 1,498
0	0	0	0	0	0
7,223	7,223	0	0	0	0
587,796	589,738	1,942	0	0	0
3,995,886	3,998,282	2,396	21,800	21,305	(495)
4,062,112	4,062,112	0	0	0	0
18,404,356	18,415,593	11,237	2,242,661	2,243,664	1,003
3,339,265	2,881,015	458,250	0	0	0
5,915,698	5,877,286	38,412	0	0	0
36,007	36,007	0	0	0	0
217,838	217,838	0	0	0	0
718,808	707,570	11,238	0	0	0
3,183,445	3,106,350	77,095	0	0	0
0	0	0	0	0	0
470,879	450,710	20,169	356	356	0
152,335	140,768	11,567	2,444	2,324	120
2,093,654	2,007,642	86,012	0	0	0
2,549,959	2,549,805	154	0	0	0
500,859	479,699	19,287	0	0	0
1,005,874	998,724	7,150	0	0	0
290,773	290,773	0	0	0	0
154,000	132,300	21,700	0	0	0
0	0	0	2,092,453	2,092,434	19
0	0	0	58,422	58,117	305
20,629,394	19,876,487	751,034	2,153,675	2,153,231	444
(2,225,038)	(1,460,894)	762,271	88,986	90,433	1,447
(70,595)	(70,595)	0	0	0	0
0	0	0	0	0	0
421,167	421,167	0	0	0	0
0	0	0	0	0	0
497	497	0	0	0	0
(23,693)	(23,693)	0	0	0	0
327,376	327,376	0	0	0	0
(1,897,662)	(1,133,518)	764,144	88,986	90,433	1,447
2,529,732	2,529,732	0	486,414	486,414	0
1,620,210	1,620,210	0	0	0	0
\$ 2,252,280	\$ 3,016,424	\$ 764,144	\$ 575,400	\$ 576,847	\$ 1,447

Continued

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND (Continued)
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	CAPITAL PROJECT FUNDS			EXPENDABLE TRUST FUND		
	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:						
Taxes	0	0	\$ 0	\$ 0	\$ 0	\$ 0
Tuition	0	0	0	0	0	0
Earnings on Investments	0	0	0	0	0	0
Other Local Revenue	0	0	0	24,599	24,599	0
Intergovernmental - State	1,316,769	1,316,769	0	0	0	0
Intergovernmental - Federal	0	0	0	0	0	0
Total Revenues	1,316,769	1,316,769	0	24,599	24,599	0
Expenditures:						
Current:						
Instruction:						
Regular	1,488,378	1,422,588	65,790	22,115	22,115	0
Special	0	0	0	0	0	0
Vocational	0	0	0	0	0	0
Adult/Other	0	0	0	0	0	0
Support Services:						
Pupil	0	0	0	3,997	3,997	0
Staff	0	0	0	0	0	0
General Administration	0	0	0	0	0	0
School Administration	0	0	0	0	0	0
Fiscal and Business Services	0	0	0	0	0	0
Operations and Maintenance	21,600	21,600	0	0	0	0
Pupil Transportation	0	0	0	0	0	0
Central Services	0	0	0	0	0	0
Community Services	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest Charges	0	0	0	0	0	0
Total Expenditures	1,509,978	1,444,188	65,790	26,112	26,112	0
Excess (deficiency) of revenues over (under) expenditures	(193,209)	(127,419)	65,790	(1,513)	(1,513)	0
Other financing sources (uses):						
Refund of prior year receipts	0	0	0	0	0	0
Refund of prior year expenditures	0	0	0	0	0	0
Operating transfers in	0	0	0	0	0	0
Operating transfers (out)	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances (out)	0	0	0	0	0	0
Total other financing sources (uses)	0	0	0	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(193,209)	(127,419)	65,790	(1,513)	(1,513)	0
Fund balance, July 1	566,436	566,436	0	11,041	11,041	0
Prior year encumbrances appropriated	155,940	155,940	0	176	176	0
Fund balance, June 30	\$ 529,167	\$ 594,957	\$ 65,790	\$ 9,704	\$ 9,704	0

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

1999 TOTALS (MEMORANDUM ONLY)			1998 TOTALS (MEMORANDUM ONLY)		
REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
\$ 32,512,700	\$ 32,537,477	\$ 24,777	\$ 31,455,500	\$ 31,555,916	\$ 100,416
30,000	28,607	(1,393)	70,000	77,466	7,466
807,223	823,497	16,274	793,542	808,147	14,605
866,395	914,901	48,506	1,043,466	1,196,947	153,481
23,985,991	24,009,281	23,290	20,906,673	20,975,108	68,435
4,070,112	4,070,742	630	3,266,525	3,270,304	3,779
62,272,421	62,384,505	112,084	57,535,706	57,883,888	348,182
27,919,302	27,473,986	445,316	26,088,256	26,088,256	0
5,895,795	5,857,383	38,412	5,516,881	5,516,881	0
36,007	36,007	0	27,826	27,826	0
1,448,879	1,443,222	5,657	1,226,083	1,226,083	0
2,971,875	2,950,916	20,959	2,543,058	2,543,058	0
2,830,634	2,758,539	72,095	2,483,230	2,483,230	0
48,310	39,444	8,866	35,874	35,874	0
4,854,590	4,834,777	19,813	4,561,763	4,561,763	0
1,068,381	1,039,895	28,486	1,234,398	1,234,398	0
6,933,927	6,890,286	43,641	6,998,065	6,998,065	0
2,632,080	2,600,421	31,659	3,012,080	3,012,080	0
1,383,367	1,402,046	(18,679)	1,029,883	1,029,883	0
827,660	820,510	7,150	583,601	583,601	0
794,323	792,423	1,900	721,895	721,895	0
163,007	141,307	21,700	134,000	134,000	0
2,092,453	2,092,434	19	3,090,000	3,090,000	0
58,422	58,117	305	179,536	179,536	0
61,959,012	61,231,713	727,299	59,466,429	59,466,429	0
313,409	1,152,792	839,383	(1,930,723)	(1,582,541)	348,182
(83,595)	(83,262)	(333)	0	0	0
55,000	52,395	(2,605)	0	0	0
421,167	421,167	0	318,500	318,500	0
(401,000)	(400,075)	(925)	(318,500)	(318,500)	0
474,190	474,190	0	321,371	321,371	0
(833,693)	(830,862)	(2,831)	(509,433)	(509,433)	0
(367,931)	(366,447)	(6,694)	(188,062)	(188,062)	0
(54,522)	786,345	840,867	(2,118,785)	(1,770,603)	348,182
8,826,190	8,826,190	0	7,188,462	7,188,462	0
3,090,546	3,090,546	0	3,408,331	3,408,331	0
\$ 11,862,214	\$ 12,703,081	\$ 840,867	\$ 8,478,008	\$ 8,826,190	\$ 348,182

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 PROPRIETARY FUND TYPE
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999 AND 1998**

	Enterprise Funds	
	<u>1999</u>	<u>1998</u>
Operating revenues:		
Tuition and fees	\$ 165,254	\$ 189,822
Sales	1,607,037	1,596,628
Other operating revenues	<u>9,646</u>	<u>3,374</u>
Total operating revenues	1,781,937	1,789,824
Operating expenses:		
Salaries and wages	1,329,990	1,222,132
Fringe benefits	465,719	402,301
Contracted services	20,766	14,929
Supplies	1,505,390	1,405,845
Depreciation	10,454	8,688
Other operating expenses	<u>10,680</u>	<u>7,968</u>
Total operating expenses	<u>3,342,999</u>	<u>3,061,863</u>
Operating (Loss)	(1,561,062)	(1,272,039)
Nonoperating revenues (expenses):		
Operating grants - state and local	1,026,499	1,055,174
Operating grants - federal	95,363	98,962
Proceeds of sale of fixed assets	250	0
Donated commodities	<u>183,690</u>	<u>23,887</u>
Total nonoperating revenues (expenses)	<u>1,305,802</u>	<u>1,178,023</u>
Net Income (Loss)	(255,260)	(94,016)
Retained Earnings, July 1	<u>(23,980)</u>	<u>70,036</u>
Retained Earnings, June 30	<u>\$ (279,240)</u>	<u>\$ (23,980)</u>

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

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 1999 AND 1998

	<u>Enterprise Funds</u>	
	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Cash received from tuition and fees	\$ 174,436	\$ 178,844
Cash received from sales	1,604,224	1,595,692
Cash received from other operations	6,948	3,374
Cash payments for personal services	(1,656,228)	(1,587,897)
Cash payments for contract services	(12,077)	(14,929)
Cash payments for supplies and materials	(1,513,997)	(1,398,868)
Cash payments for other expenses	(10,680)	(8,246)
Net cash used by operating activities	<u>(1,407,374)</u>	<u>(1,232,030)</u>
Cash flows from noncapital financing activities:		
Cash received from operating grants	1,130,310	1,157,297
Cash received - interfund loans	785,000	450,000
Cash received from sale of assets	250	0
Cash (used) - interfund loans	(450,000)	(261,941)
Net cash provided by noncapital financing activities	<u>1,465,560</u>	<u>1,345,356</u>
Net increase (decrease) in cash and cash equivalents	58,186	113,326
Cash and cash equivalents at beginning of year	<u>207,425</u>	<u>94,099</u>
Cash and cash equivalents at end of year	<u>\$ 265,611</u>	<u>\$ 207,425</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating (loss)	\$ (1,561,062)	\$ (1,272,039)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	\$ 10,454	8,688
Donated commodities used (received)	(183,690)	(98,481)
Changes in assets and liabilities:		
(Increase) Decrease in receivables	3,270	(11,443)
(Increase) Decrease in intergovernmental	(23,620)	3,161
(Increase) Decrease in supplies inventory	(2,768)	(70,153)
(Increase) Decrease in inventory held for resale	(3,562)	(8,076)
Increase (Decrease) in accounts payable	2,601	1,210
Increase (Decrease) in interfund loan payable	334,639	188,142
Increase (Decrease) in accrued wages and benefits	35,131	(36,323)
Increase (Decrease) in due to other governments	0	0
Increase (Decrease) in due from other funds	0	(618)
Increase (Decrease) in compensated absences payable	13,411	4,007
Increase (Decrease) in deferred revenue	(32,178)	59,895
Net cash provided by operating activities	<u>\$ (1,407,374)</u>	<u>\$ (1,232,030)</u>

Non-cash activities: The District received and used donated commodities valued at \$183,690 that represented both non-cash materials and supplies expenditures and non-cash operating revenues.

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

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PROPRIETARY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	<u>1999 TOTALS (MEMORANDUM ONLY)</u>			<u>1998 TOTALS (MEMORANDUM ONLY)</u>		
	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE: FAVORABLE (UNFAVORABLE)</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE: FAVORABLE (UNFAVORABLE)</u>
Revenues:						
Operating Revenues						
Tuition and fees	\$ 173,140	\$ 174,436	\$ 1,296	\$ 64,250	\$ 74,682	\$ 10,432
Sales	1,562,595	1,562,572	(23)	1,669,474	1,667,906	(1,568)
Charges for services	38,370	38,562	192	32,779	32,098	(681)
Contributions and donations	3,898	6,398	2,500	2,674	2,674	0
Other operating revenue	3,100	3,640	540	550	550	0
Federal and state subsidies	1,099,300	1,098,242	(1,058)	1,154,867	1,157,297	2,430
Total Revenues	2,880,653	2,884,100	3,447	2,924,594	2,935,207	10,613
Expenses:						
Operating Expenses						
Salaries and wages	1,185,812	1,185,812	0	1,146,313	1,146,313	0
Fringe benefits	470,416	470,416	0	441,584	441,584	0
Purchased services	13,025	13,025	0	16,240	16,240	0
Supplies and materials	1,534,340	1,534,001	(339)	1,366,126	1,366,126	0
Other expenses	26,572	23,301	(3,271)	46,943	46,943	0
Equipment purchased	682	681	1	12,567	12,567	0
Total Expenses	3,230,847	3,227,236	(3,609)	3,029,773	3,029,773	0
Excess (deficiency) of revenues over (under) expenses	(360,632)	(343,136)	7,056	(105,179)	(94,566)	10,613
Other financing sources (uses)						
Advances in	785,000	785,000	0	450,000	450,000	0
Advances out	(450,000)	(450,000)	0	(261,941)	(261,941)	0
Total other financing sources (uses)	335,000	335,000	0	188,059	188,059	0
Excess (deficiency) of revenues and other financing sources over (under) expenses and other uses	(15,194)	(8,136)	7,056	82,880	93,493	10,613
Fund Equity, July 1	187,595	187,595	(3,699)	74,006	74,006	0
Prior year encumbrances appropriated	19,831	19,831	0	20,096	20,096	0
Fund Equity, June 30	\$ 189,508	\$ 196,555	\$ 3,306	\$ 176,982	\$ 187,595	\$ 10,613

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

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

NOTE 1 - DESCRIPTION OF THE DISTRICT

The Middletown/Monroe City School District (District) was originally chartered in 1837 by the Ohio State Legislature. In 1853 State Laws were enacted to create local Boards of Education. Today, the District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code.

The District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. The Board controls the District's instructional and support facilities staffed by 308 classified personnel and 632 certified teaching and administrative personnel to provide services to students and other community members.

In terms of enrollment the District is the 21st largest in the State of Ohio (among 611 districts) and the third largest in Butler County. It currently operates 13 elementary schools, 2 middle schools (grades 7 - 8), 2 comprehensive high schools (grades 9-12) and 1 alternative high school. The District encompasses a total of 44 square miles that includes the cities of Middletown and Monroe.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources. The District also applies Financial Accounting Standards Board Statements and Interpretations issued prior to November 30, 1989 to its proprietary activities, provided they do not conflict with or contradict GASB pronouncements.

A. *The Reporting Entity*

For financial reporting purposes the District's financial statements include all funds, account groups, and component units for which the District is financially accountable based upon criteria set forth in GASB Statement 14. Generally, component units are legally separate organizations for which the elected officials of the primary government (i.e. the District) are financially accountable. The District would consider an organization to be a component unit if:

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. The district appoints a voting majority of the organization's governing body AND (a) is able to impose its will on that organization OR (b) there is a potential for the organization to provide specific financial burdens on the District; OR
2. The organization is fiscally dependent upon the District; OR
3. The nature of the relationship between the District and the organization is such that the exclusion from the financial reporting entity would render the financial statements of the District misleading.

The District identified no component units that meet the above criteria.

The following activities are included within the reporting entity:

Parochial Schools - The following parochial schools are located within the District: John XXIII Elementary School, Fenwick High School, Middletown Christian Schools, and Mother Theresa Elementary School. Parochial schools are operated independently of the District. Current state legislation provides partial funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as required by Ohio law. The accounting for these receipts and disbursements is reflected in a Special Revenue Fund for financial reporting purposes.

The District is associated with two organizations, which are defined as jointly governed organizations. These are the Butler County Joint Vocational School District and the Southwest Ohio Computer Association. The District's participation in these organizations is presented in Note 17.

B. Basis of Presentation - Fund Accounting

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

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

For financial reporting purposes, the various funds and account groups of the District are grouped as follows:

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

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

Special Revenue Funds: The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related cost; and for the payment of interest on general obligation notes payable, as required by Ohio Law.

Capital Projects Fund: The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

PROPRIETARY FUNDS - Proprietary Funds are used to account for the District's ongoing activities which are similar to those most often found in the private sector. The following is the District's Proprietary Fund Type:

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FIDUCIARY FUNDS - Fiduciary Funds are used to account for the assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include Expendable Trust and Agency Funds. Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

General Fixed Assets Account Group: This group of accounts is established to account for all fixed assets of the District, other than those accounted for in Proprietary Funds and Trust Funds.

General Long-Term Obligations Account Group: This group of accounts is established to account for all long-term obligations of the District, except those accounted for in Proprietary Funds and Trust Funds.

C. Measurement Focus and Basis of Accounting

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

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

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

The modified accrual basis of accounting is followed for Governmental, Expendable Trust and Agency Funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The District considers revenues available if the County Auditor collects them within sixty days after fiscal year end, or in the case of property taxes, available for advance to the District at the fiscal year end. Revenue accrued at the end of the fiscal year included property taxes, interest, tuition, and state and federal grants.

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

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

Proprietary Funds are accounted for on the accrual basis of accounting. Under this method, revenues are recognized in the period earned and expenses are recognized in the period incurred, if measurable. There were no unbilled service charges receivables at year end. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

D. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The District is required by State Statute to adopt an annual appropriation budget for all fund types except Agency Funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax Budget

A tax budget of estimated revenues and expenditures for all funds is adopted by the Board of Education prior to January 15 for the period of July 1 to June 30 of the following year and is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year. Public hearings are publicized and conducted to obtain taxpayers' input and comments on the proposed budget. The expressed purpose of the tax budget is to reflect the need for existing or increased tax rates.

Certificate of Estimated Resources

The County Budget Commission determines if the tax budget substantiates a need to levy the full amount of the authorized tax rates and reviews revenue estimates. The Commission certifies its action to the District by March 1. As a part of this certification, the District receives the Official Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if projected increases or the District identifies decreases in revenue. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate of Estimated Resources issued for the 1999 fiscal year.

Appropriations

By July 1, the annual appropriation resolution is legally adopted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control, for all funds, other than agency funds. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the Butler County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals. The Board must approve any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions. Amounts shown in the budgetary financial statements represent the final amounts appropriated for the 1999 fiscal year, including all supplemental appropriations and modifications. The original appropriation measure was amended several times during the year; however, none of these amendments were significant. All funds completed the year within the amount of their legally authorized appropriation.

Encumbrances

As a part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

Lapsing of Appropriations

Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund, function and/or object level.

E. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the Combined Balance Sheet. During fiscal year 1999, investments included STAR Ohio, repurchase agreements, commercial paper, and Treasury bonds. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Under existing Ohio statutes, all investment earnings accrue to the General Fund except those specifically related to auxiliary service funds. Investment earnings are allocated to these funds based on average monthly cash balances. Investment income earned in fiscal 1999 totaled \$823,497.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Inventory (Materials and Supplies)

Inventories of the Enterprise Funds are valued at lower of cost (first-in, first-out method) or market and are determined by physical count. Inventories consisted of donated food, purchased food and other related supplies.

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in Governmental Funds, and related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District follows the policy of not capitalizing assets with a cost of less than \$1,000 and a useful life of less than five years.

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

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

H. Compensated Absences

GASB Statement No. 16 specifies that compensated absences should be accrued as they are earned by employees if both of the following conditions are met:

1. The employee's rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment.

The District's policies regarding compensated absences are determined by state laws and/or negotiated agreements. District employees are granted vacation, personal leave and sick leave in varying amounts. All leave will either be absorbed by time off from work, or with certain limitations, be paid to the employees when their employment ceases. Accrued sick leave is only paid upon retirement at the rate of 25% up to a maximum amount of days. Salary related payments are not considered material for the District.

I. Intergovernmental Revenues

For Governmental Funds, intergovernmental revenues, such as entitlements and non-reimbursable grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for Proprietary Fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable. The District currently participates in several State and Federal programs as follows:

Entitlements:

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

- Capital Projects Funds
 - School Net Plus

Non Reimbursable Grants:

- Special Revenue Funds
 - Venture Capital
 - Education Mgmt. Information
 - Disadvantaged Pupil Impact Aid
 - Discipline Intervention Program
 - Eisenhower Math & Science
 - Adult Basic Education
 - Title VI-B
 - Title I
 - Title IV
 - Drug Free Schools
 - School Readiness
 - GOALS 2000

Reimbursable Grants:

- Proprietary Funds
 - National School Breakfast Program
 - National School Lunch Program
 - Food Commodity Distribution

Grants and entitlements amounted to approximately 43% of the District's operating revenue during the 1999 fiscal year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Interfund Transactions

During the course of normal operations the District has numerous transactions between funds. An analysis of interfund transactions is reflected in Note 6. The most significant include:

1. Routine transfers of resources from one fund to another fund through which resources to be expended are recorded as operating transfers.
2. Reimbursements from one fund to another fund are treated as expenditures/expenses in the reimbursing fund and as a reduction in expenditures/expenses in the reimbursed fund.
3. Short-term interfund loans are reflected as interfund loan payable/receivable, while long-term interfund loans (greater than one year in length) are recorded as advances to/from other funds. The District has no long-term advances as of June 30, 1999.

K. Long-Term Obligations

Long-term debt is recognized as a liability of a Governmental Fund when due, or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available resources is reported as a fund liability of a Governmental Fund. The remaining portion of such obligations is reported in the General Long-Term Obligations Account Group. Long-term liabilities expected to be financed from Proprietary Fund operations are accounted for in those funds.

L. Fund Equity

Reserved fund balances indicate that portion of fund equity, which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances. The unreserved portions of fund equity reflected for the Governmental Funds are available for use within the specific purpose of those funds.

M. Fund Balance Reserves

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity, which is available for appropriation, in future periods. Fund equity reserves are established for encumbrances, materials and supplies inventory, property taxes and budgetary set-asides required under Ohio law.

N. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. During fiscal year 1999, the District deposited \$375,000 in a Budget Reserve Account. A fund balance reserve has also been established which totaled \$852,007 at June 30, 1999.

O. Memorandum Only - Total Columns

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

P. Comparative Data

Comparative total data for the prior year have been presented in the general purpose financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

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.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

While 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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (non-GAAP Budgetary Basis), All Governmental Fund Types and Expendable Trust Funds, and the Combined Statement of Revenues, Expenses and Changes in Fund Equity – Budget and Actual (Non-GAAP Budgetary Basis), Proprietary Fund Type are presented on a budgetary basis to provide a meaningful comparison of actual results with the budget.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING (continued)

The major differences between the budget basis and the GAAP basis are that:

- (1) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
 - (2) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- B. Outstanding year-end encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance (GAAP basis).
- C. For proprietary funds the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as a balance sheet transaction (GAAP basis).

The following tables summarize the adjustments necessary to convert the results of operations at the end of the year on the budget basis to the GAAP basis by fund type.

Excess (Deficiency) of Revenues and Other Financing Sources
 Over (Under) Expenditures and Other Financing Uses

Governmental Fund Types and Expendable Trust Fund

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$ 6,058,369	\$ 1,823,298	\$ 115,386	\$ 21,917	\$ (1,482)
Revenue Accruals	(2,129,327)	(1,341,883)	(24,953)	0	0
Expenditure Accruals	294,326	55,961	0	0	0
Interfund Loans	(2,378,352)	1,524	0	0	0
Encumbrances	(904,826)	(1,672,418)	0	(149,336)	(31)
Budgetary Basis	\$ 940,190	\$ (1,133,518)	\$ 90,433	\$ (127,419)	\$ (1,513)

NOTE 4 - FUND BALANCE DEFICITS

Fund balances at June 30, 1999 included the following individual fund deficits, which include accrual entries:

Proprietary Funds:

Food Service Fund	(\$539,209)
-------------------	-------------

The above fund had deficit fund balances due to the accrual of wages and fringe benefits and/or the reclassification of Advances In (other sources) to Interfund Loan Payable (liability). The advances were needed to cover fiscal year end cash deficit caused by the timing of the reimbursements from the respective State and/or Federal Agencies.

NOTE 5 - DEPOSITS AND INVESTMENTS

State Statute requires the classification of monies held by the District into three categories.

Category 1 consists of "active" monies that are required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must be maintained either as cash in the District treasury, in depository accounts payable or withdrawal on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Category 2 consists of "inactive" monies that not required for use within the current two-year period of designated depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories or as savings or deposit accounts, but not limited to, passbook accounts.

Category 3 consists of "interim" monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies may be invested or deposited in the following securities provided they mature or are redeemable within two years from the date of purchase:

- (1) United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States.
- (2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality.
- (3) Written repurchase agreements for a period not to exceed thirty days in the securities listed above that mature within five years from the date of purchase.

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

- (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 (STAR Ohio).
- (7) Certain bankers' acceptances and commercial paper notes for a period not to exceed two hundred and seventy days and in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

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.

Protection of the 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 money deposited with the institution.

Deposits: The District is required to categorize deposits and investments according to GASB Statement No. 3 "Deposits with Financial Institutions, Investments, and Reverse Repurchase Agreements". At year-end, the carrying amount of the District's deposits was (\$222,620). The bank balance of deposits was \$963,389, of which \$172,312 was covered by federal depository insurance. The remaining bank balance was covered according to Chapter 135, the Uniform Depository Act, of the Ohio Revised Code, which authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance. The deposits not covered by federal depository insurance are considered uninsured and uncollateralized under the provisions of GASB Statement No. 3.

Investments: The District's investments are categorized as follows to give an indication of the level of risk assumed by the entity at year-end. CATEGORY 1 includes investments that are insured or registered or for which the District or its agent in the District's name holds the securities. CATEGORY 2 includes uninsured and unregistered investments for which the counterparty's trust department or agent in the District's name holds the securities. CATEGORY 3 includes uninsured and unregistered investments for which the

Middletown/Monroe City School District, Ohio
Notes to the General Purpose Financial Statements (continued)

securities are held by the counterparty or by its department or agent, but not in the District's name. Based on the above criteria, the District's investments at June 30, 1999 are classified as follows:

<u>Investments</u>	<u>Risk Category</u>	<u>Carrying/Fair Value</u>
STAR Ohio (1)	N/A	\$ 9,631,400
Money Market Fund (1)	N/A	259,975
Commercial Paper	2	1,245,142
Treasury Bonds	2	1,246,968
Agencies	3	2,456,258
		<u>\$ 14,839,743</u>

(1) The investments in STAR Ohio and the Money Market Fund are not categorized because they are not evidenced by securities that exist in physical or book entry form.

NOTE 6 - INTERFUND TRANSACTIONS

Interfund balances at June 30, 1999 consisted of the following individual fund receivables and payables:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 807,169	
Special Revenue Funds:		
Local Grants		\$ 497
Misc State Grants		21,092
Misc Federal Grants		580
Total Special Revenue		<u>22,169</u>
Enterprise Funds:		
Food Service Fund		785,000
Total	<u>\$ 807,169</u>	<u>\$ 807,169</u>

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 1999 were based, is as follows:

Real Property	\$ 687,349,720
Tangible Personal Property	236,392,230
Public Utility and Real Estate	<u>90,929,980</u>
Total Assessed Property Value	<u>\$ 1,014,671,930</u>

In 1999, real property taxes were levied in January on the assessed values as of January 1, 1998, the lien date. The Butler County Auditor at 35% of appraised market value establishes assessed values. A reappraisal of real property is required to be completed no less than every six years, with a statistical update every third year. The last reappraisal of property took place in 1996. Tangible personal property tax is assessed on equipment and inventory held by businesses as of December 31, 1998. Tangible personal property is assessed at 25% of true value (as defined). In 1999, each business was eligible to receive a \$10,000 exemption in assessed value, which was reimbursed to the District by the State. Real property taxes are payable annually or semi-annually. The first payment is due the second Thursday of February, with the remainder payable the second Thursday in July.

The Butler County Auditor remits portions of the taxes collected to all taxing districts with periodic settlements of Real and Public Utility property taxes in February and August and Tangible Personal Property taxes in June and October. The District records billed but uncollected property taxes as receivables at their estimated net realizable value.

Accrued property taxes receivable represents real property, personal property, and public utility taxes, which became measurable as of the current year end. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance and recognized as revenue for the current year-end was \$5,834,126.

NOTE 8 - RECEIVABLES

Receivables at June 30, 1999 consisted of taxes, accounts receivables, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State Programs, and the current year guarantee of Federal Funds. A summary of the principal items of receivables follows:

<u>Fund</u>	<u>Type of Receivable</u>	<u>Amount</u>
General	Taxes	\$ 18,231,427
	Accounts	26,092
	Accrued Interest	43,884
	Intergovernmental	41,383
	Interfund	807,169
Special Revenue Taxes	Taxes	10,998,233
	Accounts	12,157
	Intergovernmental	12,121
Debt Service	Taxes	248,659

NOTE 9 - FIXED ASSETS

A summary of the changes in the General Fixed Assets Account Group during the fiscal year:

	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 1999</u>
Land/Improvements	\$ 707,229	0	0	\$ 707,229
Building/Building Improvements	27,783,834	595,860	(53,588)	28,326,106
Furniture/Equipment	19,411,568	2,443,652	(699,140)	21,156,080
Total	\$ 47,902,631	\$ 3,039,512	(\$ 752,728)	\$ 50,189,415

A Summary of the Proprietary Fund fixed assets at June 30, 1999 follows:

Furniture/Equipment	\$ 126,335
Less Accumulated Depreciation	<u>(61,364)</u>
Net Fixed Asstes	<u>\$ 64,971</u>

NOTE 10 - LEGAL DEBT MARGIN

The Ohio Revised Code provides that voted net general obligation debt of the District should never exceed 9% of the total assessed valuation of the District. The Code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the total assessed valuation of the District. The effects of these debt limitations at June 30, 1999 are a voted debt margin of \$91,939,013 and an unvoted debt margin of \$1,014,672. The Code also provides that unvoted indebtedness for Energy Conservation Measures shall not exceed 9/10 of 1% of the total assessed valuation of the District. The effect of this debt limitation at June 30, 1999, is an unvoted debt margin of \$9,027,047.

NOTE 11 - BONDS PAYABLE

All current bonds outstanding were issued to provide funds for energy conservation improvements at Amanda Elementary School and are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the General Long-Term Obligation Account Group. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service Fund.

A. The following is a description of the District's bonds outstanding at June 30, 1999:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance July 1, 1998</u>	<u>Retired in 1999</u>	<u>Balance June 30, 1999</u>
Energy Conservation Bonds	7%	5/89	12/99	\$ 200,000	\$ (95,000)	\$ 105,000

D. The following is a summary of the District's future annual debt service requirements to maturity for general obligation bonds:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$105,000	\$3,675	\$108,675

NOTE 12 - CHANGES IN THE GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

The following table summarizes changes that occurred in liabilities reported in the General Long-Term Obligations Account Group during the year ended June 30, 1999. Compensated absences will be paid from the fund from which the employee is paid. The accrued wages and benefits amounts shown represent pension contributions that are not expected to be liquidated with expendable available financial resources.

	Balance July 1, 1998	Increase	Decrease	Balance June 30, 1999
Accrued Wages/Benefits	\$ 291,305	\$ 20,053	\$ 0	\$ 311,358
Compensated Absences	1,602,021	982,691	0	2,584,712
Bonds Payable	200,000	0	(95,000)	105,000
Total	\$ 2,093,326	\$ 1,002,744	\$ (95,000)	\$ 3,001,070

NOTE 13 - SEGMENT INFORMATION

The District maintains four Enterprise Funds to account for the operations of Food Services, Uniform School Supply, Special Rotary and an Adult Education Program. The table on the below reflects, in a summarized format, the more significant financial data relating to the Enterprise Funds of the District as of and for the year ended June 30, 1999.

	Food Service	Uniform School Supply	Special Rotary	Adult Education	Total
Operating Revenues	\$ 1,609,685	\$ 111,058	\$ 3,988	\$ 57,206	\$ 1,781,937
Operating Expenses					
Before Depreciation	3,210,399	51,507	5,483	65,156	3,332,545
Depreciation	5,372	0	2,961	2,121	10,454
Operating					
Income (Loss)	(1,606,086)	59,551	(4,456)	(10,071)	(1,561,062)
Operating Grants	1,106,822	0	1,200	14,090	1,122,112
Donated Commodities	183,690	0	0	0	183,690
Operating Transfers					
In (Out)	0	0	0	0	0
Net Income (Loss)	(315,574)	59,551	(3,256)	4,019	(255,260)
Net Working Capital	(595,183)	211,652	3,896	35,424	(344,211)
Total Assets	517,154	212,929	8,162	44,478	782,723
Total Liabilities	1,056,363	1,277	0	4,323	1,061,963
Total Equity	\$ (539,209)	\$ 211,652	\$ 8,162	\$ 40,155	\$ (279,240)

NOTE 14 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

During the 1999 fiscal year, the District contracted with Nationwide Insurance Company for general liability insurance coverage with a \$1,000,000 single occurrence limit and a \$5,000,000 aggregate limit covering all employees and volunteers of the District. The policy holds a \$5,000 occurrence deductible.

The buildings and property of the District are protected under a blanket coverage basis with the Cincinnati Insurance Company. Property coverage is on a cost replacement basis with a deductible of \$1,000. The Cincinnati Insurance Company also provides coverage for the District's boilers and machinery under a separate policy with similar limits.

Vehicle insurance coverage for the District's school buses and other vehicles is provided by the Nationwide Insurance under a combined liability limit of \$3,000,000 per occurrence for bodily injury and property damage.

The Ohio Casualty Insurance Company maintains a \$50,000 public official bond for the Treasurer and a \$20,000 performance bond for the Board President and Superintendent. A blanket school employee honesty bond in the amount of \$5,000 per position is secured for all employees maintaining a position of trust. This includes food service cashiers, school building cashiers, and other employees who handle cash as a part of their job requirements.

Medical and dental insurance benefits are offered to employees through the Butler County Health Plan (BCHP). The employees share the cost of the monthly premium for the coverage with the District. The District also provides life insurance and accidental death and dismemberment insurance to most employees through the Educators Mutual Life Insurance Company.

NOTE 15 - EMPLOYEE RETIREMENT SYSTEMS

All District employees are covered by the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). District employees hired after April 1, 1986, are also currently covered under the Federal Social Security Act for the Medicare portion only. The District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the District to pay the employer share as determined by each retirement system.

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Chapter 3309 of the Ohio Revised Code establishes benefits. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute 14 percent; 10.5 percent was the portion to fund basic pension obligations. The contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$1,021,413, \$821,817, and \$746,293 respectively; 46 percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$550,044 representing the unpaid contribution for fiscal year 1999 is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Chapter 3307 of the Ohio Revised Code establishes benefits. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 9.13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$3,713,578 \$3,591,588, and \$3,554,227 respectively; 82 percent has been contributed for fiscal year 1999 and 100 percent for the fiscal years 1998 and 1997. \$668,600 representing the unpaid contribution for fiscal year 1999 is recorded as a liability within the respective funds.

NOTE 16 - POST EMPLOYMENT BENEFITS

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

For STRS, all benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The board currently allocates employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund for which payments for health care benefits are paid. For the District, this amount equaled \$550,517 during the 1999 fiscal year. As of July 1, 1998, eligible benefit recipients totaled \$91,999. For the fiscal year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000.

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

For this fiscal year, employer contributions to fund health care benefits were 4.98 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay has been established at \$12,400. The surcharge rate added to the unallocated portion of the 14 percent employer contribution rate results in a total health care contribution rate of 5.81 percent. For the District, this amount equaled \$363,331 during the 1999 fiscal year. The number of participants currently receiving health care benefits is 50,000. For the fiscal year ended June 30, 1998, net health care costs paid by SERS were \$111,900,575.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

The Southwestern Ohio Computer Association (SWOCA) is a jointly governed organization among a three county consortium of school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports SWOCA based upon a per pupil charge dependent upon the software package utilized. The Governing Board of SWOCA consists of six members elected by majority vote of all charter member schools plus one representative from the fiscal agent. The District has an equity interest that is explicit and measurable in that the jointly governed agreement stipulates that the participants have a future claim to the net resources of SWOCA upon dissolution. The agreement set forth the method to determine each member's proportionate share. SWOCA is not accumulating significant financial resources nor is it experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. The District's investment interest in SWOCA's fixed assets was \$48,190 at June 30, 1999. The District paid SWOCA \$124,925 for services provided during the year. Financial information can be obtained from Mr. Michael Crumley, who serves as Director, at 3603 Hamilton-Middletown Rd., Hamilton, OH 45011.

The Butler County Joint Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school districts' elected boards. It possesses its own budgeting and taxing authority. Butler County Joint Vocational School District was formed to provide vocational education opportunities to the students of Butler County, including students of the District. Financial information can be obtained from Mr. Wayne Bethel, who serves as Treasurer, at 3604 Hamilton-Middletown Rd., Hamilton, OH 45011.

NOTE 18 - YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may affect a government's operations as early as fiscal 1999. The District has completed an inventory of computer systems and other equipment necessary to conducting District operations and has identified such systems as being financial reporting, payroll and employee benefits, and educational statistics reporting (through the State's Education Management and Information System (EMIS)).

The District uses the State of Ohio Uniform School Accounting System software for its financial reporting, and the State of Ohio Uniform Staff Payroll System software for its payroll and employee benefits. The State is responsible for remediating these systems. The State of Ohio distributes a substantial sum of money to the District in the form of "foundation" and federal and state grant payments. Further, the State processes a significant amount of financial and non-financial information about the District through EMIS. The State is responsible for remediating these systems.

NOTE 18 - YEAR 2000 ISSUE (continued)

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District is or will be Year 2000 ready, that the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be year 2000 ready.

NOTE 19 - STATE SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school-funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the District. During the fiscal year ended June 30, 1999, the District received \$15,997,639 of school foundation support in the General Fund.

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

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

NOTE 20 - CONTINGENT LIABILITIES

The District receives significant financial assistance from federal, state and local agencies in the form of grants that generally require compliance with terms and conditions specified in the grant agreements and are 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, based on prior experience, the District believes such disallowances, if any will be immaterial.

NOTE 21 – STATUTORY RESERVES

The District is required by state law to set aside certain General Fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 1999, the reserve activity (cash basis) was as follows:

	Textbook Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve	Total
Balance, Beginning of Year	\$ 0	\$ 0	\$ 477,007	\$ 477,007
Required Set-Aside	877,313	877,313	375,000	2,129,626
Offset Credits	(136,636)	0	0	(136,636)
Qualifying Expenditures	(740,677)	(877,313)	0	(1,617,990)
Balance, End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 852,007</u>	<u>\$ 852,007</u>

Expenditures for textbook activity during the year totaled \$1,124,487, which exceeded the amount required for set-aside. Expenditures for capital activity during the year totaled \$2,489,173, which exceeded the amount required for set-aside.

NOTE 22 - SUBSEQUENT EVENTS

On September 14, 1999 the Ohio State Board of Education approved a resolution that, if approved by voters in the City of Monroe at the March 7, 2000 election, would establish a separate Monroe Local School District on July 1, 2000. The new school district would be created from parts of the present Middletown/Monroe School District and the adjacent Lebanon School District and roughly follow the Monroe city limits. Only the residents living in the proposed area are eligible to vote on the issue of a new school district. Approximately 1,051 of the present student enrollment of 9,466 in the Middletown/Monroe School District would become students of a new Monroe Local School District.

The District is unable to determine at this time how the creation of Monroe Local Schools will effect the overall operations of the District.

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

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GENERAL FUND

The General Fund is the primary operating fund of the District, representing 70% of all governmental expenditures. It is used to account for all government resources and activities not accounted for in any other fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of the State of Ohio.

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
From Local Sources:			
Local Taxes:			
Real estate and trailer taxes	\$ 14,915,500	\$ 14,932,877	\$ 17,377
Tangible personal property taxes	5,625,000	5,624,003	(997)
Total Local Taxes	20,540,500	20,556,880	16,380
Tuition	30,000	28,607	(1,393)
Earnings on Investments	800,000	816,274	16,274
Other Local Revenues:			
Classroom fees	24,000	63,038	39,038
Transportation fees	90,000	99,549	9,549
Services provided other entities	35,000	37,783	2,783
Extra-curricular activity fees	48,500	46,169	(2,331)
Compensation for loss of assets	42,000	41,595	(405)
Sale of personal property	5,000	1,451	(3,549)
Miscellaneous revenues	5,000	5,734	734
Rental of property	2,500	2,863	363
Contributions and donations	2,000	2,382	382
Total Other Local Revenue	254,000	300,564	46,564
Intergovernmental - State			
State foundation and grants	17,440,000	17,461,029	21,029
Rollback and homestead exemption	1,660,000	1,661,580	1,580
Reimbursement personal property	145,000	143,780	(1,220)
Total Intergovernmental - State	19,245,000	19,266,389	21,389
Intergovernmental - Federal	8,000	8,630	630
Total Revenues	\$ 40,877,500	\$ 40,977,344	\$ 99,844

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and wages	\$ 18,367,442	\$ 18,340,450	\$ 26,992
Fringe benefits	4,345,535	4,310,049	35,486
Purchased services	68,160	54,778	13,382
Supplies and materials	216,075	382,526	(166,451)
Equipment purchased	52,428	39,561	12,867
Total Regular	23,049,640	23,127,364	(77,724)
Adult/Other			
Salaries and wages	90,000	89,341	659
Fringe benefits	15,800	15,468	332
Purchased services	1,125,241	1,120,575	4,666
Total Adult/Other	1,231,041	1,225,384	5,657
Support Services:			
Pupil			
Salaries and wages	1,708,217	1,706,403	1,814
Fringe benefits	410,400	409,683	717
Purchased services	82,043	81,618	425
Supplies and materials	44,458	39,926	4,532
Other expenditures	100	0	100
Equipment purchased	9,539	1,991	7,548
Total Pupil	2,254,757	2,239,621	15,136
General Administration			
Salaries and wages	10,000	9,040	960
Fringe benefits	800	650	150
Purchased services	13,510	9,622	3,888
Supplies and materials	4,000	2,651	1,349
Other expenditures	20,000	17,481	2,519
Total General Administration	\$ 48,310	\$ 39,444	\$ 8,866

Continued

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
School Administration			
Salaries and wages	\$ 3,092,221	\$ 3,091,200	\$ 1,021
Fringe benefits	738,900	738,513	387
Purchased services	387,345	386,248	1,097
Supplies and materials	32,507	29,782	2,725
Other expenditures	135,621	131,120	4,501
Equipment purchased	27,621	27,281	340
Total School Administration	4,414,215	4,404,144	10,071
Fiscal and Business Services			
Salaries and wages	413,100	403,107	9,993
Fringe benefits	123,386	122,939	447
Purchased services	43,052	39,673	3,379
Supplies and materials	55,469	52,926	2,543
Other expenditures	400,979	395,294	5,685
Equipment purchased	17,000	10,681	6,319
Total Fiscal and Business Services	1,052,986	1,024,620	28,366
Operations and Maintenance			
Salaries and wages	1,963,000	1,953,739	9,261
Fringe benefits	594,727	592,224	2,503
Purchased services	1,164,466	1,163,273	1,193
Supplies and materials	715,446	709,807	5,639
Other expenditures	100	16	84
Equipment purchased	867,379	860,059	7,320
Total Operations and Maintenance	5,305,118	5,279,118	26,000
Pupil Transportation			
Salaries and wages	2,900	2,870	30
Fringe benefits	2,300	827	1,473
Supplies and materials	5,000	1,569	3,431
Equipment purchased	451,202	424,507	26,695
Total Pupil Transportation	461,402	429,773	31,629
Central Services			
Salaries and wages	13,000	12,028	972
Fringe benefits	2,500	2,116	384
Purchased services	357,134	371,509	(14,375)
Supplies and materials	299,207	298,415	792
Other expenditures	193,270	190,873	2,397
Equipment purchased	169,136	197,272	(28,136)
Total Central Services	\$ 1,034,247	\$ 1,072,213	\$ (37,966)

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Extracurricular Activities			
Salaries and wages	\$ 431,200	\$ 430,704	\$ 496
Fringe benefits	67,250	67,049	201
Purchased services	3,500	2,625	875
Supplies and materials	100	0	100
Other expenditures	1,000	827	173
Equipment purchased	500	445	55
Total Extracurricular Activities	<u>503,550</u>	<u>501,650</u>	<u>1,900</u>
Total Expenditures	<u>39,355,266</u>	<u>39,343,331</u>	<u>11,935</u>
Excess (deficiency) of revenues over (under) expenditures	1,522,234	1,634,013	111,779
Other financing sources (uses):			
Refund of prior year receipts	(13,000)	(12,667)	333
Refund of prior year expenditures	55,000	52,395	2,605
Operating transfers (out)	(401,000)	(400,075)	925
Advances in	473,693	473,693	0
Advances (out)	(810,000)	(807,169)	2,831
Total other financing sources (uses)	<u>(695,307)</u>	<u>(693,823)</u>	<u>6,694</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	826,927	940,190	113,263
Fund balance, July 1	5,232,567	5,232,567	0
Prior year encumbrances appropriated	<u>1,314,396</u>	<u>1,314,396</u>	<u>0</u>
Fund balance, June 30	<u>\$ 7,373,890</u>	<u>\$ 7,487,153</u>	<u>\$ 113,263</u>

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes. The following are descriptions of each material Special Revenue Fund:

Emergency Levy:

To account for the proceeds of an emergency operating levy originally passed in 1989 and has been renewed through 2005. It also includes the proceeds of the three-year emergency levy originally passed in 1995 and in effect through 2001. Although expenditures in this fund are not restricted to specific purposes, the State of Ohio requires this fund to be classified as a special revenue fund.

Public School Support:

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

Venture Capital

To account for state funds received by individual school buildings that are to be used to implement school improvement models, research-based instructional programs, and staff development activities.

Local Grants

To account for funds received from private organizations that are restricted for specific purposes.

Auxiliary Services Fund:

To account for state funds that provide services and materials to students attending non-public schools within the boundaries of the District.

Athletic Fund:

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

Professional Development Program:

To account for state funds which are provided to assist in the local professional development of the teaching and administrative staff.

SPECIAL REVENUE FUNDS (continued)

Disadvantaged Pupil Impact Aid Program (DPIA):

To account for state funds which provide instructional programs and materials for disadvantaged students. These funds are currently used to operate the Garfield Alternative Education Center.

Discipline Intervention Program Fund

To account for state funds which provide instructional programs and materials for specialized intervention programs for students in grades 7-12.

Management Information System:

To account for state funds provided to assist the district in implementing a state required staff, student, and financial reporting system.

Textbook Instructional Subsidy Fund:

To account for state funds received for textbooks, instructional software, instructional materials, and any other materials deemed helpful in providing instructional services.

School Readiness Program Fund

To account for state funds received for the implementation of family resource centers that provide students and parents with a school-based resource center.

Project Connect Program Fund

To account for state funds received for Project Connect, an alternative to suspension and expulsion program.

Misc. State Grants

To account for state funds which are provided for specific purposes. This includes School Security Equipment Grant, ABLE/Jobs Education Program and Ohio Environmental Protection Agency Grant.

Adult Basic Education Program:

To account for state and federal funds used for instructional programs for persons 16 years of age and older who are not enrolled in school and who have less than a twelfth grade education or its equivalent; development of basic educational skills; increase of opportunities for useful employment; improvement of attitudes toward self, family and community.

D. Eisenhower Math and Science Program:

To account for federal funds used in the training of teachers in new techniques and methodologies in the areas of mathematics and science.

SPECIAL REVENUE FUNDS (Continued)

Title VI-B Program:

To account for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

Title I Program:

To account for federal funds for services provided to meet special educational needs of educationally deprived children (formerly called Chapter I).

Title VI Program:

To account for federal funds to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; programs to enhance personal excellence of students and student achievement (formerly called Chapter II).

Drug Free Schools Program:

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

GOALS 2000

To account for federal funds authorized under the Goals 2000 initiative. These programs include Intervention Projects, Entry Year Teacher Program, and Proficiency Testing Programs.

KEEP Fund

To account for federal funds received to provide after-school childcare programs for students in grades K-6.

Preschool Fund

To account for federal funds received to provide programs to handicapped preschool children.

Miscellaneous Federal Funds

To account for federal funds received to provide programs to assure that needy families with children obtain the education, training and employment and support services that will help them avoid long-term welfare dependence.

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
JUNE 30,1999

	<u>Emergency Levy Fund</u>	<u>Public School Support Fund</u>	<u>Venture Capital Grant Fund</u>	<u>Local Grant Fund</u>
ASSETS:				
Equity in pooled cash and investments	\$ 1,849,089	\$ 32,439	\$ 25,462	\$ 87,317
Receivables (net of allowances for uncollectibles)				
Taxes	10,998,233	0	0	0
Accounts	2,343	6,147	0	0
Intergovernmental - state and local	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 12,849,665</u>	<u>\$ 38,586</u>	<u>\$ 25,462</u>	<u>\$ 87,317</u>
LIABILITIES AND EQUITY:				
Liabilities:				
Accounts payable	\$ 80,111	\$ 623	\$ 0	\$ 0
Accrued wages and benefits	766,495	0	0	4,459
Interfund loans payable	0	0	0	497
Due to other governments	0	0	0	0
Deferred revenue	8,717,275	0	0	0
Compensated absences payable	<u>14,864</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total liabilities	<u>9,578,745</u>	<u>623</u>	<u>0</u>	<u>4,956</u>
Equity:				
Fund Balances:				
Reserved-				
Reserved for encumbrances	955,976	1,687	5,199	25,619
Reserved for property tax advances	2,280,960	0	0	0
Unreserved-				
Undesignated	<u>33,984</u>	<u>36,276</u>	<u>20,263</u>	<u>56,742</u>
Total equity	<u>3,270,920</u>	<u>37,963</u>	<u>25,462</u>	<u>82,361</u>
Total Liabilities and Equity	<u>\$ 12,849,665</u>	<u>\$ 38,586</u>	<u>\$ 25,462</u>	<u>\$ 87,317</u>

Continued

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS (continued)
JUNE 30, 1999

	<u>Auxiliary Services Fund</u>	<u>Athletic Fund</u>	<u>Professional Development</u>	<u>Disadvantaged Pupil Impact Aid Fund</u>
ASSETS:				
Equity in pooled cash and investments	\$ 209,708	\$ 82,241	\$ 59,923	\$ 574,753
Receivables (net of allowances for uncollectibles)				
Taxes	0	0	0	0
Accounts	0	2,200	0	0
Intergovernmental - state and local	0	0	0	0
Total Assets	<u>\$ 209,708</u>	<u>\$ 84,441</u>	<u>\$ 59,923</u>	<u>\$ 574,753</u>
LIABILITIES AND EQUITY:				
Liabilities:				
Accounts payable	\$ 18,343	\$ 3,257	\$ 239	\$ 0
Accrued wages and benefits	71,460	0	0	115,091
Interfund loans payable	0	0	0	0
Due to other governments	66,739	0	0	0
Deferred revenue	0	0	0	0
Compensated absences payable	40	0	0	40
Total liabilities	<u>156,582</u>	<u>3,257</u>	<u>239</u>	<u>115,131</u>
Equity:				
Fund Balances:				
Reserved-				
Reserved for encumbrances	179,758	24,915	783	0
Reserved for property tax advances	0	0	0	0
Unreserved-				
Undesignated	(126,632)	56,269	58,901	459,622
Total equity	<u>53,126</u>	<u>81,184</u>	<u>59,684</u>	<u>459,622</u>
Total Liabilities and Equity	<u>\$ 209,708</u>	<u>\$ 84,441</u>	<u>\$ 59,923</u>	<u>\$ 574,753</u>

<u>Discipline Intervention Fund</u>	<u>Management Information System Fund</u>	<u>Textbook Instructional Subsidy Fund</u>	<u>School Readiness Fund</u>	<u>Project Connect Fund</u>	<u>Misc State Grants Fund</u>	<u>Adult Basic Education Fund</u>
\$ 217,748	\$ 6,666	\$ 131,861	\$ 62,702	\$ 29,884	\$ 62,266	\$ 61,606
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	12,121	0
<u>\$ 217,748</u>	<u>\$ 6,666</u>	<u>\$ 131,861</u>	<u>\$ 62,702</u>	<u>\$ 29,884</u>	<u>\$ 74,387</u>	<u>\$ 61,606</u>
\$ 35,083	\$ 0	\$ 0	\$ 385	\$ 0	\$ 0	\$ 0
39,100	0	0	17,484	0	32,890	21,685
0	0	0	0	0	21,092	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	1,133
<u>74,183</u>	<u>0</u>	<u>0</u>	<u>17,869</u>	<u>0</u>	<u>53,982</u>	<u>22,818</u>
166,385	2,668	0	917	0	4,569	90
0	0	0	0	0	0	0
<u>(22,820)</u>	<u>3,998</u>	<u>131,861</u>	<u>43,916</u>	<u>29,884</u>	<u>15,836</u>	<u>38,698</u>
<u>143,565</u>	<u>6,666</u>	<u>131,861</u>	<u>44,833</u>	<u>29,884</u>	<u>20,405</u>	<u>38,788</u>
<u>\$ 217,748</u>	<u>\$ 6,666</u>	<u>\$ 131,861</u>	<u>\$ 62,702</u>	<u>\$ 29,884</u>	<u>\$ 74,387</u>	<u>\$ 61,606</u>

Continued

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS (continued)
JUNE 30,1999

	Eisenhower Math/Science Fund	Title VI-B Fund	Title I Fund	Title VI Fund
ASSETS:				
Equity in pooled cash and investments	\$ 44,536	\$ 66,812	\$ 515,352	\$ 38,321
Receivables (net of allowances for uncollectibles)				
Taxes	0	0	0	0
Accounts	0	0	1,467	0
Intergovernmental - state and local	0	0	0	0
Total Assets	\$ 44,536	\$ 66,812	\$ 516,819	\$ 38,321
LIABILITIES AND EQUITY:				
Liabilities:				
Accounts payable	\$ 200	\$ 2,655	\$ 12,055	\$ 0
Accrued wages and benefits	0	35,308	170,938	0
Interfund loans payable	0	0	0	0
Due to other governments	0	0	0	0
Deferred revenue	0	0	0	0
Compensated absences payable	0	331	331	0
Total liabilities	200	38,294	183,324	0
Equity:				
Fund Balances:				
Reserved-				
Reserved for encumbrances	7,418	21,735	106,992	0
Reserved for property tax advances	0	0	0	0
Unreserved-				
Undesignated	36,918	6,783	226,503	38,321
Total equity	44,336	28,518	333,495	38,321
Total Liabilities and Equity	\$ 44,536	\$ 66,812	\$ 516,819	\$ 38,321

<u>Drug Free School Fund</u>	<u>Goals 2000 Fund</u>	<u>KEEP Fund</u>	<u>Preschool Fund</u>	<u>Misc Federal Funds</u>	<u>Total All Funds</u>
\$ 35,210	\$ 12,300	\$ 140,579	\$ 14,188	\$ 328,092	\$ 4,689,055
0	0	0	0	0	10,998,233
0	0	0	0	0	12,157
0	0	0	0	0	12,121
<u>\$ 35,210</u>	<u>\$ 12,300</u>	<u>\$ 140,579</u>	<u>\$ 14,188</u>	<u>\$ 328,092</u>	<u>\$ 15,711,566</u>

\$ 2,715	\$ 700	\$ 0	\$ 0	\$ 82,265	\$ 238,631
0	0	896	0	17,101	1,292,907
0	0	0	0	580	22,169
0	0	0	0	0	66,739
0	0	0	0	0	8,717,275
0	0	0	0	0	16,739
<u>2,715</u>	<u>700</u>	<u>896</u>	<u>0</u>	<u>99,946</u>	<u>10,354,460</u>

22,240	0	3,703	0	141,764	1,672,418
0	0	0	0	0	2,280,960
<u>10,255</u>	<u>11,600</u>	<u>135,980</u>	<u>14,188</u>	<u>86,382</u>	<u>1,403,728</u>
<u>32,495</u>	<u>11,600</u>	<u>139,683</u>	<u>14,188</u>	<u>228,146</u>	<u>5,357,106</u>
<u>\$ 35,210</u>	<u>\$ 12,300</u>	<u>\$ 140,579</u>	<u>\$ 14,188</u>	<u>\$ 328,092</u>	<u>\$ 15,711,566</u>

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Emergency Levy Fund	Public School Support Fund	Venture Capital Grant Fund	Local Grant Fund
Revenues:				
From local sources:				
Taxes	\$11,118,611	\$0	\$0	\$0
Earnings on investments	0	0	0	0
Other local revenues	2,347	71,137	0	39,220
Intergovernmental - state and local	1,168,896	0	49,923	214,540
Intergovernmental - federal	0	0	0	0
Total Revenues	12,289,854	71,137	49,923	253,760
Expenditures:				
Current:				
Instruction:				
Regular	1,075,770	0	0	41,307
Special	4,233,761	0	0	0
Vocational	36,007	0	0	0
Adult/Other	0	0	0	36,293
Support services:				
Pupil	13,996	64,883	0	1,519
Instructional staff	1,799,790	0	78,419	21,861
School administration	23,226	0	400	0
Fiscal	127,817	0	0	0
Operations and maintenance	1,694,772	0	0	33,066
Pupil Transportation	2,286,562	0	0	0
Central	431,060	0	0	4,236
Community services	0	0	0	70,172
Extracurricular activities	0	0	0	0
Capital Outlay	132,300	0	0	0
Total Expenditures	11,855,061	64,883	78,819	208,454
Excess (deficiency) of revenues over (under) expenditures	434,793	6,254	(28,896)	45,306
Other financing sources (uses):				
Operating transfers in	380,000	0	0	20,075
Total other financing sources (uses)	380,000	0	0	20,075
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	814,793	6,254	(28,896)	65,381
Fund Balance, July 1	2,456,127	31,709	54,358	16,980
Fund Balance, June 30	<u>\$3,270,920</u>	<u>\$37,963</u>	<u>\$25,462</u>	<u>\$82,361</u>

<u>Auxiliary Services Fund</u>	<u>Athletic Fund</u>	<u>Professional Development</u>	<u>Disadvantaged Pupil Impact Aid Fund</u>	<u>Discipline Intervention Fund</u>	<u>Management Information System Fund</u>	<u>Textbook Instructional Subsidy Fund</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
7,223	0	0	0	0	0	0
0	265,896	0	0	0	0	0
537,346	0	47,943	1,161,260	333,450	26,791	131,861
0	0	0	0	0	0	0
<u>544,569</u>	<u>265,896</u>	<u>47,943</u>	<u>1,161,260</u>	<u>333,450</u>	<u>26,791</u>	<u>131,861</u>
0	0	0	841,554	63,829	0	136,636
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	40,055	0	0	0
0	0	33,547	6,509	243,317	0	0
0	0	0	80,603	0	0	0
0	0	0	0	0	0	0
0	0	0	42,478	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	28,888	0
491,100	0	0	0	0	0	0
0	269,115	0	0	0	0	0
0	0	0	0	0	0	0
<u>491,100</u>	<u>269,115</u>	<u>33,547</u>	<u>1,011,199</u>	<u>307,146</u>	<u>28,888</u>	<u>136,636</u>
53,469	(3,219)	14,396	150,061	26,304	(2,097)	(4,775)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
53,469	(3,219)	14,396	150,061	26,304	(2,097)	(4,775)
(343)	84,403	45,288	309,561	117,261	8,763	136,636
<u>\$53,126</u>	<u>\$81,184</u>	<u>\$59,684</u>	<u>\$459,622</u>	<u>\$143,565</u>	<u>\$6,666</u>	<u>\$131,861</u>

Continued

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL SPECIAL REVENUE FUNDS (continued)
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	School Readiness Fund	Project Connect Fund	Misc State Grants Fund
Revenues:			
From local sources:			
Taxes	\$0	\$0	\$0
Earnings on investments	0	0	0
Other local revenues	0	0	0
Intergovernmental - state and local	240,000	198,309	114,546
Intergovernmental - federal	0	0	0
Total Revenues	240,000	198,309	114,546
Expenditures:			
Current:			
Instruction:			
Regular	0	146,380	33,967
Special	0	0	0
Vocational	0	0	0
Adult/Other	0	0	0
Support services:			
Pupil	0	0	528
Instructional staff	0	22,045	37,089
School administration	0	0	31,156
Fiscal	0	0	0
Operations and maintenance	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Community services	195,167	0	638
Extracurricular activities	0	0	0
Capital Outlay	0	0	0
Total Expenditures	195,167	168,425	103,378
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<i>44,833</i>	<i>29,884</i>	<i>11,168</i>
Other financing sources (uses):			
Operating transfers in	0	0	0
Total other financing sources (uses)	0	0	0
<i>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses</i>	<i>44,833</i>	<i>29,884</i>	<i>11,168</i>
Fund Balance, July 1	0	0	9,237
Fund Balance, June 30	\$44,833	\$29,884	\$20,405

Adult Basic Education Fund	Eisenhower Math/Science Fund	Title VI-B Fund	Title I Fund	Title VI Fund	Drug Free School Fund	Goals 2000 Fund
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	1,467	0	0	0
275,414	0	0	0	0	0	0
0	93,319	487,271	2,137,868	48,586	112,870	172,038
275,414	93,319	487,271	2,139,335	48,586	112,870	172,038
0	0	0	0	22,155	50	15,486
0	0	196,887	1,259,045	0	7,761	0
0	0	0	0	0	0	0
180,233	0	0	0	0	0	0
0	0	140,413	310,823	0	0	99,538
45,862	42,528	32,129	224,549	7,856	75,668	0
15,231	0	109,791	94,900	0	0	64,124
0	0	0	2,000	0	0	10,951
0	0	0	18,362	0	0	0
0	0	0	0	0	0	0
0	8,224	0	0	0	0	0
0	0	0	3,549	9,567	404	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
241,326	50,752	479,220	1,913,228	39,578	83,883	190,099
34,088	42,567	8,051	226,107	9,008	28,987	(18,061)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
34,088	42,567	8,051	226,107	9,008	28,987	(18,061)
4,700	1,769	20,467	107,388	29,313	3,508	29,661
<u>\$38,788</u>	<u>\$44,336</u>	<u>\$28,518</u>	<u>\$333,495</u>	<u>\$38,321</u>	<u>\$32,495</u>	<u>\$11,600</u>

Continued

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS (continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	KEEP Fund	Preschool Fund	Misc Federal Fund	Total All Funds
Revenues:				
From local sources:				
Taxes	\$0	\$0	\$0	\$11,118,611
Earnings on investments	0	0	0	7,223
Other local revenues	0	0	0	380,067
Intergovernmental - state and local	0	0	0	4,500,279
Intergovernmental - federal	241,568	14,196	465,169	3,772,885
Total Revenues	241,568	14,196	465,169	19,779,065
Expenditures:				
Current:				
Instruction:				
Regular	0	0	52,597	2,429,731
Special	0	0	0	5,697,454
Vocational	0	0	0	36,007
Adult/Other	0	0	10,202	226,728
Support services:				
Pupil	0	8	0	671,763
Instructional staff	0	0	213,165	2,884,334
School administration	0	0	0	419,431
Fiscal	0	0	0	140,768
Operations and maintenance	0	0	0	1,788,678
Pupil Transportation	0	0	0	2,286,562
Central	0	0	0	472,408
Community services	111,386	0	18,580	900,563
Extracurricular activities	0	0	0	269,115
Capital Outlay	0	0	0	132,300
Total Expenditures	111,386	8	294,544	18,355,842
Excess (deficiency) of revenues over (under) expenditures	130,182	14,188	170,625	1,423,223
Other financing sources (uses):				
Operating transfers in	0	0	0	400,075
Total other financing sources (uses)	0	0	0	400,075
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	130,182	14,188	170,625	1,823,298
Fund Balance, July 1	9,501	0	57,521	3,533,808
Fund Balance, June 30	\$139,683	\$14,188	\$228,146	\$5,357,106

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY LEVY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
From Local Sources:			
Local Taxes:			
Real estate and trailer taxes	\$ 6,641,339	\$ 6,648,755	\$ 7,416
Tangible personal property taxes	3,110,000	3,109,483	(517)
Total Local Taxes	9,751,339	9,758,238	6,899
Intergovernmental - State			
Rollback and homestead exemption	1,087,000	1,091,046	4,046
Reimbursement personal property	79,500	77,850	(1,650)
Total Intergovernmental - State	1,166,500	1,168,896	2,396
Total Revenues	10,917,839	10,927,134	9,295
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased services	3,500	3,259	241
Supplies and materials	948,563	617,612	330,951
Other expenditures	178,524	128,524	50,000
Equipment purchased	764,613	708,397	56,216
Total Regular	1,895,200	1,457,792	437,408
Special			
Salaries and wages	3,271,424	3,271,424	0
Fringe benefits	780,374	780,374	0
Purchased services	46,849	46,339	510
Supplies and materials	72,345	70,018	2,327
Other expenditures	630	231	399
Equipment purchased	24,705	10,803	13,902
Total Special	4,196,327	4,179,189	17,138
Vocational			
Salaries and wages	31,427	31,427	0
Fringe benefits	4,580	4,580	0
Total Vocational	\$ 36,007	\$ 36,007	\$ 0

Continued

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY LEVY SPECIAL REVENUE FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Support Services:			
Pupil			
Purchased services	\$ 7,752	\$ 7,589	\$ 163
Supplies and materials	12,000	10,701	1,299
Other expenditures	500	85	415
Equipment purchased	5,187	187	5,000
Total Pupil	25,439	18,562	6,877
Instructional Staff			
Salaries and wages	1,215,546	1,215,546	0
Fringe benefits	328,741	328,741	0
Purchased services	66,506	60,300	6,206
Supplies and materials	263,106	216,747	46,359
Equipment purchased	19,985	14,985	5,000
Other expenditures			0
Total Staff	1,893,884	1,836,319	57,565
School Administration			
Purchased services	3,723	3,117	606
Supplies and materials	3,000	96	2,904
Other expenditures	20,860	20,303	557
Equipment purchased	10,000	130	9,870
Total School Administration	37,583	23,646	13,937
Fiscal and Business Services			
Other expenditures	139,384	127,817	11,567
Total Fiscal and Business Services	139,384	127,817	11,567
Operations and Maintenance			
Salaries and wages	50,017	50,017	0
Fringe benefits	13,200	13,200	0
Purchased services	1,482,233	1,469,592	12,641
Supplies and materials	7,093	2,093	5,000
Other expenditures	295	295	0
Equipment purchased	443,549	377,355	66,194
Total Operations and Maintenance	1,996,387	1,912,552	83,835
Pupil Transportation			
Salaries and wages	1,303,244	1,303,244	0
Fringe benefits	375,448	375,448	0
Purchased services	81,339	81,339	0
Supplies and materials	392,285	392,255	30
Other expenditures	354,985	354,861	124
Equipment purchased	42,658	42,658	0
Total Pupil Transportation	\$ 2,549,959	\$ 2,549,805	\$ 154

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY LEVY SPECIAL REVENUE FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Central Services			
Salaries and wages	\$ 27,000	\$ 25,204	\$ 1,796
Fringe benefits	7,211	6,458	753
Purchased services	140,000	126,995	13,005
Supplies and materials	83,000	82,831	169
Equipment purchased	142,130	141,588	542
Other expenditure	55,000	51,492	3,508
Total Central Services	454,341	434,568	19,773
Capital Outlay			
Equipment Purchased	\$ 154,000	\$ 132,300	\$ 21,700
Total Capital Outlay	154,000	132,300	21,700
Total Expenditures	13,378,511	12,708,557	669,954
Excess (deficiency) of revenues over (under) expenditures	(2,460,672)	(1,781,423)	679,249
Other financing sources (uses):			
Operating transfers in	380,000	380,000	0
Total other financing sources (uses)	380,000	380,000	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(2,080,672)	(1,401,423)	679,249
Fund balance, July 1	1,097,841	1,097,841	0
Prior year encumbrances appropriated	1,196,693	1,196,693	0
Fund balance, June 30	\$ 213,862	\$ 893,111	\$ 679,249

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
From Local Sources:			
Contributions and donations	\$ 5,750	\$ 10,370	\$ 4,620
Miscellaneous revenues	45,087	46,599	1,512
Extra-curricular activity fees	12,915	8,725	(4,190)
Total Revenues	63,752	65,694	1,942
Expenditures:			
Current:			
Support Services:			
Pupil			
Purchased services	1,453	1,453	0
Supplies and materials	6,443	4,549	1,894
Other expenditures	64,764	63,557	1,207
Equipment purchased	2,015	1,965	50
Total Expenditures	74,675	71,524	3,151
Excess (deficiency) of revenues over (under) expenditures	(10,923)	(5,830)	5,093
Fund balance, July 1	31,489	31,489	0
Prior year encumbrances appropriated	5,096	5,096	0
Fund balance, June 30	<u>\$ 25,662</u>	<u>\$ 30,755</u>	<u>\$ 5,093</u>

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VENTURE CAPITAL SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - State			
State foundation and grants	\$ 50,000	\$ 50,000	\$ 0
Total Revenues	50,000	50,000	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff			
Salaries and wages	17,170	12,194	4,976
Fringe benefits	460	59	401
Purchased services	60,172	52,744	7,428
Supplies and materials	16,217	15,171	1,046
Other expenditures	6,410	5,454	956
Total Staff	100,429	85,622	14,807
School Administration			
Salaries and wages	400	400	0
Total School Administration	400	400	0
Total Expenditures	100,829	86,022	14,807
Excess (deficiency) of revenues over (under) expenditures	(50,829)	(36,022)	14,807
Other financing sources (uses):			
Refund of prior year receipts	(77)	(77)	0
Total other financing sources (uses)	(77)	(77)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(50,906)	(36,099)	14,807
Fund balance, July 1	43,829	43,829	0
Prior year encumbrances appropriated	12,534	12,534	0
Fund balance, June 30	\$ 5,457	\$ 20,264	\$ 14,807

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL GRANT SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
From Local Sources:			
Contributions and donations	\$ 63,126	\$ 63,126	\$ 0
Miscellaneous revenues	197,222	197,222	0
Total Revenues	260,348	260,348	0
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and wages	16,625	16,625	0
Fringe benefits	762	762	0
Purchased services	22,383	22,383	0
Supplies and materials	4,738	4,738	0
Other expenditures	466	466	0
Equipment purchased	19,609	19,609	0
Total Regular	64,583	64,583	0
Adult Continuing			
Salaries and wages	22,755	22,755	0
Fringe benefits	3,474	3,474	0
Purchased services	238	238	0
Supplies and materials	5,367	5,367	0
Total Adult Continuing	31,834	31,834	0
Support Services:			
Pupil			
Salaries and wages	716	716	0
Fringe benefits	2	2	0
Purchased services	1,000	1,000	0
Total Pupil	1,718	1,718	0
Instructional Staff			
Salaries and wages	5,993	5,993	0
Fringe benefits	20	20	0
Purchased services	7,254	7,232	22
Supplies and materials	10,334	10,334	0
Equipment purchased	3,000	3,000	0
Total Staff	26,601	26,579	22
Operations and Maintenance			
Purchased services	33,066	33,066	0
Total Operations and Maintenance	\$ 33,066	\$ 33,066	\$ 0

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL GRANT SPECIAL REVENUE FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
<i>Central Services</i>			
Purchased services	\$ 370	\$ 370	\$ 0
Supplies and materials	4,401	4,401	0
<i>Total Central Services</i>	4,771	4,771	0
<i>Community Services</i>			
Salaries and wages	56,274	56,274	0
Fringe benefits	5,808	5,808	0
Purchased services	5,500	5,500	0
Supplies and materials	2,930	2,930	0
<i>Total Community Services</i>	70,512	70,512	0
Total Expenditures	233,085	233,063	22
Excess (deficiency) of revenues over (under) expenditures	27,263	27,285	22
Other financing sources (uses):			
Refund of prior year receipts	(106)	(106)	0
Operating transfers in	20,075	20,075	0
Advances in	497	497	0
Advances (out)	(13,857)	(13,857)	0
Total other financing sources (uses)	6,609	6,609	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	33,872	33,894	22
Fund balance, July 1	19,252	19,252	0
Prior year encumbrances appropriated	8,551	8,551	0
Fund balance, June 30	\$ 61,675	\$ 61,697	\$ 22

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
From Local Sources:			
Earnings on investments	\$ 7,223	\$ 7,223	\$ 0
Intergovernmental - State			
State foundation and grants	537,347	537,347	0
Total Revenues	544,570	544,570	0
Expenditures:			
Current:			
Support Services:			
Community Services			
Salaries and wages	283,862	283,862	0
Fringe benefits	72,200	72,200	0
Purchased services	36,034	28,884	7,150
Supplies and materials	184,039	184,039	0
Equipment purchased	16,598	16,598	0
Other expenditure	21,455	21,455	0
Total Expenditures	614,188	607,038	7,150
Excess (deficiency) of revenues over (under) expenditures	(69,618)	(62,468)	7,150
Other financing sources (uses):			
Refund of prior year receipts	(56,600)	(56,600)	0
Total other financing sources (uses)	(56,600)	(56,600)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(126,218)	(119,068)	7,150
Fund balance, July 1	128,291	128,291	0
Prior year encumbrances appropriated	20,729	20,729	0
Fund balance, June 30	\$ 22,802	\$ 29,952	\$ 7,150

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ATHLETIC SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
From Local Sources:			
Contributions and donations	\$ 5,945	\$ 5,945	\$ 0
Miscellaneous revenues	60,826	60,826	0
Extra-curricular activity fees	196,925	196,925	0
Total Revenues	263,696	263,696	0
Expenditures:			
Current:			
Extracurricular Activities			
Salaries and wages	3,147	3,147	0
Fringe benefits	4	4	0
Purchased services	69,809	69,809	0
Supplies and materials	83,397	83,397	0
Equipment purchased	20,939	20,939	0
Other expenditure	113,477	113,477	0
Total Expenditures	290,773	290,773	0
Excess (deficiency) of revenues over (under) expenditures	(27,077)	(27,077)	0
Fund balance, July 1	62,919	62,919	0
Prior year encumbrances appropriated	21,484	21,484	0
Fund balance, June 30	\$ 57,326	\$ 57,326	\$ 0

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PROFESSIONAL DEVELOPMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - State			
State foundation and grants	\$ 47,943	\$ 47,943	\$ 0
Total Revenues	47,943	47,943	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff			
Salaries and wages	15,188	15,188	0
Fringe benefits	3,448	3,448	0
Purchased services	15,303	15,158	145
Supplies and materials	297	297	0
Total Expenditures	34,236	34,091	145
Excess (deficiency) of revenues over (under) expenditures	13,707	13,852	145
Fund balance, July 1	45,289	45,289	0
Prior year encumbrances appropriated	0	0	0
Fund balance, June 30	\$ 58,996	\$ 59,141	\$ 145

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISADVANTAGED PUPIL IMPACT AID SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - State			
State foundation and grants	\$ 1,161,260	\$ 1,161,260	\$ 0
Total Revenues	1,161,260	1,161,260	0
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and wages	702,964	702,964	0
Fringe benefits	185,397	164,584	20,813
Supplies and materials	3,156	3,127	29
Total Regular	891,517	870,675	20,842
Special			
Salaries and wages	48,597	30,482	18,115
Fringe benefits	9,586	6,611	2,975
Total Special	58,183	37,093	21,090
Support Services:			
Pupil			
Salaries and wages	38,824	38,824	0
Fringe benefits	11,231	10,021	1,210
Total Pupil	50,055	48,845	1,210
Instructional Staff			
Salaries and wages	29,991	29,991	0
Fringe benefits	10,500	8,016	2,484
Supplies and materials	4,162	4,162	0
Total Staff	44,653	42,169	2,484
School Administration			
Salaries and wages	80,666	80,666	0
Fringe benefits	19,002	14,220	4,782
Supplies and materials	29	29	0
Total School Administration	\$ 99,697	\$ 94,915	\$ 4,782

Continued

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISADVANTAGED PUPIL IMPACT AID SPECIAL REVENUE FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Operations and Maintenance			
Salaries and wages	\$ 22,096	\$ 22,096	\$ 0
Fringe benefits	8,492	6,346	2,146
Purchased services	14,506	14,506	0
Supplies and materials	297	266	31
Equipment purchased	448	448	0
Total Operations and Maintenance	<u>45,839</u>	<u>43,662</u>	<u>2,177</u>
Total Expenditures	<u>1,189,944</u>	<u>1,137,359</u>	<u>52,585</u>
Excess (deficiency) of revenues over (under) expenditures	(28,684)	23,901	52,585
Fund balance, July 1	534,287	534,287	0
Prior year encumbrances appropriated	16,567	16,567	0
Fund balance, June 30	<u>\$ 522,170</u>	<u>\$ 574,755</u>	<u>\$ 52,585</u>

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISCIPLINE INTERVENTION GRANT (DIG) SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - State			
State foundation and grants	\$ 333,450	\$ 333,450	\$ 0
Total Revenues	333,450	333,450	0
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and wages	100,141	100,141	0
Fringe benefits	3,389	3,389	0
Total Regular	103,530	103,530	0
Support Services:			
Instructional Staff			
Purchased services	281,959	281,959	0
Supplies and materials	31,361	31,361	0
Total Staff	313,320	313,320	0
Total Expenditures	416,850	416,850	0
Excess (deficiency) of revenues over (under) expenditures	(83,400)	(83,400)	0
Fund balance, July 1	33,028	33,028	0
Prior year encumbrances appropriated	101,733	101,733	0
Fund balance, June 30	\$ 51,361	\$ 51,361	\$ 0

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MANAGEMENT INFORMATION SYSTEM SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE: FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Intergovernmental - State			
State foundation and grants	\$ 26,791	\$ 26,791	\$ 0
Total Revenues	26,791	26,791	0
Expenditures:			
Current:			
Central Services			
Purchased services	28,316	26,929	1,387
Supplies and materials	4,627	4,627	0
Total Expenditures	32,943	31,556	1,387
Excess (deficiency) of revenues over (under) expenditures	(6,152)	(4,765)	1,387
Fund balance, July 1	6,135	6,135	0
Prior year encumbrances appropriated	2,627	2,627	0
Fund balance, June 30	<u>\$ 2,610</u>	<u>\$ 3,997</u>	<u>\$ 1,387</u>

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TEXTBOOK/INSTRUCTIONAL MATERIAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE: FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Intergovernmental - State			
State foundation and grants	\$ 131,861	\$ 131,861	\$ 0
Total Revenues	131,861	131,861	0
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and materials	136,636	136,636	0
Total Expenditures	136,636	136,636	0
Excess (deficiency) of revenues over (under) expenditures	(4,775)	(4,775)	0
Fund balance, July 1	136,636	136,636	0
Prior year encumbrances appropriated	0	0	0
Fund balance, June 30	\$ 131,861	\$ 131,861	\$ 0

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOL READINESS GRANT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE: FAVORABLE (UNFAVORABLE)</u>
Revenues:			
From Local Sources:			
Intergovernmental - State			
State foundation and grants	\$ 240,000	\$ 240,000	\$ 0
Total Revenues	240,000	240,000	0
Expenditures:			
Current:			
Community Services			
Salaries and wages	85,123	85,123	0
Fringe benefits	22,304	22,304	0
Purchased services	35,105	35,105	0
Supplies and materials	22,004	22,004	0
Equipment purchased	13,678	13,678	0
Total Expenditures	178,214	178,214	0
Excess (deficiency) of revenues over (under) expenditures	61,786	61,786	0
Fund balance, July 1	0	0	0
Prior year encumbrances appropriated	0	0	0
Fund balance, June 30	<u>\$ 61,786</u>	<u>\$ 61,786</u>	<u>\$ 0</u>

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PROJECT CONNECT GRANT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - State			
State foundation and grants	\$ 198,309	\$ 198,309	\$ 0
Total Revenues	198,309	198,309	0
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and wages	88,028	88,028	0
Fringe benefits	19,524	19,524	0
Purchased services	114	114	0
Supplies and materials	23,665	23,665	0
Equipment purchased	15,049	15,049	0
Total Regular	146,380	146,380	0
Support Services:			
Instructional Staff			
Salaries and wages	17,249	17,249	0
Fringe benefits	4,796	4,796	0
Total Staff	22,045	22,045	0
Total Expenditures	168,425	168,425	0
Excess (deficiency) of revenues over (under) expenditures	29,884	29,884	0
Fund balance, July 1	0	0	0
Prior year encumbrances appropriated	0	0	0
Fund balance, June 30	\$ 29,884	\$ 29,884	\$ 0

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS STATE GRANTS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - State			
State foundation and grants	\$ 102,425	\$ 102,425	\$ 0
Total Revenues	102,425	102,425	0
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and wages	3,150	3,150	0
Supplies and materials	5,053	5,053	0
Other expenditures	200	200	0
Total Regular	8,403	8,403	0
Support Services:			
Pupil			
Purchased services	528	528	0
Total Pupil	528	528	0
Instructional Staff			
Purchased services	27,941	27,869	72
Supplies and materials	5,327	5,327	0
Equipment purchased	1,929	1,929	0
Other expenditures	361	361	0
Total Staff	35,558	35,486	72
School Administration			
Purchased services	32,088	32,088	0
Supplies and materials	323	323	0
Total School Administration	32,411	32,411	0
Total Expenditures	76,900	76,828	72
Excess (deficiency) of revenues over (under) expenditures	25,525	25,597	72
Other financing sources (uses):			
Advances in	21,092	21,092	0
Advances (out)	(1,502)	(1,502)	0
Total other financing sources (uses)	19,590	19,590	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	45,115	45,187	72
Fund balance, July 1	81	81	0
Prior year encumbrances appropriated	12,431	12,431	0
Fund balance, June 30	\$ 57,627	\$ 57,699	\$ 72

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADULT BASIC EDUCATION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - Federal	\$ 275,414	\$ 275,414	\$ 0
Total Revenues	275,414	275,414	0
Expenditures:			
Current:			
Adult Continuing			
Salaries and wages	135,592	135,592	0
Fringe benefits	31,790	31,790	0
Purchased services	687	687	0
Supplies and materials	4,544	4,544	0
Other expenditures	3,105	3,105	0
Equipment	84	84	0
Total Adult Continuing	175,802	175,802	0
Support Services:			
Pupil			
Salaries and wages	34,148	34,148	0
Fringe benefits	688	688	0
Total Pupil	34,836	34,836	0
Instructional Staff			
Salaries and wages	2,978	2,978	0
Fringe benefits	8,775	8,775	0
Purchased services	575	575	0
Other expenditures	317	317	0
Total Staff	12,645	12,645	0
School Administration			
Salaries and wages	12,540	12,540	0
Fringe benefits	2,691	2,691	0
Total School Administration	15,231	15,231	0
Total Expenditures	238,514	238,514	0
Excess (deficiency) of revenues over (under) expenditures	36,900	36,900	0
Fund balance, July 1	24,498	24,498	0
Prior year encumbrances appropriated	119	119	0
Fund balance, June 30	<u>\$ 61,517</u>	<u>\$ 61,517</u>	<u>\$ 0</u>

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
D EISENHOWER PROFESSIONAL DEVELOPMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - Federal	\$ 93,319	\$ 93,319	\$ 0
Total Revenues	93,319	93,319	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff			
Salaries and wages	3,898	3,898	0
Fringe benefits	878	878	0
Purchased services	28,799	28,799	0
Supplies and materials	16,168	16,168	0
Total Staff	49,743	49,743	0
Central Services			
Salaries and wages	19,997	19,997	0
Fringe benefits	2,698	2,698	0
Purchased services	(13,525)	(13,525)	0
Supplies and materials	(366)	(366)	0
Total Central Services	8,804	8,804	0
Total Expenditures	58,547	58,547	0
Excess (deficiency) of revenues over (under) expenditures	34,772	34,772	0
Other financing sources (uses):			
Advances (out)	(8,334)	(8,334)	0
Total other financing sources (uses)	(8,334)	(8,334)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	26,438	26,438	0
Fund balance, July 1	9,845	9,845	0
Prior year encumbrances appropriated	837	837	0
Fund balance, June 30	\$ 37,120	\$ 37,120	\$ 0

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI-B SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - Federal	\$ 487,271	\$ 487,271	\$ 0
Total Revenues	487,271	487,271	0
Expenditures:			
Current:			
Special			
Salaries and wages	108,578	108,578	0
Fringe benefits	27,388	27,388	0
Supplies and materials	82,544	82,428	116
Total Special	218,510	218,394	116
Support Services:			
Pupil			
Salaries and wages	64,129	64,129	0
Fringe benefits	15,926	15,926	0
Purchased services	36,960	36,960	0
Supplies and materials	16,617	16,617	0
Total Pupil	133,632	133,632	0
Instructional Staff			
Salaries and wages	23,583	23,583	0
Fringe benefits	9,800	9,800	0
Total Staff	33,383	33,383	0
School Administration			
Salaries and wages	91,039	91,039	0
Fringe benefits	18,445	18,445	0
Total School Administration	109,484	109,484	0
Total Expenditures	495,009	494,893	116
Excess (deficiency) of revenues over (under) expenditures	(7,738)	(7,622)	116
Fund balance, July 1	31,306	31,306	0
Prior year encumbrances appropriated	21,391	21,391	0
Fund balance, June 30	\$ 44,959	\$ 45,075	\$ 116

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - Federal	\$ 2,137,868	\$ 2,137,868	\$ 0
Total Revenues	2,137,868	2,137,868	0
Expenditures:			
Current:			
Special			
Salaries and wages	719,193	719,193	0
Fringe benefits	187,366	187,366	0
Purchased services	181,763	181,720	43
Supplies and materials	199,162	199,137	25
Other expenditures	5,370	5,370	0
Equipment purchased	144,778	144,778	0
Total Special	1,437,632	1,437,564	68
Support Services:			
Pupil			
Salaries and wages	217,010	217,010	0
Fringe benefits	56,404	56,404	0
Purchased services	3,266	3,266	0
Supplies and materials	20,477	20,477	0
Equipment purchased	1,923	1,923	0
Total Pupil	299,080	299,080	0
Instructional Staff			
Salaries and wages	112,274	112,274	0
Fringe benefits	28,045	28,045	0
Purchased services	43,031	43,031	0
Supplies and materials	24,970	24,970	0
Equipment purchased	39,264	39,264	0
Other expenditures	1,874	1,874	0
Total Staff	249,458	249,458	0
School Administration			
Salaries and wages	65,224	65,224	0
Fringe benefits	13,170	13,170	0
Purchased services	25,188	23,738	1,450
Supplies and materials	4,345	4,345	0
Equipment purchased	4,022	4,022	0
Total School Administration	111,949	110,499	1,450
Fiscal and Business Services			
Other expenditures	2,000	2,000	0
Total Fiscal and Business Services	\$ 2,000	\$ 2,000	\$ 0

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I SPECIAL REVENUE FUND (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Operations and Maintenance			
Salaries and wages	\$ 2,574	\$ 2,574	\$ 0
Fringe benefits	384	384	0
Purchased services	15,404	15,404	0
Total Operations and Maintenance	<u>18,362</u>	<u>18,362</u>	<u>0</u>
Total Expenditures	<u>2,118,481</u>	<u>2,116,963</u>	<u>1,518</u>
Excess (deficiency) of revenues over (under) expenditures	19,387	20,905	1,518
Fund balance, July 1	210,533	210,533	0
Prior year encumbrances appropriated	<u>176,916</u>	<u>176,916</u>	<u>0</u>
Fund balance, June 30	<u>\$ 406,836</u>	<u>\$ 408,354</u>	<u>\$ 1,518</u>

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - Federal	\$ 48,586	\$ 48,586	\$ 0
Total Revenues	48,586	48,586	0
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and wages	215	215	0
Fringe benefits	33	33	0
Supplies and materials	6,402	6,402	0
Equipment purchased	15,505	15,505	0
Total Regular	22,155	22,155	0
Support Services:			
Instructional Staff			
Salaries and wages	72	72	0
Fringe benefits	43	43	0
Purchased services	7,742	7,742	0
Total Staff	7,857	7,857	0
Community Services			
Purchased services	2,098	2,098	0
Supplies and materials	3,037	3,037	0
Equipment purchased	4,432	4,432	0
Total Community Services	9,567	9,567	0
Total Expenditures	39,579	39,579	0
Excess (deficiency) of revenues over (under) expenditures	9,007	9,007	0
Fund balance, July 1	20,089	20,089	0
Prior year encumbrances appropriated	9,226	9,226	0
Fund balance, June 30	\$ 38,322	\$ 38,322	\$ 0

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG FREE SCHOOLS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - Federal	\$ 112,870	\$ 112,870	\$ 0
Total Revenues	112,870	112,870	0
Expenditures:			
Current:			
Instruction:			
Regular			
Fringe benefits	50	50	0
Total Regular	50	50	0
Special			
Salaries and wages	4,385	4,385	0
Fringe benefits	661	661	0
Total Special	5,046	5,046	0
Support Services:			
Instructional Staff			
Salaries and wages	32,412	32,412	0
Fringe benefits	9,609	9,609	0
Purchased services	31,323	29,323	2,000
Supplies and materials	26,562	26,562	0
Total Staff	99,906	97,906	2,000
Community Services			
Supplies and materials	404	404	0
Total Community Services	404	404	0
Total Expenditures	105,406	103,406	2,000
Excess (deficiency) of revenues over (under) expenditures	7,464	9,464	2,000
Fund balance, July 1	2,149	2,149	0
Prior year encumbrances appropriated	1,359	1,359	0
Fund balance, June 30	<u>\$ 10,972</u>	<u>\$ 12,972</u>	<u>\$ 2,000</u>

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GOALS 2000 GRANT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - Federal	\$ 183,590	\$ 183,590	\$ 0
Total Revenues	183,590	183,590	0
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and wages	5,515	5,515	0
Fringe benefits	619	619	0
Purchased services	8,678	8,678	0
Supplies and materials	675	675	0
Total Regular	15,487	15,487	0
Support Services:			
Pupil			
Purchased services	45,272	45,272	0
Supplies and materials	18,988	18,988	0
Equipment purchased	34,577	34,577	0
Total Pupil	98,837	98,837	0
School Administration			
Purchased services	64,124	64,124	0
Total School Administration	64,124	64,124	0
Fiscal and Business Services			
Other expenditures	10,951	10,951	0
Total Fiscal and Business Services	10,951	10,951	0
Total Expenditures	189,399	189,399	0
Excess (deficiency) of revenues over (under) expenditures	(5,809)	(5,809)	0
Other financing sources (uses):			
Refund of prior year receipts	(11,552)	(11,552)	0
Total other financing sources (uses)	(11,552)	(11,552)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(17,361)	(17,361)	0
Fund balance, July 1	29,661	29,661	0
Prior year encumbrances appropriated	0	0	0
Fund balance, June 30	\$ 12,300	\$ 12,300	\$ 0

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
KEEP GRANT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - Federal	\$ 241,568	\$ 241,568	\$ 0
Total Revenues	241,568	241,568	0
Expenditures:			
Current:			
Community Services			
Salaries and wages	78,077	78,077	0
Fringe benefits	16,335	16,335	0
Purchased services	12,837	12,837	0
Supplies and materials	6,890	6,890	0
Equipment purchased	270	270	0
Total Expenditures	114,409	114,409	0
Excess (deficiency) of revenues over (under) expenditures	127,159	127,159	0
Fund balance, July 1	2,638	2,638	0
Prior year encumbrances appropriated	7,079	7,079	0
Fund balance, June 30	\$ 136,876	\$ 136,876	\$ 0

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
HANDICAPPED PRESCHOOL SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - Federal	\$ 14,196	\$ 14,196	\$ 0
Total Revenues	14,196	14,196	0
Expenditures:			
Support Services:			
Pupil			
Other expenditures	8	8	0
Total Expenditures	8	8	0
Excess (deficiency) of revenues over (under) expenditures	14,188	14,188	0
Fund balance, July 1	0	0	0
Prior year encumbrances appropriated	0	0	0
Fund balance, June 30	\$ 14,188	\$ 14,188	\$ 0

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - Federal	\$ 467,430	\$ 467,430	\$ 0
Total Revenues	467,430	467,430	0
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and wages	36,105	36,105	0
Fringe benefits	3,670	3,670	0
Purchased services	13,696	13,696	0
Supplies and materials	70	70	0
Equipment purchased	1,783	1,783	0
Total Regular	55,324	55,324	0
Adult Continuing			
Supplies and materials	7,652	7,652	0
Equipment	2,550	2,550	0
Total Adult Continuing	10,202	10,202	0
Support Services:			
Instructional Staff			
Salaries and wages	19,623	19,623	0
Fringe benefits	810	810	0
Purchased services	113,669	113,669	0
Supplies and materials	3,977	3,977	0
Equipment purchased	121,648	121,648	0
Total Staff	259,727	259,727	0
Community Services			
Salaries and wages	3,205	3,205	0
Fringe benefits	644	644	0
Purchased services	1,875	1,875	0
Supplies and materials	11,135	11,135	0
Equipment purchased	1,721	1,721	0
Total Community Services	18,580	18,580	0
Total Expenditures	343,833	343,833	0
Excess (deficiency) of revenues over (under) expenditures	123,597	123,597	0
Other financing sources (uses):			
Refund of prior year receipts	(2,260)	(2,260)	0
Total other financing sources (uses)	(2,260)	(2,260)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	121,337	121,337	0
Fund balance, July 1	59,936	59,936	0
Prior year encumbrances appropriated	4,838	4,838	0
Fund balance, June 30	<u>\$ 186,111</u>	<u>\$ 186,111</u>	<u>\$ 0</u>

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DEBT SERVICE FUND

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

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

CAPITAL PROJECTS FUNDS

The Capital Projects Fund is used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings, additions to existing buildings, or for major renovation projects, including equipment purchases. The following are descriptions of each of the District's Capital Projects Funds:

Permanent Improvement:

To account for all transactions relating to the improvements made to existing District facilities.

SchoolNet Plus:

To account for state funds received for the purchase of computer technology for all classrooms in kindergarten through fourth grade.

SchoolNet Power Up Grant:

To account for state funds received to provide for greater electrical power to school buildings for the increased used of technology.

Interactive Video Distance Learning (I.V.D.L.) Grant:

To account for state funds received for the installation and implementation of a distance learning program with surrounding school districts.

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
ALL CAPITAL PROJECT FUNDS
JUNE 30,1999

	<u>Permanent Improvement</u>	<u>Schoolnet Plus</u>	<u>SchoolNet Power up</u>	<u>IVDL</u>	<u>Totals</u>
ASSETS:					
Assets:					
Equity in pooled cash and investments	<u>\$ 394</u>	<u>\$ 269,254</u>	<u>\$ 288,556</u>	<u>\$ 30,149</u>	<u>\$ 588,353</u>
Total Assets	<u>394</u>	<u>269,254</u>	<u>288,556</u>	<u>30,149</u>	<u>588,353</u>
LIABILITIES AND EQUITY:					
Liabilities:					
Equity:					
Fund Balances:					
Reserved-					
Reserved for encumbrances	0	149,335	0	0	149,335
Unreserved-					
Undesignated	<u>394</u>	<u>119,919</u>	<u>288,556</u>	<u>30,149</u>	<u>439,018</u>
Total equity	<u>394</u>	<u>269,254</u>	<u>288,556</u>	<u>30,149</u>	<u>588,353</u>
Total Liabilities and Equity	<u>\$ 394</u>	<u>\$ 269,254</u>	<u>\$ 288,556</u>	<u>\$ 30,149</u>	<u>\$ 588,353</u>

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL CAPITAL PROJECT FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1998**

	<u>Permanent Improvement</u>	<u>Schoolnet Plus</u>	<u>Power Up</u>	<u>IVDL</u>	<u>Totals</u>
Revenues:					
Intergovernmental - state and local	\$ 0	\$ 976,464	\$ 299,356	\$ 30,149	1,305,969
Intergovernmental - federal	0	0	10,800	0	10,800
Total Revenues	<u>0</u>	<u>976,464</u>	<u>310,156</u>	<u>30,149</u>	<u>1,316,769</u>
Expenditures:					
Current:					
Instruction:					
Regular	0	1,273,252	0	0	1,273,252
Support services:					
Operations and maintenance	0	0	21,600	0	21,600
Total Expenditures	<u>0</u>	<u>1,273,252</u>	<u>21,600</u>	<u>0</u>	<u>1,294,852</u>
Excess of Revenues Over (Under) Expenditures	0	(296,788)	288,556	30,149	21,917
Fund Balance, July 1	394	566,042	0	0	566,436
Prior year encumbrances appropriated	0	0	0	0	0
Fund Balance, June 30	<u>\$ 394</u>	<u>\$ 269,254</u>	<u>\$ 288,556</u>	<u>\$ 30,149</u>	<u>\$ 588,353</u>

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT CAPITAL PROJECT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE: FAVORABLE (UNFAVORABLE)</u>
Total Revenues	\$ 0	\$ 0	\$ 0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	0	0	0
Fund balance, July 1	394	394	0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u>\$ 394</u>	<u>\$ 394</u>	<u>\$ 0</u>

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET PLUS CAPITAL PROJECT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - State			
State foundation and grants	\$ 976,464	\$ 976,464	\$ 0
Total Revenues	976,464	976,464	0
Expenditures:			
Current:			
Instruction:			
Regular			
Fringe benefits	11	11	0
Supplies and materials	57,619	57,619	0
Equipment purchased	1,430,748	1,364,957	65,791
Total Expenditures	1,488,378	1,422,587	65,791
Excess (deficiency) of revenues over (under) expenditures	(511,914)	(446,123)	65,791
Fund balance, July 1	566,042	566,042	0
Prior year encumbrances appropriated	155,940	155,940	0
Fund balance, June 30	\$ 210,068	\$ 275,859	\$ 65,791

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET POWER UP CAPITAL PROJECT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - State			
State foundation and grants	\$ 310,156	\$ 310,156	\$ 0
Total Revenues	310,156	310,156	0
Expenditures:			
Current:			
Operations and Maintenance			
Purchased services	21,600	21,600	0
Total Expenditures	21,600	21,600	0
Excess (deficiency) of revenues over (under) expenditures	288,556	288,556	0
Fund balance, July 1	0	0	0
Prior year encumbrances appropriated	0	0	0
Fund balance, June 30	\$ 288,556	\$ 288,556	\$ 0

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
I.V.D.L. CAPITAL PROJECT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE: FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Intergovernmental - State			
State foundation and grants	\$ 30,149	\$ 30,149	\$ 0
Total Revenues	30,149	30,149	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	30,149	30,149	0
Fund balance, July 1	0	0	0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u>\$ 30,149</u>	<u>\$ 30,149</u>	<u>\$ 0</u>

ENTERPRISE FUNDS

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

Food Service:

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

Uniform School Supply:

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

Special Rotary:

To account for all revenues and expenses related to goods and/or services provided by the District, primarily those services provided by vocational classes to the general public. Activities in this fund are usually curricular in nature.

Adult Education:

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

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
ALL ENTERPRISE FUNDS
JUNE 30, 1999

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Special Rotary</u>	<u>Adult Education</u>	<u>Total</u>
ASSETS:					
Equity in pooled cash and investments	\$ 11,390	\$ 212,025	\$ 3,896	\$ 38,300	\$ 265,611
Receivables (net of allowances for uncollectibles)					
Accounts	7,155	904	0	1,064	9,123
Intergovernmental - state and local	14,382	0	0	0	14,382
Intergovernmental - federal	143,814	0	0	0	143,814
Materials and supplies inventory	196,659	0	0	383	197,042
Inventory held for resale	87,780	0	0	0	87,780
Furniture and equipment	73,909	0	29,918	22,508	126,335
Less: accumulated depreciation	(17,935)	0	(25,652)	(17,777)	(61,364)
Total Assets	\$ 517,154	\$ 212,929	\$ 8,162	\$ 44,478	\$ 782,723
LIABILITIES & FUND EQUITY					
Liabilities:					
Accounts payable	\$ 8,001	\$ 1,277	\$ 0	\$ 1	\$ 9,279
Accrued wages and benefits	118,895	0	0	0	118,895
Interfund loans payable	785,000	0	0	0	785,000
Deferred revenue	100,086	0	0	0	100,086
Compensated absences payable	44,381	0	0	4,322	48,703
Total liabilities	1,056,363	1,277	0	4,323	1,061,963
Fund Equity:					
Retained Earnings:					
Unreserved	(539,209)	211,652	8,162	40,155	(279,240)
Total Fund Equity	(539,209)	211,652	8,162	40,155	(279,240)
Total Liabilities and Fund Equity	\$ 517,154	\$ 212,929	\$ 8,162	\$ 44,478	\$ 782,723

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL ENTERPRISE FUNDS
FOR YEAR ENDING JUNE 30,1999

	Food Service	Uniform School Supply	Special Rotary	Adult Education	Total
Operating Revenues:					
Tuition and fees	\$ 0	\$ 108,958	\$ 90	\$ 56,206	\$ 165,254
Sales	1,607,037	0	0	0	1,607,037
Other operating revenues	2,648	2,100	3,898	1,000	9,646
Total operating revenues	1,609,685	111,058	3,988	57,206	1,781,937
Operating Expenses:					
Salaries and wages	1,290,237	0	0	39,753	1,329,990
Fringe benefits	457,412	0	0	8,307	465,719
Contract services	13,122	0	0	7,644	20,766
Supplies	1,446,559	51,507	1,654	5,670	1,505,390
Depreciation	5,372	0	2,961	2,121	10,454
Other operating expenses	3,069	0	3,829	3,782	10,680
Total operating expenses	3,215,771	51,507	8,444	67,277	3,342,999
Operating Income (Loss)	(1,606,086)	59,551	(4,456)	(10,071)	(1,561,062)
Nonoperating revenues (expenses):					
Operating grants - federal	1,011,209	0	1,200	14,090	1,026,499
Operating grants - state and local	95,363	0	0	0	95,363
Proceeds of sale of fixed assets	250	0	0	0	250
Donated commodities	183,690	0	0	0	183,690
Total nonoperating revenues (expenses)	1,290,512	0	1,200	14,090	1,305,802
Net Income (Loss)	(315,574)	59,551	(3,256)	4,019	(255,260)
Retained Earnings, July 1	(223,635)	152,101	11,418	36,136	(23,980)
Retained Earnings, June 30	\$ (539,209)	\$ 211,652	\$ 8,162	\$ 40,155	\$ (279,240)

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Food Service	Uniform School Supply	Special Rotary	Adult Education	Total
Cash flows from operating activities:					
Cash received from tuition and fees	\$ 0	\$ 119,153	\$ 90	\$ 55,193	\$ 174,436
Cash received from sales	1,604,224	0	0		1,604,224
Cash received from other operations		2,100	3,898	950	6,948
Cash payments for personal services	(1,608,604)	0	0	(47,624)	(1,656,228)
Cash payments for contract services	(4,433)	0	0	(7,644)	(12,077)
Cash payments for supplies and materials	(1,456,117)	(50,529)	(2,078)	(5,273)	(1,513,997)
Cash payments for other expenses	(3,069)	0	(3,829)	(3,782)	(10,680)
Net cash used by operating activities	(1,467,999)	70,724	(1,919)	(8,180)	(1,407,374)
Cash flows from noncapital financing activities:					
Cash received from operating grants	1,115,020	0	1,200	14,090	1,130,310
Cash received from sale of fixed assets	250	0	0	0	250
Cash received - interfund loans	785,000	0	0	0	785,000
Cash (used) - interfund loans	(450,000)	0	0	0	(450,000)
Net cash provided by noncapital financing activities	1,450,270	0	1,200	14,090	1,465,560
Net increase (decrease) in cash and cash equivalents	(17,729)	70,724	(719)	5,910	58,186
Cash and cash equivalents at beginning of year	29,119	141,301	4,615	32,390	207,425
Cash and cash equivalents at end of year	\$ 11,390	\$ 212,025	\$ 3,896	\$ 38,300	\$ 265,611
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ (1,606,086)	\$ 59,551	\$ (4,456)	\$ (10,071)	\$ (1,561,062)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	5,372	0	2,961	2,121	10,454
Donated commodities used (received)	(183,690)	0	0	0	(183,690)
Changes in assets and liabilities:					
(Increase) Decrease in receivables	(5,862)	10,195	0	(1,063)	3,270
(Increase) Decrease in intergovernmental	(23,620)	0	0	0	(23,620)
(Increase) Decrease in supplies inventory	(3,521)	0	(424)	1,177	(2,768)
(Increase) Decrease in inventory held for resale	(3,562)	0	0	0	(3,562)
Increase (Decrease) in accounts payable	2,042	978	0	(419)	2,601
Increase (Decrease) in interfund loans payable	335,000	0	0	(361)	334,639
Increase (Decrease) in accrued wages and benefits	35,131	0	0	0	35,131
Increase (Decrease) in compensated absences	12,975	0	0	436	13,411
Increase (Decrease) in deferred revenue	(32,178)	0	0	0	(32,178)
Net cash provided by operating activities	\$ (1,467,999)	\$ 70,724	\$ (1,919)	\$ (8,180)	\$ (1,407,374)

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Operating Revenues			
Sales	\$ 1,562,595	\$ 1,562,572	(23)
Charges for services	38,370	38,562	192
Other operating revenue	3,100	3,090	(10)
Total operating revenue	1,604,065	1,604,224	159
Non-Operating Revenue			
Proceed of sale of fixed assets	250	250	0
Federal and state subsidies	1,083,100	1,082,952	(148)
Total Revenues	2,687,415	2,687,426	11
Expenses:			
Operating Expenses			
Salaries and wages	1,146,059	1,146,059	0
Fringe benefits	462,545	462,545	0
Purchased services	4,777	4,777	0
Supplies and materials	1,419,532	1,419,532	0
Other expenses	15,690	15,690	0
Equipment purchased	207	207	0
Total Expenses	3,048,810	3,048,810	0
Excess (deficiency) of revenues over (under) expenses	(361,395)	(361,384)	11
Other financing sources (uses)			
Advances in	785,000	785,000	0
Advances out	(450,000)	(450,000)	0
Total other financing sources (uses)	335,000	335,000	0
Excess (deficiency) of revenues and other financing sources over (under) expenses and other uses	(26,395)	(26,384)	11
Fund Equity, July 1	22,715	22,715	0
Prior year encumbrances appropriated	6,404	6,404	
Fund Equity, June 30	\$ 2,724	\$ 2,735	\$ 11

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE: FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Operating Revenues			
Tuition and fees	\$ 117,947	\$ 119,153	\$ 1,206
Contributions and donations	0	2,100	2,100
Total Revenues	117,947	121,253	3,306
Expenses:			
Operating Expenses			
Supplies and materials	107,509	107,509	0
Total Expenses	107,509	107,509	0
Excess (deficiency) of revenues over (under) expenses	10,438	13,744	3,306
Fund Equity, July 1	130,989	130,989	0
Prior year encumbrances appropriated	10,312	10,312	0
Fund Equity, June 30	\$ 151,739	\$ 155,045	\$ 3,306

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ROTARY - SPECIAL SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Operating Revenues			
Tuition and fees	\$ 0	\$ 90	\$ 90
Contributions and donations	3,898	3,898	0
Total operating revenue	3,898	3,988	90
Non-Operating Revenue			
Operating grants-state and local	1,200	1,200	0
Total non-operating revenue	1,200	1,200	0
Total Revenues	5,098	5,188	90
Expenses:			
Operating Expenses			
Supplies and materials	1,993	1,654	(339)
Other expenses	7,100	3,829	(3,271)
Equipment purchased	425	424	1
Total Expenses	9,518	5,907	(3,609)
Excess (deficiency) of revenues over (under) expenses	(4,420)	(719)	3,699
Fund Equity, July 1	3,397	3,397	(3,699)
Prior year encumbrances appropriated	1,218	1,218	0
Fund Equity, June 30	<u>\$ 195</u>	<u>\$ 3,896</u>	<u>\$ 0</u>

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADULT EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Operating Revenues			
Tuition and fees	\$ 55,193	\$ 55,193	\$ 0
Contributions and donations	0	400	400
Other operating revenue	0	550	550
Total operating revenue	55,193	56,143	950
Non-Operating Revenue			
Operating grants-state and local	15,000	14,090	(910)
Federal and state subsidies	15,000	14,090	(910)
Total Revenues	70,193	70,233	40
Expenses:			
Operating Expenses			
Salaries and wages	39,753	39,753	0
Fringe benefits	7,871	7,871	0
Purchased services	8,248	8,248	0
Supplies and materials	5,306	5,306	0
Other expenses	3,782	3,782	0
Equipment purchased	50	50	0
Total Expenses	65,010	65,010	0
Excess (deficiency) of revenues over (under) expenses	5,183	5,223	40
Fund Equity, July 1	30,494	30,494	0
Prior year encumbrances appropriated	1,897	1,897	0
Fund Equity, June 30	\$ 37,574	\$ 37,614	\$ 0

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and /or other funds. These include Expendable Trust Funds and Agency Funds. The following are descriptions of each of the District's Fiduciary Funds:

EXPENDABLE TRUST FUNDS

General Trust Fund:

To account for donations received to provide scholarships that are awarded to graduating seniors.

AGENCY FUNDS

Student Activity Fund:

To account for the resources that belong to the various student groups in the District. The funds account for sales and other revenue generating activities by student activity programs which have students involved in the management of the program.

District Agency Fund:

To account for federal funds received through the Pell Grant Program as administered by the federal government.

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL FIDUCIARY FUND TYPES
 JUNE 30,1999

	Expendable	Agency Funds		Total
	Trust	Student	District	
	General	Activity	Agency	
	Trust Fund			
ASSETS:				
Equity in pooled cash and investments	\$ 9,735	\$ 45,045	\$ 50,501	\$ 105,281
Accounts Receivable	0	1,100	0	1,100
Total Assets	<u>9,735</u>	<u>46,145</u>	<u>50,501</u>	<u>106,381</u>
LIABILITIES AND EQUITY:				
Liabilities:				
Due to student groups	0	46,145	50,501	96,646
Total liabilities	0	46,145	50,501	96,646
Equity:				
Fund Balances:				
Reserved-				
Reserved for encumbrances	31	0	0	31
Unreserved-				
Undesignated	9,704	0	0	9,704
Total equity	<u>9,735</u>	<u>0</u>	<u>0</u>	<u>9,735</u>
Total Liabilities and Equity	<u>\$ 9,735</u>	<u>\$ 46,145</u>	<u>\$ 50,501</u>	<u>\$ 106,381</u>

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
STUDENT ACTIVITY FUND:				
Assets:				
Equity in pooled cash and investments	\$ 49,336	\$ 143,336	\$ 147,627	\$ 45,045
Receivables (net of allowances for uncollectibles)				
Accounts	0	1,100	0	1,100
Total Assets	<u>49,336</u>	<u>144,436</u>	<u>147,627</u>	<u>\$46,145</u>
Liabilities:				
Accounts payable	\$2,672	0	2,672	\$0
Due to student groups	46,664	0	519	46,145
Total Liabilities	<u>\$ 49,336</u>	<u>\$ 0</u>	<u>\$ 3,191</u>	<u>\$ 46,145</u>

DISTRICT AGENCY FUND:

Assets:				
Equity in pooled cash and investments	\$ 0	\$ 51,858	\$ 1,357	\$ 50,501
Total Assets	<u>0</u>	<u>51,858</u>	<u>1,357</u>	<u>50,501</u>
Liabilities:				
Due to student groups	0	50,501	0	50,501
Total Liabilities	<u>\$ 0</u>	<u>\$ 50,501</u>	<u>\$ 0</u>	<u>\$ 50,501</u>

TOTAL AGENCY FUNDS:

Assets:				
Equity in pooled cash and investments	\$ 49,336	\$ 195,194	\$ 148,984	\$ 95,546
Receivables (net of allowances for uncollectibles)				
Accounts	0	1,100	0	1,100
Total Assets	<u>49,336</u>	<u>196,294</u>	<u>148,984</u>	<u>\$96,646</u>
Liabilities:				
Accounts payable	2,672	0	2,672	\$0
Due to student groups	46,664	50,501	519	96,646
Total Liabilities	<u>\$ 49,336</u>	<u>\$ 50,501</u>	<u>\$ 3,191</u>	<u>\$ 96,646</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

This account group is used to account for all sites, buildings, equipment and vehicles not used in the operations of the Proprietary Funds. The majority of the District's assets are reflected in the General Fixed Assets Account Group.

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
 AS OF JUNE 30, 1999**

General Fixed Assets:

Land	\$	707,229
Buildings and building improvements		28,326,106
Furniture, fixtures and equipment		<u>21,156,080</u>
Total General Fixed Assets	\$	<u>50,189,415</u>

Investment in General Fixed Assets by Source:

General Fund	\$	3,895,648
Special Revenue Funds		6,683,467
Capital Projects Fund		5,204,263
Acquired Before July 1, 1990*		<u>34,406,037</u>
Total General Fixed Assets	\$	<u>50,189,415</u>

* Represents older assets for which fund source cannot practically be obtained.

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND TYPE
AS OF JUNE 30, 1999

Function	Land and Land Improvements	Buildings and Building Improvements	Furniture Fixtures and Equipment	Total
Instruction:				
Regular	\$ 0	\$ 0	\$ 5,219,114	5,219,114
Special	0	0	368,286	368,286
Vocational	0	0	244,023	244,023
Adult Continuing	0	0	9,163	9,163
Support services:				
Pupil	0	0	83,599	83,599
Instructional staff	0	0	392,530	392,530
School administration	0	0	509,584	509,584
Fiscal and business	0	0	182,263	182,263
Operations and maintenance	0	0	986,418	986,418
Pupil transportation	0	0	1,968,014	1,968,014
Central	0	0	748,292	748,292
Community services	0	0	126,114	126,114
Extracurricular activities	0	0	68,006	68,006
Capital Outlay	51,508	4,826,464	0	4,877,972
Other - Pre July 1, 1990 items*	655,721	23,499,642	10,250,674	34,406,037
Total General Fixed Assets	\$ 707,229	\$ 28,326,106	\$ 21,156,080	\$ 50,189,415

*Represents older assets for which function/activity can not practically be obtained.

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF CHANGES IN FIXED ASSETS
BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

Function	Balance at July 1, 1998	Additions	Deductions	Balance at June 30, 1999
Instruction:				
Regular	\$ 3,973,591	\$ 1,289,545	\$ (44,022)	\$ 5,219,114
Special	322,951	58,080	(14,212)	366,819
Vocational	244,023	0	0	244,023
Adult Continuing	9,163	0	0	9,163
Support services:				
Pupil	79,053	3,080	0	82,133
Instructional staff	299,899	94,780	(3,284)	391,395
School administration	500,867	12,299	(3,582)	509,584
Fiscal and business	177,079	5,184	0	182,263
Operations and maintenance	721,231	268,238	(3,050)	986,419
Pupil transportation	1,674,546	388,047	(94,580)	1,968,013
Central	452,428	303,297	(3,365)	752,360
Community services	115,515	10,599	0	126,114
Extracurricular activities	57,503	10,503	0	68,006
Capital Outlay	4,282,112	595,860	0	4,877,972
Other - Pre July 1, 1990 items*	34,992,670	0	(586,633)	34,406,037
Total General Fixed Assets	\$ 47,902,631	\$ 3,039,512	\$ (752,728)	\$ 50,189,415

*Represents older assets for which function/activity can not practically be obtained.

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STATISTICAL SECTION



STATISTICAL TABLES

The following unaudited statistical tables reflect social and economic data, financial trends and fiscal capacity of the District. Since the Emergency Levy Special Revenue Fund accounts for approximately 25% of the District's total general operating expenditures, this fund has been combined with the General Fund in the applicable statistical tables.

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 GENERAL OPERATING EXPENDITURES BY FUNCTION (1)
 LAST TEN FISCAL YEARS (2)
 1990 - 1999**

<u>FISCAL YEAR</u>	<u>INSTRUCTION</u>	<u>PUPIL SUPPORT SERVICES</u>	<u>INSTRUCTIONAL SUPPORT SERVICES</u>	<u>ADMINISTRATION</u>	<u>FISCAL SERVICES</u>
1990	\$ 22,963,361	\$ 1,233,737	\$ 1,139,453	\$ 3,097,075	\$ 790,062
1991	25,267,711	1,482,203	1,455,546	3,823,992	858,403
1992	25,453,983	1,545,535	1,415,814	3,435,886	886,333
1993	28,020,524	1,838,829	1,446,439	3,750,865	918,641
1994	28,091,596	1,814,957	1,427,644	3,682,829	942,828
1995	29,161,154	1,741,693	1,489,815	4,720,501	919,929
1996	25,467,634	1,783,145	1,302,772	3,608,050	1,055,131
1997	30,147,726	1,709,399	1,591,594	3,997,057	1,115,005
1998	28,804,672	1,932,718	1,584,807	4,099,319	1,117,283
1999	\$ 29,550,633	\$ 2,346,520	\$ 1,803,320	\$ 4,523,022	\$ 1,148,369

Source: Middletown/Monroe City School District records.

- (1) Includes the expenditures of the General and Emergency Levy Funds only.
- (2) Fiscal years 1991 through 1999 are reported on a GAAP basis.
All other fiscal years are reported on a cash basis.

TABLE 1

<u>OPERATION AND MAINTENANCE OF PLANT SERVICES</u>	<u>TRANSPORTATION SERVICES- PUPILS</u>	<u>OTHER SUPPORT SERVICES</u>	<u>EXTRA- CURRICULAR ACTIVITIES</u>	<u>NON- PROGRAMMED CHARGES</u>	<u>TOTAL EXPENDITURES</u>
\$ 4,448,814	\$ 1,312,661	\$ 23,596	\$ 312,052	\$ 0	\$ 35,320,811
4,146,832	2,224,347	118,534	355,010	23,821	39,756,399
4,551,378	1,846,454	106,980	465,930	47,642	39,755,935
5,361,207	1,991,937	100,946	617,497	51,613	44,098,498
5,348,244	2,186,006	194,114	692,461	1,710	44,382,389
4,456,585	1,784,321	254,770	670,477	0	45,199,245
4,647,711	1,976,916	250,822	423,597	700,282	41,216,060
5,285,374	1,969,305	522,341	446,808	819,045	47,603,654
5,981,656	2,512,870	712,003	448,995	652,886	47,847,209
\$ 6,560,478	\$ 2,564,669	\$ 1,408,105	\$ 504,989	\$ 177,788	\$ 50,587,893

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
GENERAL OPERATING REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS (2)
1990 - 1999**

TABLE 2

<u>FISCAL YEAR</u>	<u>TAXES</u>	<u>TUITION AND FEES</u>	<u>EARNINGS ON INVESTMENTS</u>	<u>INTER- GOVERNMENTAL</u>	<u>OTHER</u>	<u>TOTAL REVENUES</u>
1990	\$ 21,807,185	\$ 204,555	\$ 670,034	\$ 15,503,332	\$ 138,686	\$ 38,323,792
1991	22,919,796	160,522	867,912	16,603,715	35,594	40,587,539
1992	23,743,813	172,367	603,493	15,768,247	113,737	40,401,657
1993	24,319,486	61,040	354,563	16,636,821	181,319	41,553,229
1994	23,927,373	70,625	192,364	16,785,103	204,532	41,179,997
1995	22,072,246	52,532	308,697	17,307,965	251,891	39,993,331
1996	27,508,285	51,691	605,059	17,614,495	283,965	46,063,495
1997	28,610,368	62,431	700,852	18,287,882	306,117	47,967,650
1998	28,798,460	72,309	802,942	19,011,644	808,255	49,493,610
1999	\$ 33,787,832	\$ 42,790	\$ 816,274	\$ 20,443,914	\$ 302,395	\$ 55,393,205

Source: Middletown/Monroe City School District records.

- (1) Includes the revenues of the General and Emergency Levy Funds only.
- (2) Fiscal Years 1991 through 1999 are reported on a GAAP basis.
All other fiscal years are reported on a cash basis.

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY PROPERTY
LAST TEN COLLECTION (CALENDAR) YEARS
1990 - 1999**

TABLE 3

<u>COLLECTION YEAR</u>	<u>TAX LEVIED (1)</u>	<u>CURRENT TAX COLLECTIONS (2)</u>	<u>PERCENT COLLECTED</u>	<u>DELINQUENT COLLECTION</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>PERCENT OF TOTAL COLLECTIONS TO LEVY</u>	<u>OUTSTANDING DELINQUENT TAXES (3)</u>	<u>PERCENT OF OUTSTANDING DELINQUENT TAXES TO TAX LEVIED</u>
1990	\$ 15,267,176	\$ 14,682,324	96.17%	\$ 551,407	\$ 15,233,731	99.78%	\$ 1,054,111	6.90%
1991	16,829,656	16,004,384	95.10%	673,157	16,677,541	99.10%	1,325,312	7.87%
1992	17,165,442	16,479,015	96.00%	852,598	17,331,613	100.97%	1,235,160	7.20%
1993	17,732,808	17,267,182	97.37%	766,896	18,034,078	101.70%	927,416	5.23%
1994	19,051,083	18,388,868	96.52%	491,842	18,880,710	99.11%	974,051	5.11%
1995	20,189,292	19,041,666	94.32%	633,911	19,675,577	97.46%	1,002,243	4.96%
1996	24,403,739	23,698,673	97.11%	591,960	24,290,633	99.54%	1,156,572	4.74%
1997	25,501,907	24,824,360	97.34%	651,156	25,475,516	99.90%	1,188,378	4.66%
1998	25,775,921	24,927,425	96.71%	720,380	25,647,805	99.50%	1,390,417	5.39%
1999	\$ 25,711,787	\$ 25,555,250	99.39%	\$ 838,957	\$ 26,394,207	102.65%	\$ 848,208	3.30%

Source: Butler County Auditor

- (1) Taxes levied and collected are presented on a cash basis.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

TABLE 4

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN COLLECTION (CALENDAR) YEARS (1)
 1990 - 1999

COLLECTION YEAR	REAL PROPERTY		TANGIBLE PERSONAL PROPERTY		PUBLIC UTILITIES PERSONAL		TOTAL		RATIO (2)
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
1990	\$ 437,013,555	\$ 1,248,610,157	\$ 235,513,385	\$ 812,115,121	\$ 68,207,820	\$ 85,259,775	\$ 740,734,760	\$ 2,145,985,053	34.52%
1991	514,066,270	1,468,760,771	235,918,433	842,565,832	73,073,210	91,341,513	823,057,913	2,402,668,116	34.26%
1992	522,717,490	1,493,478,543	223,051,199	826,115,552	80,132,130	100,165,163	825,900,819	2,419,759,258	34.13%
1993	527,179,520	1,506,227,200	220,146,521	846,717,388	97,252,680	121,565,850	844,578,721	2,474,510,438	34.13%
1994	574,093,730	1,640,267,800	196,654,808	786,619,232	101,607,930	127,009,913	872,356,468	2,553,896,945	34.16%
1995	586,939,860	1,676,971,029	179,387,670	717,550,680	103,304,360	129,130,450	869,631,890	2,523,652,159	34.46%
1996	596,732,960	1,704,951,314	205,791,439	823,165,756	91,847,380	114,809,225	894,371,779	2,642,926,295	33.84%
1997	661,069,610	1,888,770,314	224,104,236	896,416,944	91,108,250	113,885,313	976,282,096	2,899,072,571	33.68%
1998	675,189,920	1,929,114,057	246,903,455	987,613,820	88,903,890	111,129,863	1,010,997,265	3,027,857,740	33.39%
1999	\$ 687,607,230	\$ 1,964,592,086	\$ 236,392,230	\$ 945,568,920	\$ 90,672,470	\$ 113,340,588	\$ 1,014,671,930	\$ 3,023,501,593	33.56%

Source: Butler County Auditor.

(1) Butler County Auditor property tax records are maintained on a calendar year basis.

(2) Ratio represents assessed value / total estimated value.

TABLE 5

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)
 DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN COLLECTION (CALENDAR) YEARS
 1990 - 1999

	TAX YEAR									
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
MIDDLETOWN/MONROE CSD	33.43	33.43	33.23	33.23	33.23	38.20	37.03	36.63	36.63	37.03
BUTLER COUNTY	7.45	7.45	7.44	7.44	7.45	7.45	7.45	8.45	8.45	7.45
CITY OF MONROE	9.17	9.17	9.17	9.17	7.85	7.85	7.85	7.85	7.85	7.85
CITY OF MIDDLETOWN	6.66	6.66	6.56	6.57	6.38	6.31	6.31	6.31	6.31	6.31
BUTLER COUNTY JOINT VOCATIONAL	1.97	1.97	1.94	1.93	1.93	1.93	1.93	1.93	1.93	1.93
LEMON TOWNSHIP	9.42	9.42	9.42	4.92	2.92	-	-	-	-	-
LEMON TWP - MONROE CORP.	0.60	0.60	0.60	0.60	0.60	-	-	-	-	-

Source: Butler County Auditor.

TABLE 6

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 RATIO OF NET GENERAL BONDED DEBTS TO ASSESSED VALUE
 AND NET BONDED DEBT PER CAPITA
 LAST TEN YEARS
 1990 - 1999

COLLECTION YEAR	POPULATION (1)	ASSESSED VALUE (2)	GROSS BONDED DEBT	LESS DEBT SERVICE FUND (3)	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE (%)	ESTIMATED NET BONDED DEBT PER CAPITA
1990	62,684	\$ 690,731,464	\$ 760,000	\$ 174,346	\$ 585,654	0.08%	\$9
1991	62,684	774,989,403	705,000	254,432	450,568	0.06%	7
1992	62,684	772,512,451	645,000	75,525	569,475	0.07%	9
1993	62,684	789,143,172	585,000	173,052	411,948	0.05%	7
1994	62,684	816,995,098	520,000	269,256	250,744	0.03%	4
1995	62,684	806,933,528	450,000	269,477	180,523	0.02%	3
1996	62,684	894,371,779	375,000	2,131,561	0	0.00%	0
1997	62,684	976,282,096	290,000	1,642,235	0	0.00%	0
1998	62,684	1,010,997,265	200,000	503,152	0	0.00%	0
1999	62,684	\$ 1,014,671,930	\$ 105,000	\$ 618,539	\$ 0	0.00%	\$0

Sources: (1) Census data for 1980 and 1990; estimates from the City of Middletown, Department of Economic Development and Planning for interim years.

(2) Butler County Auditor, calendar year basis.

(3) Fiscal years 1991 through 1999 are reported on a GAAP basis. All other fiscal years are reported on a cash basis.

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 COMPUTATION OF LEGAL DEBT MARGIN
 AS OF JUNE 30, 1999

TABLE 7

ASSESSED VALUATION OF DISTRICT		<u>\$ 1,014,671,930</u>
OVERALL DIRECT DEBT LIMITATION		
DIRECT DEBT LIMITATION		
9% OF ASSESSED VALUATION		91,320,474
AMOUNT AVAILABLE IN DEBT SERVICE FUND		618,539
GROSS INDEBTEDNESS	0	
LESS: DEBT EXEMPT FROM LIMITATION	<u>0</u>	
DEBT SUBJECT TO 9% LIMITATION		<u>0</u>
LEGAL DEBT MARGIN WITHIN 9% LIMITATION		<u>\$ 91,939,013</u>
UNVOTED DIRECT DEBT LIMITATION		
UNVOTED DEBT LIMITATION		
0.1% OF ASSESSED VALUATION		\$ 1,014,672
AMOUNT AVAILABLE IN DEBT SERVICE FUND RELATED TO UNVOTED DEBT		0
GROSS INDEBTEDNESS AUTHORIZED BY THE BOARD	0	
LESS: DEBT EXEMPT FROM LIMITATION	<u>0</u>	
DEBT SUBJECT TO 0.1% LIMITATION		<u>0</u>
LEGAL DEBT MARGIN WITHIN 0.1% LIMITATION		<u>\$ 1,014,672</u>
ENERGY CONSERVATION BOND LIMITATION		
OHIO REVISED CODE SECTION 133.042		
DEBT LIMITATION		
0.9% OF ASSESSED VALUATION		\$ 9,132,047
ENERGY CONSERVATION NOTES AUTHORIZED BY THE BOARD		<u>(105,000)</u>
LEGAL DEBT MARGIN WITHIN 0.9% LIMITATION		<u>\$ 9,027,047</u>

Source: Middletown/Monroe City School District records.

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30,1999**

TABLE 8

<u>GOVERNMENTAL UNIT</u>	<u>GROSS GENERAL OBLIGATION</u>	<u>PERCENT APPLICABLE TO DISTRICT</u>	<u>AMOUNT APPLICABLE TO DISTRICT</u>
DIRECT:			
Middletown City School District	\$ 105,000	100.00%	\$ 105,000
OVERLAPPING:			
City of Middletown	7,250,000	100.00%	7,250,000
City of Monroe	7,227,100	92.37%	6,675,672
Butler County	38,500,000	17.84%	6,868,400
Warren County	<u>19,002,201</u>	2.86%	<u>543,463</u>
TOTAL OVERLAPPING:	<u>71,979,301</u>		<u>21,337,535</u>
TOTAL DIRECT AND OVERLAPPING DEBT:	<u>\$ 72,084,301</u>		<u>\$ 21,442,535</u>

Source: Ohio Municipal Advisory Council

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL OPERATING EXPENDITURES (1)
LAST TEN FISCAL YEARS
1990 - 1999

TABLE 9

<u>FISCAL YEAR (2)</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL OPERATING EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES (%)</u>
1990	\$ 0	\$ 57,633	\$ 57,633	\$ 35,320,811	0.16%
1991	55,000	51,275	106,275	39,756,399	0.27%
1992	60,000	47,250	107,250	39,755,935	0.27%
1993	60,000	43,050	103,050	44,098,498	0.23%
1994	65,000	38,675	103,675	44,382,389	0.23%
1995	70,000	33,950	103,950	45,199,245	0.23%
1996	75,000	28,875	103,875	41,216,060	0.25%
1997	85,000	23,275	108,275	47,603,654	0.23%
1998	90,000	17,150	107,150	47,847,209	0.22%
1999	\$ 95,000	\$ 10,675	\$ 105,675	\$ 50,587,893	0.21%

Source: Middletown/Monroe City School District records.

- (1) Includes General and Emergency Levy Funds only.
- (2) Fiscal years 1991 through 1999 are reported on a GAAP basis. All other fiscal years are reported on a cash basis.

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 DEMOGRAPHIC STATISTICS
 LAST TEN FISCAL YEARS
 1990 - 1999**

TABLE 10

FISCAL YEAR	POPULATION (1)	AVERAGE FEDERAL ADJUSTED GROSS INCOME (2)	SCHOOL ENROLLMENT (3)	UNEMPLOYMENT RATE (4)		
				MIDDLETOWN SERVICE AREA	STATE OF OHIO	UNITED STATES
1990	62,684	\$26,425	9,749	5.80%	5.70%	5.50%
1991	62,684	26,563	9,680	6.60%	6.40%	6.70%
1992	62,684	27,183	9,685	7.70%	7.60%	7.60%
1993	62,684	27,183	9,828	7.80%	5.80%	7.00%
1994	62,684	26,731	9,895	5.50%	5.50%	6.00%
1995	62,684	28,187	9,935	4.20%	4.60%	5.80%
1996	62,684	28,903	9,780	4.30%	4.90%	5.30%
1997	62,684	30,310	9,816	3.50%	4.30%	5.20%
1998	62,684	31,557	9,656	3.60%	4.50%	4.70%
1999	62,684	\$33,087	9,466	3.30%	4.50%	4.50%

- Sources: (1) 1980 and 1990 Census data; estimates from the City of Middletown, Department of Economic Development and Planning for interim years.
- (2) Ohio Department of Taxation, Department of Tax Analysis and Local Government Distributions.
- (3) Middletown/Monroe City School District records.
- (4) Ohio Bureau of Employment Services, Labor Market Division. Data for 1999 is as of the month of June.

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUES
 LAST TEN COLLECTION (CALENDAR) YEARS
 1990 - 1999**

TABLE 11

<u>FISCAL YEAR</u>	<u>NEW CONSTRUCTION (1)</u>	<u>BANK DEPOSITS (2)</u>	<u>PROPERTY VALUES (3)</u>
1990	\$ 21,190,086	\$ 2,057,264,000	\$ 437,013,555
1991	28,105,800	2,104,239,000	514,066,270
1992	21,963,514	904,381,000	522,717,490
1993	13,472,200	724,213,000	527,179,520
1994	20,053,429	711,686,000	574,093,730
1995	20,473,940	737,683,000	586,939,860
1996	20,912,114	800,556,000	596,732,960
1997	26,948,400	783,398,000	661,069,610
1998	40,738,971	815,435,000	675,189,920
1999	\$ 38,753,171	\$ 864,105,000	\$ 687,607,230

Sources: (1) Butler County Auditor

(2) Total deposits of all banks headquartered in Butler County, Ohio.
 (includes national and state chartered banks). Data was not available for
 the District only. Department of Commerce, Banks Division.

(3) Butler County Auditor, calendar year basis, real property only.
 Figures are 35% of real property value.

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
PRINCIPAL TAXPAYERS
AS OF JUNE 30, 1999**

TABLE 12

<u>NAME OF TAXPAYER</u>	<u>NATURE OF BUSINESS</u>	<u>TAXABLE VALUE</u>	<u>% OF TOTAL ASSESSED VALUATION</u>
Real Property			
AK Steel Corp.	Steel Manufacturer	\$ 20,418,490	2.01%
Southwestern Ohio Steel Co.	Steel Manufacturer	2,627,500	0.26%
Armco Inc.	Steel Manufacturer	1,867,060	0.18%
Voith Paper Technologies	Paper Manufacturer	1,861,280	0.18%
Dayton Technologies	Manufacturer	1,721,730	0.17%
Jefferson Smurfit Corp.	Paper Manufacturer	1,551,430	0.15%
Bay West Paper Corp.	Paper Manufacturer	1,526,180	0.15%
Aeronca Aircraft Corp.	Aerospace Systems	1,294,490	0.13%
Precision Strip	Manufacturer	1,146,500	0.11%
Sorg Paper Co.	Paper Manufacturer	1,004,570	0.10%
Personal Property			
AK Steel Corp.	Steel Manufacturer	84,132,420	8.29%
Jefferson Smurfit Corp.	Paper Manufacturer	7,094,910	0.70%
Klockner Namasco Corp.	Steel Manufacturer	6,948,930	0.68%
Southwestern Ohio Steel	Steel Manufacturer	6,712,930	0.66%
Bay West Paper Co.	Paper Manufacturer	5,560,060	0.55%
Worthington	Steel Manufacturer	5,442,670	0.54%
Air Products & Chemical Inc.	Industrial Gasses	4,956,790	0.49%
Armco Inc.	Steel Manufacturer	4,763,200	0.47%
Aluminum Company of America	Manufacturer	4,403,400	0.43%
Sorg Paper Co.	Paper Manufacturer	3,348,110	0.33%
Public Utility Personal			
Cincinnati Gas & Electric Co.	Public Utility	68,170,250	6.72%
Ohio Bell Telephone	Public Utility	13,423,410	1.32%
Dayton Power and Light Co.	Public Utility	1,935,160	0.19%
Texas Eastern Pipeline Co.	Public Utility	1,496,550	0.15%
All other taxpayers		761,263,910	75.03%
Total Assessed Value		<u>\$ 1,014,671,930</u>	<u>100.00%</u>

Source: Butler County Auditor

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
MIDDLETOWN AREA TEN LARGEST EMPLOYERS
AS OF JUNE 30, 1999**

TABLE 13

<u>EMPLOYER</u>	<u>NATURE OF BUSINESS</u>	<u>NUMBER OF EMPLOYEES</u>
AK Steel Corp.	Steel Manufacturer	4,250
Middletown Regional Hospital	Health Care	1,400
Middletown/Monroe City Schools	Education	890
City of Middletown	City Government	430
Aeronca Aircraft Corporation	Aviation Products	420
Jefferson Smurfit Corporation	Paper and Packaging Products	380
Sorg-Bay West Paper Company	Paper Processing	350
Square D Company	Electrical Switchgears	300
Voith Paper Technology	Paper Industry Machine Sales	250
Garden Manor Nursing Home	Nursing Home	240

Source: Mid-Miami Valley Chamber of Commerce.

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 TEACHING STAFF VITAL STATISTICS
 LAST TEN FISCAL YEARS
 1990 - 1999

TABLE 14

FISCAL YEAR	CLASSROOM TEACHER TRAINING				AVG YEARS EXPERIENCE	ATTENDANCE RATE	PUPIL/TEACHER RATIO (1)
	NON-DEGREEE	BACHELOR	BACHELOR ±20 HRS	MASTER AND BEYOND			
1990	0.0%	31.2%	19.5%	49.3%	15.5	95.8%	17.7
1991	0.0%	34.2%	21.2%	44.6%	14.3	96.0%	16.6
1992	0.9%	34.0%	22.7%	42.4%	13.7	95.1%	16.4
1993	0.0%	32.6%	24.7%	42.7%	14.0	96.6%	16.5
1994	0.8%	44.5%	21.8%	32.9%	14.6	96.3%	19.7
1995	0.3%	26.3%	23.7%	49.7%	15.1	95.9%	21.2
1996	0.6%	26.5%	25.2%	47.7%	14.8	95.2%	22.2
1997	0.1%	28.0%	27.8%	44.1%	13.2	96.2%	22.3
1998	0.0%	28.7%	29.3%	42.0%	13.0	96.1%	21.3
1999	0.0%	29.5%	28.1%	42.4%	13.1	95.8%	19.6

Source: Ohio Department of Education records.

(1) K-12 ratio per regular classroom teacher.

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 STUDENT VITAL STATISTICS
 LAST TEN FISCAL YEARS
 1990 - 1999**

TABLE 15

<u>FISCAL YEAR</u>	<u>ENROLLMENT</u>	<u>ATTENDANCE RATE</u>	<u>GRADUATION RATE</u>	<u>MINORITY RATE</u>	<u>A.D.C. RATE</u>
1990	9,749	91.2%	54.6%	13.7%	17.3%
1991	9,680	92.0%	60.6%	13.8%	17.5%
1992	9,685	92.8%	62.0%	14.1%	17.7%
1993	9,828	92.6%	72.8%	14.4%	18.1%
1994	9,895	92.2%	64.9%	14.0%	18.6%
1995	9,935	91.7%	63.4%	14.5%	19.5%
1996	9,780	91.9%	64.9%	14.4%	19.2%
1997	9,817	92.9%	67.7%	15.0%	17.7%
1998	9,656	93.2%	70.3%	15.3%	15.6%
1999	9,466	92.4%	76.9%	15.9%	12.6%

Source: Ohio Department of Education records.

TABLE 16

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF INSURANCE POLICIES
 AT JUNE 30, 1999

COMPANY	TYPE OF COVERAGE	POLICY NUMBER	POLICY PERIOD	LIMITS	ANNUAL DEDUCTIBLE	ANNUAL PREMIUM
Cincinnati Insurance Company	Buildings and Contents	BFW(94)50466500	7/98 to 7/99	\$105,794,953	\$1,000	\$ 35,565
Nationwide Mutual Insurance Co.	Vehicles and Buses	91BA4000120001L	7/98 to 7/99	\$3,000,000 Combined single limit	\$500	\$ 32,406
Nationwide Mutual Insurance Co.	District Liability	91GP4017080002L	3/99 to 3/00	\$1,000,000/occurrence \$5,000,000 /aggregate	\$5,000	\$ 12,725
Cincinnati Insurance Company	Boiler and Machinery	BES2651694	7/98 to 7/99	\$15,000,000	\$250	\$ 3,268
Indiana Insurance Co.	Commercial Crime	BCO(94)50466500	7/98 to 7/99	\$10,000	\$0	\$ 1,208
Indiana Insurance Co.	Inland Marine	BMO(94)50482731	7/98 to 7/99	\$701,110	\$250	\$ 1,980
Ohio Casualty Insurance Co.	School Employee Bond	3036053	1/99 to 1/00	\$5,000	\$0	\$ 726
Ohio Casualty Insurance Co.	Performance Bonds: Treasurer	2963696	1/99 to 1/00	\$50,000	\$0	\$ 350
	Superintendent	15940941	1/99 to 1/00	\$20,000	\$0	\$ 70
	Board President	15940941	1/99 to 1/00	\$20,000	\$0	\$ 70

Source: Middletown/Monroe City School District records.

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 DIRECTORY OF SCHOOL FACILITIES
 AS OF JUNE 30, 1999**

TABLE 17

<u>FACILITY</u>	<u>ADDRESS</u>	<u>PRINCIPAL</u>	<u>GRADES</u>	<u>1998-99 ENROLLMENT</u>
Amanda Elementary School	1215 Oxford State Road	Mr. John Sheperd	K-6	431
Central Academy School	1516 First Avenue	Ms. Linda Carpenter	K-6	298
Creekview Elementary School	301 Loretta Drive	Mr. Stephen Wolf	K-6	342
Jefferson Elementary School	800 Charles Street	Mr. Matthew Gray	K-6	322
Mayfield Elementary School	3325 Burbank Street	Mr. John Petrocy	K-6	624
McKinley Elementary School	1210 S. Verity Parkway	Ms. Phyllis Edmonds	3-6	390
Monroe Elementary School	225 Macready Avenue	Ms. Patti Shull	K-6	432
Oneida Elementary School	2901 Yankee Road	Mr. James Thomas	K-6	268
Roosevelt Elementary School	2701 Central Avenue	Ms. Sandra Locher	K-6	755
Rosedale Elementary School	4601 Sophie Avenue	Mr. David Volyes	K-6	339
Taft Elementary School	1036 S. Verity Parkway	Ms. Monica Marsh	K-2	378
Wildwood Elementary School	3300 Wildwood Road	Mr. Michael Lolli	K-6	314
Wilson Elementary School	106 S. Highview Road	Ms. Linda Barton	K-6	340
Vail Middle School	1415 Girard Avenue	Ms. Donna Gardner	7-8	943
Verity Middle School	1900 Johns Road	Mr. Larry Knapp	7-8	645
Lemon-Monroe High School	101 W. Elm Street	Ms. Cathy Hamilton	9-12	940
Middletown High School	601 N. Breiel Blvd.	Mr. Gary Perkins	9-12	1,536
Garfield Alternative Education Ctr	1830 Yankee Road	Mr. Tod Baldwin	9-12	169

Source: Middletown/Monroe City School District records.

MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
 COST TO EDUCATE A 1999 GRADUATE

TABLE 18

SCHOOL YEAR	GRADE	COST PER PUPIL (1)	
		MIDD/MON	STATE AVG
1986-87	K	1,637	1,669
1987-88	1	3,367	3,563
1988-89	2	3,590	3,852
1989-90	3	4,044	4,166
1990-91	4	4,369	4,390
1991-92	5	4,708	4,614
1992-93	6	4,993	5,024
1993-94	7	5,177	5,218
1994-95	8	5,457	5,379
1995-96	9	5,175	5,464
1996-97	10	5,780	5,939
1997-98	11	6,187	6,232
1997-98	12	6,517	6,642
		<u>\$ 61,001</u>	<u>\$ 62,152</u>

Source: Ohio Department of Education

(1) Includes all funds of the District.

**MIDDLETOWN/MONROE CITY SCHOOL DISTRICT, OHIO
PARTNERSHIP WITH YOUTH PROGRAM PARTICIPANTS
AS OF JUNE 30, 1999**

TABLE 19

Each school building has at least one business partner that assists with a variety of programs and activities as needed by staff and students. In addition, there are several business that have formed partnerships with the District as a whole.

Abilities First	M.A.L.A.C.H.I.
AK Steel Corporation	Manchester Inn
Americana Amusement Park	Meijer Inc.
Armbruster Florist	Miami University - Middletown Campus
Arts in Middletown	Mid-Miami Valley Chamber of Commerce
Bank One, Cincinnati	Middfest International Foundation
Bern's Greenhouse and Garden Center	Middletown Area united Way
Boulevard Bagel Co.	Middletown Journal
Brown's Run County Club	Middletown Lions Club
Bulls Run Arboretum	Middletown Police Dept
CBS personnel Services	Middletown Regional Hospital
Chick-fil-A	Midfirst Credit Union
Chuck Bost Marketing Communications, Inc.	Monroe Lions Club
City of Middletown	Monroe Ministerial Association
City of Middletown health Dept.	Monroe Police Dept
Clark Schaefer Hackett and Co.	Mt. Pleasant Retirement Village
Conservative Investment Concepts	Noel's Car Care
Cracker Barrel	Noonan & Brockman DDS
Crystal Creative Products	Ohio National Guard Armory
Dayton Technologies	Palmer Group
Dillman Foods, Inc.	Partnership EAP, Inc.
Donato's Pizza	Putt-Putt Golf and Games
Ellenbee-Leggitt	Rally's
Fifth Third Bank	Robinson, Lawton, Kent Realtors
First National Bank of Southwestern Ohio	Shells Seafood Restaurant
Frost & Jacobs, Attorneys at Law	Soroptomist Club of Middletown
Good News Magazine	Square D Company
Inland Paperboard & Packaging	Target Stores, Inc.
Jefferson Smurfit Corporation	Tomson Steel
Junior Achievement of Middletoan	Towne Mall Merchants Assn.
Lebanon Citizens National Bank	Warren Correctional Institute
McDonald's Insurance	Watson's Cleaners
Magnode	Worthington Steel Corporation

Source: Middletown/Monroe City School District records.

This Comprehensive Annual Financial Report
was prepared by:

The Office of the Treasurer
Middletown/Monroe City School District
Edmund R. Pokora, Treasurer

The Middletown/Monroe City School District Finance Department:

Robin Perry	Assistant Treasurer
Elfa Callahan	Payroll Supervisor
Tanya Davis	Accounting
Holly Deaton	Accounting
JoAnn Clifford	Accounting
Norma Billett	Accounting
Cathy Bozile	Payroll
Nancy Strauss	Payroll
Carolyn Simkins	Secretary

Additional Copies of this report or additional information about
the Middletown/Monroe Schools may be obtained from:

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Middletown/Monroe City School District
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Middletown, OH 45044
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OFFICE OF THE AUDITOR**

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MIDDLETOWN/MONROE CITY SCHOOL DISTRICT

BUTLER COUNTY

CLERK'S CERTIFICATION

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

By: *Susan Babbitt*

Date: MARCH 21, 2000