

**NEWBURY LOCAL SCHOOL DISTRICT
GEAUGA COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

NEWBURY LOCAL SCHOOL DISTRICT
GEAUGA COUNTY

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

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

We have audited the financial statements of Newbury Local School District, Geauga County, Ohio (the District) as of and for the year ended June 30, 2001, and have issued our report thereon dated October 3, 2001, wherein we noted the District adopted Governmental Accounting Standards Board Statements Nos. 33 and 36. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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

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

Jim Petro
Auditor of State

October 3, 2001

Newbury Local School District
Newbury Township, Ohio

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2001

Prepared by

Treasurer's Office
Stephanie Swain
Treasurer

Newbury Local School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2001
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NEWBURY LOCAL SCHOOL DISTRICT

14775 Auburn Road • Newbury, OH 44065-9745

October 3, 2001

Board of Education Members
Newbury Local School District

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Newbury Local School District for the fiscal year ended June 30, 2001. This CAFR includes an opinion from the State Auditor and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District. This report will provide the taxpayers of the Newbury Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the School District's financial affairs. Copies will be made available to the Geauga County Public Library, major taxpayers, financial rating services and other interested parties.

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

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

The School District

The Newbury Local School District is located in the center of Geauga County in northeastern Ohio. The Newbury Local School District is located entirely in Newbury Township, which is located about 30 miles east of Cleveland. The School District's area is approximately 25 square miles.

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

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

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Board of Education

Kenneth C. Blair
L. Judd Douglas
Richard F. Endres
Cathleen V. McBride
Sue G. Nelson

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

The Reporting Entity and Services Provided

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

The School District is associated with six jointly governed organizations. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, the Newbury Joint Recreation Council, East Shore Center, the East Shore Regional Transportation System and the Ohio Schools' Council. These organizations are discussed in Note 19 to the general purpose financial statements.

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

Economic Condition And Outlook

The current population estimate is approximately 5,805 and current assessed valuation of property within the township is \$149,837,640.

Newbury residents enjoy a semi-rural atmosphere, with most residential areas zoned at a three-acre minimum lot size. Housing types range from modest homes, which may sell for under \$100,000 to multi-million dollar estates. The township has enjoyed a steady growth in residential housing, with several new large-lot subdivisions opening up in the last few years. The current population estimate is approximately 5,805 and current assessed valuation of property within the township is \$149,837,640.

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

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

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

Major Initiatives

The Newbury Local Schools have maintained the strong image of a public school in a private school setting since 1928.

The Newbury Local Schools has made dramatic strides in technology since 1997. Based on the Technology Plan that was developed during the 1994-95 school year, the School District was in a position to take advantage of SchoolNet funds provided by the State of Ohio. The School District made a significant commitment during the 1997-98 school year to increase the electrical capacity in its two buildings and connected them by fiber. As the Technology Plan was implemented, wiring was installed in all School District classrooms, administrative offices and guidance work areas. The School District has taken advantage of the SchoolNet and SchoolNet Plus funds to purchase computers, printers, and other peripherals to enhance the School District's capacity to use technology. The wiring has resulted in the establishment of a Local Area Network that is connected to a Wide Area Network using a T-1 connection to our Internet provider. Students, faculty and staff have extraordinary access to e-mail, the World Wide Web and a number of significant databases at their workstations.

The Newbury Local School District has achieved a "Continuous Improvement" status based on the state of Ohio's Report Card by having met 23 of 27 standards (2000-2001 data) including proficiency test scores, dropout and graduation rates.

The School District has completely renovated the secondary complex's heating system in the summer of 1999. More energy efficient lighting was placed throughout the School District, including enhancements for handicapped accessibility and the replacement of our stadium lighting. The superstructure of the stadium bleachers was renovated in the summer of 2000. During this time period the gymnasium floor was replaced after 30 years of use. In addition a plan was adopted to replace and repair the roofs of the School District over a five-year period.

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

Administrative realignment was recently completed by assigning the High School Principal leadership responsibilities in grades 7-12 and creating the position of Junior/Senior High School Principal. The Board of Education also created the position of Junior/Senior High School Assistant Principal to create a more cohesive unit in the secondary building.

The Newbury Local School District has also begun a journey toward continuous improvement. Over the past three years the School District has called together representative groups of parents, faculty, staff, students, business leaders and the community at large to plan for the future. In the fall of 1999 a three-day retreat was held to develop the formal plan and in October 2001 a representative group consisting of forty-five teachers, administrators, faculty, staff, students, business and community leaders will update the plan for the current school year.

Parental involvement continues to be a key component for the success of the Newbury Local School District. There is a very active Parent Teacher Organization at the elementary level that supports the educational process in many meaningful ways including fund raising, tutoring, and serving as a liaison with the School District's administration. There is also a Booster Group that serves the academic and athletic needs in the secondary school. In addition, there is a Music Booster Group that assists in supporting vocal and instrumental music throughout the School District.

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

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

Over the past four years SchoolMatch, an organization that reviews School Districts for clients that may be moving to different locations across the nation, has honored the Newbury Local School District with the "What Parents Want" award for three consecutive years. The award is based on the following seven criteria:

- 1 Competitive in academic test scores and are academically solid, but not so rigorous as to intimidate their children,
- 2 Accredited,
- 3 Recognized for excellence by a national foundation or by the U.S. Department of Education,
- 4 Competitive in teacher salaries,
- 5 Above average in instructional expenditures on a national percentile basis,
- 6 Above average in expenditures for library/media services on a national percentile basis, and
- 7 Known for small class size.

Financial Information

Internal Accounting and Budgetary Control

The School District's accounting system is organized on a "fund" basis. Each fund (and account group) is a distinct self-balancing accounting entity. Reports for general governmental operations are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Reports of the School District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

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

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

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

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

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

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

Each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. In addition, an on line inquiry system is available at each cost center site.

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

General Governmental Functions

The following schedule presents a summary of governmental funds' revenues for the fiscal years ended June 30, 2000 and 2001, and the amount and percentage of increases and decreases in relation to the prior year's revenues.

	2000 Amount	2001 Amount	Percent of Total	Change	Percent Change
Revenues					
Taxes	\$3,710,647	\$3,958,001	62.90%	\$247,354	6.67%
Intergovernmental	2,102,363	2,004,998	31.86	(97,365)	(4.63)
Interest	142,032	148,048	2.35	6,016	4.24
Tuition and Fees	64,458	14,544	0.23	(49,914)	(77.44)
Extracurricular Activities	109,463	98,830	1.57	(10,633)	(9.71)
Donations	6,955	8,900	0.14	1,945	27.97
Charges for Services	1,495	27,050	0.43	25,555	1,709.36
Miscellaneous	39,501	32,014	0.52	(7,487)	(18.95)
<i>Total Revenues</i>	<u>\$6,176,914</u>	<u>\$6,292,385</u>	<u>100.00%</u>	<u>\$115,471</u>	

Taxes revenue increased \$247,354 or 6.67 percent due to a reappraisal by Geauga County.

Tuition and Fees revenue decreased \$49,914 or 77.44 percent due to the School District receiving a reimbursement from East Shore Transportation during fiscal year 2000.

Donations revenue increased \$1,945 or 27.97 percent due to the School District receiving an increase in donations for the elementary school.

Charges for Services revenue increased \$25,555 or 1,709.36 percent due to the School District receiving an increase in excess costs from the Geauga County Educational Service Center.

The following schedule presents a summary of governmental funds' expenditures for the fiscal years ended June 30, 2000 and 2001, and the amount and percentage of increases and decreases in relation to the prior year's expenditures.

Expenditures	2000 Amount	2001 Amount	Percent of Total	Change	Percent Change
<i>Current:</i>					
Instruction:					
Regular	\$2,663,375	\$3,017,297	45.83%	\$353,922	13.29%
Special	548,651	577,541	8.77	28,890	5.27
Vocational	45,822	48,527	0.74	2,705	5.90
Support Services:					
Pupils	242,033	195,320	2.97	(46,713)	(19.30)
Instructional Staff	175,882	146,956	2.23	(28,926)	(16.45)
Board of Education	59,408	62,200	0.94	2,792	4.70
Administration	522,197	491,954	7.47	(30,243)	(5.79)
Fiscal	149,703	215,803	3.28	66,100	44.15
Business	0	2,131	0.03	2,131	100.00
Operation and					
Maintenance of Plant	593,618	705,558	10.72	111,940	18.86
Pupil Transportation	497,518	408,196	6.20	(89,322)	(17.95)
Central	0	44,357	0.67	44,357	100.00
Operation of Non-					
Instructional Services	89,823	131,062	1.99	41,239	45.91
Extracurricular Activities	311,324	332,261	5.05	20,937	6.73
<i>Capital Outlay</i>	681,096	121,479	1.85	(559,617)	(82.16)
<i>Debt Service:</i>					
Principal Retirement	70,141	50,006	0.76	(20,135)	(28.71)
Interest and Fiscal Charges	33,192	32,538	0.50	(654)	(1.97)
<i>Total Expenditures</i>	<u>\$6,683,783</u>	<u>\$6,583,186</u>	<u>100.00%</u>	<u>(\$100,597)</u>	

Regular Instruction increased \$353,922 or 13.29 percent due to an increase in salaries for teachers as well as additional staff.

Pupils Support Services decreased \$46,713 or 19.30 percent due the School District not using a speech therapist through the Gauga County Educational Service Center in fiscal year 2001.

Instructional Staff Support Services decreased \$28,926 or 16.45 percent due to the School District now charging technical services to Central Support Services.

Fiscal Support Services increased \$66,100 or 44.15 percent due to the School District now charging the County Auditor and Treasurer fees to this account.

Business Support Services increased \$2,131 or 100.00 percent due to the School District charging public relations to this account.

Operation and Maintenance of Plant increased \$111,940 or 18.86 percent due to an increase in various building repairs.

Central Support Services increased \$44,357 or 100.00 percent due to the School District now charging technical services to this account.

Operation of Non-Instructional Services increased \$41,239 or 45.91 percent due to an increase cost in supplemental salaries and a foreign language field trip.

Capital Outlay decreased \$559,617 or 82.16 percent due to the expenditure of the House Bill 264 loan in fiscal year 2000.

General Fund Balance

The fund balance of the general fund decreased from \$1,729,867 at June 30, 2000 to \$1,495,952 at June 30, 2001. The decrease is due to a decrease in intergovernmental revenue as well as a decrease in tuition and fees.

Financial Highlights - Enterprise Funds

Food service and uniform school supplies are classified as enterprise operations since they resemble those activities found in private industry; management periodically desires to determine the amount of profit/loss resulting from these operations that are significantly financed from user fees. In total, the enterprise funds had a net income of \$501 for the fiscal year ended June 30, 2001. Of the proprietary funds, the food service enterprise fund had deficit retained earnings at June 30, 2001 of \$80,722. Management is analyzing the food service operations to determine appropriate action to alleviate the deficit.

Debt Administration

At June 30, 2001, energy conservation bonds outstanding totaled \$520,612. During fiscal year 2001, \$50,006 of energy conservation bonds were retired. As of June 30, 2001, the overall debt margin was \$13,485,388 and the unvoted debt margin was \$149,838. All existing bond obligations are general obligation debt backed by the full faith and credit of the School District and will be retired fully by fiscal year 2009.

Cash Management

The Board has established a cash management program that expedites the collection of local and state funds through electronic fund transfers and daily deposits. Funds are deposited in local financial institutions insured by the Federal Deposit Insurance Corporation. The total amount of interest earned for the year ended June 30, 2001, was \$148,632. Of that, \$146,475 was credited to the general fund.

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

Risk Management

The School District contracts for general liability insurance. The School District also carries a single occurrence \$2,000,000 limit for professional liability with no deductible and automobile liability which has a \$2,000,000 combined single limit liability. Settled claims have not exceeded this commercial coverage in any of the past three years.

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

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

Pension Plans

All School District employees are covered by the state-wide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS) with the exception of Board of Education members who have chosen to participate in Social Security. The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. See Note 10 to the general purpose financial statements for complete details.

General Fixed Assets

The general fixed assets of the Newbury Local School District are used to carry on the main education and support function of the system and are not financial resources available for expenditure. The total general fixed assets at June 30, 2001 was \$7,217,075. Such assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets.

Independent Audit

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2001. The opinion appears at the beginning of the financial section of this report.

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

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Newbury Local School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2000. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

Acknowledgments

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

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

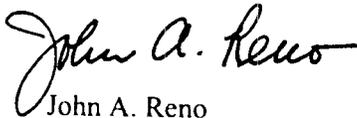
Special appreciation is expressed to the Local Government Services Division of State Auditor Jim Petro's office for assistance in planning, designing and reviewing this financial report.

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

Respectfully submitted,



Stephanie C. Swain
Treasurer



John A. Reno
Superintendent

Newbury Local School District

Principal Officials

June 30, 2001

Board of Education

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

Treasurer

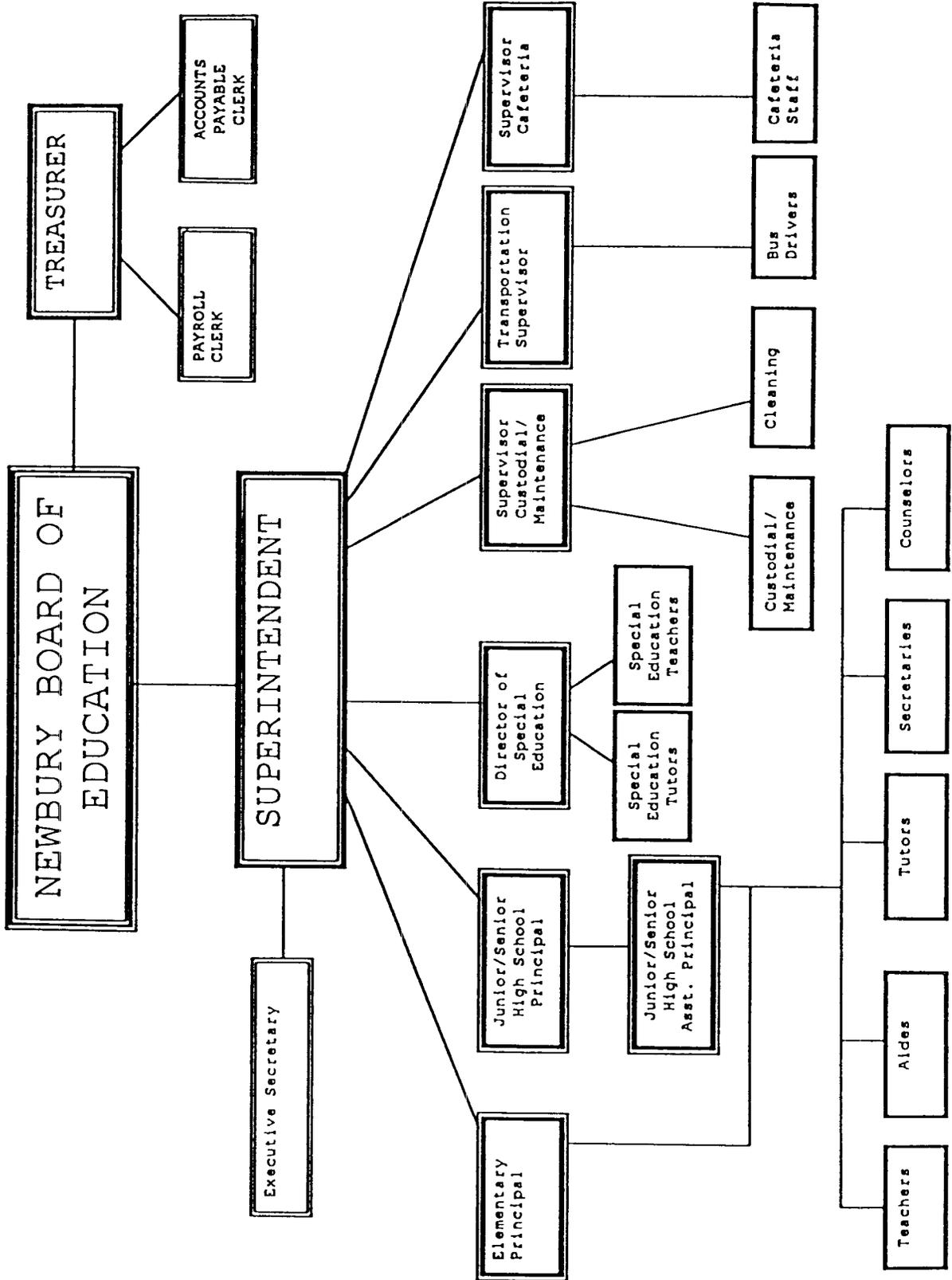
Ms. Stephanie C. Swain

Superintendent

Mr. John A. Reno

Newbury Local School District

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Newbury Local School
District, Ohio

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

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



Thomas A. Druce
President

Jeffrey L. Esser
Executive Director



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REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying general-purpose financial statements of the Newbury Local School District, Geauga County, (the District) as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

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

As described in Note 3 to the financial statements, the District adopted Governmental Accounting Standards Board Statements Nos. 33 and 36, as of and for the year ended June 30, 2001.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

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

Jim Petro
Auditor of State

October 3, 2001

General Purpose Financial Statements

The following general purpose financial statements, along with the notes to the general purpose financial statements, present an overview of the School District's financial position at June 30, 2001, and the results of operations and changes in cash flows of its proprietary fund for the fiscal year then ended.

Newbury Local School District
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,804,215	\$58,914	\$0	\$85,023
Receivables:				
Taxes	3,859,744	0	82,504	110,782
Accounts	194	657	0	0
Intergovernmental	1,240	13,151	0	0
Prepaid Items	4,328	189	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies				
Inventory	20,150	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	44,261	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits				
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$5,734,132	\$72,911	\$82,504	\$195,805

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
<u>Enterprise</u>	<u>Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$24,604	\$11,302	\$0	\$0	\$1,984,058
0	0	0	0	4,053,030
556	0	0	0	1,407
4,471	0	0	0	18,862
0	0	0	0	4,517
4,508	0	0	0	4,508
998	0	0	0	21,148
0	0	0	0	44,261
46,940	0	7,217,075	0	7,264,015
0	0	0	1,004,718	1,004,718
<u>\$82,077</u>	<u>\$11,302</u>	<u>\$7,217,075</u>	<u>\$1,004,718</u>	<u>\$14,400,524</u>

(continued)

Newbury Local School District
Combined Balance Sheet
All Fund Types and Account Groups (continued)
June 30, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities,				
Fund Equity and Other Credits				
Liabilities				
Accounts Payable	\$11,173	\$1,052	\$0	\$0
Accrued Wages and Benefits	492,034	12,504	0	0
Compensated Absences Payable	10,697	0	0	0
Intergovernmental Payable	142,432	1,025	0	0
Deferred Revenue	3,581,844	13,151	82,504	104,982
Undistributed Monies	0	0	0	0
Due to Students	0	0	0	0
Energy Conservation Bonds Payable	0	0	0	0
	4,238,180	27,732	82,504	104,982
<i>Total Liabilities</i>				
Fund Equity and Other Credits				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings (Deficit):				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	113,337	9,192	0	69,517
Reserved for Inventory	20,150	0	0	0
Reserved for Property Taxes	277,900	0	0	5,800
Reserved for Budget Stabilization	31,149	0	0	0
Reserved for Bus Purchase	13,112	0	0	0
Unreserved:				
Undesignated	1,040,304	35,987	0	15,506
	1,495,952	45,179	0	90,823
<i>Total Fund Equity and Other Credits</i>				
<i>Total Liabilities, Fund Equity and Other Credits</i>	\$5,734,132	\$72,911	\$82,504	\$195,805

See accompanying notes to the general purpose financial statements

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Agency	General Fixed Assets	General Long-Term Obligations	
\$344	\$0	\$0	\$0	\$12,569
8,621	0	0	0	513,159
9,308	0	0	434,883	454,888
3,192	0	0	49,223	195,872
1,871	0	0	0	3,784,352
0	1,553	0	0	1,553
0	9,749	0	0	9,749
0	0	0	520,612	520,612
<u>23,336</u>	<u>11,302</u>	<u>0</u>	<u>1,004,718</u>	<u>5,492,754</u>
0	0	7,217,075	0	7,217,075
125,433	0	0	0	125,433
(66,692)	0	0	0	(66,692)
0	0	0	0	192,046
0	0	0	0	20,150
0	0	0	0	283,700
0	0	0	0	31,149
0	0	0	0	13,112
0	0	0	0	1,091,797
<u>58,741</u>	<u>0</u>	<u>7,217,075</u>	<u>0</u>	<u>8,907,770</u>
<u><u>\$82,077</u></u>	<u><u>\$11,302</u></u>	<u><u>\$7,217,075</u></u>	<u><u>\$1,004,718</u></u>	<u><u>\$14,400,524</u></u>

Newbury Local School District
*Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2001*

	General	Special Revenue	Debt Service
Revenues			
Taxes	\$3,801,261	\$0	\$82,544
Intergovernmental	1,700,615	273,238	0
Interest	146,475	1,573	0
Tuition and Fees	14,544	0	0
Extracurricular Activities	0	98,830	0
Donations	1,125	7,775	0
Charges for Services	27,050	0	0
Miscellaneous	18,594	13,420	0
<i>Total Revenues</i>	<u>5,709,664</u>	<u>394,836</u>	<u>82,544</u>
Expenditures			
Current:			
Instruction:			
Regular	2,978,525	38,772	0
Special	443,584	133,957	0
Vocational	48,527	0	0
Support Services:			
Pupils	189,917	5,403	0
Instructional Staff	141,977	4,979	0
Board of Education	62,200	0	0
Administration	488,706	3,248	0
Fiscal	215,803	0	0
Business	2,131	0	0
Operation and Maintenance of Plant	705,558	0	0
Pupil Transportation	407,046	1,150	0
Central	44,357	0	0
Operation of Non-Instructional			
Services	0	131,062	0
Extracurricular Activities	191,482	140,779	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	50,006
Interest and Fiscal Charges	0	0	32,538
<i>Total Expenditures</i>	<u>5,919,813</u>	<u>459,350</u>	<u>82,544</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(210,149)</u>	<u>(64,514)</u>	<u>0</u>
Other Financing Sources (Uses)			
Operating Transfers In	0	25,430	0
Operating Transfers Out	(25,430)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(25,430)</u>	<u>25,430</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<u>(235,579)</u>	<u>(39,084)</u>	<u>0</u>
<i>Fund Balances Beginning of Year</i>	1,729,867	84,263	0
Increase in Reserve for Inventory	1,664	0	0
<i>Fund Balances End of Year</i>	<u>\$1,495,952</u>	<u>\$45,179</u>	<u>\$0</u>

See accompanying notes to the general purpose financial statements

<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
\$74,196	\$3,958,001
31,145	2,004,998
0	148,048
0	14,544
0	98,830
0	8,900
0	27,050
0	32,014
<u>105,341</u>	<u>6,292,385</u>
0	3,017,297
0	577,541
0	48,527
0	195,320
0	146,956
0	62,200
0	491,954
0	215,803
0	2,131
0	705,558
0	408,196
0	44,357
0	131,062
0	332,261
121,479	121,479
0	50,006
0	32,538
<u>121,479</u>	<u>6,583,186</u>
<u>(16,138)</u>	<u>(290,801)</u>
0	25,430
0	(25,430)
<u>0</u>	<u>0</u>
(16,138)	(290,801)
106,961	1,921,091
0	1,664
<u>\$90,823</u>	<u>\$1,631,954</u>

Newbury Local School District
*Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual*
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2001

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues			
Taxes	\$3,777,693	\$3,785,961	\$8,268
Intergovernmental	1,699,625	1,699,625	0
Interest	145,000	146,475	1,475
Tuition and Fees	14,544	14,544	0
Extracurricular Activities	0	0	0
Donations	1,125	1,125	0
Charges for Services	27,300	27,300	0
Miscellaneous	19,860	19,860	0
<i>Total Revenues</i>	<u>5,685,147</u>	<u>5,694,890</u>	<u>9,743</u>
Expenditures			
Current:			
Instruction:			
Regular	2,944,550	2,910,398	34,152
Special	468,699	440,990	27,709
Vocational	48,750	47,374	1,376
Support Services:			
Pupils	286,123	187,757	98,366
Instructional Staff	154,987	139,275	15,712
Board of Education	65,901	64,266	1,635
Administration	494,286	486,690	7,596
Fiscal	223,136	214,049	9,087
Business	4,155	2,131	2,024
Operation and Maintenance of Plant	730,927	713,982	16,945
Pupil Transportation	501,568	458,886	42,682
Central	52,417	44,357	8,060
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	212,299	186,841	25,458
Capital Outlay	23,553	23,553	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>6,211,351</u>	<u>5,920,549</u>	<u>290,802</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(526,204)</u>	<u>(225,659)</u>	<u>300,545</u>
Other Financing Sources (Uses)			
Operating Transfers In	0	0	0
Operating Transfers Out	(25,500)	(25,430)	70
<i>Total Other Financing Sources (Uses)</i>	<u>(25,500)</u>	<u>(25,430)</u>	<u>70</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<u>(551,704)</u>	<u>(251,089)</u>	<u>300,615</u>
<i>Fund Balances Beginning of Year</i>	1,915,489	1,915,489	0
Prior Year Encumbrances Appropriated	59,565	59,565	0
<i>Fund Balances End of Year</i>	<u>\$1,423,350</u>	<u>\$1,723,965</u>	<u>\$300,615</u>

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$82,544	\$82,544	\$0
272,238	273,238	1,000	0	0	0
1,573	1,573	0	0	0	0
0	0	0	0	0	0
94,741	98,243	3,502	0	0	0
7,775	7,775	0	0	0	0
0	0	0	0	0	0
13,420	13,420	0	0	0	0
<u>389,747</u>	<u>394,249</u>	<u>4,502</u>	<u>82,544</u>	<u>82,544</u>	<u>0</u>
43,968	38,922	5,046	0	0	0
138,194	128,711	9,483	0	0	0
0	0	0	0	0	0
5,146	4,697	449	0	0	0
4,979	4,979	0	0	0	0
0	0	0	0	0	0
3,352	3,248	104	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
2,300	1,150	1,150	0	0	0
0	0	0	0	0	0
132,217	132,217	0	0	0	0
162,281	149,508	12,773	0	0	0
0	0	0	0	0	0
0	0	0	50,006	50,006	0
0	0	0	32,538	32,538	0
<u>492,437</u>	<u>463,432</u>	<u>29,005</u>	<u>82,544</u>	<u>82,544</u>	<u>0</u>
<u>(102,690)</u>	<u>(69,183)</u>	<u>33,507</u>	<u>0</u>	<u>0</u>	<u>0</u>
25,430	25,430	0	0	0	0
0	0	0	0	0	0
<u>25,430</u>	<u>25,430</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(77,260)	(43,753)	33,507	0	0	0
68,408	68,408	0	0	0	0
24,014	24,014	0	0	0	0
<u>\$15,162</u>	<u>\$48,669</u>	<u>\$33,507</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(continued)

Newbury Local School District
*Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual*
All Governmental Fund Types (continued)
For the Fiscal Year Ended June 30, 2001

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$73,096	\$73,096	\$0
Intergovernmental	31,145	31,145	0
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Donations	0	0	0
Charges for Services	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>104,241</u>	<u>104,241</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Regular	17,336	15,206	2,130
Special	0	0	0
Vocational	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	1,500	993	507
Business	0	0	0
Operation and Maintenance of Plant	181,772	174,797	6,975
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>200,608</u>	<u>190,996</u>	<u>9,612</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(96,367)</u>	<u>(86,755)</u>	<u>9,612</u>
Other Financing Sources (Uses)			
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<u>(96,367)</u>	<u>(86,755)</u>	<u>9,612</u>
<i>Fund Balances Beginning of Year</i>	54,261	54,261	0
Prior Year Encumbrances Appropriated	<u>48,000</u>	<u>48,000</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$5,894</u></u>	<u><u>\$15,506</u></u>	<u><u>\$9,612</u></u>

See accompanying notes to the general purpose financial statements

Totals (Memorandum Only)

Revised Budget	Actual	Variance Favorable (Unfavorable)
\$3,933,333	\$3,941,601	\$8,268
2,003,008	2,004,008	1,000
146,573	148,048	1,475
14,544	14,544	0
94,741	98,243	3,502
8,900	8,900	0
27,300	27,300	0
33,280	33,280	0
<u>6,261,679</u>	<u>6,275,924</u>	<u>14,245</u>
3,005,854	2,964,526	41,328
606,893	569,701	37,192
48,750	47,374	1,376
291,269	192,454	98,815
159,966	144,254	15,712
65,901	64,266	1,635
497,638	489,938	7,700
224,636	215,042	9,594
4,155	2,131	2,024
912,699	888,779	23,920
503,868	460,036	43,832
52,417	44,357	8,060
132,217	132,217	0
374,580	336,349	38,231
23,553	23,553	0
50,006	50,006	0
32,538	32,538	0
<u>6,986,940</u>	<u>6,657,521</u>	<u>329,419</u>
<u>(725,261)</u>	<u>(381,597)</u>	<u>343,664</u>
25,430	25,430	0
<u>(25,500)</u>	<u>(25,430)</u>	<u>70</u>
<u>(70)</u>	<u>0</u>	<u>70</u>
(725,331)	(381,597)	343,734
2,038,158	2,038,158	0
131,579	131,579	0
<u>\$1,444,406</u>	<u>\$1,788,140</u>	<u>\$343,734</u>

Newbury Local School District
*Combined Statement of Revenues,
Expenses and Changes in Fund Equity
Proprietary Fund Type
For the Fiscal Year Ended June 30, 2001*

	Enterprise
Operating Revenues	
Sales	\$158,175
Operating Expenses	
Salaries	73,619
Fringe Benefits	14,867
Purchased Services	6,660
Materials and Supplies	45,188
Cost of Sales	54,280
Depreciation	2,665
<i>Total Operating Expenses</i>	197,279
<i>Operating Loss</i>	(39,104)
Non-Operating Revenues	
Federal Donated Commodities	8,516
Interest	584
Operating Grants	30,505
<i>Total Non-Operating Revenues</i>	39,605
<i>Net Income</i>	501
<i>Retained Earnings (Deficit) Beginning of Year</i>	(67,193)
<i>Retained Earnings (Deficit) End of Year</i>	(66,692)
Contributed Capital Beginning and End of Year	125,433
<i>Total Fund Equity End of Year</i>	\$58,741

See accompanying notes to the general purpose financial statements

Newbury Local School District
Combined Statement of Cash Flows
Proprietary Fund Type
For the Fiscal Year Ended June 30, 2001

	<u>Enterprise</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Customers	\$158,498
Cash Payments to Suppliers for Goods and Services	(96,692)
Cash Payments to Employees for Services	(72,435)
Cash Payments for Employee Benefits	(15,181)
<i>Net Cash Used for Operating Activities</i>	(25,810)
Cash Flows from Noncapital Financing Activities	
Operating Grants Received	30,901
Cash Flows from Capital and Related Financing Activities	
Payments for Capital Acquisitions	(3,889)
Cash Flows from Investing Activities	
Interest on Investments	584
<i>Net Increase in Cash and Cash Equivalents</i>	1,786
<i>Cash and Cash Equivalents Beginning of Year</i>	22,818
<i>Cash and Cash Equivalents End of Year</i>	\$24,604

(continued)

Newbury Local School District
Combined Statement of Cash Flows
Proprietary Fund Type (continued)
For the Fiscal Year Ended June 30, 2001

	Enterprise
<i>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</i>	
<i>Operating Loss</i>	(\$39,104)
<i>Adjustments:</i>	
Depreciation	2,665
Donated Commodities Used During Year	8,516
<i>(Increase) Decrease in Assets:</i>	
Accounts Receivable	323
Inventory Held for Resale	546
Materials and Supplies Inventory	180
Prepays	61
<i>Increase (Decrease) in Liabilities:</i>	
Accounts Payable	133
Accrued Wages and Benefits	582
Compensated Absences Payable	602
Intergovernmental Payable	(314)
<i>Total Adjustments</i>	13,294
<i>Net Cash Used for Operating Activities</i>	(\$25,810)

See accompanying notes to the general purpose financial statements

Newbury Local School District
*Combined Statement of Revenues, Expenses and
Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual
Proprietary Fund Type
For the Fiscal Year Ended June 30, 2001*

	Enterprise Funds		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues			
Sales	\$157,886	\$158,498	\$612
Interest	584	584	0
Operating Grants	30,901	30,901	0
<i>Total Revenues</i>	<u>189,371</u>	<u>189,983</u>	<u>612</u>
Expenses			
Salaries	72,435	72,435	0
Fringe Benefits	19,915	15,181	4,734
Purchased Services	7,923	6,810	1,113
Materials and Supplies	103,618	90,222	13,396
Capital Outlay	3,907	3,889	18
<i>Total Expenses</i>	<u>207,798</u>	<u>188,537</u>	<u>19,261</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(18,427)	1,446	19,873
<i>Fund Equity Beginning of Year</i>	22,375	22,375	0
Prior Year Encumbrances Appropriated	443	443	0
<i>Fund Equity End of Year</i>	<u><u>\$4,391</u></u>	<u><u>\$24,264</u></u>	<u><u>\$19,873</u></u>

See accompanying notes to the general purpose financial statements

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

Note 1 - Description of The School District and Reporting Entity

Newbury Local School District (the "School District") operates under a locally-elected Board form of government and provides educational services as authorized by state and federal agencies. This Board controls the School District's 2 instructional/support facilities staffed by 38 non-certificated employees, 59 certificated full time teaching personnel and 8 administrative employees to provide services to 782 students and other community members.

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

The School District serves an area of approximately 25 square miles. It is located in Geauga County, including all of the Newbury Township, Ohio. The School District is the 541st largest in the State of Ohio (among 612 school districts) in terms of enrollment. It currently operates one intermediate instructional building (grades 4, 5, and 6) and one administrative/instructional building (board offices and all other grades).

Reporting Entity

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

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

The School District is associated with six jointly governed organizations. These organizations are the Auburn Career Center, the Lake Geauga Computer Association, the Newbury Joint Recreation Council, the East Shore Center, the East Shore Regional Transportation System and the Ohio Schools' Council. These organizations are presented in Note 19 to the general purpose financial statements.

Note 2 - Summary of Significant Accounting Policies

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

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements issued on or before November 30, 1989, to the proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Basis Of Presentation - Fund Accounting

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

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

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

Governmental Fund Types

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

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

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

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

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

Proprietary Fund Type

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

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

Fiduciary Fund Type

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

Account Groups

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

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

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

B. Measurement Focus and Basis of Accounting

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

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

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

The modified accrual basis of accounting is followed for the governmental and agency funds. The full accrual basis of accounting is followed for the proprietary funds.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of year-end.

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

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2001, but which were levied to finance fiscal year 2002 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

On the accrual basis of accounting, expenses are recognized at the time they are incurred. 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.

C. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each function and fund. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Tax Budget Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Geauga County Budget Commission for rate determination.

Estimated Resources By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2001.

Appropriations Upon receipt from the County Auditor, an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

Encumbrances As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for the proprietary fund.

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

D. Cash and Cash Equivalents

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

During fiscal year 2001, investments were limited to STAR Ohio, the State Treasurer's Investment Pool. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of The Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2001.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2001 amounted to \$146,475, which includes \$11,554 assigned from other School District funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are reported as investments.

E. Inventory

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

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2001, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which services are consumed.

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not possess any infrastructure.

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

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

H. Interfund Assets/Liabilities

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

I. Restricted Assets

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues restricted for the purchase of buses and amounts required by statute to be set-aside by the School District for the creation of a reserve for budget stabilization. See Note 17 for additional information regarding set-asides.

J. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for classified employees, certified employees, and administrators after five years of service.

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

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Interfund Transactions

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

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

M. Fund Balance Reserves

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

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

N. Contributed Capital

Contributed capital represents resources from other funds, other governments, and private sources provided to proprietary funds that is not subject to repayment. These assets are recorded at their fair market value on the date donated. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to retained earnings at year end.

O. 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.

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

P. Total Columns on General Purpose Financial Statements

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

Note 3 - Change in Accounting Principles

For fiscal year 2001, the School District has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No 36, "Recipient Reporting for Certain Shared Nonexchange Transactions." The implementation of this statement did not result in any change in fund balance from the prior year.

Note 4 - Fund Deficits

Fund balances at June 30, 2001 included individual fund deficits in the Title VI-B and Title I special revenue funds of \$896 and \$1,372, respectively. The special revenue funds deficits are due to an adjustment for accrued liabilities. The general fund is liable for any deficit in this fund and provides operating transfers when cash is required, not when accruals occur.

The food service enterprise fund had a deficit retained earnings of \$80,722 which is due to adjustments for accrued liabilities. Management is analyzing the operation of its food service to determine the appropriate action to alleviate the deficit.

Note 5 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).

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

Excess of Revenues and Other Financing Sources
Under Expenditures and Other Financing Uses
All Governmental Fund Types

	General	Special Revenue	Capital Projects
GAAP Basis	(\$235,579)	(\$39,084)	(\$16,138)
Revenue Accruals	(14,774)	(587)	(1,100)
Expenditure Accruals	123,775	6,163	0
Encumbrances	(124,511)	(10,245)	(69,517)
Budget Basis	(\$251,089)	(\$43,753)	(\$86,755)

Net Income/Excess of Revenues Over Expenses
Proprietary Fund Type

	Enterprise
GAAP Basis	\$501
Revenue Accruals	719
Expense Accruals	1,790
Capital Outlay	(3,889)
Depreciation Expense	2,665
Encumbrances	(340)
Budget Basis	\$1,446

Note 6 - Deposits and Investments

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

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

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

Interim monies may be deposited in the following securities:

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand At fiscal year end, the School District had \$50 in undeposited cash on hand which is included on the balance sheet of the School District as part of equity in pooled cash and cash equivalents.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits: At fiscal year end, the carrying amount of the School District's deposits was \$20,812 and the bank balance was \$98,395. The entire bank balance was covered by federal depository insurance.

Investments: GASB Statement 3 requires the School District's investments to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counter party's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party, or by its trust department or agent but not in the School District's name. The School District invests in STAROhio, an investment pool operated by the Ohio State Treasurer, which is an unclassified investment it is not evidenced by securities that exist in physical or book entry form.

	Fair Value
	<hr/>
STAROhio	<u>\$2,007,457</u>

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$2,028,319	\$0
Cash on Hand	(50)	0
Investments:		
STAROhio	(2,007,457)	2,007,457
	<hr/>	<hr/>
GASB Statement 3	<u>\$20,812</u>	<u>\$2,007,457</u>

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2001 for real and public utility property taxes represents collections of calendar 2000 taxes. Property tax payments received during calendar 2001 for tangible personal property (other than public utility property) is for calendar 2001 taxes.

2001 real property taxes are levied after April 1, 2001, on the assessed value listed as of January 1, 2001, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value: public utility real property is assessed at thirty-five percent of true value. 2001 public utility property taxes became a lien December 31, 2000, are levied after April 1, 2001, and are collected in 2002 with real property taxes.

2001 tangible personal property taxes are levied after April 1, 2000, on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are twenty-five percent of true value.

The assessed values upon which the fiscal year 2001 taxes were collected are:

	2000 First Half Collections		2001 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$128,589,730	87.26%	\$131,524,890	87.77%
Public Utility	6,132,380	4.16	6,048,000	4.04
Tangible Personal Property	12,645,100	8.58	12,264,750	8.19
Total Assessed Value	<u>\$147,367,210</u>	<u>100.00%</u>	<u>\$149,837,640</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$55.31		\$55.31	

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

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

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

The School District receives property taxes from Geauga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2001, are available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2001 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 were levied to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The amount available as an advance is recognized as revenue.

The amount available as an advance at June 30, 2001, was \$283,700 and is recognized as revenue. \$277,900 was available to the general fund and \$5,800 was available to the capital projects fund.

Note 8 - Receivables

Receivables at June 30, 2001, consisted of property tax, accounts (rent, billings for user charged services, and student fees), interfund, and intergovernmental grants. All receivables are considered collectible in full.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
General	
Excess Costs	\$1,240
Special Revenue Funds	
Eisenhower Math and Science	264
Title I	12,887
Total Special Revenue Funds	13,151
Food Service Enterprise Fund	4,471
Total Intergovernmental Receivables	\$18,862

Note 9 - Fixed Assets

A summary of the enterprise funds' fixed assets at June 30, 2001, follows:

Furniture and Equipment	\$115,921
Less Accumulated Depreciation	(68,981)
Net Fixed Assets	\$46,940

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

A summary of the changes in general fixed assets during fiscal year 2001 follows:

Asset Category	Balance at 06/30/00	Additions	Deletions	Balance at 06/30/01
Land and Improvements	\$526,899	\$0	\$0	\$526,899
Buildings and Improvements	4,595,142	27,919	0	4,623,061
Furniture Fixtures and Equipment	1,318,823	182,821	67,205	1,434,439
Vehicles	632,676	0	0	632,676
Totals	\$7,073,540	\$210,740	\$67,205	\$7,217,075

Note 10 - Defined Benefit Pension Plans

A. School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contributions is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2001, 4.2 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2000, 5.5 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$35,218, \$43,338 and \$57,898 respectively; 49.30 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$17,857 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the general long-term obligations account group

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides basic retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

For the fiscal year ended June 30, 2001, plan members are required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. For fiscal year 2000, the portion used to fund pension obligations was 6 percent. 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 School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$278,911, \$161,381, \$155,960 respectively; 77.50 percent has been contributed for fiscal year 2001 and 100 percent for the fiscal years 2000 and 1999. \$62,768 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement/State Teachers Retirement System. As of June 30, 2001, three members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

Note 11 - Postemployment Benefits

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2001, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$132,116 for fiscal year 2001.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2000, (the latest information available) the balance in the Fund was \$3.419 billion. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.80 percent of covered payroll, an increase of 1.3 percent for fiscal year 2001. In addition,

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay has been established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2001 fiscal year equaled \$91,224.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2000 (the latest information available), were \$140,696,340 and the target level was \$211 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Note 12 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 220 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 40 or 55 days, depending on length of service.

B. Health Care Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through OSC Life Insurance Group through the Ohio Schools Council. The School District has contracted with Medical Mutual to provide employee medical/surgical and dental benefits. The School District pays \$540.64 per family coverage or \$216.26 per single coverage per month which represents 90 percent of the family premium and 100 percent of the single premium. This premium covers the medical/surgical and major medical portion of the insurance.

Note 13 - Contingencies

A. Grants

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

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

B. Litigation

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

Note 14 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2001, the School District contracted for various types of insurance as follows:

Company	Type of Coverage	Coverage
Indiana Insurance	Building and Contents - Replacement Cost	\$16,115,915
	Inland Marine Coverage	687,761
Travelers Insurance	Boiler and Machinery	30,000,000
	Crime Insurance	255,000
Ohio Schools Council	Automobile Liability	2,000,000
	Uninsured Motorists	1,000,000
Harcum-Hyre Insurance	General Liability	
	Per occurrence	2,000,000
	Total per year	5,000,000

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

B. Workers' Compensation

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

Note 15 - 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 the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2001, the School District received \$1,218,766 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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 appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly...", including the State's reliance on local property tax funding, the State's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case.

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

Note 16 - Long-term Obligations

The changes in the School District's long-term obligations during fiscal year 2001 were as follows:

	Principal Outstanding 6/30/00	Additions	Deductions	Principal Outstanding 6/30/01
1999 5.748% Energy Conservation Bonds	\$570,618	\$0	\$50,006	\$520,612
Intergovernmental Payable	45,566	49,223	45,566	49,223
Compensated Absences	374,167	60,716	0	434,883
Total General Long-Term Obligations	<u>\$990,351</u>	<u>\$109,939</u>	<u>\$95,572</u>	<u>\$1,004,718</u>

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

The intergovernmental payable represents pension obligations paid outside the available period. This liability will be paid from the fund from which the employees' salaries are paid. Compensated absences will be paid from the fund from which the employees' salaries are paid.

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

The School District's overall legal debt margin was \$13,485,388 with an unvoted debt margin of \$149,838 at June 30, 2001. Principal and interest requirements to retire the energy conservation bonds outstanding at June 30, 2001 are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total
2002	\$52,921	\$29,582	\$82,503
2003	56,007	26,455	82,462
2004	59,272	23,204	82,476
2005	62,728	19,639	82,367
2006	66,386	15,931	82,317
2007 - 2009	223,298	23,339	246,637
Total	<u>\$520,612</u>	<u>\$138,150</u>	<u>\$658,762</u>

Note 17 - Set asides

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

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

	Budget Stabilization Reserve	Capital Improvements Reserve	Textbooks Instructional Materials Reserve
Set-aside Reserve Balance as of June 30, 2000	\$31,149	\$0	(\$113,865)
Current Year Set-aside Requirement	0	137,902	137,902
Qualifying Disbursements	0	(434,671)	(298,724)
Total	<u>\$31,149</u>	<u>(\$296,769)</u>	<u>(\$274,687)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$31,149</u>	<u>\$0</u>	<u>(\$274,687)</u>
Set-aside Reserve Balance as of June 30, 2001	<u>\$31,149</u>	<u>\$0</u>	<u>\$0</u>

The School District had qualifying disbursements and offsets during the fiscal year that reduced the textbook set-aside amounts below zero. This extra amount may be used to reduce the set-aside requirements in future fiscal years. Although the School District had qualifying disbursements during the fiscal year that reduced the

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement of future years. This negative balance is therefore not presented as being carried forward to future years. The total reserve balance for the three set-asides at the end of the fiscal year was \$31,149.

Note 18 - Segment Information for Enterprise Funds

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects the more significant financial data relating to the enterprise funds of the Newbury Local School District as of and for the fiscal year ended June 30, 2001.

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$121,113	\$37,062	\$158,175
Depreciation Expense	2,665	0	2,665
Operating Income (Loss)	(42,053)	2,949	(39,104)
Donated Commodities	8,516	0	8,516
Operating Grants	30,505	0	30,505
Additions to Fixed Assets	3,889	0	3,889
Net Income (Loss)	(2,448)	2,949	501
Net Working Capital	7,079	14,030	21,109
Total Assets	68,047	14,030	82,077
Total Equity	44,711	14,030	58,741
Encumbrances	340	0	340

Note 19 - Jointly Governed Organizations

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

Lake Geauga Computer Association - The Lake Geauga Computer Association (the "LGCA") is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS and other applications to its 18 member school districts. Each of the districts supports LGCA based upon a per pupil charge. The executive committee (governing board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the governing board. LGCA's continued existence is not dependent on Newbury Local School District's continued participation. To obtain financial information, write to Lake Geauga Computer Association, 8140 Auburn Road, Painesville, Ohio 44077.

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

Newbury Joint Recreation Council - The Newbury Joint Recreation Council (the "Council") is a jointly governed organization. The School District appoints three members of the seven-member board. The purpose of the Council is to further athletic and recreational opportunities. The School District has made financial contributions to the Council in prior years, but not during the fiscal year ended June 30, 2001. The School District's degree of control is limited to its representation on the board. The Council's continued existence is not dependent on the School District's continued participation. To obtain financial information, write to Newbury Joint Recreation Board, Newbury Town Hall, Newbury, Ohio 44065.

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

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

Ohio Schools' Council - The Ohio Schools' Council Association (Council) is a jointly governed organization among eighty-three school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2001, the School District paid \$83,859 to the Council. Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

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

The School District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the

Newbury Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

school districts will commit to participating for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

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

Note 20 -State School Funding Decision

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

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

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

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of October 3, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17,2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

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

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

General Fund

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

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$3,777,693	\$3,785,961	\$8,268
Intergovernmental	1,699,625	1,699,625	0
Interest	145,000	146,475	1,475
Tuition and Fees	14,544	14,544	0
Donations	1,125	1,125	0
Charges for Services	27,300	27,300	0
Miscellaneous	19,860	19,860	0
<i>Total Revenues</i>	<u>5,685,147</u>	<u>5,694,890</u>	<u>9,743</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	2,013,802	2,013,731	71
Fringe Benefits	522,000	502,424	19,576
Purchased Services	138,106	129,291	8,815
Materials and Supplies	131,842	129,372	2,470
Capital Outlay - New	138,200	135,580	2,620
Capital Outlay - Replacement	600	0	600
Total Regular	<u>2,944,550</u>	<u>2,910,398</u>	<u>34,152</u>
Special:			
Salaries and Wages	201,500	195,976	5,524
Fringe Benefits	67,800	54,300	13,500
Purchased Services	193,024	185,089	7,935
Materials and Supplies	4,375	3,660	715
Capital Outlay - New	2,000	1,965	35
Total Special	<u>468,699</u>	<u>440,990</u>	<u>27,709</u>
Vocational:			
Salaries and Wages	36,000	35,902	98
Fringe Benefits	12,650	11,472	1,178
Purchased Services	100	0	100
Total Vocational	<u>48,750</u>	<u>47,374</u>	<u>1,376</u>
Total Instruction	<u>\$3,461,999</u>	<u>\$3,398,762</u>	<u>\$63,237</u>

(continued)

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Support Services:			
Pupils:			
Salaries and Wages	\$139,000	\$124,597	\$14,403
Fringe Benefits	48,950	44,810	4,140
Purchased Services	89,855	11,419	78,436
Materials and Supplies	7,778	6,391	1,387
Capital Outlay - New	540	540	0
Total Pupils	286,123	187,757	98,366
Instructional Staff:			
Salaries and Wages	88,000	87,750	250
Fringe Benefits	21,500	18,994	2,506
Purchased Services	17,000	10,689	6,311
Materials and Supplies	18,500	18,012	488
Capital Outlay - New	9,987	3,830	6,157
Total Instructional Staff	154,987	139,275	15,712
Board of Education:			
Salaries and Wages	4,800	4,800	0
Fringe Benefits	1,620	189	1,431
Purchased Services	54,803	54,669	134
Other	4,678	4,608	70
Total Board of Education	65,901	64,266	1,635
Administration:			
Salaries and Wages	322,508	322,508	0
Fringe Benefits	114,400	114,385	15
Purchased Services	15,022	9,624	5,398
Materials and Supplies	9,500	7,317	2,183
Other	32,856	32,856	0
Total Administration	494,286	486,690	7,596
Fiscal:			
Salaries and Wages	93,114	93,114	0
Fringe Benefits	43,500	41,730	1,770
Purchased Services	10,846	9,119	1,727
Materials and Supplies	4,000	2,163	1,837
Capital Outlay - New	2,000	0	2,000
Other	69,676	67,923	1,753
Total Fiscal	\$223,136	\$214,049	\$9,087

(continued)

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Business:			
Purchased Services	\$3,655	\$2,131	\$1,524
Materials and Supplies	500	0	500
Total Business	4,155	2,131	2,024
Operation and Maintenance of Plant:			
Salaries and Wages	235,000	234,782	218
Fringe Benefits	84,950	80,051	4,899
Purchased Services	361,458	355,305	6,153
Materials and Supplies	39,519	35,097	4,422
Capital Outlay - New	10,000	8,747	1,253
Total Operation and Maintenance of Plant	730,927	713,982	16,945
Pupil Transportation:			
Salaries and Wages	221,299	221,299	0
Fringe Benefits	104,999	104,605	394
Purchased Services	34,135	11,716	22,419
Materials and Supplies	66,135	57,513	8,622
Capital Outlay - New	75,000	63,753	11,247
Total Pupil Transportation	501,568	458,886	42,682
Central:			
Purchased Services	46,718	43,390	3,328
Materials and Supplies	5,699	967	4,732
Total Central	52,417	44,357	8,060
Total Support Services	2,513,500	2,311,393	202,107
Extracurricular Activities:			
Academic and Subject Oriented Activities			
Salaries and Wages	32,099	32,099	0
Fringe Benefits	1,000	347	653
Total Academic and Subject Oriented Activities	\$33,099	\$32,446	\$653

(continued)

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Sports Oriented Activities:			
Salaries and Wages	\$135,000	\$134,363	\$637
Fringe Benefits	19,700	16,624	3,076
Purchased Services	22,500	3,328	19,172
Materials and Supplies	2,000	80	1,920
	<u>179,200</u>	<u>154,395</u>	<u>24,805</u>
Total Sports Oriented Activities			
	<u>179,200</u>	<u>154,395</u>	<u>24,805</u>
Total Extracurricular Activities	<u>212,299</u>	<u>186,841</u>	<u>25,458</u>
Capital Outlay:			
Facilities Acquisition and Construction Services:			
Building Improvement Services:			
Purchased Services	23,553	23,553	0
	<u>6,211,351</u>	<u>5,920,549</u>	<u>290,802</u>
<i>Total Expenditures</i>			
	<u>6,211,351</u>	<u>5,920,549</u>	<u>290,802</u>
<i>Excess of Revenues Under Expenditures</i>	(526,204)	(225,659)	300,545
Other Financing Uses			
Operating Transfers Out	(25,500)	(25,430)	70
	<u>(551,704)</u>	<u>(251,089)</u>	<u>300,615</u>
<i>Excess of Revenues Under Expenditures and Other Financing Uses</i>			
	<u>(551,704)</u>	<u>(251,089)</u>	<u>300,615</u>
<i>Fund Balance Beginning of Year</i>	1,915,489	1,915,489	0
Prior Year Encumbrances Appropriated	59,565	59,565	0
	<u>1,915,489</u>	<u>1,915,489</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$1,423,350</u>	<u>\$1,723,965</u>	<u>\$300,615</u>

Special Revenue Funds

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the School District's special revenue funds follows:

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

Public School Support Fund This fund accounts for school site sales revenue and expenditures for field trips, assemblies, and other activity costs.

District Managed Activity Fund This fund accounts for gate receipts and other revenues from athletic events and all costs (except supplemental coaching contracts) of the School District's athletic program and transportation of the band to and from athletic events.

Auxiliary Services Fund This fund accounts for funds which provide services and materials to pupils attending non-public schools within the School District.

Teacher Development Fund This fund accounts for State monies used to assist teachers in gaining new skills and becoming familiar with new teaching methodologies.

Educational Management Information Systems Fund This fund accounts for State monies which support the development of hardware and software or other costs associated with the requirements of the management information system.

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

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

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

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

School Security Fund This fund accounts for State monies used to install a hotline for students to help ensure the safety of the students.

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

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

(continued)

Special Revenue Funds (continued)

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

Title VI Fund This fund accounts for Federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

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

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

Newbury Local School District

Combining Balance Sheet

All Special Revenue Funds

June 30, 2001

	<u>Special Trust</u>	<u>Public School Support</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$21	\$9,646	\$32,335	\$1,276
Receivables:				
Accounts	0	0	657	0
Intergovernmental	0	0	0	0
Prepaid Items	0	0	0	189
<i>Total Assets</i>	<u>\$21</u>	<u>\$9,646</u>	<u>\$32,992</u>	<u>\$1,465</u>
Liabilities				
Accounts Payable	\$0	\$0	\$972	\$80
Accrued Wages and Benefits	0	0	0	0
Intergovernmental Payable	0	0	27	280
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>999</u>	<u>360</u>
Fund Equity				
Fund Balance:				
Reserved for Encumbrances	0	0	7,848	1,194
Unreserved, Undesignated (Deficit)	21	9,646	24,145	(89)
<i>Total Fund Equity (Deficit)</i>	<u>21</u>	<u>9,646</u>	<u>31,993</u>	<u>1,105</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$21</u>	<u>\$9,646</u>	<u>\$32,992</u>	<u>\$1,465</u>

(continued)

Newbury Local School District
Combining Balance Sheet
All Special Revenue Funds (continued)
June 30, 2001

	Educational Management Information Systems	Disadvantaged Pupil Impact Aid	Schoolnet Professional Development	Ohio Reads Grant
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,339	\$484	\$1,494	\$510
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Prepaid Items	0	0	0	0
<i>Total Assets</i>	\$1,339	\$484	\$1,494	\$510
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	706	0	0	0
Intergovernmental Payable	0	98	0	0
Deferred Revenue	0	0	0	0
<i>Total Liabilities</i>	706	98	0	0
Fund Equity				
Fund Balance:				
Reserved for Encumbrances	0	0	150	0
Unreserved, Undesignated (Deficit)	633	386	1,344	510
<i>Total Fund Equity (Deficit)</i>	633	386	1,494	510
<i>Total Liabilities and Fund Equity</i>	\$1,339	\$484	\$1,494	\$510

<u>Summer Intervention</u>	<u>Eisenhower Math and Science Grant</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>Totals</u>
\$988	\$671	\$3,434	\$6,716	\$58,914
0	0	0	0	657
0	264	0	12,887	13,151
0	0	0	0	189
<u>\$988</u>	<u>\$935</u>	<u>\$3,434</u>	<u>\$19,603</u>	<u>\$72,911</u>
\$0	\$0	\$0	\$0	\$1,052
0	0	4,104	7,694	12,504
0	0	226	394	1,025
0	264	0	12,887	13,151
<u>0</u>	<u>264</u>	<u>4,330</u>	<u>20,975</u>	<u>27,732</u>
0	0	0	0	9,192
988	671	(896)	(1,372)	35,987
<u>988</u>	<u>671</u>	<u>(896)</u>	<u>(1,372)</u>	<u>45,179</u>
<u>\$988</u>	<u>\$935</u>	<u>\$3,434</u>	<u>\$19,603</u>	<u>\$72,911</u>

Newbury Local School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances*
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2001

	<u>Special Trust</u>	<u>Public School Support</u>	<u>District Managed Activity</u>	<u>Auxiliary Services</u>
Revenues				
Intergovernmental	\$0	\$0	\$0	\$112,224
Interest	0	0	0	1,573
Extracurricular Activities	0	18,371	80,459	0
Donations	0	7,775	0	0
Miscellaneous	0	0	13,420	0
<i>Total Revenues</i>	<u>0</u>	<u>26,146</u>	<u>93,879</u>	<u>113,797</u>
Expenditures				
Current:				
Instruction:				
Regular	0	7,018	0	0
Special	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	4,979	0	0
Administration	0	0	0	0
Pupil Transportation	0	0	0	0
Operation of Non-Instructional Services	0	0	0	129,986
Extracurricular Activities	0	16,865	123,914	0
<i>Total Expenditures</i>	<u>0</u>	<u>28,862</u>	<u>123,914</u>	<u>129,986</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(2,716)	(30,035)	(16,189)
Other Financing Sources				
Operating Transfers In	0	0	25,430	0
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	0	(2,716)	(4,605)	(16,189)
<i>Fund Balances Beginning of Year</i>	<u>21</u>	<u>12,362</u>	<u>36,598</u>	<u>17,294</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$21</u></u>	<u><u>\$9,646</u></u>	<u><u>\$31,993</u></u>	<u><u>\$1,105</u></u>

<u>Teacher Development</u>	<u>Educational Management Information Systems</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>Schoolnet Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Summer Intervention</u>
\$4,541	\$5,000	\$9,754	\$4,000	\$2,000	\$988
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>4,541</u>	<u>5,000</u>	<u>9,754</u>	<u>4,000</u>	<u>2,000</u>	<u>988</u>
5,066	0	0	4,434	1,809	0
0	0	9,368	0	0	3,490
0	2,369	0	0	0	0
0	0	0	0	0	0
0	3,248	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>5,066</u>	<u>5,617</u>	<u>9,368</u>	<u>4,434</u>	<u>1,809</u>	<u>3,490</u>
(525)	(617)	386	(434)	191	(2,502)
0	0	0	0	0	0
(525)	(617)	386	(434)	191	(2,502)
<u>525</u>	<u>1,250</u>	<u>0</u>	<u>1,928</u>	<u>319</u>	<u>3,490</u>
<u>\$0</u>	<u>\$633</u>	<u>\$386</u>	<u>\$1,494</u>	<u>\$510</u>	<u>\$988</u>

(continued)

Newbury Local School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances*
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2001

	<u>School Security</u>	<u>Eisenhower Math and Science Grant</u>	<u>Title VI-B</u>	<u>Title I</u>
Revenues				
Intergovernmental	\$804	\$2,375	\$43,043	\$66,507
Interest	0	0	0	0
Extracurricular Activities	0	0	0	0
Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>804</u>	<u>2,375</u>	<u>43,043</u>	<u>66,507</u>
Expenditures				
Current:				
Instruction:				
Regular	804	1,704	0	0
Special	0	0	43,939	77,160
Support Services:				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Pupil Transportation	0	0	0	1,150
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>804</u>	<u>1,704</u>	<u>43,939</u>	<u>78,310</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	671	(896)	(11,803)
Other Financing Sources				
Operating Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures</i>	0	671	(896)	(11,803)
<i>Fund Balances Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,431</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$0</u></u>	<u><u>\$671</u></u>	<u><u>(\$896)</u></u>	<u><u>(\$1,372)</u></u>

<u>Title VI</u>	<u>Drug Free Schools Grant</u>	<u>Class Size Reduction</u>	<u>Totals</u>
\$4,643	\$2,989	\$14,370	\$273,238
0	0	0	1,573
0	0	0	98,830
0	0	0	7,775
0	0	0	13,420
<u>4,643</u>	<u>2,989</u>	<u>14,370</u>	<u>394,836</u>
3,567	0	14,370	38,772
0	0	0	133,957
0	3,034	0	5,403
0	0	0	4,979
0	0	0	3,248
0	0	0	1,150
1,076	0	0	131,062
0	0	0	140,779
<u>4,643</u>	<u>3,034</u>	<u>14,370</u>	<u>459,350</u>
0	(45)	0	(64,514)
0	0	0	25,430
0	(45)	0	(39,084)
0	45	0	84,263
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$45,179</u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Trust Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$0	\$0	\$0
Expenditures	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	21	21	0
<i>Fund Balance End of Year</i>	\$21	\$21	\$0

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Extracurricular Activities	\$18,441	\$18,441	\$0
Donations	7,775	7,775	0
<i>Total Revenues</i>	<u>26,216</u>	<u>26,216</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	2,670	2,670	0
Materials and Supplies	8,540	4,348	4,192
Total Instruction	<u>11,210</u>	<u>7,018</u>	<u>4,192</u>
Support Services:			
Instructional Staff:			
Purchased Services	4,979	4,979	0
Extracurricular Activities:			
Academic and Subject Oriented Activities			
Purchased Services	4,750	3,481	1,269
Materials and Supplies	14,500	13,401	1,099
Total Extracurricular Activities	<u>19,250</u>	<u>16,882</u>	<u>2,368</u>
<i>Total Expenditures</i>	<u>35,439</u>	<u>28,879</u>	<u>6,560</u>
<i>Excess of Revenues Under Expenditures</i>	(9,223)	(2,663)	6,560
<i>Fund Balance Beginning of Year</i>	9,441	9,441	0
Prior Year Encumbrances Appropriated	<u>2,868</u>	<u>2,868</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,086</u></u>	<u><u>\$9,646</u></u>	<u><u>\$6,560</u></u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
District Managed Activity Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Extracurricular Activities	\$76,300	\$79,802	\$3,502
Miscellaneous	13,420	13,420	0
<i>Total Revenues</i>	<u>89,720</u>	<u>93,222</u>	<u>3,502</u>
Expenditures			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Purchased Services	400	250	150
Materials and Supplies	6,835	5,628	1,207
Capital Outlay - New	1,000	0	1,000
Total Academic and Subject Oriented Activities	<u>8,235</u>	<u>5,878</u>	<u>2,357</u>
School and Public Service Co-Curricular Activities			
Purchased Services	25,710	25,687	23
Materials and Supplies	1,606	44	1,562
Total School and Public Service Co-Curricular Activities	<u>27,316</u>	<u>25,731</u>	<u>1,585</u>
Sports Oriented Activities:			
Salaries and Wages	4,900	4,850	50
Purchased Services	24,370	21,166	3,204
Materials and Supplies	22,140	19,284	2,856
Capital Outlay - New	36,645	36,627	18
Other	19,425	19,090	335
Total Sports Oriented Activities	<u>107,480</u>	<u>101,017</u>	<u>6,463</u>
<i>Total Expenditures</i>	<u>143,031</u>	<u>132,626</u>	<u>10,405</u>
<i>Excess of Revenues Under Expenditures</i>	(53,311)	(39,404)	13,907
Other Financing Sources			
Operating Transfers In	25,430	25,430	0
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(27,881)	(13,974)	13,907
<i>Fund Balance Beginning of Year</i>	32,418	32,418	0
Prior Year Encumbrances Appropriated	<u>5,073</u>	<u>5,073</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,610</u></u>	<u><u>\$23,517</u></u>	<u><u>\$13,907</u></u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$112,224	\$112,224	\$0
Interest	1,573	1,573	0
<i>Total Revenues</i>	<u>113,797</u>	<u>113,797</u>	<u>0</u>
Expenditures			
Current:			
Operation of Non-Instructional Services			
Community Services:			
Salaries and Wages	39,788	39,788	0
Fringe Benefits	12,265	12,265	0
Purchased Services	25,241	25,241	0
Materials and Supplies	53,847	53,847	0
<i>Total Expenditures</i>	<u>131,141</u>	<u>131,141</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	(17,344)	(17,344)	0
<i>Fund Balance Beginning of Year</i>	1,841	1,841	0
Prior Year Encumbrances Appropriated	<u>15,503</u>	<u>15,503</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Teacher Development Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$4,541	\$4,541	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	3,760	3,760	0
Fringe Benefits	1,306	1,306	0
<i>Total Expenditures</i>	5,066	5,066	0
<i>Excess of Revenues Under Expenditures</i>	(525)	(525)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	525	525	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$5,000	\$5,000	\$0
Expenditures			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	2,012	1,632	380
Fringe Benefits	100	31	69
Total Pupils	2,112	1,663	449
Administration:			
Purchased Services	114	114	0
Capital Outlay - New	3,238	3,134	104
Total Administration	3,352	3,248	104
<i>Total Expenditures</i>	5,464	4,911	553
<i>Excess of Revenues Over (Under) Expenditures</i>	(464)	89	553
<i>Fund Balance Beginning of Year</i>	1,250	1,250	0
<i>Fund Balance End of Year</i>	\$786	\$1,339	\$553

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Disadvantaged Pupil Impact Aid Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$9,754	\$9,754	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	9,211	9,211	0
Fringe Benefits	543	59	484
<i>Total Expenditures</i>	9,754	9,270	484
<i>Excess of Revenues Over Expenditures</i>	0	484	484
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$484	\$484

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Schoolnet Professional Development Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$3,000	\$4,000	\$1,000
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	4,928	4,584	344
<i>Excess of Revenues Under Expenditures</i>	(1,928)	(584)	1,344
<i>Fund Balance Beginning of Year</i>	1,928	1,928	0
<i>Fund Balance End of Year</i>	\$0	\$1,344	\$1,344

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Reads Grant Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$2,000	\$2,000	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	<u>2,319</u>	<u>1,809</u>	<u>510</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(319)	191	510
<i>Fund Balance Beginning of Year</i>	<u>319</u>	<u>319</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$510</u></u>	<u><u>\$510</u></u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Summer Intervention Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$988	\$988	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	3,490	3,490	0
<i>Excess of Revenues Under Expenditures</i>	(2,502)	(2,502)	0
<i>Fund Balance Beginning of Year</i>	3,490	3,490	0
<i>Fund Balance End of Year</i>	\$988	\$988	\$0

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
School Security Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$804	\$804	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	804	804	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Eisenhower Math and Science Grant Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$2,375	\$2,375	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	1,459	1,459	0
Materials and Supplies	245	245	0
<i>Total Expenditures</i>	1,704	1,704	0
<i>Excess of Revenues Over Expenditures</i>	671	671	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$671	\$671	\$0

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$43,043	\$43,043	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	30,000	26,566	3,434
Fringe Benefits	9,689	9,689	0
Purchased Services	3,354	3,354	0
<i>Total Expenditures</i>	43,043	39,609	3,434
<i>Excess of Revenues Over Expenditures</i>	0	3,434	3,434
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$3,434	\$3,434

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$66,507	\$66,507	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	64,210	64,210	0
Fringe Benefits	10,758	5,485	5,273
Materials and Supplies	4,634	4,363	271
Capital Outlay - New	2,305	2,284	21
Total Instruction	81,907	76,342	5,565
Support Services:			
Pupil Transportation:			
Salaries and Wages	2,000	1,000	1,000
Fringe Benefits	300	150	150
Total Support Services	2,300	1,150	1,150
<i>Total Expenditures</i>	84,207	77,492	6,715
<i>Excess of Revenues Under Expenditures</i>	(17,700)	(10,985)	6,715
<i>Fund Balance Beginning of Year</i>	17,700	17,700	0
<i>Fund Balance End of Year</i>	\$0	\$6,715	\$6,715

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$4,643	\$4,643	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	3,567	3,567	0
Operation of Non-Instructional Services			
Community Services:			
Purchased Services	1,076	1,076	0
<i>Total Expenditures</i>	4,643	4,643	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Grant Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$2,989	\$2,989	\$0
Expenditures			
Current:			
Support Services:			
Pupils:			
Purchased Services	1,289	1,289	0
Materials and Supplies	1,745	1,745	0
<i>Total Expenditures</i>	3,034	3,034	0
<i>Excess of Revenues Under Expenditures</i>	(45)	(45)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	45	45	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Class Size Reduction Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$14,370	\$14,370	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	14,370	14,370	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Intergovernmental	\$272,238	\$273,238	\$1,000
Interest	1,573	1,573	0
Extracurricular Activities	94,741	98,243	3,502
Donations	7,775	7,775	0
Miscellaneous	13,420	13,420	0
<i>Total Revenues</i>	<u>389,747</u>	<u>394,249</u>	<u>4,502</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	21,697	21,697	0
Fringe Benefits	1,306	1,306	0
Purchased Services	12,180	11,326	854
Materials and Supplies	8,785	4,593	4,192
Total Regular	<u>43,968</u>	<u>38,922</u>	<u>5,046</u>
Special:			
Salaries and Wages	106,911	103,477	3,434
Fringe Benefits	20,990	15,233	5,757
Purchased Services	3,354	3,354	0
Materials and Supplies	4,634	4,363	271
Capital Outlay - New	2,305	2,284	21
Total Special	<u>138,194</u>	<u>128,711</u>	<u>9,483</u>
Total Instruction	<u>182,162</u>	<u>167,633</u>	<u>14,529</u>
Support Services:			
Pupils:			
Salaries and Wages	2,012	1,632	380
Fringe Benefits	100	31	69
Purchased Services	1,289	1,289	0
Materials and Supplies	1,745	1,745	0
Total Pupils	<u>5,146</u>	<u>4,697</u>	<u>449</u>
Instructional Staff:			
Purchased Services	<u>\$4,979</u>	<u>\$4,979</u>	<u>\$0</u>

(continued)

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Administration:			
Purchased Services	\$114	\$114	\$0
Capital Outlay - New	3,238	3,134	104
Total Administration	3,352	3,248	104
Pupil Transportation:			
Salaries and Wages	2,000	1,000	1,000
Fringe Benefits	300	150	150
Total Pupil Transportation	2,300	1,150	1,150
Total Support Services	15,777	14,074	1,703
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	39,788	39,788	0
Fringe Benefits	12,265	12,265	0
Purchased Services	26,317	26,317	0
Materials and Supplies	53,847	53,847	0
Total Operation of Non-Instructional Services	132,217	132,217	0
Extracurricular Activities:			
Academic and Subject Oriented Activities			
Purchased Services	5,150	3,731	1,419
Materials and Supplies	21,335	19,029	2,306
Capital Outlay - New	1,000	0	1,000
Total Academic and Subject Oriented Activities	27,485	22,760	4,725
Occupational Oriented Activities:			
Purchased Services	25,710	25,687	23
Materials and Supplies	1,606	44	1,562
Total Occupational Oriented Activities	\$27,316	\$25,731	\$1,585

(continued)

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
All Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Sports Oriented Activities:			
Salaries and Wages	\$4,900	\$4,850	\$50
Purchased Services	24,370	21,166	3,204
Materials and Supplies	22,140	19,284	2,856
Capital Outlay - New	36,645	36,627	18
Other	19,425	19,090	335
Total Sports Oriented Activities	107,480	101,017	6,463
Total Extracurricular Activities	162,281	149,508	12,773
<i>Total Expenditures</i>	492,437	463,432	29,005
<i>Excess of Revenues Under Expenditures</i>	(102,690)	(69,183)	33,507
Other Financing Sources			
Operating Transfers In	25,430	25,430	0
<i>Excess of Revenues and Other Financing Sources Under Expenditures</i>	(77,260)	(43,753)	33,507
<i>Fund Balances Beginning of Year</i>	68,408	68,408	0
Prior Year Encumbrances Appropriated	24,014	24,014	0
<i>Fund Balances End of Year</i>	\$15,162	\$48,669	\$33,507

Debt Service Fund

The Debt Service fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Since there is only one debt service fund and the level of budgetary control is not greater than that presented in the combined financial statements, no additional financial statements are presented here.

Capital Projects Funds

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

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

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

Newbury Local School District

Combining Balance Sheet

All Capital Projects Funds

June 30, 2001

	<u>Permanent Improvements</u>	<u>SchoolNet</u>	<u>Totals</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$68,023	\$17,000	\$85,023
Taxes Receivable	<u>110,782</u>	<u>0</u>	<u>110,782</u>
<i>Total Assets</i>	<u><u>\$178,805</u></u>	<u><u>\$17,000</u></u>	<u><u>\$195,805</u></u>
 Liabilities			
Deferred Revenue	<u>\$104,982</u>	<u>\$0</u>	<u>\$104,982</u>
 Fund Equity			
Fund Balance:			
Reserved for Encumbrances	59,647	9,870	69,517
Reserved for Property Taxes	5,800	0	5,800
Unreserved, Undesignated	<u>8,376</u>	<u>7,130</u>	<u>15,506</u>
<i>Total Fund Equity</i>	<u>73,823</u>	<u>17,000</u>	<u>90,823</u>
<i>Total Liabilities and Fund Equity</i>	<u><u>\$178,805</u></u>	<u><u>\$17,000</u></u>	<u><u>\$195,805</u></u>

Newbury Local School District
*Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 2001*

	<u>Permanent Improvements</u>	<u>SchoolNet</u>	<u>Totals</u>
Revenues			
Taxes	\$74,196	\$0	\$74,196
Intergovernmental	8,809	22,336	31,145
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	83,005	22,336	105,341
Expenditures			
Capital Outlay	116,143	5,336	121,479
	<hr/>	<hr/>	<hr/>
<i>Excess of Revenues Over (Under) Expenditures</i>	(33,138)	17,000	(16,138)
<i>Fund Balances Beginning of Year</i>	106,961	0	106,961
	<hr/>	<hr/>	<hr/>
<i>Fund Balances End of Year</i>	<u>\$73,823</u>	<u>\$17,000</u>	<u>\$90,823</u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvements Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$73,096	\$73,096	\$0
Intergovernmental	8,809	8,809	0
<i>Total Revenues</i>	<u>81,905</u>	<u>81,905</u>	<u>0</u>
Expenditures			
Current:			
Support Services:			
Fiscal:			
Other	1,500	993	507
Operation and Maintenance of Plant:			
Purchased Services	181,772	174,797	6,975
<i>Total Expenditures</i>	<u>183,272</u>	<u>175,790</u>	<u>7,482</u>
<i>Excess of Revenues Under Expenditures</i>	(101,367)	(93,885)	7,482
<i>Fund Balance Beginning of Year</i>	54,261	54,261	0
Prior Year Encumbrances Appropriated	48,000	48,000	0
<i>Fund Balance End of Year</i>	<u>\$894</u>	<u>\$8,376</u>	<u>\$7,482</u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Intergovernmental	\$22,336	\$22,336	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	<u>17,336</u>	<u>15,206</u>	<u>2,130</u>
<i>Excess of Revenues Over Expenditures</i>	5,000	7,130	2,130
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,000</u></u>	<u><u>\$7,130</u></u>	<u><u>\$2,130</u></u>

Newbury Local School District
Schedule of Revenues, Expenditures and Changes
In Fund Balances - Budget (Non-GAAP Basis) and Actual
All Capital Projects Funds
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$73,096	\$73,096	\$0
Intergovernmental	31,145	31,145	0
<i>Total Revenues</i>	<u>104,241</u>	<u>104,241</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	17,336	15,206	2,130
Support Services:			
Fiscal:			
Other	1,500	993	507
Operation and Maintenance of Plant:			
Purchased Services	181,772	174,797	6,975
Total Support Services	<u>183,272</u>	<u>175,790</u>	<u>7,482</u>
<i>Total Expenditures</i>	<u>200,608</u>	<u>190,996</u>	<u>9,612</u>
<i>Excess of Revenues Under Expenditures</i>	(96,367)	(86,755)	9,612
<i>Fund Balances Beginning of Year</i>	54,261	54,261	0
Prior Year Encumbrances Appropriated	<u>48,000</u>	<u>48,000</u>	<u>0</u>
<i>Fund Balances End of Year</i>	<u><u>\$5,894</u></u>	<u><u>\$15,506</u></u>	<u><u>\$9,612</u></u>

Enterprise Funds

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

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

Uniform School Supplies Fund This fund accounts for the purchase and sale of school supplies for use in the School District. Profits derived from such sales are used for school purposes or activities connected with the school.

Newbury Local School District
Combining Balance Sheet
All Enterprise Funds
June 30, 2001

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
Assets			
<i>Current Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$10,930	\$13,674	\$24,604
Receivables:			
Accounts	200	356	556
Intergovernmental	4,471	0	4,471
Inventory Held For Resale	4,508	0	4,508
Materials and Supplies Inventory	998	0	998
<i>Total Current Assets</i>	21,107	14,030	35,137
<i>Non-Current Assets</i>			
Fixed Assets (Net of Accumulated Depreciation)	46,940	0	46,940
<i>Total Assets</i>	<u>\$68,047</u>	<u>\$14,030</u>	<u>\$82,077</u>
Liabilities and Fund Equity			
<i>Current Liabilities</i>			
Accounts Payable	\$344	\$0	\$344
Accrued Wages and Benefits	8,621	0	8,621
Intergovernmental Payable	3,192	0	3,192
Deferred Revenue	1,871	0	1,871
<i>Total Current Liabilities</i>	14,028	0	14,028
<i>Long-Term Liabilities</i>			
Compensated Absences Payable	9,308	0	9,308
<i>Total Liabilities</i>	<u>23,336</u>	<u>0</u>	<u>23,336</u>
Fund Equity			
Contributed Capital	125,433	0	125,433
Retained Earnings			
Unreserved (Deficit)	(80,722)	14,030	(66,692)
<i>Total Fund Equity</i>	<u>44,711</u>	<u>14,030</u>	<u>58,741</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$68,047</u>	<u>\$14,030</u>	<u>\$82,077</u>

Newbury Local School District
*Combining Statement of Revenues,
Expenses and Changes in Fund Equity
All Enterprise Funds
For the Fiscal Year Ended June 30, 2001*

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
Operating Revenues			
Sales	\$121,113	\$37,062	\$158,175
Operating Expenses			
Salaries	73,619	0	73,619
Fringe Benefits	14,867	0	14,867
Purchased Services	6,090	570	6,660
Materials and Supplies	24,392	20,796	45,188
Cost of Sales	41,533	12,747	54,280
Depreciation	2,665	0	2,665
<i>Total Operating Expenses</i>	<u>163,166</u>	<u>34,113</u>	<u>197,279</u>
<i>Operating Income (Loss)</i>	<u>(42,053)</u>	<u>2,949</u>	<u>(39,104)</u>
Non-Operating Revenues			
Federal Donated Commodities	8,516	0	8,516
Interest	584	0	584
Operating Grants	30,505	0	30,505
<i>Total Non-Operating Revenues</i>	<u>39,605</u>	<u>0</u>	<u>39,605</u>
<i>Net Income (Loss)</i>	(2,448)	2,949	501
<i>Retained Earnings (Deficit) Beginning of Year</i>	<u>(78,274)</u>	<u>11,081</u>	<u>(67,193)</u>
<i>Retained Earnings (Deficit) End of Year</i>	(80,722)	14,030	(66,692)
<i>Contributed Capital Beginning and End of Year</i>	<u>125,433</u>	<u>0</u>	<u>125,433</u>
<i>Total Fund Equity End of Year</i>	<u><u>\$44,711</u></u>	<u><u>\$14,030</u></u>	<u><u>\$58,741</u></u>

Newbury Local School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Fiscal Year Ended June 30, 2001

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Totals</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>			
Cash Flows from Operating Activities			
Cash Received from Customers	\$121,113	\$37,385	\$158,498
Cash Payments to Suppliers for Goods and Services	(62,579)	(34,113)	(96,692)
Cash Payments to Employees for Services	(72,435)	0	(72,435)
Cash Payments for Employee Benefits	(15,181)	0	(15,181)
<i>Net Cash Provided by (Used for) Operating Activities</i>	(29,082)	3,272	(25,810)
Cash Flows from Noncapital Financing Activities			
Operating Grants Received	30,901	0	30,901
Cash Flows from Capital and Related Financing Activities			
Payments for Capital Acquisitions	(3,889)	0	(3,889)
Cash Flows from Investing Activities			
Interest on Investments	584	0	584
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(1,486)	3,272	1,786
<i>Cash and Cash Equivalents Beginning of Year</i>	12,416	10,402	22,818
<i>Cash and Cash Equivalents End of Year</i>	<u>\$10,930</u>	<u>\$13,674</u>	<u>\$24,604</u>
<i>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</i>			
<i>Operating Income (Loss)</i>	(42,053)	\$2,949	(\$39,104)
<i>Adjustments:</i>			
Depreciation	2,665	0	2,665
Donated Commodities Used During Year	8,516	0	8,516
<i>(Increase) Decrease in Assets:</i>			
Accounts Receivable	0	323	323
Inventory Held for Resale	546	0	546
Materials and Supplies Inventory	180	0	180
Prepays	61	0	61
<i>Increase (Decrease) in Liabilities:</i>			
Accounts Payable	133	0	133
Accrued Wages and Benefits	582	0	582
Compensated Absences Payable	602	0	602
Intergovernmental Payable	(314)	0	(314)
<i>Total Adjustments</i>	12,971	323	13,294
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$29,082)</u>	<u>\$3,272</u>	<u>(\$25,810)</u>

Newbury Local School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$121,113	\$121,113	\$0
Interest	584	584	0
Operating Grants	30,901	30,901	0
<i>Total Revenues</i>	<u>152,598</u>	<u>152,598</u>	<u>0</u>
Expenses			
Salaries:			
Food Service Operations	72,435	72,435	0
Fringe Benefits:			
Food Service Operations	19,915	15,181	4,734
Purchased Services:			
Food Service Operations	6,396	6,240	156
Materials and Supplies:			
Food Service Operations	62,361	56,679	5,682
Capital Outlay:			
Capital Outlay - New:			
Food Service Operations	3,907	3,889	18
<i>Total Expenses</i>	<u>165,014</u>	<u>154,424</u>	<u>10,590</u>
<i>Excess of Revenues Under Expenses</i>	(12,416)	(1,826)	10,590
<i>Fund Equity Beginning of Year</i>	12,251	12,251	0
Prior Year Encumbrances Appropriated	165	165	0
<i>Fund Equity End of Year</i>	<u><u>\$0</u></u>	<u><u>\$10,590</u></u>	<u><u>\$10,590</u></u>

Newbury Local School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$36,773	\$37,385	\$612
Expenses			
Purchased Services:			
Regular Instruction	1,527	570	957
Materials and Supplies:			
Regular Instruction	41,257	33,543	7,714
<i>Total Expenses</i>	42,784	34,113	8,671
<i>Excess of Revenues Over (Under) Expenses</i>	(6,011)	3,272	9,283
<i>Fund Equity Beginning of Year</i>	10,124	10,124	0
Prior Year Encumbrances Appropriated	278	278	0
<i>Fund Equity End of Year</i>	\$4,391	\$13,674	\$9,283

Newbury Local School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
All Enterprise Funds
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales	\$157,886	\$158,498	\$612
Interest	584	584	0
Operating Grants	30,901	30,901	0
<i>Total Revenues</i>	<u>189,371</u>	<u>189,983</u>	<u>612</u>
Expenses			
Salaries:			
Food Service Operations	<u>72,435</u>	<u>72,435</u>	<u>0</u>
Fringe Benefits:			
Food Service Operations	<u>19,915</u>	<u>15,181</u>	<u>4,734</u>
Purchased Services:			
Regular Instruction	1,527	570	957
Food Service Operations	<u>6,396</u>	<u>6,240</u>	<u>156</u>
Total Purchased Services	<u>7,923</u>	<u>6,810</u>	<u>1,113</u>
Materials and Supplies:			
Regular Instruction	41,257	33,543	7,714
Food Service Operations	<u>62,361</u>	<u>56,679</u>	<u>5,682</u>
Total Materials and Supplies	<u>103,618</u>	<u>90,222</u>	<u>13,396</u>
Capital Outlay:			
Capital Outlay - New:			
Food Service Operations	<u>3,907</u>	<u>3,889</u>	<u>18</u>
<i>Total Expenses</i>	<u>207,798</u>	<u>188,537</u>	<u>19,261</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(18,427)	1,446	19,873
<i>Fund Equity Beginning of Year</i>	22,375	22,375	0
Prior Year Encumbrances Appropriated	<u>443</u>	<u>443</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u><u>\$4,391</u></u>	<u><u>\$24,264</u></u>	<u><u>\$19,873</u></u>

Fiduciary Funds

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

Agency Funds

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

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

Newbury Local School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2001

	<u>Beginning Balance July 1, 2000</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance June 30, 2001</u>
 <i>Employee Benefits</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$4,275</u>	<u>\$11,469</u>	<u>\$14,191</u>	<u>\$1,553</u>
Liabilities				
Undistributed Monies	<u>\$4,275</u>	<u>\$11,469</u>	<u>\$14,191</u>	<u>\$1,553</u>
 <i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$10,443</u>	<u>\$17,880</u>	<u>\$18,574</u>	<u>\$9,749</u>
Liabilities				
Due to Students	<u>\$10,443</u>	<u>\$17,880</u>	<u>\$18,574</u>	<u>\$9,749</u>
 <i>Total - All Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	<u>\$14,718</u>	<u>\$29,349</u>	<u>\$32,765</u>	<u>\$11,302</u>
Liabilities				
Undistributed Monies	\$4,275	\$11,469	\$14,191	\$1,553
Due to Students	<u>10,443</u>	<u>17,880</u>	<u>18,574</u>	<u>9,749</u>
<i>Total Liabilities</i>	<u>\$14,718</u>	<u>\$29,349</u>	<u>\$32,765</u>	<u>\$11,302</u>

General Fixed Assets Account Group

The general fixed assets account group is used to account for all land and improvements, buildings, furniture and equipment and vehicles not used in the operations of the proprietary funds.

Newbury Local School District
Schedule of General Fixed Assets
By Function and Type
June 30, 2001

	<u>Total</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Furniture and Equipment</u>	<u>Vehicles</u>
Instruction	\$4,767,408	\$186,961	\$3,953,308	\$627,139	\$0
Support Services:					
Pupils	48,804	0	36,913	11,891	0
Instructional Staff	446,953	0	0	446,953	0
Administration	66,856	0	0	66,856	0
Fiscal	11,035	0	0	11,035	0
Operation and Maintenance of Plant	903,818	121,080	565,053	217,685	0
Pupil Transportation	676,829	1,181	18,970	24,002	632,676
Operation of Non-Instructional Services	4,973	0	0	4,973	0
Extracurricular Activities	<u>290,399</u>	<u>217,677</u>	<u>48,817</u>	<u>23,905</u>	<u>0</u>
Total General Fixed Assets	<u><u>\$7,217,075</u></u>	<u><u>\$526,899</u></u>	<u><u>\$4,623,061</u></u>	<u><u>\$1,434,439</u></u>	<u><u>\$632,676</u></u>

Newbury Local School District
Schedule of Changes in General Fixed Assets
By Function
For the Fiscal Year Ended June 30, 2001

Function	General Fixed Assets July 1, 2000	Additions	Deletions	General Fixed Assets June 30, 2001
Instruction	\$4,667,168	\$142,384	\$42,144	\$4,767,408
Support Services:				
Pupils	54,960	0	6,156	48,804
Instructional Staff	446,642	1,600	1,289	446,953
Administration	73,280	2,274	8,698	66,856
Fiscal	15,849	0	4,814	11,035
Operation and Maintenance of Plant	862,223	45,699	4,104	903,818
Pupil Transportation	662,370	14,459	0	676,829
Operation of Non-Instructional Services	649	4,324	0	4,973
Extracurricular Activities	290,399	0	0	290,399
Total General Fixed Assets	<u>\$7,073,540</u>	<u>\$210,740</u>	<u>\$67,205</u>	<u>\$7,217,075</u>

Newbury Local School District
Schedule of General Fixed Assets
By Source
June 30, 2001

General Fixed Assets

Land and Improvements	\$526,899
Buildings	4,623,061
Furniture and Equipment	1,434,439
Vehicles	<u>632,676</u>
<i>Total General Fixed Assets</i>	<u><u>\$7,217,075</u></u>

Investments in General Fixed Assets From:

General Fund	\$5,937,362
Special Revenue Funds	372,881
Debt Service Fund	693
Capital Projects Funds	<u>906,139</u>
<i>Total Investment in General Fixed Assets</i>	<u><u>\$7,217,075</u></u>

Newbury Local School District
General Fund
Expenditures by Function
and Other Financing Uses
Last Ten Fiscal Years

	2001 (1)	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995	1994	1993	1992
Current:										
Instruction:										
Regular	\$2,978,525	\$2,618,078	\$2,497,458	\$2,328,924	\$2,605,541	\$2,412,201	\$1,569,815	\$1,558,978	\$2,052,917	\$2,336,359
Special	443,584	401,305	329,803	277,836	313,137	195,633	244,335	234,165	232,723	202,392
Vocational	48,527	45,822	31,399	41,854	34,456	0	9,223	61,972	72,224	116,502
Support Services										
Pupils	189,917	238,786	203,657	199,614	205,707	178,029	174,107	159,847	156,370	186,022
Instructional Staff	141,977	173,014	164,614	157,622	125,112	79,142	100,956	117,391	108,539	99,757
Board of Education	62,200	59,408	45,667	32,694	137,832	93,774	58,387	17,580	25,860	20,562
Administration	488,706	511,464	491,427	465,108	514,355	460,085	414,197	422,167	437,570	420,350
Fiscal	215,803	149,703	166,952	154,728	141,667	176,203	121,635	120,670	118,950	112,804
Business	2,131	0	0	0	0	0	0	0	0	0
Operation and Maintenance of Plant	705,558	589,718	588,920	626,400	626,203	582,803	542,220	544,640	522,761	485,820
Pupil Transportation	407,046	497,518	382,934	559,421	516,190	483,811	515,953	395,831	392,321	386,176
Central	44,357	0	0	0	0	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0	0	0	0	4,086	0	1,000
Extracurricular Activities	191,482	164,695	194,792	209,696	194,887	139,934	131,924	133,067	126,203	118,337
Capital Outlay				0	234,083	242,806				
Debt Service	0	16,862	0	2,078	2,265	21,055	3,509	0	0	0
Other Financing Uses	25,430	25,200	23,705	55,835	203,400	31,080	55,500	36,000	40,254	86,271
Total	\$5,945,243	\$5,491,573	\$5,121,328	\$5,111,810	\$5,854,835	\$5,096,556	\$3,941,761	\$3,806,394	\$4,286,692	\$4,572,352

Source: School District Financial Records

(1) 1996 through 2001 reported on a GAAP Basis; All others on Cash Basis.

Newbury Local School District
General Fund
Revenues by Source
and Other Financing Sources
Last Ten Fiscal Years

	2001 (1)	2000 (1)	1999 (1)	1998 (1)	1997 (1)	1996 (1)	1995	1994	1993	1992
Taxes	\$3,801,261	\$3,617,068	\$3,879,673	\$3,749,886	\$3,917,184	\$3,465,154	\$2,893,636	\$2,904,576	\$2,949,161	\$2,933,179
Intergovernmental	1,700,615	1,772,208	1,597,965	1,377,358	1,428,652	1,381,906	1,288,435	1,261,535	1,233,773	1,258,338
Interest	146,475	140,627	106,860	110,745	111,302	108,294	84,733	43,572	31,225	51,511
Tuition and Fees	14,544	64,458	45,874	29,878	24,955	44,844	63,804	50,249	96,574	96,846
Donations	1,125	655	6,674	32,888	2,508	2,014	0	0	0	0
Charges for Services	27,050	1,495	2,689	0	0	0	0	0	0	0
Miscellaneous	18,594	25,733	22,474	5,218	35,387	9,571	6,022	8,399	(23,888)	7,272
Other Financing Sources	0	0	0	253,771	0	0	3,207	37,034	554	13,170
Total	\$5,709,664	\$5,622,244	\$5,662,209	\$5,559,744	\$5,519,988	\$5,011,783	\$4,339,837	\$4,305,365	\$4,287,399	\$4,360,316

Source: School District Financial Records

(1) 1996 through 2001 reported on GAAP basis; all other years on Cash Basis.

Newbury Local School District
Property Tax Levies and Collections
Real and Tangible Personal Property (1)
Last Eight Years (2)

Year (3)	Current Levy	Delinquent Levy (4)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Current Levy
2000	\$4,345,418	\$328,744	\$4,674,162	\$4,250,663	97.82%	\$101,709	\$4,352,372	100.16%
1999	4,155,927	437,443	4,593,370	4,067,845	97.88	178,492	4,246,337	102.18
1998	4,189,801	471,022	4,660,823	4,096,132	97.76	138,977	4,235,109	101.08
1997	4,097,777	444,271	4,542,048	4,011,528	97.90	132,906	4,144,434	101.14
1996	4,176,192	454,190	4,630,382	4,069,767	97.45	130,889	4,200,656	100.59
1995	4,039,572	449,928	4,489,500	3,945,660	97.68	170,108	4,115,768	101.89
1994	3,886,351	410,937	4,297,288	3,756,226	96.65	119,398	3,875,624	99.72
1993	4,053,640	419,879	4,473,519	3,748,268	97.40	154,206	3,902,474	101.20

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Information prior to 1993 is not available.
- (3) Represents collection year. 2001 information cannot be presented because all collections have not been made by June 30.
- (4) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

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

Year	Real Property		Public Utility Property		Tangible Personal Property		Total		
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	
2001	\$131,524,890	\$375,785,400	\$6,048,000	\$6,872,727	\$12,264,750	\$49,059,000	\$149,837,640	\$431,717,127	35%
2000	128,589,730	367,399,229	6,132,380	6,968,614	12,645,100	50,580,400	147,367,210	424,948,242	35
1999	106,308,400	303,738,286	6,715,750	7,631,534	14,450,520	57,802,080	127,474,670	369,171,900	35
1998	104,101,180	297,431,943	6,837,170	7,769,511	13,687,130	54,748,520	124,625,480	359,949,974	35
1997	101,757,350	290,735,286	6,774,760	7,698,591	15,188,090	60,752,360	123,720,200	359,186,237	34
1996	91,254,450	260,727,000	7,031,240	7,990,045	13,559,180	54,236,720	111,844,870	322,953,765	35
1995	89,193,340	254,838,114	7,935,120	9,017,182	13,124,468	52,497,872	110,252,928	316,353,168	35
1994	85,623,090	244,637,400	6,972,270	7,923,034	12,706,240	50,824,960	105,301,600	303,385,394	35
1993	71,968,880	205,625,371	7,024,470	7,982,352	12,773,300	51,093,200	91,766,650	264,700,924	35
1992	70,988,770	202,825,057	6,795,350	7,721,989	12,632,800	50,531,200	90,416,920	261,078,246	35

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

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

Real estate is assessed at 35 percent of actual value.

Public utility personal is assessed at 88 percent of actual value.

Tangible personal property is assessed at 25 percent of actual value.

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

Year	School Levy	JVS	Newbury Township	Library	County Levy	Total Levy	Debt Service		
							School	County	Total
2001	\$55.31	1.50	\$9.00	\$1.00	\$13.40	\$80.21	\$0.00	\$0.30	\$0.30
2000	55.31	1.50	9.00	1.00	12.65	79.46	0.00	0.30	0.30
1999	56.50	1.50	9.00	1.00	12.45	80.45	0.00	0.30	0.30
1998	56.50	1.50	9.00	1.00	12.45	80.45	0.00	0.30	0.30
1997	56.70	1.50	10.00	1.00	12.45	81.65	0.20	0.30	0.50
1996	57.80	1.50	10.00	1.00	12.85	83.15	0.30	0.30	0.60
1995	57.80	1.50	10.00	1.00	10.85	81.15	0.30	0.30	0.60
1994	57.90	1.50	10.00	1.00	10.85	81.25	0.40	0.30	0.70
1993	62.55	1.50	10.30	1.00	10.20	85.55	0.60	0.30	0.90
1992	53.90	1.50	10.30	1.00	10.20	76.90	0.70	0.30	1.00

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

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

Year	Net General Obligation Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
2001	\$520,612	\$149,837,640	5,805	0.35%	\$89.68
2000	570,618	147,367,210	6,059	0.39	94.18
1999	0	127,474,670	5,997	0.00	0.00
1998	0	124,625,480	5,925	0.00	0.00
1997	0	123,720,200	5,823	0.00	0.00
1996	0	111,844,870	5,745	0.00	0.00
1995	17,688	110,252,928	5,653	0.02	3.13
1994	46,941	105,301,600	5,694	0.04	8.24
1993	85,763	91,766,650	5,753	0.09	14.91
1992	135,504	90,416,920	5,686	0.15	23.83

Source:

- (1) School District Financial Records
- (2) Geauga County Auditor
- (3) U.S. Census of Population

Newbury Local School District
Computation of Legal Debt Margin
June 30, 2001

Assessed Valuation	\$149,837,640
Debt Limit - 9% of Assessed Value (1)	\$13,485,388
Amount of Debt Applicable to Debt Limit:	
Energy Conservation Bonds	(520,612)
Amount Available in Debt Service Fund	0
Total	(520,612)
Exemptions:	
Energy Conservation Bonds	520,612
Amount of Debt Subject to the Limit	0
Overall Debt Margin	\$13,485,388
Debt Limit - .10% of Assessed Value (1)	\$149,838
Amount of Debt Applicable	0
Unvoted Debt Margin	\$149,838
Additional Limit for Unvoted Energy Conservation Bonds:	
Debt Limit - .9% of Assessed Value	\$1,348,539
Energy Conservation Bonds	520,612
Additional Unvoted Debt Margin	\$827,927

Source: Geauga County Auditor and School District Financial Records

(1) Ohio Bond Law sets an overall limit of 9% for total debt and 1/10 of 1% for unvoted debt.

Newbury Local School District

Computation of Direct and Overlapping General Obligation Bonded Debt

December 31, 2000

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Newbury Local School District	\$520,612	100.00%	\$520,612
Geauga County	1,435,000	7.73	<u>110,925</u>
Total			<u><u>\$631,537</u></u>

Source: Geauga County Auditor, Newbury Local School District

- (1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2000 collection year.

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

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures (1)	Ratio of Debt Service to General Fund Expenditures (Percentage)
2001 (2)	\$50,006	\$32,538	\$82,544	\$5,945,243	1.39%
2000 (2)	70,141	33,192	103,333	5,491,573	1.88
1999 (2)	20,000	1,850	21,850	5,121,328	0.43
1998 (2)	20,000	3,250	23,250	5,111,810	0.45
1997 (2)	20,000	4,550	24,550	5,854,835	0.42
1996 (2)	20,000	5,850	25,850	5,096,556	0.51
1995	25,000	7,281	32,281	3,941,761	0.82
1994	50,000	9,500	59,500	3,806,394	1.56
1993	50,000	12,375	62,375	4,286,692	1.46
1992	50,000	15,250	65,250	4,572,352	1.43

Source: School District Financial Records

- (1) Includes other financing uses.
- (2) 1996 through 2001 on GAAP basis.

Newbury Local School District

Demographic Statistics

Last Ten Years

<u>Year</u>	<u>Newbury LSD Area Population (1)</u>	<u>Geauga County Population (2)</u>	<u>School Enrollment (3)</u>	<u>Geauga County Unemployment Rate (4)</u>
2001	5,805	90,895	782	2.9%
2000	6,059	89,598	761	2.8
1999	5,997	87,913	772	3.0
1998	5,925	86,054	773	3.5
1997	5,823	86,054	826	3.6
1996	5,745	84,260	839	3.8
1995	5,653	83,400	868	3.8
1994	5,694	83,241	863	5.1
1993	5,753	82,094	844	5.8
1992	5,686	82,094	841	5.4

Sources:

- (1) U.S. Census of Population
- (2) Estimated Figure from Geauga County
- (3) School District Records
- (4) Ohio Bureau of Employment Services

Newbury Local School District
*Property Value,
 Financial Institution Deposits and Building Permits
 Last Eight Years (1)*

<u>Year</u>	<u>Property Value (2) (Real Estate Only)</u>	<u>Financial Institution Deposits Banks</u>	<u>Permits Issued Geauga County</u>	<u>Permits Issued Newbury Township</u>
2000	\$131,524,890	\$222,518,000	\$199,824,566	\$8,355,171
1999	128,589,730	249,478,000	65,015,002	7,599,292
1998	106,308,400	254,641,000	47,503,140	6,614,115
1997	104,101,180	222,203,000	38,142,850	5,683,467
1996	101,757,350	212,614,000	41,162,110	5,230,706
1995	91,254,450	194,409,000	35,438,050	7,702,412
1994	89,193,340	188,020,000	28,009,880	7,737,576
1993	85,623,090	184,462,000	23,820,980	6,260,070

Sources: Geauga County Auditor
 Federal Reserve Bank of Cleveland
 Building Department reports

(1) Information prior to 1993 is unavailable.

(2) Represents assessed value.

Newbury Local School District

Principal Taxpayers

Real Estate Tax

December 31, 2000

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Property Assessed Value</u>
Kinetico, Inc.	\$2,279,540	1.73%
White Properties LTD	1,411,520	1.07
Blaine and Janet Kaufman	995,750	0.76
Little Acre Nursing Home	770,010	0.59
GLC Real Estate Holding	612,540	0.47
Mill Run Properties	520,440	0.40
Teague Brothers	493,510	0.38
J and F Distributing, Inc.	463,750	0.35
Louise Profughi	446,260	0.34
Mike Reljanovic	<u>424,200</u>	<u>0.32</u>
Total	<u><u>\$8,417,520</u></u>	<u><u>6.41%</u></u>

Source: Geauga County Auditor

(1) Assessed values are for the 2001 collection year.

Newbury Local School District

Principal Taxpayers

Tangible Personal Property Tax

December 31, 2000

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Tangible Personal Property Assessed Value</u>
Kinetics, Inc.	\$1,633,360	13.32%
Unity Rubber Company LTD	577,020	4.70
Manfredi Motor Transit Company	335,090	2.73
Creative Mold and Machine, Inc.	274,920	2.24
Hostar International, Inc.	255,360	2.08
Saint Fobain Norton Industrial Ceramics Inc.	219,120	1.79
Dash Tree Service, Inc.	190,050	1.55
Wiseco Piston Company, Inc.	188,640	1.54
Key Corporate Capital, Inc.	186,620	1.52
Van Ness Landscaping, Inc.	<u>179,110</u>	<u>1.46</u>
Total	<u><u>\$4,039,290</u></u>	<u><u>32.93%</u></u>

Source: Geauga County Auditor

(1) Assessed values are for the 2001 collection year.

Newbury Local School District

Principal Taxpayers

Public Utilities Tax

December 31, 2000

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Public Utility Property Assessed Value</u>
Cleveland Electric Illuminating Company	\$3,324,220	54.96%
Western Reserve Telephone Company	1,429,170	23.63
East Ohio Gas Company	669,430	11.07
GTE Mobilnet of Ohio	<u>208,110</u>	<u>3.44</u>
Total	<u><u>\$5,630,930</u></u>	<u><u>93.10%</u></u>

Source: Geauga County Auditor

(1) Assessed values are for the 2001 collection year.

Newbury Local School District

*Per Pupil Cost
Last Ten Fiscal Years*

<u>Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Student Enrollment</u>	<u>Per Cost Pupil</u>
2001 (2)	\$5,945,243	782	\$7,603
2000 (2)	5,491,573	761	7,216
1999 (2)	5,121,328	772	6,634
1998 (2)	5,111,810	773	6,613
1997 (2)	5,854,835	826	7,088
1996 (2)	5,096,556	839	6,075
1995	3,941,761	868	4,541
1994	3,806,394	863	4,411
1993	4,286,692	844	5,079
1992	4,572,352	841	5,437

Source: School District Financial Records.

(1) Includes Other Financing Uses

(2) 1996 through 2001 on GAAP Basis

Newbury Local School District

Teacher Education and Experience

June 30, 2001

Degree	Number of Teachers	Percentage of Total
Bachelor's Degree	11	18.64%
Bachelor + 15 150 Hours	2	3.39
Master's Degree	20	33.91
Master's + 15	10	16.95
Master's + 30	5	8.47
	11	18.64
Total	59	100.00%

Years of Experience	Number of Teachers	Percentage of Total
0 - 5	12	20.34%
6 - 10	13	22.03
11 and Over	34	57.63
	59	100.00%

Source: School District Personnel Records



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OFFICE OF THE AUDITOR

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NEWBURY LOCAL SCHOOL DISTRICT

GEAUGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 8, 2001**