

# Norton City School District

Norton, Ohio



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





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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

We have reviewed the independent auditor's report of the Norton City School District, Summit County, prepared by Lennon & Company, Certified Public Accountant, for the audit period July 1, 1999 through June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

**JIM PETRO**  
Auditor of State

April 4, 2001



# *Norton City School District*

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Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2000

Prepared by:  
Catherine M. Bulgrin and  
Treasurer's Office Staff



***Norton City School District***  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2000**

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## INTRODUCTORY SECTION



# NORTON CITY SCHOOLS

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## ADMINISTRATION

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

## BOARD OF EDUCATION

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

## SCHOOLS

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

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December 22, 2000

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

The Norton City School District's (the "School District") Comprehensive Annual Financial Report (CAFR) compiled for the fiscal year July 1, 1999, through June 30, 2000, is respectfully submitted. Prepared by the Treasurer's office for the purpose of informing the Norton City School District's taxpayers, this comprehensive report's design provides complete and accurate disclosure of the School District's material financial operations for the fiscal year ended June 30, 2000.

The responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District's management. To the best of our knowledge and belief, this CAFR and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School District

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

The arrangement of the Comprehensive Annual Financial Report is divided into four sections: The Introductory Section, Financial Section, Statistical Section, and Compliance Section. The first section, the Introductory Section, includes the table of contents, this transmittal letter, a list of elected officials, and the School District's organizational chart. The next section, the Financial Section, contains the Independent Auditor's Report, the general purpose financial statements, notes to the general purpose financial statements, and detailed combining and individual fund and account group statements and schedules. The third section, the Statistical Section, consists of a ten year compilation of miscellaneous demographic statistics and pertinent financial information, representative of six years reporting in the cash-basis method of accounting and the fiscal years 1997, 1998, 1999 and 2000 reporting in accordance with GAAP. The final section, the Compliance Section, includes the auditor's report on the internal control over financial reporting and compliance with applicable laws and regulations.



In Pursuit of Excellence

This section also includes all the reports and schedules required under the Single Audit Act and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations receiving federal awards.

## **HISTORY OF THE NORTON COMMUNITY AND SCHOOLS**

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

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

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

For fiscal year 1999-00 the student head count totaled 2,564 with a projection of 2,554 for the 2000-01 school year. Community students enroll in six schools: Norton High School (grades 9-12), Norton Middle School (grades 6-8), Norton Intermediate (grades 3-5), Norton Primary (grades K-2), Grill School (grades K-5), and Norton 21 (grades 1-5). Other facilities operated by the School District include the Central Administration Office, Bus Garage, Football Stadium, and other athletic fields.

The Norton City School District is a member of the Four Cities Educational Compact that provides various vocational educational programs to high school students attending the Norton, Barberton, Copley and Wadsworth City Schools. Available within the Four Cities Compact Schools are: industry-certified occupational programs, cluster-based work force development programs, career readiness programs, Family and Consumer Science programs and supplemental vocational program services. Norton schools added an A+ Certification and Masonry Program (industry-certified) in fiscal year 2000 dropping, due to lack of enrollment, Auto Collision Repair and Auto Technology Programs. Also, offered are Occupational Work Adjustment (OWA), Occupational Work Experience (OWE) (career readiness); Life Planning, Parenting, Family Relations, Personal Development (Family and Consumer Science); Administrative Assistants (Junior and Senior), Cooperative Business Education (CBE), and Diversified Cooperative Trade (DCT) (supplemental vocational programs).



In Pursuit of Excellence

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

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

### **SCHOOL DISTRICT ORGANIZATION**

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

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

The Superintendent functions as the Chief Executive Officer of the School District with responsibility for the education and support operations of the School District in accordance with Section 3319.01 of the Ohio Revised Code and is directly responsible to the Board of Education. Ms. Norma Conner was appointed Superintendent. Ms. Conner's contract will expire on July 31, 2003.

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

### **REPORTING ENTITY**

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



In Pursuit of Excellence

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

### **ECONOMIC CONDITION AND FUTURE OUTLOOK**

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

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

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

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

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



## **MAJOR INITIATIVES AND ACCOMPLISHMENTS**

### Continuous Improvement

A Continuous Improvement Plan (CIP) is in place and used as the District's strategic plan guiding decision-making and actions of the School District toward continual improvements in student academic achievement. The goal is to improve the processes and results as they relate to teaching and learning. The first steps, data collection and analysis, were completed and a Plan was drafted and Board approved. CIP Meetings between faculty and administrators are held periodically providing ongoing evaluation and enhancement of the Plan.

### Technology

All buildings are wired, and computers have been purchased. Throughout the campus computers are networked and have Internet access. Discourse Reading technology equipment was purchased for the Intermediate and Middle Schools. The School District has received for the third year SchoolNet Plus grant money to purchase technology equipment for the elementary grade levels.

### Multipurpose Room Addition

Construction of an addition to the Norton Primary Building was completed during fiscal year 2000. The addition serves as a multipurpose room for the Primary children. The total project did not exceed \$650,000 and was made possible with monies received from the district's permanent improvement levy.

### Financial Information

During fiscal year 2000 the District established four (4) additional funds: 012, 452, 459, and 499. Fund 012 Adult Education Fund was added to provide continuing education in the field of technology to community parents and District teachers. Fund 452 was added to account for School Net Professional Development. Fund 459 Ohio Reads was established to record grant funds received and expended for improving District Students' reading outcomes at the elementary level. Fund 499 Miscellaneous State Grant was established to account for the Phonics Demonstration Grant and the District's Safe, Drug Free Grant entitlement.

### Fiscally Sound

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



## **FINANCIAL INFORMATION**

The organization of the School District's accounting system is operated on a "fund" basis. Each fund and account group is a distinct, self-balancing accounting entity. Reports for general governmental operations and expendable trust funds are presented on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. "Measurable" indicates that the amount of the transaction can be determined. "Available" signifies that it is collectable within the current fiscal period or soon enough thereafter to be used to pay liabilities of the current fiscal period, which the School District considers to be sixty days after year-end. Reports of the School District's proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when incurred.

### **Internal Controls**

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

### **Budgetary Controls**

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. The Treasurer must certify purchase order requests have the necessary funds available. Then, purchase orders are encumbered, and released to vendors. Management may make budgetary modifications as long as the total fund appropriation is not affected.

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



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

Single Audit Act

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

General Governmental Functions

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

The following schedule illustrates the Summary of Revenues of the School District’s general government for the fiscal year ending June 30, 2000, and the amount and percentage of increase or decrease compared to fiscal year ending June 30, 1999.

The total of Governmental Fund Revenues for fiscal year 2000 totaled \$16,248,764. Notably, the School District receives 42.66 percent of the total governmental fund receipts from general property taxes and 52.66 percent from state and federal support.

Summary of Revenues

<i>Revenue by Source</i>	<i>Fiscal Year 2000 Amount</i>	<i>Fiscal Year 1999 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease)</i>	<i>Percent of Increase (Decrease)</i>
Taxes	\$ 6,931,423	\$ 7,088,311	42.66%	(156,888)	-2.21%
Intergovernmental	8,556,448	7,930,250	52.66%	626,198	7.90%
Interest Earnings	321,810	247,073	1.98%	74,737	30.25%
Tuition and Fees	146,249	232,262	0.90%	(86,013)	-37.03%
Rent	3,458	-	0.02%	3,458	0.00%
Extracurricular	180,012	158,845	1.11%	21,167	13.33%
Gifts and Donations	13,305	-	0.08%	13,305	0.00%
Miscellaneous	96,059	169,596	0.59%	(73,537)	-43.36%
<b>Total</b>	<b>\$ 16,248,764</b>	<b>\$ 15,826,337</b>	<b>100.00%</b>	<b>422,427</b>	<b>2.67%</b>

Tax revenues decreased slightly due to new property valuation. The School District realized a 2.21 percent decrease in total valuation. This is the result of a decrease in delinquent collections in fiscal year 2000.

Intergovernmental revenues increased due to legislation increasing state funding. The School District realized a 7.9 percent increase in Intergovernmental revenues or a dollar figure of \$626,198 between fiscal year 1999 and 2000.



Interest earnings on investments increased \$74,737 that is attributable to growing interest rates and an increasing interim cash balance during the fiscal year. Investment of the School District's funds in both Star Ohio (State Treasury Asset Reserve) and overnight repurchase agreements in sweep investment accounts facilitated earning interest at a marketable, competitive rate. Prudent investment of available School District interim monies, through an established sound investment policy, entitles the School District's procurement of interest earnings at its greatest potential. A new ruling effective March 1, 1999 required that the School District's Food Service Program be allocated interest earnings for its cash balance. At the close of fiscal year 2000 the Food Service Program earned a total of \$7,484.14 interest.

Tuition receipts reflect monies attained for the education of other School District's special education students served by our School District. Tuition revenues are not expected to be received during the current available period, therefore, reflect a decrease of \$86,013.

Miscellaneous receipts identify dollars received from other sources for various reasons (e.g. refunds of prior year expenditures). Miscellaneous revenues reflect a decrease of \$73,537 due to reclassification of rentals, contributions and donations.

The following schedule illustrates the Summary of Expenditures of the School District's general government for the fiscal year ending June 30, 2000, and the amount and percentage of increase or decrease compared to fiscal year ending June 30, 1999. Interpretations pertaining to general government expenditure activity follow the schedule.

#### Summary of Expenditures

<i>Expenditure by Function</i>	<i>Fiscal Year 2000 Amount</i>	<i>Fiscal Year 1999 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease)</i>	<i>Percent of Increase (Decrease)</i>
Instruction	\$ 8,989,515	\$ 8,487,626	55.18%	\$ 501,889	5.91%
Pupil Support	634,511	512,235	3.89%	122,276	23.87%
Instructional Staff	730,814	473,678	4.49%	257,136	54.28%
Board of Education	24,176	19,081	0.15%	5,095	26.70%
Administration	1,178,060	1,128,782	7.23%	49,278	4.37%
Fiscal	470,814	403,386	2.89%	67,428	16.72%
Business	258,196	281,573	1.58%	(23,377)	-(8.30)%
Plant Operations	1,636,887	1,333,538	10.05%	303,349	22.75%
Pupil Transportation	899,240	741,979	5.52%	157,261	21.19%
Central	7,195	7,119	0.04%	76	1.07%
Other	11,570	9,347	0.07%	2,223	23.78%
Extracurricular	386,554	346,942	2.37%	39,612	11.42%
Capital Outlay	1,003,816	511,031	6.16%	492,785	96.43%
Debt Service	60,565	63,017	0.37%	(2,452)	-(3.89)%
<b>Total</b>	<b>\$ 16,291,913</b>	<b>\$ 14,319,334</b>	<b>100.00%</b>	<b>\$ 1,972,579</b>	<b>13.78%</b>

The area of Instruction is specific to the education of regular, special and vocational students. The Instruction component represents 55.18 percent of the School District's total expenditures, or \$.55 of every dollar the School District spends. Salaries of teachers, classroom aides and counselors as well as classroom materials and textbooks are examples of expenditures in this section.



Support services provided to the School District's students are captured in the Pupil Support and Instructional Staff areas. These areas represent 3.89 and 4.49 percent, respectively, of total School District expenditures. These expenditures are inclusive of activities associated with the assessment, design, and improvement of students' well being, and instructional staff assistance with the process and content of providing pupil learning experiences.

The Administrative function represents 7.23 percent of the total governmental expenditures, and the Board function represents .15 percent. These areas encompass activities associated with the establishment and administration of policy concerned with the School District operations as well as the administrative responsibility for the entire School District. Examples of expenditures in this category include the Board members, Directors and Superintendent's salaries and necessary supplies and materials. The Board of Education expenditures increased due to the purchase of plaques for prior years' service awards for district employees and an increase in legal services.

The Fiscal and Business operations comprise 4.47 percent of total governmental expenditures. These functions include activities concerned with the financial operations of the School District and activities concerned with the purchase and maintenance of goods and services for the School District and internal service areas. The Fiscal operations increased due to the addition of staff and purchases of equipment.

Expenditures in the Plant Operations reflect 10.05 percent of the total governmental expenditures. Expenses within this area involve providing open, safe and effective working conditions. Also included are expenses for the maintenance and safety of the buildings and grounds situated within the school vicinity. Increases in plant operations are related to remodeling, repairing and construction of buildings and the purchase of two new maintenance vehicles.

In Pupil Transportation the School District expenditures totaled 5.52 percent of the governmental costs. The transportation expenditures reflect the salary costs for bus drivers, mechanics and supervisor, as well as costs related to fuel, materials, maintenance, and repairs of school buses and vans driven for transporting the Norton students. The School District replaced two buses reflecting an increase in Pupil Transportation.

The Capital Outlay function represents activities concerned with buying, acquiring, constructing, and improving buildings. The expenditures in Capital Outlay reflect 6.16 percent of the total governmental expenditures. This increase reflects an addition of a Multipurpose Room to the Primary Building; roof repairs to the Grill Elementary and Middle School buildings; purchase of upgraded alarm systems for Primary and Grill Elementary and Middle School buildings; additional music equipment; and, replacement furniture throughout the School District.

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

#### General Fund

The General Fund accounts for all financial resources except those required to be accounted for in another fund. The School District ended the 2000 fiscal year with a General Fund cash balance of \$3,820,694 an increase of \$143,312 from the June 30, 1999 balance of \$3,677,382.



Special Revenue Funds

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

Capital Projects Funds

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

Significant activity of other miscellaneous funds is noted below.

Enterprise Funds

The Enterprise Funds consist of the Food Services Fund, the Uniform School Supplies (Workbook Fund), the Customer Service Rotary Fund - Special Services and the Adult Education Fund. The Food Service operation in the School District primarily funds itself. For the fiscal year 2000, the Food Service operation generated \$502,092 in operating revenues and ended the year with a cash balance of \$112,798.

Internal Service Fund

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

Fiduciary Funds

The Fiduciary Funds utilized by the School District are the Expendable Trust Fund and the Student Managed Activities Fund. The Student Activities Fund is provided to account for student activity programs that meet the following criteria: have student participation in the activity; and, have students involved in the management of the program. The School District operated 37 activity programs at the High School level and two activity programs at the Middle School level.

General Fixed Assets

The General Fixed Assets of the School District are utilized to execute the educational and support functions of the School District and are not financial resources available for expenditure. The School District contracted with an appraisal firm for an update of all fixed assets generating the foundation for future capitalization. The total General Fixed Assets at June 30, 2000 was \$12,476,115. These assets are accounted for at historical cost. Depreciation is not recognized on General Fixed Assets.



## **DEBT ADMINISTRATION**

The School District's outstanding debt at the end of June 30, 2000 was \$260,400. Debt was bond series issued to pay costs of installations, modifications and remodeling of school buildings to conserve energy. This was also known as House Bill 264 Energy Conservation project available under authority of and pursuant to the laws of the State of Ohio, Section 133.06 (G) of the Ohio Revised Code, the approval of the State Department of Education, and Board adopted resolution #8639-95 of May 1, 1995. Original debt issued was for \$434,000 in 1995 with debt retirement scheduled for July 2005.

## **CASH MANAGEMENT**

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

Protection of the School District's cash and investments is provided by the Federal Deposit Insurance Corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. As required under Ohio law, pooled securities have been pledged in an amount equal to 110% of the total deposits, to secure the repayment of all public moneys deposited in a financial institution. A detailed description of the School District's investment function is described in Note 4 to the financial statements.

## **RISK MANAGEMENT**

The School District, as a political subdivision, maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for general liability, property loss, boiler and machinery coverage, and vehicle fleet liability are purchased from insurance companies licensed to do business in the state of Ohio.

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

The health benefits liability is limited by reinsurance that caps the individual specific liability at \$55,000 and an aggregate liability, for all covered employees a maximum of \$1,435,732.35 for the School District's plan year from June 1, 1999 through May 31, 2000. Control of the plan rests solely with the School District.

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



All employees of the School District are covered by worker's compensation. The School District is a member of the Ohio School Boards Association Group Rating Program. Effective January 1, 1993, the School District joined a group-rating program through the Ohio School Board Association in an effort to control costs. Over 423 Ohio school districts are members participating. The School District receives a group premium discount rate for participation in this pooling program. The program has resulted in group savings over ten million dollars during the 2000 calendar year. The School District has realized, on an individual basis, savings of \$24,414, or a 38.8 percent premium reduction based on School District cost without pooling, during the 2000 fiscal year.

### **PENSION PLANS**

All School District employees are covered by the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District pay the employer share as determined by each retirement system, which is currently fourteen percent.

School District contributions for 2000 were \$1,044,552 as the employer portion to STRS and \$321,891 in employer contributions to SERS. Included in the SERS remittance is an annual employer surcharge. Starting in 1988-89 an additional employer charge (surcharge) was levied on salaries of lower-paid SERS members. Minimum annual compensation is determined annually by the System's actuaries and was \$12,400 for fiscal 2000. Surcharge is calculated at fourteen percent of the difference between the member's annual compensation and the minimum compensation level. For the 1999-00 fiscal year, a surcharge of \$28,029 was incurred.

### **OTHER INFORMATION**

#### *Independent Audit*

Provisions of State statute require the School District's financial statements be subjected to an annual examination by an independent auditor. In addition to meeting the requirement set forth in state statutes, the audit was also designed to meet the requirements of the Federal Office of Management and Budget Circular A-133. The 2000 audit was performed by Lennon & Company, Certified Public Accountant for the period ended June 30, 2000. Those provisions have been satisfied and the opinion of the Independent Auditors is included in the financial section of this Comprehensive Annual Financial Report.

#### *GFOA Certificate of Achievement*

The Governmental Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The Norton City School District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial reports.

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



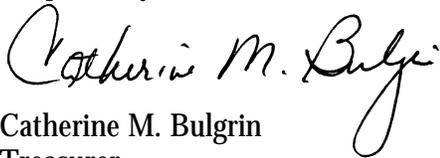
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the high standards required by the Certificate of Achievement program.

Acknowledgments

The preparation and publication of the 2000 Comprehensive Annual Financial Report of the Norton City School District was facilitated through the assistance of many people. My sincere appreciation is extended to the staff of the Treasurer's office for their dedication, support, and encouragement throughout this process. In addition, sincere thanks are also extended to various administrators and employees of the School District, the Summit County Auditor's office staff and other outside agencies whose efforts contributed to the fair presentation of the statistical data.

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

Respectfully submitted,



Catherine M. Bulgrin  
Treasurer



In Pursuit of Excellence

***Norton City School District***  
**Principal Officials Roster**  
**Year Ended June 30, 2000**

Board of Education

Mrs. Linda Kloetzer	President
Mrs. Cynthia Webel	Vice President
Mrs. Mary Ann Isak	Member
Mr. Donald Nutter	Member
Mr. Ed Morrison	Member

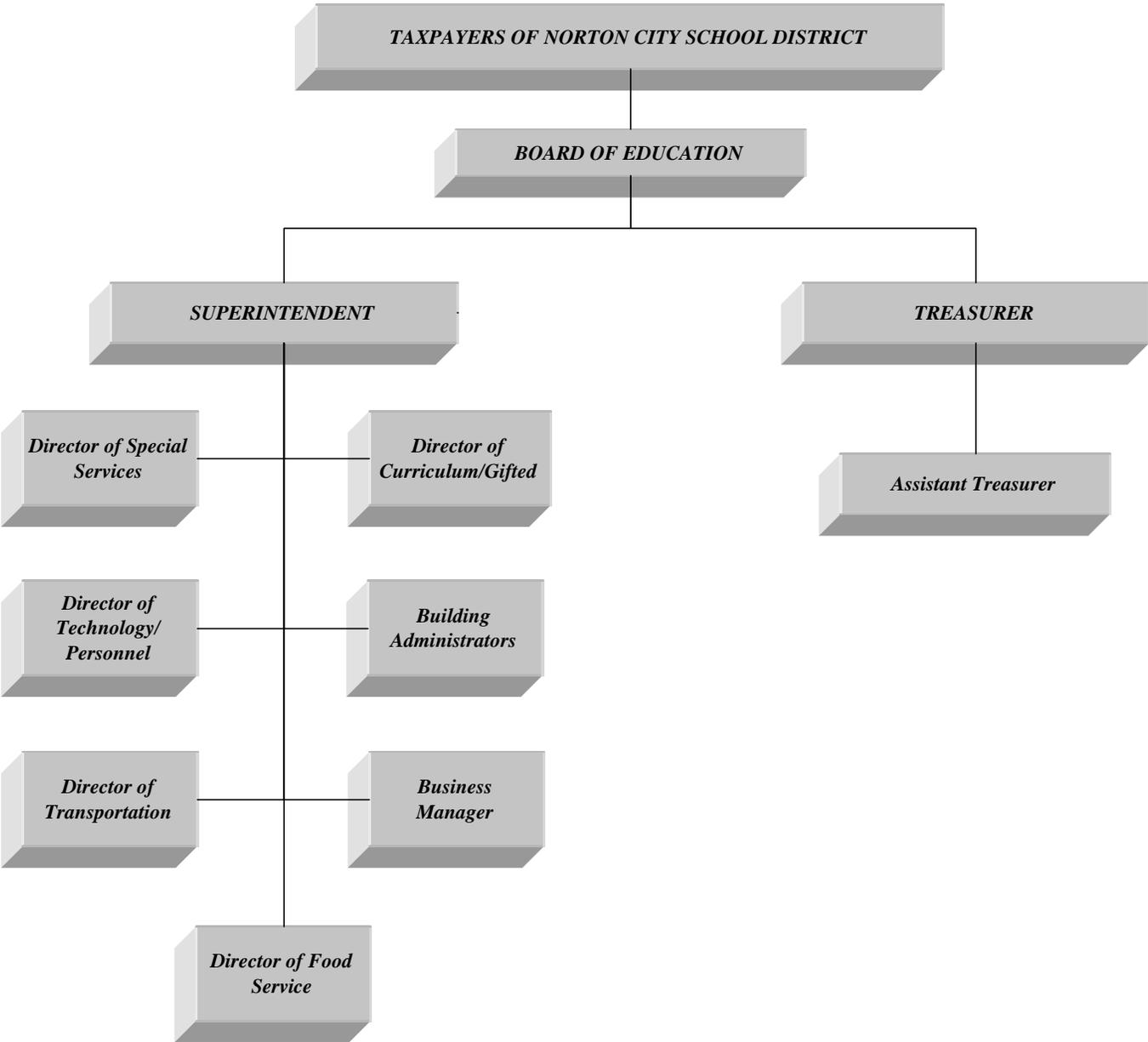
Chief Fiscal Officer

Mrs. Catherine M. Bulgrin

Administration

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

*Norton City School District*  
**Organizational Chart**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Norton City School  
District, Ohio

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

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.



*Anne Spray Kinney*  
President

*Jeffrey L. Essler*  
Executive Director

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## FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of Norton City School District, as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of Norton City School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Norton City School District, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2000 on our consideration of Norton City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Norton City School District. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general purpose financial statements of Norton City School District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

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

A handwritten signature in cursive script that reads "Lennon & Company".

LENNON & COMPANY  
Certified Public Accountant  
December 22, 2000

## **General Purpose Financial Statements**

**Norton City School District**  
**Combined Balance Sheet**  
**All Fund Types and Account Groups**  
**June 30, 2000**

Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and other debits:</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 3,521,262	\$ 186,459	\$ 4,703	\$ 692,962
Cash and cash equivalents with fiscal agents				
In segregated accounts	-	-	-	-
With fiscal agents	-	-	390	-
Receivables:				
Taxes	7,046,892	-	58,113	604,061
Accounts	1,500	-	-	-
Intergovernmental	234,398	14,173	-	-
Interfund receivable	2,075	-	-	-
Inventory held for resale	-	-	-	-
Materials and supplies inventory	-	-	-	-
Equity in pooled cash and cash equivalents (restricted)	299,432	-	-	-
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	-
<u>Other debits:</u>				
Amount available in debt service fund for retirement of general obligation bonds	-	-	-	-
Amount to be provided from general government resources	-	-	-	-
Total assets and other debits	<u>\$ 11,105,559</u>	<u>\$ 200,632</u>	<u>\$ 63,206</u>	<u>\$ 1,297,023</u>
 <u>Liabilities, fund equity and other credits:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 136,011	\$ 23,770	\$ -	\$ 13,499
Accrued wages	959,284	11,687	-	-
Compensated absences payable	50,226	-	-	-
Interfund payable	-	2,075	-	-
Intergovernmental payable	265,308	1,855	-	-
Deferred revenue	7,109,938	-	58,113	593,090
Due to students	-	-	-	-
Matured interest payable	-	-	390	-
Claims payable	-	-	-	-
Claimant liability	-	-	-	-
General obligation bonds payable	-	-	-	-
Total liabilities	<u>8,520,767</u>	<u>39,387</u>	<u>58,503</u>	<u>606,589</u>
<u>Fund equity and other credits:</u>				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings:				
Unreserved	-	-	-	-
Fund balance:				
Reserved for encumbrances	471,728	25,007	-	194,188
Reserved for debt service	-	-	4,703	-
Reserved for budget stabilization	299,432	-	-	-
Unreserved:				
Undesignated	1,813,632	136,238	-	496,246
Total fund equity and other credits	<u>2,584,792</u>	<u>161,245</u>	<u>4,703</u>	<u>690,434</u>
Total liabilities, fund equity and other credits	<u>\$ 11,105,559</u>	<u>\$ 200,632</u>	<u>\$ 63,206</u>	<u>\$ 1,297,023</u>

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 200,933	\$ 437,055	\$ 64,029	\$ -	\$ -	\$ 5,107,403
-	240,087	-	-	-	240,087
-	-	-	-	-	390
-	-	-	-	-	7,709,066
-	-	-	-	-	1,500
-	-	-	-	-	248,571
-	-	-	-	-	2,075
2,603	-	-	-	-	2,603
470	-	-	-	-	470
-	-	-	-	-	299,432
114,163	-	-	12,476,115	-	12,590,278
-	-	-	-	4,703	4,703
-	-	-	-	970,598	970,598
<u>\$ 318,169</u>	<u>\$ 677,142</u>	<u>\$ 64,029</u>	<u>\$ 12,476,115</u>	<u>\$ 975,301</u>	<u>\$ 27,177,176</u>
\$ 4,983	\$ -	\$ 6,282	\$ -	\$ -	\$ 184,545
2,792	-	-	-	-	973,763
12,595	-	-	-	588,723	651,544
-	-	-	-	-	2,075
10,453	-	-	-	126,178	403,794
1,049	-	-	-	-	7,762,190
-	-	48,716	-	-	48,716
-	-	-	-	-	390
-	146,747	-	-	-	146,747
-	-	8,531	-	-	8,531
-	-	-	-	260,400	260,400
<u>31,872</u>	<u>146,747</u>	<u>63,529</u>	<u>-</u>	<u>975,301</u>	<u>10,442,695</u>
-	-	-	12,476,115	-	12,476,115
7,400	-	-	-	-	7,400
278,897	530,395	-	-	-	809,292
-	-	-	-	-	690,923
-	-	-	-	-	4,703
-	-	-	-	-	299,432
-	-	500	-	-	2,446,616
<u>286,297</u>	<u>530,395</u>	<u>500</u>	<u>12,476,115</u>	<u>-</u>	<u>16,734,481</u>
<u>\$ 318,169</u>	<u>\$ 677,142</u>	<u>\$ 64,029</u>	<u>\$ 12,476,115</u>	<u>\$ 975,301</u>	<u>\$ 27,177,176</u>

***Norton City School District***  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Governmental Fund Types and Expendable Trust Fund**  
**For the Fiscal Year Ended June 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Revenues:</u>				
Property and other local taxes	\$ 6,303,942	\$ -	\$ 60,565	\$ 566,916
Intergovernmental	7,886,437	490,860	-	179,151
Interest	321,810	-	-	-
Tuition and fees	146,249	-	-	-
Rent	3,458	-	-	-
Extracurricular activities	-	180,012	-	-
Gifts and donations	1,150	12,155	-	-
Miscellaneous	84,590	11,469	-	-
Total revenues	14,747,636	694,496	60,565	746,067
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	7,108,875	194,755	-	21,769
Special	1,019,005	94,516	-	-
Vocational	507,387	-	-	-
Adult/continuing	10,385	5,450	-	-
Other	27,373	-	-	-
Support services:				
Pupils	618,693	15,818	-	-
Instructional staff	618,866	111,948	-	-
Board of education	24,176	-	-	-
Administration	1,114,590	61,970	-	1,500
Fiscal	462,216	-	-	8,598
Business	258,196	-	-	-
Operation and maintenance of plant	1,557,626	27,771	-	51,490
Pupil transportation	808,171	144	-	90,925
Central	-	7,195	-	-
Operation of non-instructional services	-	11,570	-	-
Extracurricular activities	268,573	117,981	-	-
Capital outlay	30,280	5,000	-	968,536
Debt service:				
Principal retirement	-	-	43,400	-
Interest and fiscal charges	-	-	17,165	-
Total expenditures	14,434,412	654,118	60,565	1,142,818
Excess of revenues over (under) expenditures	313,224	40,378	-	(396,751)
<u>Other financing sources (uses):</u>				
Operating transfers in	-	776	-	-
Operating transfers out	(776)	-	-	-
Total other financing sources (uses)	(776)	776	-	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	312,448	41,154	-	(396,751)
Fund balances at beginning of year	2,272,344	120,091	4,703	1,087,185
Fund balances at end of year	\$ 2,584,792	\$ 161,245	\$ 4,703	\$ 690,434

See accompanying notes to the general purpose financial statements.

Fiduciary Fund	Totals (Memorandum Only)
Expendable Trust	
\$ -	\$ 6,931,423
-	8,556,448
-	321,810
-	146,249
-	3,458
-	180,012
-	13,305
-	96,059
-	<u>16,248,764</u>
-	7,325,399
-	1,113,521
-	507,387
-	15,835
-	27,373
-	634,511
-	730,814
-	24,176
-	1,178,060
-	470,814
-	258,196
-	1,636,887
-	899,240
-	7,195
-	11,570
-	386,554
-	1,003,816
-	43,400
-	17,165
-	<u>16,291,913</u>
-	<u>(43,149)</u>
-	776
-	<u>(776)</u>
-	-
-	(43,149)
500	3,484,823
<u>\$ 500</u>	<u>\$ 3,441,674</u>

***Norton City School District***  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Budget and Actual**  
**All Governmental Fund Types and Expendable Trust Fund**  
**For the Fiscal Year Ended June 30, 2000**

	Governmental Fund Types		
	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<u>Revenues:</u>			
Taxes	\$ 6,405,409	\$ 6,323,834	\$ (81,575)
Intergovernmental	7,698,635	7,880,187	181,552
Interest	282,914	321,810	38,896
Tuition and fees	234,720	192,343	(42,377)
Rent	3,850	3,458	(392)
Extracurricular activities	-	-	-
Gifts and donations	1,150	1,150	-
Miscellaneous	15,501	48,187	32,686
Total revenues	<u>14,642,179</u>	<u>14,770,969</u>	<u>128,790</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	7,753,277	7,489,717	263,560
Special	1,228,064	1,194,543	33,521
Vocational	577,757	543,818	33,939
Adult/continuing	10,340	10,338	2
Other	27,373	27,373	-
Support services:			
Pupils	634,804	625,516	9,288
Instructional staff	671,013	646,623	24,390
Board of education	31,119	25,903	5,216
Administration	1,167,919	1,154,749	13,170
Fiscal	463,223	455,889	7,334
Business	332,449	302,017	30,432
Operation and maintenance of plant	1,703,705	1,651,366	52,339
Pupil transportation	968,006	840,535	127,471
Central	-	-	-
Operation of non-instructional services	-	-	-
Extracurricular activities	276,292	271,710	4,582
Capital outlay	86,038	38,953	47,085
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>15,931,379</u>	<u>15,279,050</u>	<u>652,329</u>
Excess of revenues over (under) expenditures	<u>(1,289,200)</u>	<u>(508,081)</u>	<u>781,119</u>
<u>Other financing sources (uses):</u>			
Refund of prior year expenditures	7,000	38,566	31,566
Refund of prior year receipts	(750)	(750)	-
Other financing uses	(228,765)	-	228,765
Advances in	11,520	11,520	-
Advances out	(2,075)	(2,075)	-
Operating transfers in	-	-	-
Operating transfers out	(776)	(776)	-
Total other financing sources (uses)	<u>(213,846)</u>	<u>46,485</u>	<u>260,331</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,503,046)	(461,596)	1,041,450
Fund balances at beginning of year	2,863,916	2,863,916	-
Prior year encumbrances appropriated	813,467	813,467	-
Fund balances at end of year	<u>\$ 2,174,337</u>	<u>\$ 3,215,787</u>	<u>\$ 1,041,450</u>

See accompanying notes to the general purpose financial statements. 8

Governmental Fund Types

Special Revenue Funds			Debt Service Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 60,565	\$ 60,565	\$ -
489,666	487,490	(2,176)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
180,731	180,557	(174)	-	-	-
12,155	12,155	-	-	-	-
11,469	11,469	-	-	-	-
<u>694,021</u>	<u>691,671</u>	<u>(2,350)</u>	<u>60,565</u>	<u>60,565</u>	<u>-</u>
280,099	202,195	77,904	-	-	-
118,824	115,359	3,465	-	-	-
3,936	-	3,936	-	-	-
15,885	9,237	6,648	-	-	-
-	-	-	-	-	-
16,385	16,150	235	-	-	-
114,556	104,010	10,546	-	-	-
-	-	-	-	-	-
74,624	67,719	6,905	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,331	12,331	-	-	-	-
557	201	356	-	-	-
18,195	7,195	11,000	-	-	-
13,225	11,762	1,463	-	-	-
135,669	120,808	14,861	-	-	-
5,000	5,000	-	-	-	-
-	-	-	48,103	43,400	4,703
-	-	-	17,165	17,165	-
<u>809,286</u>	<u>671,967</u>	<u>137,319</u>	<u>65,268</u>	<u>60,565</u>	<u>4,703</u>
<u>(115,265)</u>	<u>19,704</u>	<u>134,969</u>	<u>(4,703)</u>	<u>-</u>	<u>4,703</u>
-	-	-	-	-	-
(1,000)	(1,000)	-	-	-	-
-	-	-	-	-	-
-	2,075	2,075	-	-	-
(11,520)	(11,520)	-	-	-	-
776	776	-	-	-	-
-	-	-	-	-	-
<u>(11,744)</u>	<u>(9,669)</u>	<u>2,075</u>	<u>-</u>	<u>-</u>	<u>-</u>
(127,009)	10,035	137,044	(4,703)	-	4,703
121,426	121,426	-	4,703	4,703	-
22,960	22,960	-	-	-	-
<u>\$ 17,377</u>	<u>\$ 154,421</u>	<u>\$ 137,044</u>	<u>\$ -</u>	<u>\$ 4,703</u>	<u>\$ 4,703</u>

***Norton City School District***  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances - Budget and Actual**  
**All Governmental Fund Types and Expendable Trust Fund**  
**For the Fiscal Year Ended June 30, 2000**

	Governmental Fund Types		
	Capital Projects Funds		Variance
	Revised Budget	Actual	Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 571,419	\$ 570,197	\$ (1,222)
Intergovernmental	177,930	179,151	1,221
Interest	-	-	-
Tuition and fees	-	-	-
Rent	-	-	-
Extracurricular activities	-	-	-
Gifts and donations	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>749,349</u>	<u>749,348</u>	<u>(1)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	314,705	50,117	264,588
Special	-	-	-
Vocational	-	-	-
Adult/continuing	-	-	-
Other	-	-	-
Support services:			
Pupils	-	-	-
Instructional staff	-	-	-
Board of education	-	-	-
Administration	1,500	1,500	-
Fiscal	8,598	8,598	-
Business	-	-	-
Operation and maintenance of plant	62,500	51,490	11,010
Pupil transportation	90,925	90,925	-
Central	-	-	-
Operation of non-instructional services	-	-	-
Extracurricular activities	-	-	-
Capital outlay	1,432,677	1,236,381	196,296
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>1,910,905</u>	<u>1,439,011</u>	<u>471,894</u>
Excess of revenues over (under) expenditures	<u>(1,161,556)</u>	<u>(689,663)</u>	<u>471,893</u>
<u>Other financing sources (uses):</u>			
Refund of prior year expenditures	-	-	-
Refund of prior year receipts	-	-	-
Other financing uses	-	-	-
Advances in	-	-	-
Advances out	-	-	-
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,161,556)	(689,663)	471,893
Fund balances at beginning of year	231,439	231,439	-
Prior year encumbrances appropriated	943,499	943,499	-
Fund balances at end of year	<u>\$ 13,382</u>	<u>\$ 485,275</u>	<u>\$ 471,893</u>

Fiduciary Fund Type			Totals (Memorandum Only)		
Expendable Trust Fund					
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 7,037,393	\$ 6,954,596	\$ (82,797)
-	-	-	8,366,231	8,546,828	180,597
-	-	-	282,914	321,810	38,896
-	-	-	234,720	192,343	(42,377)
-	-	-	3,850	3,458	(392)
-	-	-	180,731	180,557	(174)
-	-	-	13,305	13,305	-
-	-	-	26,970	59,656	32,686
-	-	-	16,146,114	16,272,553	126,439
-	-	-	8,348,081	7,742,029	606,052
-	-	-	1,346,888	1,309,902	36,986
-	-	-	581,693	543,818	37,875
-	-	-	26,225	19,575	6,650
-	-	-	27,373	27,373	-
-	-	-	651,189	641,666	9,523
-	-	-	785,569	750,633	34,936
-	-	-	31,119	25,903	5,216
-	-	-	1,244,043	1,223,968	20,075
10,539	1,508	9,031	482,360	465,995	16,365
-	-	-	332,449	302,017	30,432
-	-	-	1,778,536	1,715,187	63,349
-	-	-	1,059,488	931,661	127,827
-	-	-	18,195	7,195	11,000
-	-	-	13,225	11,762	1,463
-	-	-	411,961	392,518	19,443
-	-	-	1,523,715	1,280,334	243,381
-	-	-	48,103	43,400	4,703
-	-	-	17,165	17,165	-
10,539	1,508	9,031	18,727,377	17,452,101	1,275,276
(10,539)	(1,508)	9,031	(2,581,263)	(1,179,548)	1,401,715
-	-	-	7,000	38,566	31,566
-	-	-	(1,750)	(1,750)	-
-	-	-	(228,765)	-	228,765
-	-	-	11,520	13,595	2,075
-	-	-	(13,595)	(13,595)	-
-	-	-	776	776	-
-	-	-	(776)	(776)	-
-	-	-	(225,590)	36,816	262,406
(10,539)	(1,508)	9,031	(2,806,853)	(1,142,732)	1,664,121
10,539	10,539	-	3,232,023	3,232,023	-
-	-	-	1,779,926	1,779,926	-
\$ -	\$ 9,031	\$ 9,031	\$ 2,205,096	\$ 3,869,217	\$ 1,664,121

***Norton City School District***  
**Combined Statement of Revenues,**  
**Expenses and Changes in Retained Earnings**  
**All Proprietary Fund Types**  
**For the Fiscal Year Ended June 30, 2000**

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<u>Operating revenues:</u>			
Sales	\$ 566,138	\$ -	\$ 566,138
Charges for services	-	1,461,582	1,461,582
Other operating revenues	5,503	-	5,503
Total operating revenue	<u>571,641</u>	<u>1,461,582</u>	<u>2,033,223</u>
<u>Operating expenses:</u>			
Salaries	211,524	-	211,524
Fringe benefits	106,804	-	106,804
Purchased services	13,308	193,168	206,476
Materials and supplies	90,058	-	90,058
Cost of sales	264,407	-	264,407
Depreciation	7,965	-	7,965
Claims	-	1,101,921	1,101,921
Other operating expenses	690	-	690
Total operating expenses	<u>694,756</u>	<u>1,295,089</u>	<u>1,989,845</u>
Operating income (loss)	<u>(123,115)</u>	<u>166,493</u>	<u>43,378</u>
<u>Non-operating revenues:</u>			
Federal donated commodities	30,161	-	30,161
Operating grants	102,451	-	102,451
Interest	7,484	26,818	34,302
Total non-operating revenues	<u>140,096</u>	<u>26,818</u>	<u>166,914</u>
Net income	<u>16,981</u>	<u>193,311</u>	<u>210,292</u>
Retained earnings at beginning of year	<u>261,916</u>	<u>337,084</u>	<u>599,000</u>
Retained earnings at end of year	<u>\$ 278,897</u>	<u>\$ 530,395</u>	<u>\$ 809,292</u>

See accompanying notes to the general purpose financial statements.

***Norton City School District***  
**Combined Statement of Cash Flows**  
**All Proprietary Fund Types**  
**For the Fiscal Year Ended June 30, 2000**

	<u>Proprietary Fund Types</u>		Totals
	<u>Enterprise</u>	<u>Internal Service</u>	<u>(Memorandum Only)</u>
<u>Cash flows from operating activities:</u>			
Cash received from customers	\$ 566,138	\$ -	\$ 566,138
Cash received from other operating sources	5,503	-	5,503
Cash received from quasi-external transactions with other funds	-	1,461,582	1,461,582
Cash payments to suppliers for goods and services	(330,912)	(193,166)	(524,078)
Cash payments to employees for services	(212,216)	-	(212,216)
Cash payments for employee benefits	(106,920)	-	(106,920)
Cash payments for claims	-	(1,054,225)	(1,054,225)
Cash payments for other operating expenses	(3,358)	-	(3,358)
Net cash provided by (used for) operating activities	<u>(81,765)</u>	<u>214,191</u>	<u>132,426</u>
<u>Cash flows from noncapital financing activities:</u>			
Operating grants	102,451	-	102,451
Net cash provided by noncapital financing activities	<u>102,451</u>	<u>-</u>	<u>102,451</u>
<u>Cash flows from capital financing activities:</u>			
Acquisition of capital assets	(10,239)	-	(10,239)
Net cash provided by (used for) capital financing activities	<u>(10,239)</u>	<u>-</u>	<u>(10,239)</u>
<u>Cash flows from investing activities:</u>			
Interest on investments	7,484	26,818	34,302
Net cash provided by investing financing	<u>7,484</u>	<u>26,818</u>	<u>34,302</u>
Net increase in cash and cash equivalents	17,931	241,009	258,940
Cash and cash equivalents at beginning of year	183,002	436,133	619,135
Cash and cash equivalents at end of year	<u>\$ 200,933</u>	<u>\$ 677,142</u>	<u>\$ 878,075</u>
<u>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</u>			
Operating income (loss)	\$ (123,115)	\$ 166,493	\$ 43,378
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	7,965	-	7,965
Federal donated commodities	30,161	-	30,161
Change in assets and liabilities:			
(Increase) decrease in assets:			
Inventory	1,100	-	1,100
Increase (decrease) in liabilities:			
Accounts payable	3,754	-	3,754
Accrued wages	(1,049)	-	(1,049)
Compensated absences payable	357	-	357
Intergovernmental payable	(116)	-	(116)
Claims payable	-	47,698	47,698
Deferred revenue	(822)	-	(822)
Total adjustments	<u>41,350</u>	<u>47,698</u>	<u>89,048</u>
Net cash provided by (used for) operating activities	<u>\$ (81,765)</u>	<u>\$ 214,191</u>	<u>\$ 132,426</u>

See accompanying notes to the general purpose financial statements.

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

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

The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board controls the School District's six instructional/support facilities staffed by 103 non-certificated employees and 172 certificated teaching and support personnel, including fifteen administrators, that provides services to 2,435 students and other community members.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

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

The School District is associated with the Northeast Ohio Network for Educational Technology and the Four Cities Educational Compact, which are defined as jointly governed organizations. Jointly governed organizations are governed by representatives from each of the governments that create the organizations, but there is no ongoing financial interest or responsibility by the participating governments. Information regarding these organizations is presented in Note 13.

**B. Basis of Presentation**  
**- Fund Accounting**

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

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

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

Governmental Fund Types

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

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

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

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

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

#### Proprietary Fund Types

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

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

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

#### Fiduciary Fund Types

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

#### Account Groups

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

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

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

**C. Measurement Focus  
and Basis of  
Accounting**

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the combined balance sheet. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after year end.

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

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

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

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

**D. Budgets and  
Budgetary  
Accounting**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. Even though annual budgets are legally adopted, proprietary budgetary statements have not been presented since they are not required under GAAP. The primary level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

*Tax Budget:* Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Summit County Budget Commission for rate determination.

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

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

The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions. Under Ohio law advances are not required to be budgeted.

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

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

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

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

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

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

**G. Inventory of Supplies**

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds was not significant at the end of the fiscal period. Inventories of proprietary funds consist of donated food, purchased food and consumable supplies and are expensed when used.

**H. Fixed Assets and Depreciation**

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

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

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

**I. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets may include unexpended revenues restricted for the purchases of school buses, and amounts required by statute to be set-aside by the School District for the purchase of textbooks, for the acquisition or construction of capital assets and to create a reserve for budget stabilization. See Note 17 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

**J. Intergovernmental Revenues**

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

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

Entitlements

General Fund

State Foundation Program  
State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

Teacher Development  
Management Information Systems  
Title I  
Eisenhower Math and Science  
Title VI  
Title VI-B  
Drug Free Schools  
EHA Preschool  
SchoolNet Professional Development  
Ohio Reads  
Phonics Demo  
Technology Challenge  
Federal Technology  
Goals 2000

Capital Projects

SchoolNet

Reimbursable Grants

General Fund

Driver Education Reimbursement

Enterprise Fund

National School Lunch Program  
Government Donated Commodities

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

**K. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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

**L. Long-Term Obligations**

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Bonds are reported as a liability of the general long-term obligations account group until due.

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

**M. Interfund Transactions**

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

**N. Estimates**

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

**O. Fund Balance Reserves**

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

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

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

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

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

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

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

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<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
<i>GAAP basis</i>	\$ 312,448	\$ 41,154	\$ (396,751)
<i>Revenue accruals</i>	73,419	(750)	3,281
<i>Expenditure accruals</i>	(242,560)	17,109	(88,506)
<i>Encumbrances (budget basis) outstanding at year end</i>	<u>(604,903)</u>	<u>(47,478)</u>	<u>(207,687)</u>
<i>Budget basis</i>	<u>\$ (461,596)</u>	<u>\$ 10,035</u>	<u>\$ (689,663)</u>

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**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

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

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

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

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

Deposits: The carrying value of the School District's deposits totaled (\$375,626), including \$500 in petty cash, and the bank balances of the deposits totaled \$64,078, all of which was covered by federal depository insurance.

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

Interest earned on cash and investments in the Self Insurance internal service fund and the Food Service enterprise fund are recorded in those funds as required by a board resolution. All other interest is legally required to be placed in the general fund. Interest revenue credited to the general fund during fiscal year 2000 amount to \$321,810 which includes \$63,648 assigned from other School District funds.

*Notes to the General Purpose Financial Statements*

The District has invested funds in STAR Ohio during 2000. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2000.

	<u>Category 3</u>	<u>Carrying Amounts</u>	<u>Fair Value</u>
<u>Categorized Investments</u>			
<i>Repurchase Agreements</i>	\$ 1,125,000	\$ 1,125,000	\$ 1,125,000
<u>Noncategorized Investments</u>			
<i>State Treasurer's Pool</i>		4,897,938	4,897,938
<i>Total Investments</i>		<u>\$ 6,022,938</u>	<u>\$ 6,022,938</u>

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

**NOTE 5 - PROPERTY TAX**

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

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

# Norton City School District

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

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, tangible personal property and public utility taxes which became measurable as of year end. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at year-end is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at year-end was \$138,734 in the general fund and \$10,971 in the Permanent Improvement capital projects fund and is recognized as revenue.

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

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<u>Property Category</u>	<u>1998 Assessed Value</u>	<u>1999 Assessed Value</u>
<u>Real Property</u>		
<i>Residential and agricultural</i>	\$ 156,913,580	\$ 182,465,740
<i>Commercial, industrial and mineral</i>	27,054,620	28,302,810
<i>Public utilities</i>	67,580	71,100
<u>Tangible Personal Property</u>		
<i>General</i>	18,157,729	19,048,419
<i>Public utilities</i>	12,751,800	13,109,980
<i>Total</i>	<u>\$ 214,945,309</u>	<u>\$ 242,998,049</u>

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**NOTE 6 - RECEIVABLES**

Receivables at year-end consisted of taxes, accounts (tuition and excess costs), interfund and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. The general and special revenue fund's intergovernmental receivable at year-end consisted of \$234,398 and \$14,173 respectively.

**NOTE 7 - FIXED ASSETS**

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

<u>Classification</u>	<u>Balance at June 30, 2000</u>
Equipment	\$ 269,633
Less: accumulated depreciation	<u>(155,470)</u>
Net Fixed Assets	<u>\$ 114,163</u>

General Fixed Assets: Changes in general fixed assets during fiscal year 2000 were as follows:

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30</u>
Land and land improvements	\$ 641,820	\$ -	\$ -	\$ 641,820
Buildings	5,455,998	745,872	-	6,201,870
Furniture, fixtures, and equipment	4,004,500	325,590	(11,132)	4,318,958
Vehicles	<u>1,074,372</u>	<u>239,095</u>	<u>-</u>	<u>1,313,467</u>
Total	<u>\$ 11,176,690</u>	<u>\$ 1,310,557</u>	<u>\$ (11,132)</u>	<u>\$ 12,476,115</u>

# Norton City School District

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## NOTE 8 - RISK MANAGEMENT

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The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no settlements paid in excess of insurance nor has insurance coverage been significantly reduced in the past three years.

The School District uses an internal service fund to record and report their self funded health care insurance program. The claims liability of \$146,747, reported in the fund at year end was estimated by third party administrators and is based on the requirements of GASB Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The School District purchases stop-loss coverage of \$55,000 per employee.

Changes in the fund's claims liability during 1999 and 2000 were:

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	<i>Balance at beginning of year</i>	<i>Current year claims</i>	<i>Claim payments</i>	<i>Balance at end of year</i>
1999	\$ 236,508	939,442	1,076,901	99,049
2000	\$ 99,049	1,101,921	1,054,223	146,747

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

## NOTE 9 - DEFINED BENEFIT PENSION PLANS

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### A. School Employees Retirement System

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

Plan members are required to contribute nine percent of their annual covered salary and the School District is required to contribute an actuarially determined rate of fourteen percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to the statutory maximum amounts, by the SERS Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$321,891, \$290,273, and \$278,429, respectively; forty percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$187,893 representing the unpaid contribution for fiscal year 2000 is recorded as a liability within the respective funds and the general long-term obligations account group.

**B. State Teachers  
Retirement System**

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer defined benefit pension plan. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the School District is required to contribute an actuarially determined rate of fourteen percent of annual covered payroll. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of ten percent for members and fourteen percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$1,044,552, \$1,009,408, and \$958,752, respectively; eighty-three percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$175,408 representing the unpaid contribution for fiscal year 2000 is recorded as a liability within the respective funds.

**NOTE 10 - POST-EMPLOYMENT BENEFITS**

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

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By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently fourteen percent of covered payroll. The retirement board currently allocates employer contributions equal to eight percent of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. For the School District this amount equaled \$596,887 during the 2000 fiscal year. The balance in the Health Care Reserve Fund for the STRS was \$2,783 million at June 30, 1999, (latest information available). For the year ended June 30, 1999, the net health care costs paid by the STRS were \$249,929,000 and eligible benefit recipients totaled 95,796.

For the School Employees Retirement System (SERS), coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of seventy-five percent of the premium. For this fiscal year, employer contributions to fund health care benefits were 6.30 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to fourteen percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the fourteen percent contribution rate, provides for maintenance of the asset target level for the health care fund. For the School District, the amount of employer contributions used to fund health care equaled \$172,880, which includes a surcharge of \$28,029 during the 2000 fiscal year.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999, (latest information available) were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, the SERS's net assets available for payment of health care benefits was \$188 million, at cost. The number of participants receiving health care benefits was approximately 51,000.

*Notes to the General Purpose Financial Statements*

**NOTE 11 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS**

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

	<i>Balance July 1</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance June 30</i>
<b><u>General Long-Term Obligations</u></b>				
<i>Bonds</i>				
<i>Energy conservation bonds, 5.65% maturing July 15, 2005</i>	\$ 303,800	\$ -	\$ (43,400)	\$ 260,400
<i>Other Obligations</i>				
<i>Compensated absences</i>	686,254	-	(97,531)	588,723
<i>Employer pension obligations</i>	117,785	126,178	(117,785)	126,178
<i>Total General Long-Term Obligations</i>	<u>\$ 1,107,839</u>	<u>\$ 126,178</u>	<u>\$ (258,716)</u>	<u>\$ 975,301</u>

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

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

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

The annual requirements to amortize all bonds outstanding as of the end of this fiscal period, including interest payments of \$51,493, are as follows:

	<i>General Obligation Bonds</i>
<i>2001</i>	\$58,113
<i>2002</i>	55,660
<i>2003</i>	53,208
<i>2004</i>	50,756
<i>2005</i>	48,304
<i>Thereafter</i>	<u>45,852</u>
<i>Total</i>	<u><u>\$311,893</u></u>

*Norton City School District*

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**NOTE 12 - INTERFUND RECEIVABLES AND PAYABLES**

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The composition of interfund balances as of June 30, 2000 is as follows:

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<i>Receivable Fund</i>	<i>Payable Fund</i>	<i>Amount</i>
<i>General</i>	<i>Eisenhower special revenue</i>	\$ 800
<i>General</i>	<i>Title VI special revenue</i>	<u>1,275</u>
	<i>Total</i>	<u>\$ 2,075</u>

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**NOTE 13 - JOINTLY GOVERNED ORGANIZATIONS**

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Northeast Ohio Network for Educational Technology (NEONET) is the computer service organization or Data Acquisition Site (DAS) used by the School District. NEONET is an association of public school districts in a geographic area determined by the Ohio Department of Education. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The purpose of the consortium is to develop and employ a computer system efficiently and effectively for the needs of the member Boards of Education. All Districts in the consortium are required to pay fees, charges, and assessments as charged. NEONET is governed by a board made up of superintendents from all of the participating districts. An elected Executive Board consisting of five members of the governing board is the managerial body of the consortium and meets on a monthly basis. The School District does not maintain an ongoing financial interest or an ongoing financial responsibility. Payments to NEONET are made from the general fund. During fiscal year 2000, the School District contributed \$54,041 to NEONET.

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

*Notes to the General Purpose Financial Statements*

**NOTE 14 - FUND DEFICITS**

As of June 30, 2000, the Title I special revenue fund had a deficit fund balance of \$3,579. This deficit was caused by the application of generally accepted accounting principles. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur.

**NOTE 15 - SEGMENT INFORMATION - ENTERPRISE FUNDS**

Financial segment information as of and for the year ended June 30, 2000 for the enterprise funds is presented as follows:

<u>Description</u>	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Customer Service Rotary</u>	<u>Adult Education</u>	<u>Total</u>
<i>Operating revenues</i>	\$ 502,092	\$ 64,046	\$ 355	\$ 5,148	\$ 571,641
<i>Depreciation expense</i>	7,965	-	-	-	7,965
<i>Operating income (loss)</i>	(124,784)	(1,718)	132	3,255	(123,115)
<i>Operating grants</i>	102,451	-	-	-	102,451
<i>Donated commodities</i>	30,161	-	-	-	30,161
<i>Net income (loss)</i>	15,312	(1,718)	132	3,255	16,981
<i>Current contributed capital</i>	7,400	-	-	-	7,400
<i>Fixed asset deletions</i>	7,965	-	-	-	7,965
<i>Fixed asset additions</i>	17,639	-	-	-	17,639
<i>Net working capital</i>	100,067	60,233	21,174	3,255	184,729
<i>Total assets</i>	230,034	63,706	21,174	3,255	318,169
<i>Compensated absences payable</i>	12,595	-	-	-	12,595
<i>Total equity</i>	201,635	60,233	21,174	3,255	286,297
<i>Encumbrances outstanding (budget basis) at June 30, 2000</i>	\$ 26,022	\$ 7,645	\$ 61	\$ 150	\$ 33,878

**NOTE 16 - CONTINGENT LIABILITIES**

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

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

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$6,840,028 of school foundation support for its general fund.

Since the Supreme Court ruling, the State General Assembly has passed numerous pieces of legislation in an attempt to address the issues identified by the Court. The Court of common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. 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 at least until June 15, 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 under this program and on its financial operations.

**NOTE 17 - STATUTORY RESERVES**

The School District is required by State statute to annually set-aside moneys for the purchase of textbooks and other instructional materials, and for capital improvements. The amounts set-aside may be reduced by offset credits, which are moneys received and restricted for the same specific purpose. Although the School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero, these extra amounts may only be used to reduce the set-aside requirements of future years for the purchase of textbooks and/or instructional materials. Negative amounts are therefore not presented as being carried forward to the next fiscal year for the other set-asides. Amounts not spent by year-end or reduced by offset credits must be held in cash at year-end and carried forward to be used for the same purposes in future years. The School District received money for the purchase of school buses and purchased school buses during the fiscal year in excess of the amount received. Therefore, there are no additional amounts to be set-aside for future purchases. Amounts are also to be set aside for budget stabilization if the School District's revenues increase three percent or more from the prior year.

During the fiscal year ended June 30, 2000, the reserve activity was as follows:

	<i>Textbook Reserve</i>	<i>Capital Maintenance Reserve</i>	<i>Budget Stabilization Reserve</i>	<i>School Bus Reserve</i>	<i>Total</i>
<i>Set-aside cash balance as of</i>					
<i>June 30, 1999</i>	\$ -	\$ -	\$ 185,049	\$ 44,199	\$ 229,248
<i>Current year set-aside requirement</i>	343,148	343,148	114,383	39,625	840,304
<i>Current year offset</i>	-	(570,198)	-	-	(570,198)
<i>Qualifying disbursements</i>	<u>(561,908)</u>	<u>(566,256)</u>	<u>-</u>	<u>(187,605)</u>	<u>(1,315,769)</u>
<i>Total</i>	<u>\$ (218,760)</u>	<u>\$ (793,306)</u>	<u>\$ 299,432</u>	<u>\$ (103,781)</u>	<u>\$ (816,415)</u>
<i>Balance carried forward to FY2001</i>	<u>\$ (218,760)</u>	<u>\$ -</u>	<u>\$ 299,432</u>	<u>\$ -</u>	<u>\$ 80,672</u>
 <i>Restricted Cash</i>			 <u>\$ 299,432</u>		 <u>\$ 299,432</u>

**NOTE 18 - CONTRIBUTED CAPITAL**

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The Food Service enterprise fund reports contributed capital for fixed assets contributed by the general fund. There was \$7,400 in contributed capital during fiscal year 2000.

Combining, Individual Fund and  
Account Group  
Financial Statements and Schedules

## GENERAL FUND

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

***Norton City School District***  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 6,405,409	\$ 6,323,834	\$ (81,575)
Intergovernmental	7,698,635	7,880,187	181,552
Interest	282,914	321,810	38,896
Tuition and fees	234,720	192,343	(42,377)
Rent	3,850	3,458	(392)
Gifts and donations	1,150	1,150	-
Miscellaneous	15,501	48,187	32,686
Total revenues	<u>14,642,179</u>	<u>14,770,969</u>	<u>128,790</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	5,272,594	5,270,771	1,823
Fringe benefits	1,522,240	1,497,737	24,503
Purchased services	179,157	130,052	49,105
Materials and supplies	529,357	398,802	130,555
Capital outlay - new	225,592	170,414	55,178
Capital outlay - replacement	4,671	2,322	2,349
Other	19,666	19,619	47
Total regular	<u>7,753,277</u>	<u>7,489,717</u>	<u>263,560</u>
Special:			
Salaries and wages	698,239	696,447	1,792
Fringe benefits	233,281	222,459	10,822
Purchased services	276,661	264,246	12,415
Materials and supplies	12,717	7,347	5,370
Capital outlay - new	5,813	2,691	3,122
Capital outlay - replacement	1,353	1,353	-
Total special	<u>1,228,064</u>	<u>1,194,543</u>	<u>33,521</u>
Vocational:			
Salaries and wages	377,856	377,843	13
Fringe benefits	101,793	96,193	5,600
Purchased services	30,647	17,070	13,577
Materials and supplies	30,296	15,744	14,552
Capital outlay - new	36,242	36,217	25
Other	923	751	172
Total vocational	<u>577,757</u>	<u>543,818</u>	<u>33,939</u>

(Continued)

***Norton City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance -**

**Budget and Actual - General Fund**

**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Adult/continuing:			
Salaries and wages	10,340	10,338	2
Other:			
Purchased services	27,373	27,373	-
Total instruction	9,596,811	9,265,789	331,022
Support services:			
Pupils:			
Salaries and wages	437,078	437,070	8
Fringe benefits	130,850	127,533	3,317
Purchased services	49,282	45,731	3,551
Materials and supplies	4,791	3,752	1,039
Capital outlay - new	12,545	11,172	1,373
Capital outlay - replacement	258	258	-
Total pupils	634,804	625,516	9,288
Instructional staff:			
Salaries and wages	361,307	361,263	44
Fringe benefits	93,957	89,628	4,329
Purchased services	50,499	40,709	9,790
Materials and supplies	53,656	44,287	9,369
Capital outlay - new	66,100	65,776	324
Capital outlay - replacement	815	343	472
Other	44,679	44,617	62
Total instructional staff	671,013	646,623	24,390
Board of education:			
Salaries and wages	7,920	7,200	720
Fringe benefits	2,551	1,221	1,330
Purchased services	10,800	7,707	3,093
Materials and supplies	248	248	-
Other	9,600	9,527	73
Total board of education	31,119	25,903	5,216

***Norton City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance -**

**Budget and Actual - General Fund**

**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Administration:</b>			
Salaries and wages	802,385	802,258	127
Fringe benefits	249,525	242,293	7,232
Purchased services	67,044	66,013	1,031
Materials and supplies	27,095	23,041	4,054
Capital outlay - new	19,257	18,842	415
Capital outlay - replacement	1,011	979	32
Other	1,602	1,323	279
<b>Total administration</b>	<b>1,167,919</b>	<b>1,154,749</b>	<b>13,170</b>
<b>Fiscal:</b>			
Salaries and wages	199,947	199,127	820
Fringe benefits	73,724	72,971	753
Purchased services	11,380	9,549	1,831
Materials and supplies	13,287	13,102	185
Capital outlay - new	7,600	7,600	-
Capital outlay - replacement	15,000	15,000	-
Other	142,285	138,540	3,745
<b>Total fiscal</b>	<b>463,223</b>	<b>455,889</b>	<b>7,334</b>
<b>Business:</b>			
Salaries and wages	73,475	73,474	1
Fringe benefits	12,261	11,855	406
Purchased services	214,378	196,960	17,418
Materials and supplies	5,794	5,780	14
Capital outlay - new	26,041	13,448	12,593
Capital outlay - replacement	500	500	-
<b>Total business</b>	<b>332,449</b>	<b>302,017</b>	<b>30,432</b>
<b>Operation and maintenance of plant:</b>			
Salaries and wages	738,740	735,967	2,773
Fringe benefits	243,299	233,176	10,123
Purchased services	572,102	540,581	31,521
Materials and supplies	113,929	108,563	5,366
Capital outlay - new	29,340	28,079	1,261
Capital outlay - replacement	6,295	5,000	1,295
<b>Total operation and maintenance of plant</b>	<b>1,703,705</b>	<b>1,651,366</b>	<b>52,339</b>

(Continued)

***Norton City School District***  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - General Fund**  
**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Pupil transportation:			
Salaries and wages	397,640	397,636	4
Fringe benefits	147,854	135,468	12,386
Purchased services	31,645	29,851	1,794
Materials and supplies	287,532	176,005	111,527
Capital outlay - new	100,709	100,631	78
Capital outlay - replacement	2,626	944	1,682
Total pupil transportation	968,006	840,535	127,471
Total support services	5,972,238	5,702,598	269,640
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	39,264	39,260	4
Fringe benefits	5,900	5,888	12
Total academic and subject oriented activities	45,164	45,148	16
Sports oriented activities:			
Salaries and wages	192,280	191,797	483
Fringe benefits	30,521	28,588	1,933
Purchased services	4,300	2,150	2,150
Total sports oriented activities	227,101	222,535	4,566
School and public service co-curricular activities:			
Purchased services	4,027	4,027	-
Total extracurricular activities	276,292	271,710	4,582
Capital outlay:			
Facilities acquisition and construction services:			
Architecture and engineering services:			
Purchased services	68,986	21,901	47,085
Building improvement services:			
Purchased services	17,052	17,052	-
Total capital outlay	86,038	38,953	47,085
Total expenditures	15,931,379	15,279,050	652,329
Excess of revenues under expenditures	(1,289,200)	(508,081)	781,119

*Norton City School District*

**Schedule of Revenues, Expenditures and Changes in Fund Balance -**

**Budget and Actual - General Fund**

**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Other financing sources (uses):</u>			
Refund of prior year expenditures	7,000	38,566	31,566
Refund of prior year receipts	(750)	(750)	-
Other financing uses	(228,765)	-	228,765
Advances in	11,520	11,520	-
Advances out	(2,075)	(2,075)	-
Operating transfers out	(776)	(776)	-
Total other financing sources (uses)	(213,846)	46,485	260,331
Excess of revenues and other financing sources under expenditures and other financing uses	(1,503,046)	(461,596)	1,041,450
Fund balance at beginning of year	2,863,916	2,863,916	-
Prior year encumbrances appropriated	813,467	813,467	-
Fund balance at end of year	<u>\$ 2,174,337</u>	<u>\$ 3,215,787</u>	<u>\$ 1,041,450</u>

## SPECIAL REVENUE FUNDS

The special revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

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

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

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

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

Teacher Development: To account for state revenues used to assist teachers in gaining new skills and becoming familiar with new teaching methodologies.

Management Information System: To account for state funds provided to assist the School District in implementing a staff, student, and financial reporting system as mandated by the Omnibus Education Reform Act of 1989.

School Net Professional Development: To account for revenues received to provide professional development programs related to technology.

Ohio Reads: To account for improvements in reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public school buildings, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

Miscellaneous State Grant: To account for monies received from state agencies which are not classified elsewhere.

Eisenhower: To account for federal funds issued for use in the training of teachers in new techniques and methodologies in the areas of mathematics and science.

Title VI-B: To account for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels; assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

Title I: To account for federal funds provided to meet the special needs of educationally deprived children.

Title VI: To account for federal funds to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs for professional development; programs to enhance personal excellence of students and student achievement.

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

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

Telecommunications Act (E-Rate): To account for a federal grant which is paid directly to the telecommunication service provider.

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

***Norton City School District***  
**Combining Balance Sheet**  
**All Special Revenue Funds**  
**June 30, 2000**

	<u>Public School Support</u>	<u>Miscellaneous Local Grants</u>	<u>Underground Storage Tanks</u>	<u>District Managed Student Activity</u>
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 59,770	\$ 10,584	\$ 11,000	\$ 25,304
Receivables:				
Intergovernmental	-	-	-	-
Total assets	<u>\$ 59,770</u>	<u>\$ 10,584</u>	<u>\$ 11,000</u>	<u>\$ 25,304</u>
 <u>Liabilities and fund equity :</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 2,261	\$ -	\$ -	\$ 6,961
Accrued wages	-	-	-	-
Interfund payable	-	-	-	-
Intergovernmental payable	-	-	-	-
Total liabilities	<u>2,261</u>	<u>-</u>	<u>-</u>	<u>6,961</u>
 <u>Fund equity:</u>				
Fund balance:				
Reserved for encumbrances	3,922	-	-	3,221
Unreserved, undesignated	53,587	10,584	11,000	15,122
Total fund equity	<u>57,509</u>	<u>10,584</u>	<u>11,000</u>	<u>18,343</u>
Total liabilities and fund equity	<u>\$ 59,770</u>	<u>\$ 10,584</u>	<u>\$ 11,000</u>	<u>\$ 25,304</u>

<u>Teacher Development</u>	<u>Management Information System</u>	<u>School Net Professional Development</u>	<u>Ohio Reads</u>	<u>Miscellaneous State Grant</u>	<u>Eisenhower</u>
\$ 1,659	\$ -	\$ 4,000	\$ 10,769	\$ 20,601	\$ 6,195
-	-	-	-	-	800
<u>\$ 1,659</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 10,769</u>	<u>\$ 20,601</u>	<u>\$ 6,995</u>
\$ 628	\$ -	\$ -	\$ 231	\$ 3,890	\$ 3,703
-	-	-	-	-	-
-	-	-	-	-	800
-	-	-	-	-	-
<u>628</u>	<u>-</u>	<u>-</u>	<u>231</u>	<u>3,890</u>	<u>4,503</u>
1,032	-	-	780	3,290	2,404
(1)	-	4,000	9,758	13,421	88
<u>1,031</u>	<u>-</u>	<u>4,000</u>	<u>10,538</u>	<u>16,711</u>	<u>2,492</u>
<u>\$ 1,659</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 10,769</u>	<u>\$ 20,601</u>	<u>\$ 6,995</u>

(Continued)

***Norton City School District***  
**Combining Balance Sheet**  
**All Special Revenue Funds**  
**June 30, 2000**

	<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free School Grant</u>
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 6,201	\$ 7,631	\$ 5,117	\$ -
Receivables:				
Intergovernmental	-	-	1,275	-
Total assets	<u>\$ 6,201</u>	<u>\$ 7,631</u>	<u>\$ 6,392</u>	<u>\$ -</u>
<u>Liabilities and fund equity :</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 1,214	\$ 2,188	\$ 2,611	\$ -
Accrued wages	-	7,914	-	-
Interfund payable	-	-	1,275	-
Intergovernmental payable	164	1,108	-	-
Total liabilities	<u>1,378</u>	<u>11,210</u>	<u>3,886</u>	<u>-</u>
<u>Fund equity:</u>				
Fund balance:				
Reserved for encumbrances	4,782	24	529	-
Unreserved, undesignated	41	(3,603)	1,977	-
Total fund equity	<u>4,823</u>	<u>(3,579)</u>	<u>2,506</u>	<u>-</u>
Total liabilities and fund equity	<u>\$ 6,201</u>	<u>\$ 7,631</u>	<u>\$ 6,392</u>	<u>\$ -</u>

<u>EHA Preschool Grant</u>	<u>Telecommunications Act (E-Rate)</u>	<u>Miscellaneous Federal Grants</u>	<u>Total All Funds</u>
\$ 86	\$ -	\$ 17,542	\$ 186,459
-	-	12,098	14,173
<u>\$ 86</u>	<u>\$ -</u>	<u>\$ 29,640</u>	<u>\$ 200,632</u>
\$ 83	\$ -	\$ -	\$ 23,770
-	-	3,773	11,687
-	-	-	2,075
-	-	583	1,855
<u>83</u>	<u>-</u>	<u>4,356</u>	<u>39,387</u>
3	-	5,020	25,007
-	-	20,264	136,238
<u>3</u>	<u>-</u>	<u>25,284</u>	<u>161,245</u>
<u>\$ 86</u>	<u>\$ -</u>	<u>\$ 29,640</u>	<u>\$ 200,632</u>

***Norton City School District***  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2000**

	<u>Public School Support</u>	<u>Miscellaneous Local Grants</u>	<u>Underground Storage Tanks</u>	<u>District Managed Student Activity</u>
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ 4,000	\$ -	\$ -
Extracurricular activities	70,506	-	-	109,506
Gifts and donations	522	-	-	11,633
Miscellaneous	4,670	5,262	-	1,537
Total revenues	<u>75,698</u>	<u>9,262</u>	<u>-</u>	<u>122,676</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	70,099	4,262	-	-
Special	-	-	-	-
Adult/continuing	-	-	-	-
Support services:				
Pupils	-	-	-	-
Instructional staff	4,324	-	-	-
Administration	7,283	-	-	-
Operation and maintenance of plant	-	-	-	-
Pupil transportation	144	-	-	-
Central	-	-	-	-
Operation of non-instructional services	-	-	-	9,463
Extracurricular activities	-	-	-	114,605
Capital outlay	-	5,000	-	-
Total expenditures	<u>81,850</u>	<u>9,262</u>	<u>-</u>	<u>124,068</u>
Excess of revenues over (under) expenditures	<u>(6,152)</u>	<u>-</u>	<u>-</u>	<u>(1,392)</u>
<u>Other financing sources:</u>				
Operating transfers in	-	-	-	776
Excess of revenues and other financing sources over (under) expenditures	(6,152)	-	-	(616)
Fund balances (deficit) at beginning of year	63,661	10,584	11,000	18,959
Fund balances (deficit) at end of year	<u>\$ 57,509</u>	<u>\$ 10,584</u>	<u>\$ 11,000</u>	<u>\$ 18,343</u>

<u>Teacher Development</u>	<u>Management Information System</u>	<u>School Net Professional Development</u>	<u>Ohio Reads</u>	<u>Miscellaneous State Grant</u>	<u>Eisenhower</u>
\$ 10,137	\$ 7,195	\$ 4,000	\$ 37,900	\$ 39,348	\$ 7,996
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,137</u>	<u>7,195</u>	<u>4,000</u>	<u>37,900</u>	<u>39,348</u>	<u>7,996</u>
-	-	-	27,362	22,458	9,722
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,668
18,474	-	-	-	-	14
-	-	-	-	29	-
-	-	-	-	-	-
-	7,195	-	-	-	-
-	-	-	-	150	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>18,474</u>	<u>7,195</u>	<u>-</u>	<u>27,362</u>	<u>22,637</u>	<u>11,404</u>
<u>(8,337)</u>	<u>-</u>	<u>4,000</u>	<u>10,538</u>	<u>16,711</u>	<u>(3,408)</u>
-	-	-	-	-	-
(8,337)	-	4,000	10,538	16,711	(3,408)
9,368	-	-	-	-	5,900
<u>\$ 1,031</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 10,538</u>	<u>\$ 16,711</u>	<u>\$ 2,492</u>

(Continued)

***Norton City School District***  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2000**

	Title VI-B	Title I	Title VI	Drug Free School Grant
<u>Revenues:</u>				
Intergovernmental	\$ 112,984	\$ 114,526	\$ 14,419	\$ 10,656
Extracurricular activities	-	-	-	-
Gifts and donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>112,984</u>	<u>114,526</u>	<u>14,419</u>	<u>10,656</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	-	-	20,535	13,310
Special	7,777	85,797	-	-
Adult/continuing	-	-	-	-
Support services:				
Pupils	14,150	-	-	-
Instructional staff	29,031	14,765	-	-
Administration	54,658	-	-	-
Operation and maintenance of plant	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services	-	1,957	-	-
Extracurricular activities	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>105,616</u>	<u>102,519</u>	<u>20,535</u>	<u>13,310</u>
Excess of revenues over (under) expenditures	<u>7,368</u>	<u>12,007</u>	<u>(6,116)</u>	<u>(2,654)</u>
<u>Other financing sources:</u>				
Operating transfers in	-	-	-	-
Excess of revenues and other financing sources over (under) expenditures	7,368	12,007	(6,116)	(2,654)
Fund balances (deficit) at beginning of year	<u>(2,545)</u>	<u>(15,586)</u>	<u>8,622</u>	<u>2,654</u>
Fund balances (deficit) at end of year	<u>\$ 4,823</u>	<u>\$ (3,579)</u>	<u>\$ 2,506</u>	<u>\$ -</u>

<u>EHA Preschool Grant</u>	<u>Telecommunications Act (E-Rate)</u>	<u>Miscellaneous Federal Grants</u>	<u>Total All Funds</u>
\$ 3,558	\$ 27,771	\$ 96,370	\$ 490,860
-	-	-	180,012
-	-	-	12,155
-	-	-	11,469
<u>3,558</u>	<u>27,771</u>	<u>96,370</u>	<u>694,496</u>
-	-	27,007	194,755
942	-	-	94,516
-	-	5,450	5,450
-	-	-	15,818
2,758	-	42,582	111,948
-	-	-	61,970
-	27,771	-	27,771
-	-	-	144
-	-	-	7,195
-	-	-	11,570
-	-	3,376	117,981
-	-	-	5,000
<u>3,700</u>	<u>27,771</u>	<u>78,415</u>	<u>654,118</u>
<u>(142)</u>	<u>-</u>	<u>17,955</u>	<u>40,378</u>
-	-	-	776
(142)	-	17,955	41,154
145	-	7,329	120,091
<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 25,284</u>	<u>\$ 161,245</u>

***Norton City School District***  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - Public School Support Fund**  
**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Extracurricular activities	\$ 71,051	\$ 71,051	\$ -
Gifts and donations	522	522	-
Miscellaneous	4,670	4,670	-
Total revenues	<u>76,243</u>	<u>76,243</u>	<u>-</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased services	16,409	13,520	2,889
Materials and supplies	64,740	39,010	25,730
Capital outlay - new	16,176	5,114	11,062
Other	19,987	16,474	3,513
Total instruction	<u>117,312</u>	<u>74,118</u>	<u>43,194</u>
Support services:			
Instructional staff:			
Materials and supplies	7,823	4,324	3,499
Administration:			
Purchased services	10,034	5,675	4,359
Materials and supplies	4,553	2,025	2,528
Total administration	<u>14,587</u>	<u>7,700</u>	<u>6,887</u>
Pupil transportation:			
Materials and supplies	207	201	6
Total support services	<u>22,617</u>	<u>12,225</u>	<u>10,392</u>
Total expenditures	<u>139,929</u>	<u>86,343</u>	<u>53,586</u>
Excess of revenues under expenditures	(63,686)	(10,100)	53,586
Fund balance at beginning of year	54,896	54,896	-
Prior year encumbrances appropriated	8,790	8,790	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 53,586</u>	<u>\$ 53,586</u>

***Norton City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Miscellaneous Local Grants Fund  
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 4,000	\$ 4,000	\$ -
Miscellaneous	5,262	5,262	-
<b>Total revenues</b>	<b>9,262</b>	<b>9,262</b>	<b>-</b>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and supplies	4,262	4,262	-
Vocational:			
Purchased services	1,650	-	1,650
Materials and supplies	2,286	-	2,286
<b>Total vocational</b>	<b>3,936</b>	<b>-</b>	<b>3,936</b>
Adult/continuing:			
Capital outlay - new	6,648	-	6,648
<b>Total instruction</b>	<b>14,846</b>	<b>4,262</b>	<b>10,584</b>
Capital outlay:			
Facilities acquisition and construction services:			
Site acquisition services:			
Capital outlay - new	5,000	5,000	-
<b>Total expenditures</b>	<b>19,846</b>	<b>9,262</b>	<b>10,584</b>
Excess of revenues under expenditures	(10,584)	-	10,584
Fund balance at beginning of year	10,234	10,234	-
Prior year encumbrances appropriated	350	350	-
<b>Fund balance at end of year</b>	<b>\$ -</b>	<b>\$ 10,584</b>	<b>\$ 10,584</b>

*Norton City School District*

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Underground Storage Tanks Fund  
For the Fiscal Year Ended June 30, 2000**

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

***Norton City School District***  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - District Managed Student Activity Fund**  
**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Extracurricular activities	\$ 109,680	\$ 109,506	\$ (174)
Gifts and donations	11,633	11,633	-
Miscellaneous	1,537	1,537	-
<b>Total revenues</b>	<b>122,850</b>	<b>122,676</b>	<b>(174)</b>
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services:			
Enterprise operations:			
Purchased services	111	-	111
Materials and supplies	11,007	9,655	1,352
<b>Total operation of non-instructional services</b>	<b>11,118</b>	<b>9,655</b>	<b>1,463</b>
Extracurricular activities:			
Academic and subject oriented activities:			
Other	254	-	254
Sports oriented activities:			
Salaries and wages	8,455	8,062	393
Fringe benefits	146	120	26
Purchased services	99,716	87,086	12,630
Materials and supplies	17,455	17,136	319
Capital outlay - new	16	-	16
Capital outlay - replacement	223	-	223
Other	6,028	5,028	1,000
<b>Total sports oriented activities</b>	<b>132,039</b>	<b>117,432</b>	<b>14,607</b>
<b>Total extracurricular activities</b>	<b>132,293</b>	<b>117,432</b>	<b>14,861</b>
<b>Total expenditures</b>	<b>143,411</b>	<b>127,087</b>	<b>16,324</b>
<b>Excess of revenues under expenditures</b>	<b>(20,561)</b>	<b>(4,411)</b>	<b>16,150</b>
<u>Other financing sources:</u>			
Operating transfers in	776	776	-
<b>Excess of revenues and other financing sources under expenditures</b>	<b>(19,785)</b>	<b>(3,635)</b>	<b>16,150</b>
Fund balance at beginning of year	13,286	13,286	-
Prior year encumbrances appropriated	6,671	6,671	-
<b>Fund balance at end of year</b>	<b>\$ 172</b>	<b>\$ 16,322</b>	<b>\$ 16,150</b>

*Norton City School District*

**Schedule of Revenues, Expenditures and Changes in Fund Balance -**

**Budget and Actual - Teacher Development Fund**

**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 10,137	\$ 10,137	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff:			
Salaries and wages	7,845	7,845	-
Fringe benefits	502	502	-
Purchased services	11,450	11,450	-
Total expenditures	19,797	19,797	-
Excess of revenues under expenditures	(9,660)	(9,660)	-
Fund balance at beginning of year	8,696	8,696	-
Prior year encumbrances appropriated	964	964	-
Fund balance at end of year	\$ -	\$ -	\$ -

***Norton City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Management Information System Fund  
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 7,195	\$ 7,195	\$ -
<u>Expenditures:</u>			
Current:			
Central:			
Salaries and wages	7,195	7,195	-
Excess of revenues over (under) expenditures	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

*Norton City School District*

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - School Net Professional Development Fund  
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 4,000	\$ 4,000	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff:			
Purchased services	4,000	-	4,000
Excess of revenues over expenditures	-	4,000	4,000
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 4,000	\$ 4,000

*Norton City School District*

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Ohio Reads Fund  
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 37,900	\$ 37,900	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	6,800	3,500	3,300
Purchased services	13,487	7,029	6,458
Materials and supplies	17,613	17,613	-
Total expenditures	37,900	28,142	9,758
Excess of revenues over expenditures	-	9,758	9,758
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 9,758	\$ 9,758

***Norton City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance -**

**Budget and Actual - Miscellaneous State Grant Fund**

**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 39,348	\$ 39,348	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	23,611	12,615	10,996
Fringe benefits	3,779	2,011	1,768
Purchased services	3,261	2,651	610
Materials and supplies	8,513	8,470	43
Total instruction	39,164	25,747	13,417
Support services:			
Administration:			
Purchased services	34	29	5
Operation of non-instructional services:			
Community services:			
Purchased services	150	150	-
Total expenditures	39,348	25,926	13,422
Excess of revenues over expenditures	-	13,422	13,422
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 13,422	\$ 13,422

***Norton City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance -**

**Budget and Actual - Eisenhower Fund**

**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 7,996	\$ 7,196	\$ (800)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	3,742	3,742	-
Fringe benefits	583	583	-
Materials and supplies	8,271	8,226	45
Total instruction	12,596	12,551	45
Support services:			
Pupils:			
Purchased services	1,711	1,668	43
Instructional staff:			
Capital outlay - new	14	14	-
Total support services	1,725	1,682	43
Total expenditures	14,321	14,233	88
Excess of revenues under expenditures	(6,325)	(7,037)	(712)
<u>Other financing sources:</u>			
Advances in	-	800	800
Excess of revenues and other financing sources under expenditures	(6,325)	(6,237)	88
Fund balance at beginning of year	6,077	6,077	-
Prior year encumbrances appropriated	248	248	-
Fund balance at end of year	\$ -	\$ 88	\$ 88

***Norton City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance -**

**Budget and Actual - Title VI-B Fund**

**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 118,368	\$ 118,367	\$ (1)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and supplies	247	247	-
Capital outlay - new	11,281	11,281	-
Capital outlay - replacement	1,006	1,006	-
Total instruction	12,534	12,534	-
Support services:			
Pupils:			
Purchased services	9,663	9,471	192
Materials and supplies	4,326	4,326	-
Capital outlay - new	685	685	-
Total pupils	14,674	14,482	192
Instructional staff:			
Salaries and wages	26,267	26,267	-
Fringe benefits	2,635	2,635	-
Purchased services	106	106	-
Total instructional staff	29,008	29,008	-
Administration:			
Salaries and wages	48,331	48,331	-
Fringe benefits	8,317	8,317	-
Purchased services	1,418	1,405	13
Materials and supplies	1,937	1,937	-
Total administration	60,003	59,990	13
Total support services	103,685	103,480	205
Total expenditures	116,219	116,014	205
Excess of revenues over expenditures	2,149	2,353	204
<u>Other financing uses:</u>			
Advances out	(3,687)	(3,687)	-
Excess of revenues under expenditures and other financing uses	(1,538)	(1,334)	204
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	1,538	1,538	-
Fund balance at end of year	\$ -	\$ 204	\$ 204

***Norton City School District***  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - Title I Fund**  
**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 119,946	\$ 119,946	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and wages	77,391	77,391	-
Fringe benefits	23,655	20,284	3,371
Materials and supplies	4,299	4,205	94
Total instruction	105,345	101,880	3,465
Instructional staff:			
Salaries and wages	4,000	4,000	-
Fringe benefits	640	640	-
Purchased services	3,057	1,103	1,954
Total support services	7,697	5,743	1,954
Operation of non-instructional services:			
Community services:			
Purchased services	1,957	1,957	-
Total expenditures	114,999	109,580	5,419
Excess of revenues over expenditures	4,947	10,366	5,419
<u>Other financing uses:</u>			
Advances out	(7,833)	(7,833)	-
Excess of revenues over (under) expenditures and other financing uses	(2,886)	2,533	5,419
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	2,886	2,886	-
Fund balance at end of year	\$ -	\$ 5,419	\$ 5,419

*Norton City School District*

**Schedule of Revenues, Expenditures and Changes in Fund Balance -**

**Budget and Actual - Title VI Fund**

**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 14,419	\$ 13,144	\$ (1,275)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	5,393	5,393	-
Fringe benefits	2,080	2,080	-
Purchased services	1,239	1,239	-
Materials and supplies	12,000	11,689	311
Capital outlay - new	663	663	-
Total expenditures	21,375	21,064	311
Excess of revenues under expenditures	(6,956)	(7,920)	(964)
<u>Other financing sources:</u>			
Advances in	-	1,275	1,275
Excess of revenues and other financing sources under expenditures	(6,956)	(6,645)	311
Fund balance at beginning of year	8,592	8,592	-
Prior year encumbrances appropriated	30	30	-
Fund balance at end of year	\$ 1,666	\$ 1,977	\$ 311

*Norton City School District*

**Schedule of Revenues, Expenditures and Changes in Fund Balance -**

**Budget and Actual - Drug Free School Grant Fund**

**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 10,656	\$ 10,656	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	12,252	12,252	-
Fringe benefits	1,022	1,022	-
Purchased services	36	36	-
Total expenditures	13,310	13,310	-
Excess of revenues under expenditures	(2,654)	(2,654)	-
Fund balance at beginning of year	2,654	2,654	-
Fund balance at end of year	\$ -	\$ -	\$ -

*Norton City School District*

**Schedule of Revenues, Expenditures and Changes in Fund Balance -**

**Budget and Actual - EHA Preschool Grant Fund**

**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 3,558	\$ 3,558	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Materials and supplies	945	945	-
Support services:			
Instructional staff:			
Salaries and wages	2,758	2,758	-
Total expenditures	3,703	3,703	-
Excess of revenues under expenditures	(145)	(145)	-
Fund balance at beginning of year	145	145	-
Fund balance at end of year	\$ -	\$ -	\$ -

*Norton City School District*

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Telecommunications Act (E-Rate) Fund  
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 27,771	\$ 27,771	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Operation and maintenance of plant:			
Purchased services	12,331	12,331	-
Excess of revenues over expenditures	15,440	15,440	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 15,440	\$ 15,440	\$ -

***Norton City School District***

**Schedule of Revenues, Expenditures and Changes in Fund Balance -**

**Budget and Actual - Miscellaneous Federal Grants Fund**

**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 84,372	\$ 84,272	\$ (100)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	24,739	17,628	7,111
Fringe benefits	6,000	3,104	2,896
Purchased services	3,441	2,269	1,172
Total regular	34,180	23,001	11,179
Adult/continuing:			
Salaries and wages	3,992	3,992	-
Fringe benefits	5,219	5,219	-
Capital outlay - new	26	26	-
Total adult/continuing	9,237	9,237	-
Total instruction	43,417	32,238	11,179
Support services:			
Instructional staff:			
Salaries and wages	2,290	2,290	-
Fringe benefits	338	338	-
Purchased services	28,898	27,910	988
Materials and supplies	1,548	1,546	2
Capital outlay - new	10,040	9,937	103
Other	345	345	-
Total instructional staff	43,459	42,366	1,093
Pupil transportation:			
Salaries and wages	350	-	350
Total support services	43,809	42,366	1,443
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	1,000	1,000	-
Materials and supplies	2,376	2,376	-
Total extracurricular activities	3,376	3,376	-
Total expenditures	90,602	77,980	12,622

*Norton City School District*

**Schedule of Revenues, Expenditures and Changes in Fund Balance -**

**Budget and Actual - Miscellaneous Federal Grants Fund**

**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Excess of revenues over (under) expenditures	(6,230)	6,292	12,522
<u>Other financing uses:</u>			
Refund of prior year receipts	(1,000)	(1,000)	-
Excess of revenues over (under) expenditures and other financing uses	(7,230)	5,292	12,522
Fund balance at beginning of year	5,846	5,846	-
Prior year encumbrances appropriated	1,483	1,483	-
Fund balance at end of year	<u>\$ 99</u>	<u>\$ 12,621</u>	<u>\$ 12,522</u>

## DEBT SERVICE FUND

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

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

## CAPITAL PROJECTS FUNDS

Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds). The capital projects funds are:

*Permanent Improvement:* To account for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

*SchoolNet:* To account for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

*Power Up Technologies:* To account for state grant funds provided for electrical upgrades to school facilities.

***Norton City School District***  
**Combining Balance Sheet**  
**All Capital Projects Funds**  
**June 30, 2000**

	<u>Permanent Improvement</u>	<u>SchoolNet</u>	<u>Power Up Technologies</u>	<u>Total All Funds</u>
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 381,374	\$ 298,171	\$ 13,417	\$ 692,962
Receivables:				
Taxes	<u>604,061</u>	<u>-</u>	<u>-</u>	<u>604,061</u>
Total assets	<u>\$ 985,435</u>	<u>\$ 298,171</u>	<u>\$ 13,417</u>	<u>\$ 1,297,023</u>
<u>Liabilities and fund equity :</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 2,109	\$ 11,390	\$ -	\$ 13,499
Deferred revenue	<u>593,090</u>	<u>-</u>	<u>-</u>	<u>593,090</u>
Total liabilities	<u>595,199</u>	<u>11,390</u>	<u>-</u>	<u>606,589</u>
<u>Fund equity:</u>				
Fund balance:				
Reserved for encumbrances	188,390	5,798	-	194,188
Unreserved, undesignated	<u>201,846</u>	<u>280,983</u>	<u>13,417</u>	<u>496,246</u>
Total fund equity	<u>390,236</u>	<u>286,781</u>	<u>13,417</u>	<u>690,434</u>
Total liabilities and fund equity	<u>\$ 985,435</u>	<u>\$ 298,171</u>	<u>\$ 13,417</u>	<u>\$ 1,297,023</u>

***Norton City School District***  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2000**

	<u>Permanent Improvement</u>	<u>SchoolNet</u>	<u>Power Up Technologies</u>	<u>Total All Funds</u>
<u>Revenues:</u>				
Taxes	\$ 566,916	\$ -	\$ -	\$ 566,916
Intergovernmental	74,845	90,924	13,382	179,151
Total revenues	<u>641,761</u>	<u>90,924</u>	<u>13,382</u>	<u>746,067</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	-	21,769	-	21,769
Support services:				
Administration	-	1,500	-	1,500
Fiscal	8,598	-	-	8,598
Operation and maintenance of plant	51,490	-	-	51,490
Pupil transportation	90,925	-	-	90,925
Capital outlay	942,417	2,248	23,871	968,536
Total expenditures	<u>1,093,430</u>	<u>25,517</u>	<u>23,871</u>	<u>1,142,818</u>
Excess of revenues over (under) expenditures	(451,669)	65,407	(10,489)	(396,751)
Fund balances at beginning of year	841,905	221,374	23,906	1,087,185
Fund balances at end of year	<u>\$ 390,236</u>	<u>\$ 286,781</u>	<u>\$ 13,417</u>	<u>\$ 690,434</u>

***Norton City School District***  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - Permanent Improvement Fund**  
**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 571,419	\$ 570,197	\$ (1,222)
Intergovernmental	73,624	74,845	1,221
Total revenues	<u>645,043</u>	<u>645,042</u>	<u>(1)</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Fiscal:			
Other	<u>8,598</u>	<u>8,598</u>	<u>-</u>
Operation and maintenance of plant:			
Capital outlay - new	<u>62,500</u>	<u>51,490</u>	<u>11,010</u>
Pupil transportation:			
Capital outlay - replacement	<u>90,925</u>	<u>90,925</u>	<u>-</u>
Total support services	<u>162,023</u>	<u>151,013</u>	<u>11,010</u>
Capital outlay:			
Facilities acquisition and construction services:			
Site improvement services:			
Capital outlay - new	197,468	197,129	339
Capital outlay - replacement	<u>131,812</u>	<u>129,992</u>	<u>1,820</u>
Total site improvement services	<u>329,280</u>	<u>327,121</u>	<u>2,159</u>
Building improvement services:			
Capital outlay - new	<u>750,331</u>	<u>722,274</u>	<u>28,057</u>
Other Facilities acquisition and construction services:			
Capital outlay - new	107,836	83,280	24,556
Capital outlay - replacement	<u>176,959</u>	<u>51,865</u>	<u>125,094</u>
Total other facilities acquisition and construction services	<u>284,795</u>	<u>135,145</u>	<u>149,650</u>
Total capital outlay	<u>1,364,406</u>	<u>1,184,540</u>	<u>179,866</u>
Total expenditures	<u>1,526,429</u>	<u>1,335,553</u>	<u>190,876</u>
Excess of revenues under expenditures	(881,386)	(690,511)	190,875
Fund balance at beginning of year	8,891	8,891	-
Prior year encumbrances appropriated	<u>872,495</u>	<u>872,495</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 190,875</u>	<u>\$ 190,875</u>

***Norton City School District***  
**Schedule of Revenues, Expenditures and Changes in Fund Balance -**  
**Budget and Actual - SchoolNet Fund**  
**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 90,924	\$ 90,924	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	7,500	7,500	-
Purchased services	32,015	70	31,945
Materials and supplies	45,000	3,823	41,177
Capital outlay - new	230,190	38,724	191,466
Total instruction	314,705	50,117	264,588
Support services:			
Administration:			
Salaries and wages	1,500	1,500	-
Capital outlay:			
Facilities acquisition and construction services:			
Site improvement services:			
Capital outlay - new	18,643	2,248	16,395
Total expenditures	334,848	53,865	280,983
Excess of revenues over (under) expenditures	(243,924)	37,059	280,983
Fund balance at beginning of year	214,645	214,645	-
Prior year encumbrances appropriated	29,279	29,279	-
Fund balance at end of year	\$ -	\$ 280,983	\$ 280,983

*Norton City School District*

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Power Up Technologies Fund  
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 13,382	\$ 13,382	\$ -
<u>Expenditures:</u>			
Capital outlay:			
Facilities acquisition and construction services:			
Building improvement services:			
Capital outlay - new	49,628	49,593	35
Excess of revenues under expenditures	(36,246)	(36,211)	35
Fund balance at beginning of year	7,903	7,903	-
Prior year encumbrances appropriated	41,725	41,725	-
Fund balance at end of year	\$ 13,382	\$ 13,417	\$ 35

## ENTERPRISE FUNDS

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

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

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

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

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

***Norton City School District***  
**Combining Balance Sheet**  
**All Enterprise Funds**  
**June 30, 2000**

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Service Rotary</u>	<u>Adult Education</u>	<u>Total All Funds</u>
<u>Assets:</u>					
<u>Current assets:</u>					
Equity in pooled cash and cash equivalents	\$ 112,798	\$ 63,706	\$ 21,174	\$ 3,255	\$ 200,933
Inventory held for resale	2,603	-	-	-	2,603
Materials and supplies	470	-	-	-	470
Total current assets	<u>115,871</u>	<u>63,706</u>	<u>21,174</u>	<u>3,255</u>	<u>204,006</u>
<u>Non-current assets:</u>					
Fixed assets, net of accumulated depreciation	114,163	-	-	-	114,163
Total assets	<u>\$ 230,034</u>	<u>\$ 63,706</u>	<u>\$ 21,174</u>	<u>\$ 3,255</u>	<u>\$ 318,169</u>
 <u>Liabilities and fund equity :</u>					
<u>Current liabilities:</u>					
Accounts payable	\$ 1,510	\$ 3,473	\$ -	\$ -	\$ 4,983
Accrued wages	2,792	-	-	-	2,792
Intergovernmental payable	10,453	-	-	-	10,453
Deferred revenue	1,049	-	-	-	1,049
Total current liabilities	<u>15,804</u>	<u>3,473</u>	<u>-</u>	<u>-</u>	<u>19,277</u>
<u>Long-term liabilities</u>					
Compensated absences payable	12,595	-	-	-	12,595
Total liabilities	<u>28,399</u>	<u>3,473</u>	<u>-</u>	<u>-</u>	<u>31,872</u>
<u>Fund equity:</u>					
Contributed capital	7,400	-	-	-	7,400
Retained earnings:					
Unreserved	194,235	60,233	21,174	3,255	278,897
Total fund equity	<u>201,635</u>	<u>60,233</u>	<u>21,174</u>	<u>3,255</u>	<u>286,297</u>
Total liabilities and fund equity	<u>\$ 230,034</u>	<u>\$ 63,706</u>	<u>\$ 21,174</u>	<u>\$ 3,255</u>	<u>\$ 318,169</u>

***Norton City School District***  
**Combining Statement of Revenues,**  
**Expenses and Changes in Retained Earnings**  
**All Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2000**

	<u>Food Services</u>	<u>Uniform School Supplies</u>	<u>Customer Service Rotary</u>	<u>Adult Education</u>	<u>Total All Funds</u>
<u>Operating revenues:</u>					
Sales	\$ 502,092	\$ 64,046	\$ -	\$ -	\$ 566,138
Other operating revenues	-	-	355	5,148	5,503
Total operating revenues	<u>502,092</u>	<u>64,046</u>	<u>355</u>	<u>5,148</u>	<u>571,641</u>
<u>Operating expenses:</u>					
Salaries	211,524	-	-	-	211,524
Fringe benefits	106,804	-	-	-	106,804
Purchased services	11,590	-	-	1,718	13,308
Material and supplies	23,896	65,764	223	175	90,058
Cost of sales	264,407	-	-	-	264,407
Depreciation	7,965	-	-	-	7,965
Other operating expense	690	-	-	-	690
Total operating expenses	<u>626,876</u>	<u>65,764</u>	<u>223</u>	<u>1,893</u>	<u>694,756</u>
Operating income (loss)	<u>(124,784)</u>	<u>(1,718)</u>	<u>132</u>	<u>3,255</u>	<u>(123,115)</u>
<u>Non-operating revenues:</u>					
Federal donated commodities	30,161	-	-	-	30,161
Operating grants	102,451	-	-	-	102,451
Interest	7,484	-	-	-	7,484
Total non-operating revenues	<u>140,096</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,096</u>
Net income (loss)	15,312	(1,718)	132	3,255	16,981
Retained earnings at beginning of year	178,923	61,951	21,042	-	261,916
Retained earnings at end of year	<u>\$ 194,235</u>	<u>\$ 60,233</u>	<u>\$ 21,174</u>	<u>\$ 3,255</u>	<u>\$ 278,897</u>

***Norton City School District***

**Schedule of Revenues, Expenses and Changes in Fund Equity -**

**Budget and Actual - Food Services Fund**

**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$ 502,092	\$ 502,092	\$ -
Interest	-	7,484	7,484
Operating grants	102,451	102,451	-
<b>Total revenues</b>	<b>604,543</b>	<b>612,027</b>	<b>7,484</b>
<u>Expenses:</u>			
Salaries:			
Food service operations	242,017	212,216	29,801
Fringe benefits:			
Food service operations	107,899	107,150	749
Purchased services:			
Food service operations	14,088	13,300	788
Materials and supplies:			
Food service operations	265,413	264,420	993
Capital outlay:			
Capital outlay - new:			
Food service operations	15,850	15,647	203
Capital outlay - replacement:			
Food service operations	10,610	10,609	1
<b>Total capital outlay</b>	<b>26,460</b>	<b>26,256</b>	<b>204</b>
Other:			
Food service operations	700	690	10
<b>Total expenses</b>	<b>656,577</b>	<b>624,032</b>	<b>32,545</b>
Excess of revenues under expenses	(52,034)	(12,005)	40,029
Fund equity at beginning of year	96,528	96,528	-
Prior year encumbrances appropriated	2,252	2,252	-
<b>Fund equity at end of year</b>	<b>\$ 46,746</b>	<b>\$ 86,775</b>	<b>\$ 40,029</b>

*Norton City School District*

**Schedule of Revenues, Expenses and Changes in Fund Equity -**

**Budget and Actual - Uniform School Supplies Fund**

**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$ 64,046	\$ 64,046	\$ -
<u>Expenses:</u>			
Materials and supplies:			
Regular instruction	110,293	63,212	47,081
Vocational instruction	16,933	7,954	8,979
Total expenses	127,226	71,166	56,060
Excess of revenues under expenses	(63,180)	(7,120)	56,060
Fund equity at beginning of year	57,812	57,812	-
Prior year encumbrances appropriated	5,368	5,368	-
Fund equity at end of year	\$ -	\$ 56,060	\$ 56,060

*Norton City School District*

**Schedule of Revenues, Expenses and Changes in Fund Equity -  
Budget and Actual - Customer Service Rotary Fund  
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for services	\$ 355	\$ 355	\$ -
<u>Expenses:</u>			
Materials and supplies:			
Vocational instruction	20,252	284	19,968
Capital outlay:			
Capital outlay - new:			
Vocational instruction	1,145	-	1,145
Total expenses	21,397	284	21,113
Excess of revenues over (under) expenses	(21,042)	71	21,113
Fund equity at beginning of year	9,147	9,147	-
Prior year encumbrances appropriated	11,895	11,895	-
Fund equity at end of year	\$ -	\$ 21,113	\$ 21,113

*Norton City School District*

**Schedule of Revenues, Expenses and Changes in Fund Equity -  
Budget and Actual - Adult Education Fund  
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for services	\$ 5,148	\$ 5,148	\$ -
<u>Expenses:</u>			
Purchased services:			
Instructional staff support services	3,376	1,718	1,658
Materials and supplies:			
Instructional staff support services	1,100	325	775
Other:			
Instructional staff support services	672	-	672
Total expenses	5,148	2,043	3,105
Excess of revenues over expenses	-	3,105	3,105
Fund equity at beginning of year	-	-	-
Fund equity at end of year	\$ -	\$ 3,105	\$ 3,105

***Norton City School District***  
**Combining Statement of Cash Flows**  
**All Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2000**

	Food Services	Uniform School Supplies	Customer Service Rotary	Adult Education	Total All Funds
<u>Cash flows from operating activities:</u>					
Cash received from customers	\$ 502,092	\$ 64,046	\$ -	\$ -	\$ 566,138
Cash received from other operating sources	-	-	355	5,148	5,503
Cash payments to suppliers for goods and services	(265,276)	(63,520)	(223)	(1,893)	(330,912)
Cash payments to employees for services	(212,216)	-	-	-	(212,216)
Cash payments for employee benefits	(106,920)	-	-	-	(106,920)
Cash payments for other operating expenses	(3,358)	-	-	-	(3,358)
Net cash provided by (used for) operating activities	<u>(85,678)</u>	<u>526</u>	<u>132</u>	<u>3,255</u>	<u>(81,765)</u>
<u>Cash flows from noncapital financing activities:</u>					
Operating grants	102,451	-	-	-	102,451
Net cash provided by noncapital financing activities	<u>102,451</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,451</u>
<u>Cash flows from capital financing activities:</u>					
Acquisition of capital assets	(10,239)	-	-	-	(10,239)
Net cash provided by (used for) capital financing activities	<u>(10,239)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,239)</u>
<u>Cash flows from investing activities:</u>					
Interest on investments	7,484	-	-	-	7,484
Net cash provided by investing financing	<u>7,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,484</u>
Net increase in cash and cash equivalents	14,018	526	132	3,255	17,931
Cash and cash equivalents at beginning of year	98,780	63,180	21,042	-	183,002
Cash and cash equivalents at end of year	<u>\$ 112,798</u>	<u>\$ 63,706</u>	<u>\$ 21,174</u>	<u>\$ 3,255</u>	<u>\$ 200,933</u>
<u>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</u>					
Operating income (loss)	\$ (124,784)	\$ (1,718)	\$ 132	\$ 3,255	\$ (123,115)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	7,965	-	-	-	7,965
Federal donated commodities	30,161	-	-	-	30,161
Change in assets and liabilities:					
(Increase) decrease in assets:					
Inventory	1,100	-	-	-	1,100
Increase (decrease) in liabilities:					
Accounts payable	1,510	2,244	-	-	3,754
Accrued wages	(1,049)	-	-	-	(1,049)
Compensated absences payable	357	-	-	-	357
Intergovernmental payable	(116)	-	-	-	(116)
Deferred revenue	(822)	-	-	-	(822)
Total adjustments	<u>39,106</u>	<u>2,244</u>	<u>-</u>	<u>-</u>	<u>41,350</u>
Net cash provided by (used for) operating activities	<u>\$ (85,678)</u>	<u>\$ 526</u>	<u>\$ 132</u>	<u>\$ 3,255</u>	<u>\$ (81,765)</u>

## INTERNAL SERVICE FUND

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

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

*Norton City School District*

**Schedule of Revenues, Expenses and Changes in Fund Equity -**

**Budget and Actual - Self Insurance Fund**

**For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for services	\$ 1,485,167	\$ 1,461,582	\$ (23,585)
Interest	23,585	26,818	3,233
Total revenues	<u>1,508,752</u>	<u>1,488,400</u>	<u>(20,352)</u>
<u>Expenses:</u>			
Purchased services:			
Central support services	<u>1,765,116</u>	<u>1,247,391</u>	<u>517,725</u>
Excess of revenues over (under) expenses	(256,364)	241,009	497,373
Fund equity at beginning of year	<u>436,132</u>	<u>436,132</u>	<u>-</u>
Fund equity at end of year	<u>\$ 179,768</u>	<u>\$ 677,141</u>	<u>\$ 497,373</u>

## TRUST AND AGENCY FUNDS

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

### EXPENDABLE TRUST

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

### AGENCY

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

***Norton City School District***  
**Combining Balance Sheet**  
**All Trust and Agency Funds**  
**June 30, 2000**

	Expendable Trust Fund	Agency Fund Student Managed Activity	Totals
	Special Trust		
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 9,031	\$ 54,998	\$ 64,029
<u>Liabilities:</u>			
Accounts payable	\$ -	\$ 6,282	\$ 6,282
Due to students	-	48,716	48,716
Claimant liability	8,531	-	8,531
Total liabilities	8,531	54,998	63,529
<u>Fund equity:</u>			
Unreserved, undesignated	500	-	500
Total liabilities and fund equity	\$ 9,031	\$ 54,998	\$ 64,029

*Norton City School District*

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - Special Trust Fund  
For the Fiscal Year Ended June 30, 2000**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Fiscal:			
Other	10,539	1,508	9,031
Excess of revenues under expenditures	(10,539)	(1,508)	9,031
Fund balance at beginning of year	10,539	10,539	-
Fund balance at end of year	\$ -	\$ 9,031	\$ 9,031

***Norton City School District***  
**Statement of Changes in Assets and Liabilities**  
**Student Managed Activity Agency Fund**  
**For the Fiscal Year Ended June 30, 2000**

	Beginning Balance <u>July 1, 1999</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2000</u>
<u>Student Managed Activity</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 46,464	\$ 8,534	\$ -	\$ 54,998
Accounts receivable	-	-	-	-
Total assets	<u>\$ 46,464</u>	<u>\$ 8,534</u>	<u>\$ -</u>	<u>\$ 54,998</u>
<u>Liabilities:</u>				
Accounts payable	\$ 100	\$ 6,282	\$ 100	\$ 6,282
Intergovernmental	-	-	-	-
Due to students	46,364	8,634	6,282	48,716
Total liabilities	<u>\$ 46,464</u>	<u>\$ 14,916</u>	<u>\$ 6,382</u>	<u>\$ 54,998</u>

## GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group is a balanced group of accounts used to establish control and accountability for the costs of all real property and movable equipment owned by the School District. The investment in general fixed assets is carried until the disposition of the property and ownership is relinquished. Depreciation on general fixed assets is not recorded.

***Norton City School District***  
**Schedule of General Fixed Assets by Source**  
**As of June 30, 2000**

General Fixed Assets:

Land and Land Improvements	\$ 641,820
Buildings	6,201,870
Furniture, Fixtures and Equipment	4,318,958
Vehicles	<u>1,313,467</u>
Total General Fixed Assets	<u>\$ 12,476,115</u>

Investment in General Fixed Assets  
by Source:

Acquired before July 1, 1996	\$ 10,272,605
General Fund	575,316
Special Revenue Funds	92,588
Capital Project Fund	1,475,460
Donations	<u>60,146</u>
Total General Fixed Assets	<u>\$ 12,476,115</u>

***Norton City School District***  
**Schedule of General Fixed Assets by Function and Activity**  
**As of June 30, 2000**

Function	Land and Land Improvements	Buildings	Furniture, Fixtures, and Equipment	Vehicles	Total
Instruction:					
Regular	\$ 259,000	\$ 5,077,424	\$ 2,844,690	\$ -	\$ 8,181,114
Special	-	-	12,561	-	12,561
Vocational	-	-	18,192	3,000	21,192
Adult/continuing	-	-	3,808	-	3,808
Support services:					
Pupils	-	-	23,989	-	23,989
Instructional staff	-	-	73,978	-	73,978
Administrative	70,146	160,391	337,326	-	567,863
Fiscal	-	-	10,862	-	10,862
Business	-	-	7,031	-	7,031
Operation of maintenance of plant	-	25,067	164,652	51,490	241,209
Pupil transportation	-	-	175,203	1,258,977	1,434,180
Extracurricular activities	305,021	71,573	245,926	-	622,520
Capital outlay	7,653	867,415	400,740	-	1,275,808
Total General Fixed Assets	\$ 641,820	\$ 6,201,870	\$ 4,318,958	\$ 1,313,467	\$ 12,476,115

***Norton City School District***  
**Schedule of Changes in General Fixed Assets by Function**  
**For the Fiscal Year Ended June 30, 2000**

Function	Balance July 1, 1999	Additions	Deletions	Balance June 30, 2000
Instruction:				
Regular	\$ 8,049,378	\$ 142,868	\$ 11,132	\$ 8,181,114
Special	11,160	1,401	-	12,561
Vocational	9,390	11,802	-	21,192
Adult/continuing	3,808	-	-	3,808
Support services:				
Pupils	6,297	17,692	-	23,989
Instructional staff	26,925	47,053	-	73,978
Administration	563,651	4,212	-	567,863
Fiscal	10,862	-	-	10,862
Business	5,236	1,795	-	7,031
Operation of maintenance of plant	163,480	77,729	-	241,209
Pupil transportation	1,244,100	190,080	-	1,434,180
Extracurricular activities	622,520	-	-	622,520
Capital outlay	459,883	815,925	-	1,275,808
Total General Fixed Assets	\$ 11,176,690	\$ 1,310,557	\$ 11,132	\$ 12,476,115

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

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**STATISTICAL SECTION**



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***Norton City School District***

**General Governmental Revenues by Source and Expenditures by Function  
Last Ten Fiscal Years (1)**

	Fiscal Year Ended June 30, 2000	Fiscal Year Ended June 30, 1999	Fiscal Year Ended June 30, 1998	Fiscal Year Ended June 30, 1997
<u>Revenues:</u>				
Taxes	\$ 6,931,423	\$ 7,088,311	\$ 6,701,222	\$ 6,432,707
Intergovernmental	8,556,448	7,930,250	7,413,515	7,014,244
Interest	321,810	247,073	157,888	118,911
Tuition and fees	146,249	232,262	197,069	175,239
Extracurricular activities	180,012	158,845	146,710	152,561
Gifts and donations	13,305	-	-	-
Miscellaneous	99,517	169,596	160,730	111,102
Total revenues	<u>\$ 16,248,764</u>	<u>\$ 15,826,337</u>	<u>\$ 14,777,134</u>	<u>\$ 14,004,764</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	\$ 7,325,399	\$ 6,813,089	\$ 6,932,488	\$ 6,281,782
Special	1,113,521	1,052,907	982,493	1,013,884
Vocational	507,387	611,958	677,539	650,805
Adult/continuing	15,835	9,672	17,318	1,818
Other	27,373	-	-	-
Support services:				
Pupils	634,511	512,235	480,932	479,455
Instructional staff	730,814	473,678	351,553	331,534
Board of education	24,176	19,081	14,456	23,144
Administration	1,178,060	1,128,782	993,579	963,244
Fiscal	470,814	403,386	390,357	298,796
Business	258,196	281,573	165,808	226,293
Operation and maintenance of plant	1,636,887	1,333,538	1,374,875	1,245,964
Pupil transportation	899,240	741,979	775,043	663,761
Central	7,195	7,119	6,802	6,596
Operation of non-instructional services	11,570	9,347	22,880	8,473
Extracurricular activities	386,554	346,942	285,750	326,543
Capital outlay	1,003,816	511,031	112,200	885,275
Debt service	60,565	63,017	65,469	68,738
Total expenditures	<u>\$ 16,291,913</u>	<u>\$ 14,319,334</u>	<u>\$ 13,649,542</u>	<u>\$ 13,476,105</u>

Source: School District financial records.

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

(1) 1991 through 1996 reported on a cash basis, 1997-2000 on a GAAP basis.

Fiscal Year Ended June 30, 1996	Fiscal Year Ended June 30, 1995	Fiscal Year Ended June 30, 1994	Fiscal Year Ended June 30, 1993	Fiscal Year Ended June 30, 1992	Fiscal Year Ended June 30, 1991
\$ 5,720,534	\$ 5,079,251	\$ 4,893,367	\$ 4,740,783	\$ 4,336,340	\$ 3,829,041
6,282,663	5,669,661	5,526,745	5,341,920	5,159,684	5,214,375
111,639	102,587	66,286	63,968	62,769	84,394
13,975	80,380	80,054	92,905	42,144	29,142
110,193	92,749	96,485	80,421	142,394	126,778
-	-	-	-	-	-
158,610	79,407	61,986	49,034	136,641	66,979
<u>\$ 12,397,614</u>	<u>\$ 11,104,035</u>	<u>\$ 10,724,923</u>	<u>\$ 10,369,031</u>	<u>\$ 9,879,972</u>	<u>\$ 9,350,709</u>

\$ 5,779,762	\$ 5,536,567	\$ 5,212,505	\$ 4,779,140	\$ 4,649,576	\$ 4,435,089
940,604	851,512	803,454	715,625	575,036	507,923
636,943	585,837	572,304	557,024	515,485	544,329
-	-	-	-	-	-
407,180	418,952	387,504	324,189	347,614	396,781
255,535	207,974	220,241	202,803	188,106	173,150
15,906	23,211	16,995	11,431	11,228	19,659
842,648	843,687	754,797	743,356	654,020	805,073
336,653	284,312	378,315	354,581	345,144	222,921
228,129	282,696	267,947	274,216	266,453	444,600
1,186,926	1,227,119	1,177,755	1,100,479	1,006,391	806,540
685,048	515,462	603,759	579,763	487,497	564,163
6,751	6,282	5,904	5,789	7,487	-
8,587	2,532	2,470	2,440	2,463	3,468
244,445	205,006	213,766	198,993	245,466	240,958
704,021	213,227	149,717	88,443	355,902	225,465
-	51,500	54,500	57,500	60,500	-
<u>\$ 12,279,138</u>	<u>\$ 11,255,876</u>	<u>\$ 10,821,933</u>	<u>\$ 9,995,772</u>	<u>\$ 9,718,368</u>	<u>\$ 9,453,634</u>

***Norton City School District***  
**Property Tax Levies and Collections (1)**  
**Last Ten Calendar Years**

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collections	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection as a Percent of Total Levy	Delinquent Taxes Receivable
1999	\$ 8,161,748	\$ 556,618	\$ 8,718,366	\$ 7,871,681	96.45%	\$ 228,223	\$ 8,099,904	92.91%	\$ 618,462
1998	7,781,981	620,136	8,402,117	7,587,912	97.51%	233,503	7,821,415	93.09%	580,702
1997	7,420,409	440,589	7,860,998	7,185,887	96.84%	163,207	7,349,094	93.49%	511,904
1996	7,146,046	360,941	7,506,987	6,979,978	97.68%	164,583	7,144,561	95.17%	362,426
1995	5,669,942	319,601	5,989,543	5,537,967	97.67%	135,427	5,673,394	94.72%	316,149
1994	5,605,214	329,050	5,934,264	5,469,466	97.58%	182,366	5,651,832	95.24%	282,432
1993	5,350,559	291,652	5,642,211	5,192,516	97.05%	132,720	5,325,236	94.38%	316,975
1992	5,281,112	336,383	5,617,495	5,156,577	97.64%	154,949	5,311,526	94.55%	305,969
1991	4,322,993	278,501	4,601,494	4,213,173	97.46%	109,239	4,322,412	93.93%	279,082
1990	4,163,371	293,993	4,457,364	4,078,907	97.97%	128,692	4,207,599	94.40%	249,765

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

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.

(2) Represents collection year. 2000 information cannot be presented because all collections have not been made by June 30.

(3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

***Norton City School District***

**Assessed and Estimated Actual Value of Taxable Property**

**Last Ten Collection Years**

Collection Year	Real Property (1)		Public Utility (2)		Tangible Personal Property (3)		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2000	\$ 210,768,550	\$ 602,195,857	\$ 13,181,080	\$ 14,978,500	\$ 19,048,419	\$ 76,193,676	\$ 242,998,049	\$ 693,368,033
1999	183,968,200	525,623,429	12,819,380	14,567,477	18,157,729	72,630,916	214,945,309	612,821,822
1998	180,696,320	516,275,200	11,662,850	13,253,239	18,422,694	73,690,776	210,781,864	603,219,215
1997	178,423,000	509,780,000	11,578,900	13,157,841	17,107,776	68,431,104	207,109,676	591,368,945
1996	151,196,360	431,989,600	11,916,780	13,541,795	15,842,483	63,369,932	178,955,623	508,901,327
1995	149,610,000	427,457,143	13,059,840	14,840,727	14,925,300	59,701,200	177,595,140	501,999,070
1994	147,117,930	420,336,943	12,894,970	14,653,375	14,028,746	56,114,984	174,041,646	491,105,302
1993	128,258,870	366,453,914	12,708,220	14,441,159	11,690,746	44,964,408	152,657,836	425,859,481
1992	127,072,480	363,064,229	12,349,180	14,033,159	11,205,404	41,501,496	150,627,064	418,598,884
1991	125,451,190	358,431,971	11,560,550	13,136,989	11,027,903	44,111,612	148,039,643	415,680,572

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

(1) Real estate value is assessed at 35% of actual value.

(2) Public utility personal is assessed at 88% of actual value, prior to 1991 it was assessed at 100% of actual value.

(3) Tangible personal property is assessed at 27% of actual value for 1991, 26% for 1992, and 25% for all other years.

***Norton City School District***

**Property Tax Rates - Direct and Overlapping Governments (1)**

**Last Ten Calendar Years**

<u>Collection Year</u>	<u>School Levy</u>	<u>City Levy (2)</u>	<u>Franklin Township Levy</u>	<u>County Levy</u>	<u>Akron Summit Library Levy</u>	<u>Total</u>
2000	55.00	10.00	14.65	12.27	1.39	93.31
1999	55.00	10.00	14.65	12.27	1.79	93.71
1998	55.00	6.50	14.65	11.65	1.87	89.67
1997	55.00	6.50	14.65	11.39	0.89	88.43
1996	55.00	6.50	14.65	13.99	0.89	91.03
1995	47.10	6.50	15.65	14.16	0.89	84.30
1994	47.38	6.50	15.65	12.31	0.89	82.73
1993	47.46	6.50	15.65	12.59	0.89	83.09
1992	47.54	6.50	15.65	12.59	0.89	83.17
1991	41.63	6.80	12.95	12.59	0.89	74.86

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

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

(2) The City of Barberton now has overlapping valuations, therefore this includes 6.5 from the City of Norton and 3.5 from the City of Barberton (1999-2000 only).

***Norton City School District***  
**Computation of Legal Debt Margin**  
**June 30, 2000**

Assessed Valuation (2000)	<u>\$ 242,998,049</u>
Bonded Debt Limit - 9% of Assessed Value (1)	21,869,824
Outstanding debt:	
Energy Conservation Bonds	260,400
Amount of debt applicable to debt limit	260,400
Voted Debt Margin	<u>\$ 21,609,424</u>
Bonded Debt Limit - .10% of Assessed Value (1)	242,998
Outstanding debt:	
Energy Conservation Bonds	260,400
Less exemptions:	
Energy Conservation Bonds	<u>260,400</u>
Amount of debt applicable to debt limit	-
Unvoted Debt Margin	<u>\$ 242,998</u>

Source: Summit County Auditor and School District financial records.

(1) Ohio Bond Law sets a limit of 9% of assessed value for voted debt and 1/10 of 1% for unvoted debt. All School District debt subject to the limitation is voted.

***Norton City School District***

**Ratio of Net General Bonded Debt to**

**Assessed Value and Net General Bonded Debt Per Capita**

**Last Ten Collection Years**

<u>Collection Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value</u>	<u>Population (2)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2000	\$ 255,697	\$ 242,998,049	11,477	0.11%	\$22.28
1999	299,097	214,945,309	11,477	0.14%	\$26.06
1998	342,497	210,781,864	11,477	0.16%	29.84
1997	385,897	207,109,676	11,477	0.19%	33.62
1996	429,297	178,955,623	11,477	0.24%	37.40
1995	-	177,595,140	11,477	0.00%	0.00
1994	19,837	174,041,646	11,477	0.01%	1.73
1993	66,713	152,657,836	11,477	0.04%	5.81
1992	119,023	150,627,064	11,477	0.08%	10.37
1991	172,896	148,039,643	11,477	0.12%	15.06

Source: Summit County Auditor, School District records, and School District audit reports.

(1) No debt is applicable to enterprise funds.

(2) Population data for 1991 through 1999 was assumed to be the same as the 1990 census, as interim data was not available. Also, data from the 2000 census is not yet available.

***Norton City School District***

**Ratio of Annual Debt Service Expenditures for  
General Bonded Debt to Total General Governmental Expenditures  
Last Ten Fiscal Years**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Governmental Expenditures (Percentages)</u>
2000	\$ 43,400	\$ 17,165	\$ 60,565	\$ 16,291,913	0.37%
1999	43,400	19,617	63,017	14,319,334	0.44%
1998	43,400	22,069	65,469	13,649,542	0.48%
1997	43,400	25,338	68,738	13,476,105	0.51%
1996	-	68,738	68,738	12,279,138	0.56%
1995	50,000	1,500	51,500	11,255,876	0.46%
1994	50,000	4,500	54,500	10,821,933	0.50%
1993	50,000	7,500	57,500	9,995,772	0.58%
1992	50,000	10,500	60,500	9,718,368	0.62%
1991	50,000	13,500	63,500	9,453,634	0.67%

Source: School District records and School District audit reports.

***Norton City School District***  
**Demographic Statistics**

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

Source: U.S. Bureau of the Census

***Norton City School District***

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

<u>Year</u>	<u>Total Assessed Values</u>	<u>Certified Bank Deposits</u>	<u>Value of Building Permits Issued</u>
1999	\$ 242,998,049	\$ 7,071,487,000	\$ 11,216,324
1998	214,945,309	5,749,282,000	18,232,505
1997	210,781,864	5,153,519,000	8,157,470
1996	207,109,676	4,342,660,000	9,641,452
1995	178,955,623	4,267,009,000	3,629,308
1994	177,595,140	4,199,905,000	7,453,531
1993	174,041,646	3,792,255,000	5,443,521
1992	152,657,836	3,737,694,000	5,597,948
1991	150,627,064	3,610,033,000	3,483,806
1990	148,039,643	3,468,298,000	4,844,101

Sources:

Total Assessed Value - Summit County Auditor

Financial Institution Deposits - Federal Reserve Board - Cleveland

Building Permits - City of Norton Building Department

***Norton City School District***  
**Principal Taxpayers**

Top Taxpayers	Assessed Valuations					Estimated Actual Valuations			
	Real Property	Tangible Personal	Public Utility	Total	Percent of Total	Real Property	Tangible Personal	Public Utility (1)	Total
Ohio Edison	\$ 246,927	\$ -	\$ 5,741,850	\$ 5,988,777	2.46%	\$ 705,506	\$ -	\$ -	\$ 705,506
PPG Industries	1,956,410	3,199,730	-	5,156,140	2.12%	5,589,743	12,798,920	-	18,388,663
East Ohio Gas	-	-	3,491,740	3,491,740	1.44%	-	-	-	-
Albrecht Inc	1,762,922	218,990	-	1,981,912	0.82%	5,036,920	875,960	-	5,912,880
Ohio Bell Telephone	-	-	1,930,000	1,930,000	0.79%	-	-	-	-
Isolab	473,095	928,480	-	1,401,575	0.58%	1,351,700	3,713,920	-	5,065,620
Fomo Products Inc.	312,946	982,480	-	1,295,426	0.53%	894,131	3,929,920	-	4,824,051
Praxair Inc	-	1,162,420	-	1,162,420	0.48%	-	4,649,680	-	4,649,680
Albert J. Falkenstein	901,740	-	-	901,740	0.37%	2,576,400	-	-	2,576,400
Midwest Rubber Custom Mixing Corp	-	888,110	-	888,110	0.37%	-	3,552,440	-	3,552,440
<b>Total Top Ten Taxpayers</b>	<b>\$ 5,654,040</b>	<b>\$ 7,380,210</b>	<b>\$ 11,163,590</b>	<b>\$ 24,197,840</b>	<b>9.96%</b>	<b>\$ 16,154,400</b>	<b>\$ 29,520,840</b>	<b>\$ -</b>	<b>\$ 45,675,240</b>
<b>Total All Assessed Valuations</b>	<b>\$ 210,768,550</b>	<b>\$ 19,048,419</b>	<b>\$ 13,181,080</b>	<b>\$ 242,998,049</b>	<b>100.00%</b>				

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Source: Summit County Auditor

(1) Per the Summit County Auditor, there is no way to differentiate any of the components which constitute the values that are certified to them by the Tax Commissioner, thus it is not possible to arrive at an "Estimated Actual Value".

***Norton City School District***  
**Computation of Direct and Overlapping Debt**  
**June 30, 2000**

	Assessed Valuation (1)	Net General Tax Supported Debt (2)	Percent Overlapping (3)	Amount Applicable to Norton CSD
Norton City School District	\$ 242,998,049	\$ 255,697	100.00%	\$ 255,697
City of Norton	212,535,286	1,160,000	95.76%	1,110,816
Franklin Township	253,099,759	8,258	15.14%	1,250
City of Barberton	353,444,088	7,617,413	0.33%	25,137
Summit County	10,258,240,444	137,776,183	2.37%	3,265,296
METRO Parks	9,535,165,637	-	2.55%	-
Akron Summit Library	6,891,500,440	-	3.53%	-
Total		<u>\$ 146,817,551</u>		<u>\$ 4,658,196</u>

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

- (1) All valuations are reported as of December 31, 1999 which is the latest information available.
- (2) All debt reported is as of December 31, 1999, except for Norton City School District, which is reported as of June 30, 2000.
- (3) Overlapping percentages are calculated based on overlapping valuation and total entity valuation.

***Norton City School District***

**Miscellaneous Statistics**

**Last Ten Fiscal Years (1)**

	<u>Fiscal Year Ended June 30, 1999</u>	<u>Fiscal Year Ended June 30, 1998</u>	<u>Fiscal Year Ended June 30, 1997</u>	<u>Fiscal Year Ended June 30, 1996</u>
Fall Enrollment	2,506	2,553	2453	2,402
Average Teacher Salary	\$ 38,720	39,419	39,039	38,811
Percent of Teachers With No Degree	0.72%	-	2.20	2.23
Percent of Teachers With Bachelor Degree	18.24%	17.43	17.20	14.12
Percent of Teachers With Masters Degree	40.89%	35.58	40.34	37.22
Average Teacher Experience (yrs.)	13.60	14.10	15.70	16.60
Pupil Attendance Rate	95.10%	95.15%	95.22	95.30
Graduation Rate	87.60%	89.22%	87.72	86.57

Source: Ohio Department of Education

(1) Information not available for 2000

<u>Fiscal Year Ended June 30, 1995</u>	<u>Fiscal Year Ended June 30, 1994</u>	<u>Fiscal Year Ended June 30, 1993</u>	<u>Fiscal Year Ended June 30, 1992</u>	<u>Fiscal Year Ended June 30, 1991</u>	<u>Fiscal Year Ended June 30, 1990</u>
2,428	2,465	2,435	2,423	2,428	2,379
37,798	36,640	34,752	32,861	32,041	31,246
2.28	2.38	1.61	2.44	2.46	2.07
15.20	13.70	42.34	14.56	14.68	14.73
35.71	36.42	22.40	33.36	32.81	34.00
16.30	22.20	20.30	17.80	16.50	15.70
94.76	95.10	95.11	95.36	95.42	94.83
84.68	80.47	89.00	84.65	75.71	71.50

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## COMPLIANCE SECTION



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

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

We have audited the financial statements of Norton City School District as of and for the year ended June 30, 2000, and have issued our report thereon dated December 22, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

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

### Internal Control Over Financial Reporting

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

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



LENNON & COMPANY  
Certified Public Accountant  
December 22, 2000

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

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

### Compliance

We have audited the compliance of Norton City School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2000. Norton City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Norton City School District's management. Our responsibility is to express an opinion on Norton City School District's compliance based on our audit.

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

In our opinion, Norton City School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

### Internal Control Over Compliance

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

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

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

A handwritten signature in black ink that reads "Lennon & Company". The signature is written in a cursive, flowing style.

LENNON & COMPANY  
Certified Public Accountant  
December 22, 2000

**Norton City School District  
Summit County**

Schedule of Federal Awards Expenditures  
For the Year Ended June 30, 2000

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$ -	\$ 38,339	-	\$ 30,161
National School Lunch Program	N/A	10.555	95,591	-	95,591	-
National Special Milk Program	N/A	10.556	2,527	-	2,527	-
Total U.S. Department of Agriculture - Nutrition Cluster			<u>98,118</u>	<u>38,339</u>	<u>98,118</u>	<u>30,161</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Title VI-B Educationally Handicapped	6B-SF-99 P	84.027	5,383	-	6,921	-
	6B-SF-00 P		112,984	-	106,782	-
EHA Preschool Grants for the Handicapped	PG-S1-98	84.173	-	-	145	-
	PG-S1-99 P		3,558	-	3,472	-
Total Special Education Cluster			<u>121,925</u>	<u>-</u>	<u>117,320</u>	<u>-</u>
Goals 2000	GA-A2-00	84.276	2,965	-	2,627	-
School-To-Work	GA-A2-98	17.249	-	-	1,876	-
			-	-	2,500	-
			<u>-</u>	<u>-</u>	<u>4,376</u>	<u>-</u>
Library Automation	II-46-E-1-99	84.154	40,493	-	38,954	-
Title VI-R Class Size Reduction	CR-S1-00	84.340	26,520	-	19,140	-
Title I ESEA	C1-S1-99	84.010	5,421	-	8,306	-
	C1-S1-99 C		2,412	-	2,412	-
	C1-S1-00		112,113	-	104,483	-
			<u>119,946</u>	<u>-</u>	<u>115,201</u>	<u>-</u>
Drug Free Schools	DR-S1-99	84.186	-	-	2,654	-
	DR-S1-00		10,656	-	10,656	-
			<u>10,656</u>	<u>-</u>	<u>13,310</u>	<u>-</u>
Title II IASA Eisenhower Grant	MS-S1-98	84.281	-	-	14	-
	MS-S1-99		-	-	3,570	-
	MS-S1-00		7,196	-	4,541	-
			<u>7,196</u>	<u>-</u>	<u>8,125</u>	<u>-</u>
Title VI Innovative Programs	C2-S1-98	84.298	-	-	663	-
	C2-S1-99 C		1,666	-	4,707	-
	C2-S1-00		11,478	-	12,555	-
			<u>13,144</u>	<u>-</u>	<u>17,925</u>	<u>-</u>
Total U.S. Department of Education			<u>342,845</u>	<u>-</u>	<u>336,978</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 440,963</u>	<u>\$ 38,339</u>	<u>435,096</u>	<u>\$ 30,161</u>

See accompanying notes to the Schedule of Federal Awards Expenditures.

Norton City School District  
Notes to the Schedule of Federal Awards Expenditures  
For the Year Ended June 30, 2000

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had no significant food commodities in inventory.

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

**NORTON CITY SCHOOL DISTRICT  
June 30, 2000**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Title VI-B, CFDA 84.027 Preschool, CFDA 84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
Facsimile 614-466-4490

**NORTON CITY SCHOOL DISTRICT**

**SUMMIT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 17, 2001**