

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SUPPLEMENTAL REPORTS

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

MR. BRIAN WILSON, TREASURER



**Auditor of State
Betty Montgomery**

Board of Education
Newark City School District

We have reviewed the Independent Auditor's Report of the Newark City School District, Licking County, prepared by Trimble, Julian & Grube, Inc. for the audit period July 1, 2002 through June 30, 2003. 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 Newark City School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

November 6, 2003

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**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

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TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor’s Report on Supplementary Schedule of Expenditures of Federal Awards

Board of Education
Newark City School District
85 E. Main Street
Newark, Ohio 43055

Our audit was performed for the purpose of forming an opinion on the financial statements of the governmental activities, its major fund, and the aggregate remaining fund information of Newark City School District (the “District”) as of and for the fiscal year ended June 30, 2003, which collectively comprise the District’s basic financial statements. 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 not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Trimble, Julian & Grube, Inc.
September 19, 2003

**NEWARK CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

| FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE | CFDA NUMBER | PASS-THROUGH GRANT NUMBER | (E) CASH FEDERAL RECEIPTS | OTHER FEDERAL RECEIPTS | (F) CASH FEDERAL DISBURSEMENTS | OTHER FEDERAL DISBURSEMENTS |
|--|----------------|---------------------------------|------------------------------------|------------------------------|---|-----------------------------------|
| U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION: | | | | | | |
| Nutrition Cluster: | | | | | | |
| (A) (C) Food Distribution | 10.550 | N/A | \$ - | \$ 166,566 | \$ - | \$ 166,566 |
| (A) (D) School Breakfast Program | 10.553 | 044453-LL-PU 2002 | 110,048 | - | 110,048 | - |
| (A) (D) National School Lunch | 10.555 | 044453-LL-PI 2002 | 711,393 | - | 711,393 | - |
| Total U.S. Department of Agriculture and Nutrition Cluster | | | <u>821,441</u> | <u>166,566</u> | <u>821,441</u> | <u>166,566</u> |
| U.S. DEPARTMENT OF LABOR PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION: | | | | | | |
| (F) School to Work Administration | 17.249 | N/A | - | | 667 | |
| (G) School to Work Administration | 17.249 | N/A | - | | 166 | |
| Total U.S. Department of Labor and School to Work Administration | | | <u>-</u> | | <u>833</u> | |
| U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION: | | | | | | |
| Title I - Grants to Local Educational Agencies | 84.010 | 044453-C1-S1 2001 | 471 | | - | |
| Title I - Grants to Local Educational Agencies | 84.010 | 044453-C1-S1 2002 | 42,921 | | 291,434 | |
| Title I - Grants to Local Educational Agencies | 85.010 | 044453-C1-S1 2003 | 1,425,430 | | 1,372,898 | |
| Title I - Grants to Local Educational Agencies | 84.010 | 044453-C1-S1 2001C | - | | 2,409 | |
| Total Title I | | | <u>1,468,822</u> | | <u>1,666,741</u> | |
| Special Education Cluster: | | | | | | |
| (B) Title VI-B - Education of the Handicapped Act | 84.027 | 044453-6B-SF 2002-P | 59,200 | | 107,553 | |
| (B) Title VI-B - Education of the Handicapped Act | 84.027 | 044453-6B-SF 2003-P | 605,821 | | 554,235 | |
| Total Title VI-B | | | <u>665,021</u> | | <u>661,788</u> | |
| (B) Special Education Preschool | 84.173 | 044453-6B-SD 2003-P | 19,916 | | 5,376 | |
| (B) Special Education Preschool | 84.173 | 044453-PG-S1 2002-P | 10,947 | | 5,635 | |
| (B) Special Education Preschool | 84.173 | 044453-PG-S1 2003-P | 22,619 | | 23,005 | |
| Total Special Education Preschool | | | <u>53,482</u> | | <u>34,016</u> | |
| Total Special Education Cluster | | | <u>718,503</u> | | <u>695,804</u> | |
| Drug Free | 84.184C | 044453-T4-S1 2003 | 3,100 | | 733 | |
| Safe and Drug-Free Schools | 84.186 | 044453-DR-S1 2001 | 1,597 | | 7,026 | |
| Safe and Drug-Free Schools | 84.186 | 044453-DR-S1 2002 | - | | 9,210 | |
| Safe and Drug-Free Schools | 84.186 | 044453-DR-S1 2003 | 34,337 | | 47,082 | |
| Total Safe and Drug-Free Schools | | | <u>35,934</u> | | <u>63,318</u> | |
| Goals 2000 | 84.276 | 044453-G2-S2-2001 | - | | 1,370 | |
| Eisenhower Professional Development | 84.281 | 044453-MS-S1 2001 | - | | 1,043 | |
| Eisenhower Professional Development | 84.281 | 044453-MS-S1 2002 | 12,463 | | 16,038 | |
| Total Eisenhower Professional Development | | | <u>12,463</u> | | <u>17,081</u> | |
| Title VI - Innovative Educational Program Strategies | 84.298 | 044453-C2-S1 2001 | - | | 1,465 | |
| Title VI - Innovative Educational Program Strategies | 84.298 | 044453-C2-S1 2002 | 11,097 | | 9,953 | |
| Title VI - Innovative Educational Program Strategies | 84.298 | 044453-C2-S1 2003 | 26,914 | | 23,385 | |
| Total Title VI | | | <u>38,011</u> | | <u>34,803</u> | |
| Title II - Technology Literacy Challenges | 84.318 | 044453-TF-15-99P | - | | 7 | |
| Title II - Technology Literacy Challenges | 84.318 | 044453-TJ-S1-2003 | 24,424 | | 16,660 | |
| Total Title II | | | <u>24,424</u> | | <u>16,667</u> | |
| Title VI-R - Class Size Reduction | 84.340 | 044453-CR-S1 2002 | 9,027 | | 38,695 | |
| Title VI-R - Class Size Reduction | 84.340 | 044453-CR-S1 2000 | - | | 1 | |
| Total Title VI-R | | | <u>9,027</u> | | <u>38,696</u> | |
| Title I Accountability | 84.348 | 044453-AK-S1 2001 | 22,894 | | 43,821 | |
| School Renovation, IDEA and Technology | 84.352A | 044453-AT-S2-2002 | 12,428 | | 12,241 | |
| School Renovation, IDEA and Technology | 84.352A | 044453-AT-S1-2002 | - | | 2,079 | |
| School Renovation, IDEA and Technology | 84.352A | 044453-AT-S3-2002 | 5,573 | | 5,573 | |
| School Renovation, IDEA and Technology | 84.352A | 044453-AT-S4-2002 | 7,479 | | - | |
| Total School Renovation, IDEA, and Technology | | | <u>25,480</u> | | <u>19,893</u> | |
| Title II-A - Improving Teacher Quality | 84.367 | 044453-TR-S1-2003 | 332,772 | | 319,683 | |
| Total U.S. Department of Education | | | <u>2,691,430</u> | | <u>2,918,610</u> | |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH THE OHIO DEPARTMENT OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES: | | | | | | |
| Temporary Assistance for Needy Families | 93.558 | N/A | 100,611 | | 100,611 | |
| Community Alternative Funding System Program | 93.778 | N/A | 240,381 | | 240,381 | |
| Total U.S. Department of Health and Human Services | | | <u>340,992</u> | | <u>340,992</u> | |
| Total Federal Financial Assistance | | | <u>\$ 3,853,863</u> | <u>\$ 166,566</u> | <u>\$ 4,081,876</u> | <u>\$ 166,566</u> |

(A) Included as part of "Nutrition Grant Cluster" in determining major programs.

(B) Included as part of "Special Education Grant Cluster" in determining major programs.

(C) The Food Distribution Program is a non-cash, in kind, federal grant. Commodities are valued at fair market prices.

(D) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.

(E) This schedule was prepared on the cash basis of accounting.

(F) These funds were passed through the Franklin County Educational Service Center.

(G) These funds were passed through the Licking County Joint Vocational School.

TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Basic Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Education
Newark City School District
85 E. Main Street
Newark, Ohio 43055

We have audited the financial statements of the governmental activities, its major fund, and the aggregate remaining fund information of Newark City School District as of and for the fiscal year ended June 30, 2003, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 19, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Newark City School District's financial statements of the governmental activities, its major fund, and the aggregate remaining fund information 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*.

Board of Education
Newark City School District

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Newark 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 basic financial statements of the governmental activities, its major fund, and the aggregate remaining fund information 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 basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in the report, that we have reported to the management of Newark City School District in a separate letter dated September 29, 2003.

This report is intended for the information and use of the management and Board of Education of Newark City School District, 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.

Trimble, Julian & Grube, Inc.
September 29, 2003

TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Suite B
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Report on Compliance With Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance With *OMB Circular A-133*

Board of Education
Newark City School District
85 E. Main Street
Newark, Ohio 43055

Compliance

We have audited the compliance of Newark 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 major federal program for the fiscal year ended June 30, 2003. Newark City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of Newark City School District's management. Our responsibility is to express an opinion on Newark City School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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, Audit 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about Newark 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 Newark City School District's compliance with those requirements.

Board of Education
Newark City School District

In our opinion, Newark 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 fiscal year ended June 30, 2003.

Internal Control Over Compliance

The management of Newark 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 Newark 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 the management and Board of Education of Newark City School District 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.

Trimble, Julian & Grube, Inc.
September 19, 2003

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
JUNE 30, 2003**

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

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|--------------------|---|-------------|
| <i>(d)(1)(i)</i> | <i>Type of Financial Statement Opinion</i> | Unqualified |
| <i>(d)(1)(ii)</i> | <i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(ii)</i> | <i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(iii)</i> | <i>Was there any reported non-compliance at the financial statement level (GAGAS)?</i> | No |
| <i>(d)(1)(iv)</i> | <i>Were there any material internal control weakness conditions reported for major federal programs?</i> | No |
| <i>(d)(1)(iv)</i> | <i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i> | No |
| <i>(d)(1)(v)</i> | <i>Type of Major Programs ' Compliance Opinion</i> | Unqualified |
| <i>(d)(1)(vi)</i> | <i>Are there any reportable findings under § .510?</i> | No |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
JUNE 30, 2003**

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

1. SUMMARY OF AUDITOR'S RESULTS (Continued)

| | | |
|---------------------|--|--|
| <i>(d)(1)(vii)</i> | <i>Major Programs:</i> | Title I: CFDA #84.010, Title IIA: CFDA #84.367 |
| <i>(d)(1)(viii)</i> | <i>Dollar Threshold: Type A/B Programs</i> | Type A: >\$300,000 Type B: all others |
| <i>(d)(1)(ix)</i> | <i>Low Risk Auditee?</i> | Yes |

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

NEWARK CITY
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2003

PREPARED BY
TREASURER'S DEPARTMENT
BRIAN WILSON, TREASURER

85 EAST MAIN STREET

NEWARK, OHIO 43055

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**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

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NEWARK CITY SCHOOLS

ADMINISTRATIVE SERVICE CENTER

85 East Main Street, Newark, Ohio 43055

Phone (740) 345-9891

Fax # (740) 349-2303

The mission of the Newark City Schools is to create a community that is forever learning, forever growing and forever serving.

September 30, 2003

To the Citizens and Board of Education of the Newark City School District:

We are pleased to submit to you the fourth Comprehensive Annual Financial Report (CAFR) of the Newark City School District (the "District"). This CAFR, which includes an opinion from Trimble, Julian & Grube, Inc., conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rest with 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 School District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

This CAFR is presented in three sections:

The Introductory Section, which contains a table of contents, this letter of transmittal, the Government Finance Officer's Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting, a list of principal officials, and the District's organizational chart.

The Financial Section, which includes the independent auditor's report, a management's discussion and analysis, the basic financial statements and notes, and combining statements and individual fund schedules which provide detailed information relative to the basic financial statements.

The Statistical Section, which presents social and economic data, financial trends and the fiscal capacity of the District.

This transmittal letter is designed to provide historical information about the District, as well as compliment the required Management's Discussion and Analysis (discussed below). Unless noted otherwise, the financial data in this transmittal letter is presented on the modified accrual basis of accounting. Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The District's MD&A, which focuses on the government-wide statements, can be found on page 3 of the financial section of this report.

PROFILE OF THE SCHOOL DISTRICT

The City of Newark, the county seat of Licking County, is located approximately 33 miles east of Columbus in the central part of the state. The District serves an area of approximately 19 square miles and approximately 47,450 residents.

In the spring of 1802, General William Schenk platted around the ancient mounds of Central Ohio a settlement named after his hometown of Newark, New Jersey. There were many salt licks in the area and by 1808 the area known as Licking County was founded. In 1809 the first school was started in the Courthouse on the north side of the Town Square. James Maxwell was the first schoolteacher in this floorless room. The first official body designated as the Newark City Board of Education was formed in 1848.

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

During the 2002-2003 school year, the District had approximately 6,967 (Fall 2002) students enrolled in sixteen community schools: Cherry Valley Elementary, Johnny Clem Elementary, Conrad Elementary, Ben Franklin Elementary, Hazelwood Elementary, Maholm Elementary, McGuffey Elementary, Miller Elementary, and North Elementary schools housing grades K through 4; Central Intermediate, Kettering Intermediate and West Main Intermediate schools housing grades 5 and 6; Lincoln Middle, Roosevelt Middle and Wilson Middle schools housing grades 7 and 8; and Newark High School housing grades 9 through 12 with 1,915 students.

THE REPORTING ENTITY

This report includes all funds of the District. The District provides a full range of traditional and non-traditional educational programs, services and facilities. These include elementary and secondary curriculum at the general, college preparatory and vocational levels, a broad range of co-curricular and extracurricular activities, special education programs and facilities.

Newark Catholic High School, St. Francis, Blessed Sacrament, Par Excellence, Kairos Academy and Montessori School are located within the School District Service Area. The District acts as fiscal agent for state funds provided by the State of Ohio to these institutions. Revenues and expenditures of these schools are reported as a governmental activity of the District.

ECONOMIC CONDITION AND OUTLOOK

The District is located approximately 33 miles from the metropolitan city of Columbus providing a wealth of opportunity for cultural, social and economic resources for its residents. Central Ohio Technical College and The Ohio State University of Newark share facilities at the Newark campus. Denison University is located in the adjoining Village of Granville. These colleges provide excellent educational opportunities for the Newark community.

The City of Newark offers an excellent opportunity for business growth and expansion. The City stimulates the economy through a diverse group of employers, from the small family operated business to the major commercial/industrial and service corporations. The five largest employers in the District in terms of numbers of employees are: Owens Corning Corporation, Licking County, Licking Memorial Hospital, Newark Board of Education and State Farm Insurance.

Newark area businesses continue to manufacture and distribute a wide variety of products. Foremost among these products are plastics, insulation, prefabricated homes, prismatic reflectors, wiping cloths, quartz and specialty products, asphalt, automotive products, bricks, chemicals, electronic equipment, truck axles and transmissions, anodized aluminum products, wood veneer, dairy products, concrete products and many other industrial specialty items.

The District has been impacted by the national recession. This past year saw a 5.43% decline in income tax revenue for the district. The first quarterly installment of income tax revenue for FY04 is down 7.7% from the first quarter of FY03. The District's cash balances will allow us to absorb this loss for the moment. It is hoped that the economy in our community is on the rebound. If not, tough decisions will face the district in the next few years.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Accomplishments for 2003

Financial

Received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association for the fourth consecutive year.

The District renewed the District's 1% income tax in November of 2002.

The District received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the third consecutive year.

Instruction

The District remained in Continuous Improvement status on the State of Ohio's District report card.

Ninth Grade Proficiency Tests

The Ohio Proficiency Testing programs consists of a series of five tests (writing, reading, math, citizenship and science) administered at four grade levels (fourth, sixth, ninth and twelfth). Passing the ninth grade test is a requirement for graduation from high school. High school students are provided several opportunities each year to pass the ninth grade test in all five-subject areas. The percentage of students who passed the ninth grade test compared to prior years is shown below.

Percent Passing/Ninth Grade Test Results

| <u>School Year</u> | <u>Citizenship</u> | <u>Math</u> | <u>Reading</u> | <u>Writing</u> | <u>Science</u> |
|--------------------|--------------------|-------------|----------------|----------------|----------------|
| 1997-1998 | 80.0% | 63.0% | 88.0% | 89.6% | 69.0% |
| 1998-1999 | 82.0% | 64.0% | 86.0% | 89.3% | 73.0% |
| 1999-2000 | 85.0% | 71.0% | 93.0% | 90.3% | 77.0% |
| 2000-2001 | 83.0% | 74.0% | 92.0% | 86.8% | 75.0% |
| 2002-2003 | 84.1% | 68.4% | 86.6% | 90.2% | 72.7% |

Initiatives for 2003

Financial

To receive the Certificate of Excellence in Financial Reporting from the GFOA for the District's 2003 CAFR prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments".

To receive the Award for Outstanding Achievement in Popular Annual Financial Reporting from the GFOA for the 2003 Popular Annual Financial Report.

Instruction

To implement academic content standards in all grades.

To continue to emphasize literacy at all grade levels and to improve students' reading so that all students read at or above grade level.

To meet the challenge of preparing students and teachers for the Ohio Graduation Test and other achievement tests.

FINANCIAL INFORMATION

Internal Controls

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

Budgetary Controls

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 appropriations 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. The primary level of budgetary control required by Ohio Revised Code is at the fund level. The level of budgetary control imposed by the District (the level at which expenditures cannot legally exceed the appropriated amount) is established at the object level for the general fund and at the fund level for all other funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

Financial Condition

This is the second year the District has prepared financial statements following GASB Statement No. 34. GASB No. 34 creates new basic financial statements for reporting on the District's financial activities as follows:

Government-wide financial statements - These statements are prepared on a full accrual basis of accounting, which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. All of the District's activities are considered governmental activities.

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

Statement of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is also responsible for preparing a management's discussion and analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for 2003 and the outlook for the future. Because that discussion focuses on the major fund, the financial highlights provided in this letter focus on certain non-major funds of the District.

Financial Highlights

Internal Service Fund - The only internal service fund of the District is the Employee Benefits Self-Insurance fund. The District uses this fund to account for its self-insurance dental program. This fund had net assets of \$29,196 at June 30, 2002 and had net assets of \$79,919 at June 30, 2003. This fund was started in late fiscal 2002 which accounts for the increase in net assets.

Fiduciary Funds - The fiduciary funds account for assets held by the District in a trustee capacity, or as an agent, for individuals, other district organizations or other funds. The District maintains one private purpose trust fund and one agency fund. The private purpose trust fund had net assets of \$59,089 at June 30, 2003. The agency fund had cash and cash equivalents held on-behalf of students in the amount of \$47,308 at June 30, 2003.

Cash Management

During the fiscal year ended June 30, 2003, the District's cash resources were divided into investments approximately as follows: in State Treasurer's Pool 37.09%, in bank deposits 5.77%, in time deposits 36.63%, in federal agency securities 10.41%, in repurchase agreements 10.10%. The yield to maturity as of June 30, 2003 was 1.42% and the average days to maturity was 76.34 days.

Risk Management

The types of insurance carried include: general liability, property loss, boiler and machinery coverage, and vehicle fleet liability, which are purchased from insurance companies licensed to do business in the State of Ohio.

Employees are provided traditional health care insurance that covers hospitalization and major medical expenses within specified limits through United HealthCare. Employees are also provided life and dental insurance benefits. The District manages dental benefits on a self-insured basis.

Independent Audit

Provisions of state statute require the District's financial statements to be subjected to an annual examination by an independent auditor. The District has engaged Trimble, Julian & Grube, Inc. to audit the District's financial records. The auditor's unqualified opinion is included herein.

Awards

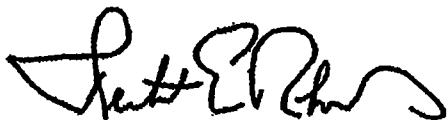
GFOA Certificate of Achievement The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Newark City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for their review.

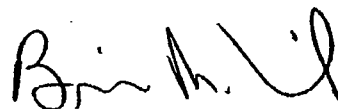
Acknowledgements

Preparation of this report could not have been accomplished without the support and efforts of the staff in the Treasurer's office and many other dedicated employees of the District. Further appreciation is extended to the Licking County Auditor's office and the Newark City Auditor's office for their valuable research of records.

Respectfully submitted,



Keith E. Richards
Superintendent



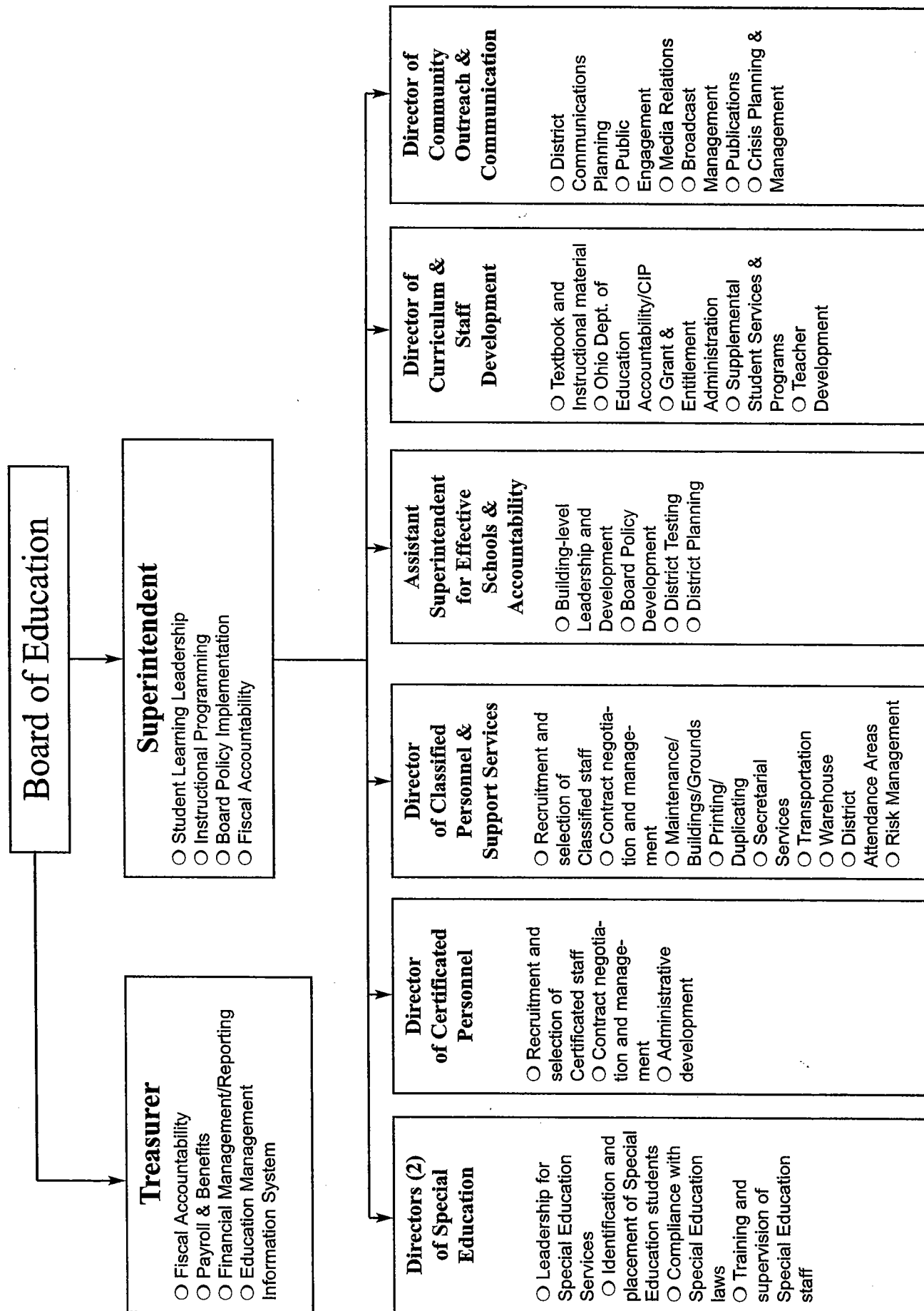
Brian W. Wilson
Treasurer/CFO

NEWARK CITY SCHOOL DISTRICT**List of Principal Officials****Board of Education**

| | |
|--------------------|--|
| Jeremy Blake | Board Member (1/1/02 – 12/31/05) |
| Dr. Thomas Hall | Board Member (1/1/00 – 12/31/03) |
| Michael Hendershot | Board Member, Vice-President (1/1/00 – 12/31/03) |
| Patrick Kelley | Board Member, President (1/1/00 – 12/31/03) |
| Kristy Williams | Board Member (1/1/02 – 12/31/05) |

Administration

| | |
|--------------------|---|
| Keith E. Richards | Superintendent – (Hired 8/1/02) |
| Brian W. Wilson | Treasurer – (Hired 4/19/99) |
| Cara Riddel | Director, Certificated Personnel/Human Resources (Hired 8/26/91) |
| David C. Altepeter | Director, Classified Personnel/Support Services (Hired 7/8/96) |
| Dana Herreman | Director of Curriculum – (Hired 9/1/77) |
| Randy C. Stortz | Chief Academic Advisor – (Hired 8/1/99) |
| Art Martin | Co-Director of Special Education – (Hired 9/2/80) |
| Mark Severance | Co-Director of Special Education – (Hired 7/31/92) |
| Beth Milligan | Director, Community Outreach – (Hired 7/6/98) |



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Newark City Schools,
Ohio

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

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



President

Executive Director

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TRIMBLE, JULIAN & GRUBE, INC.

“SERVING OHIO LOCAL GOVERNMENTS”

1445 Worthington Woods Boulevard
Worthington, Ohio 43085

Telephone 614.846.1899
Facsimile 614.846.2799

Independent Auditor's Report

Board of Education
Newark City School District
85 E. Main Street
Newark, Ohio 43055

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

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

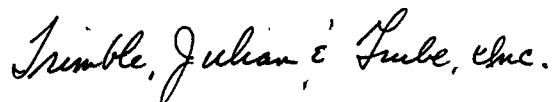
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, its major fund, and the aggregate remaining fund information of the Newark City School District, Licking County, Ohio, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Independent Auditor's Report
Newark City School District

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2003, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Trimble, Julian & Grube, Inc.".

Trimble, Julian & Grube, Inc.
September 19, 2003

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED**

The discussion and analysis of the Newark City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2003 are as follows:

- In total, net assets of governmental activities decreased \$1,282,834 which represents a 5.62% decrease from 2002.
- General revenues accounted for \$45,360,122 in revenue or 83.93% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$8,686,437 or 16.07% of total revenues of \$54,046,559.
- The District had \$55,329,393 in expenses related to governmental activities; only \$8,686,437 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$45,360,122 were not adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$44,197,582 in revenues and other financing sources and \$45,110,938 in expenditures and other financing sources. During fiscal 2003, the general fund's fund balance decreased \$913,356 from \$15,630,717 to \$14,717,361.

Using this Comprehensive Annual Financial Repot (CAFR)

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

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

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED**

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2003?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets and liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the Governmental Activities include the District's programs and services, including instruction, support services, operation and maintenance, pupil transportation, extracurricular activities, operation of non-instructional services, and food service operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental fund begins on page 5. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's only major governmental fund is the general fund.

Governmental Funds

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

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED**

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private purpose trust fund. The District also acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 24 and 25. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

The District as a Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole. A comparative analysis for government-wide financial statements using the full accrual basis of accounting is presented below.

The Statement of Net Assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2003 compared to fiscal 2002.

| | <u>Governmental Activities</u> | |
|---|--------------------------------|----------------------|
| | <u>2003</u> | <u>2002</u> |
| <u>Assets</u> | | |
| Current assets | \$ 39,657,182 | \$ 44,250,663 |
| Capital assets | <u>12,034,332</u> | <u>12,480,323</u> |
| Total assets | <u>51,691,514</u> | <u>56,730,986</u> |
| <u>Liabilities</u> | | |
| Current liabilities | 20,739,394 | 23,284,369 |
| Long-term liabilities | <u>9,401,778</u> | <u>10,613,441</u> |
| Total liabilities | <u>30,141,172</u> | <u>33,897,810</u> |
| <u>Net Assets</u> | | |
| Invested in capital assets, net of debt | 11,505,731 | 11,951,793 |
| Restricted | 2,974,422 | 2,948,775 |
| Unrestricted | <u>7,070,189</u> | <u>7,932,608</u> |
| Total net assets | <u>\$ 21,550,342</u> | <u>\$ 22,833,176</u> |

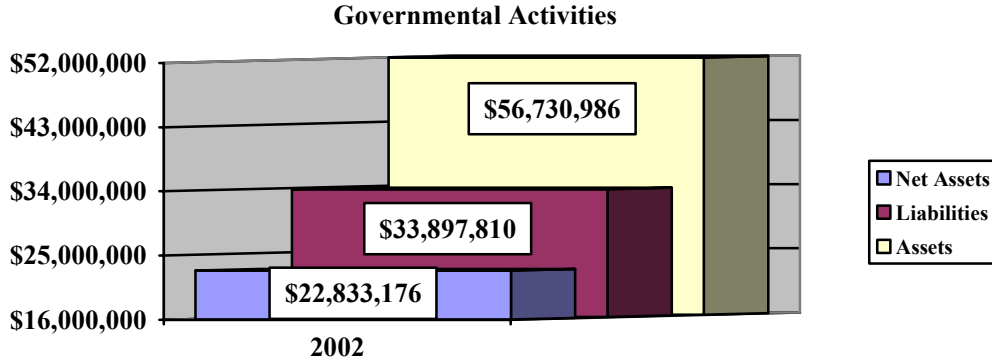
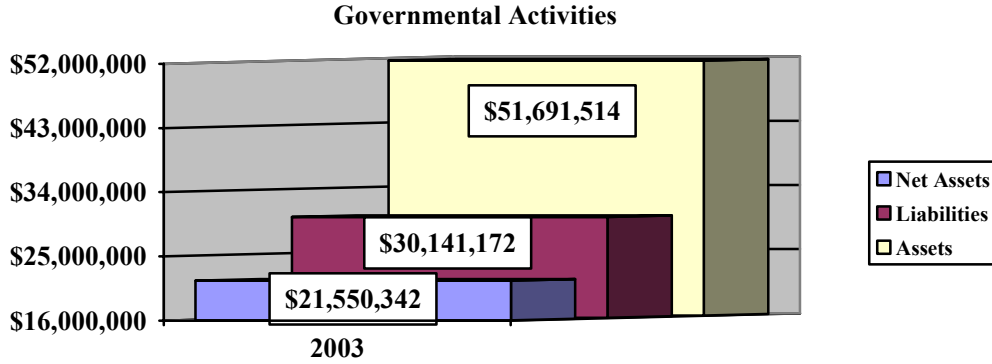
Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2003, the District's assets exceeded liabilities by \$21,550,342.

At year-end, capital assets represented 23.28% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture, construction in progress, equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2003, was \$11,505,731. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED**

A portion of the District's net assets, \$2,974,422, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$7,070,189 may be used to meet the District's ongoing obligations to the students and creditors.



**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED**

The table below shows the changes in net assets for governmental activities for fiscal year 2003 compared to fiscal year 2002.

| | <u>Governmental Activities</u> | |
|---|--------------------------------|-------------------|
| | <u>2003</u> | <u>2002</u> |
| <u>Revenues</u> | | |
| Program revenues: | | |
| Charges for services and sales | \$ 2,082,405 | \$ 1,828,731 |
| Operating grants and contributions | 6,576,259 | 5,974,608 |
| Capital grants and contributions | 27,773 | 300,640 |
| General revenues: | | |
| Property taxes | 16,059,057 | 14,862,695 |
| School district income taxes | 6,417,041 | 6,665,355 |
| Grants and entitlements | 22,430,681 | 22,642,337 |
| Investment earnings | 396,083 | 826,007 |
| Other | 57,260 | 174,698 |
| Total revenues | <u>54,046,559</u> | <u>53,275,071</u> |
| <u>Expenses</u> | | |
| Program expenses: | | |
| Instruction: | | |
| Regular | 24,508,474 | 23,411,738 |
| Special | 5,795,463 | 5,757,682 |
| Vocational | 1,037,110 | 856,973 |
| Other | 9,625 | 103,762 |
| Support services: | | |
| Pupil | 2,703,972 | 2,594,162 |
| Instructional staff | 3,486,646 | 3,470,282 |
| Board of Education | 237,865 | 291,754 |
| Administration | 3,988,909 | 3,806,315 |
| Fiscal | 1,006,549 | 999,495 |
| Business | 535,545 | 539,054 |
| Operations and maintenance | 4,744,279 | 4,037,085 |
| Pupil transportation | 2,068,391 | 1,870,559 |
| Central | 914,265 | 879,653 |
| Operation of non-instructional services | 83,422 | 83,732 |
| Food service operations | 2,270,663 | 2,161,102 |
| Extracurricular activities | 860,452 | 851,835 |
| Intergovernmental pass through | 694,466 | 694,298 |
| Interest and fiscal charges | 383,297 | 425,593 |
| Total expenses | <u>55,329,393</u> | <u>52,835,074</u> |
| Changes in net assets | <u>\$ (1,282,834)</u> | <u>\$ 439,997</u> |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED**

Governmental Activities

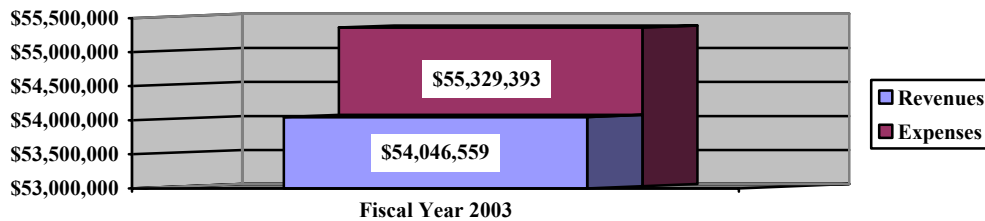
Net assets of the District's governmental activities decreased by \$1,282,834. Total governmental expenses of \$55,329,393 were offset by program revenues of \$8,686,437 and general revenues of \$45,360,122. Program revenues supported 15.70% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, school district income taxes, and grants and entitlements. These three revenue sources total \$44,906,779 and represent 83.09% of total governmental revenue. Real estate property is reappraised every six years. As a result of the latest reappraisal by Licking County in 1999, the District's tax valuation increased by 16.50% that year. With the increase in property valuation and the repeal of two property tax levies in 1998, the District is now operating at the 20 mill floor which is the state minimum required property tax funding for a school district's operations. Due to this, the District is able to receive the full advantage of property tax valuation increases.

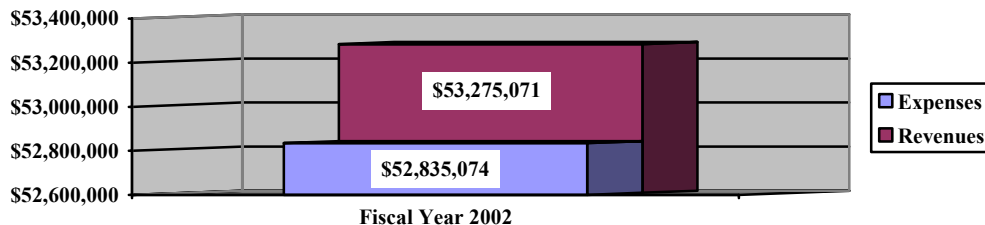
Voters approved the school district income tax operating levy in November 1997. This levy, which generates approximately \$6.4 million per year for five years, is expected to provide revenue for general fund operating expenses through the fiscal year 2004. With the renewal of the income tax in November of 2002, the District should have adequate funds for its operations through at least fiscal year 2006.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2003.

Governmental Activities - Revenues and Expenses



Governmental Activities - Revenues and Expenses



**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2003 compared to 2002. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

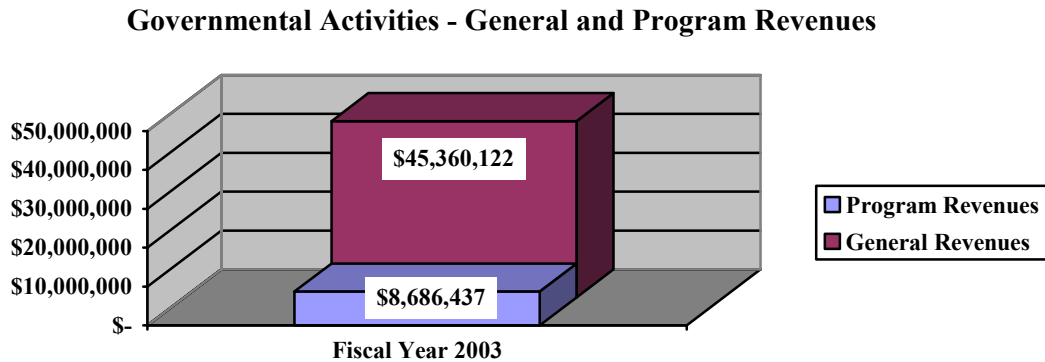
| | Governmental Activities | | | |
|--|--|--|--|--|
| | Total Cost of Services <u>2003</u> | Net Cost of Services <u>2003</u> | Total Cost of Services <u>2002</u> | Net Cost of Services <u>2002</u> |
| Program expenses: | | | | |
| Instruction: | | | | |
| Regular | \$ 24,508,474 | \$ 23,184,314 | \$ 23,411,738 | \$ 21,486,687 |
| Special | 5,795,463 | 3,796,391 | 5,757,682 | 4,315,312 |
| Vocational | 1,037,110 | 761,293 | 856,973 | 817,166 |
| Other | 9,625 | 9,625 | 103,762 | (5,635) |
| Support services: | | | | |
| Pupil | 2,703,972 | 2,092,621 | 2,594,162 | 2,493,994 |
| Instructional staff | 3,486,646 | 2,442,601 | 3,470,282 | 2,748,331 |
| Board of Education | 237,865 | 237,865 | 291,754 | 291,754 |
| Administration | 3,988,909 | 3,882,175 | 3,806,315 | 3,563,051 |
| Fiscal | 1,006,549 | 995,879 | 999,495 | 974,756 |
| Business | 535,545 | 535,545 | 539,054 | 539,054 |
| Operations and maintenance | 4,744,279 | 4,744,279 | 4,037,085 | 4,037,085 |
| Pupil transportation | 2,068,391 | 2,042,247 | 1,870,559 | 1,791,765 |
| Central | 914,265 | 762,455 | 879,653 | 760,277 |
| Operations of non-instructional services | 83,422 | 9,862 | 83,732 | (42,959) |
| Food service operations | 2,270,663 | 81,238 | 2,161,102 | 34,836 |
| Extracurricular activities | 860,452 | 608,051 | 851,835 | 494,332 |
| Intergovernmental pass through | 694,466 | 73,218 | 694,298 | 5,696 |
| Interest and fiscal charges | 383,297 | 383,297 | 425,593 | 425,593 |
| Total expenses | <u>\$ 55,329,393</u> | <u>\$ 46,642,956</u> | <u>\$ 52,835,074</u> | <u>\$ 44,731,095</u> |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED**

The dependence upon tax and other general revenues for governmental activities is apparent, 88.96% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 85.10%. The District's taxpayers, as a whole, are by far the primary support for the District's students.

The graph below presents the District's governmental activities revenue for fiscal year 2003.



The District's Funds

The District's governmental funds (as presented on the balance sheet on page F16) reported a combined fund balance of \$17,198,186, which is lower than last year's total of \$19,011,039. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2003 and 2002.

| | Fund Balance <u>June 30, 2003</u> | Fund Balance <u>June 30, 2002</u> | <u>Decrease</u> |
|--------------------|--------------------------------------|--------------------------------------|-----------------------|
| General | \$ 14,717,361 | \$ 15,630,717 | \$ (913,356) |
| Other Governmental | <u>2,480,825</u> | <u>3,380,322</u> | <u>(899,497)</u> |
| Total | <u>\$ 17,198,186</u> | <u>\$ 19,011,039</u> | <u>\$ (1,812,853)</u> |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED**

General Fund

The District's general fund balance decreased by \$913,356. The decrease in fund balance can be attributed to essentially flat revenues with increases in expenditures. Specifically the District's budget is 85% personnel related. With the District's health insurance increasing approximately 20% annually for the past several years and normal wage increases the District's fund balance will begin to decrease at an alarming rate if revenues do not increase or steps are not taken to live within our current revenue structure. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

| | 2003 <u>Amount</u> | 2002 <u>Amount</u> |
|---|-----------------------|-----------------------|
| <u>Revenues</u> | | |
| Taxes | \$ 20,363,165 | \$ 19,913,001 |
| Tuition | 365,798 | 266,839 |
| Earnings on investments | 427,039 | 889,576 |
| Intergovernmental | 22,764,994 | 23,050,113 |
| Other revenues | <u>272,353</u> | <u>283,653</u> |
| Total | <u>\$ 44,193,349</u> | <u>\$ 44,403,182</u> |
| <u>Expenditures</u> | | |
| Instruction | \$ 27,255,343 | \$ 25,945,008 |
| Support services | 16,994,100 | 16,375,193 |
| Operation of non-instructional services | 90 | 260 |
| Extracurricular activities | 587,718 | 587,621 |
| Facilities acquisition and construction | 2,500 | - |
| Debt service | <u>199,574</u> | <u>223,571</u> |
| Total | <u>\$ 45,039,325</u> | <u>\$ 43,131,653</u> |

General Fund Budgeting Highlights

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

During the course of fiscal 2003, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues were \$45,506,313, which approximates the original budgeted revenues estimate of \$44,972,661. Actual revenues and other financing sources for fiscal 2003 was \$44,015,881. Actual revenues were \$1,490,432 below final budgeted revenues. This is primarily due to intergovernmental estimates in the original and final budgeted amounts.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$45,743,910 were increased to \$47,430,075 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2003 totaled \$46,655,081, which was \$774,994 less than the final budget appropriations. The increases in appropriations were caused by the District's health insurance rates increasing at a pace greater than estimated, larger expenses associated with excess costs paid to other districts educating Newark students and increased expenses to charter schools caused by additional students leaving Newark for Charter schools.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED**

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2003, the District had \$12,034,332 invested in land, land improvements, buildings and improvements, construction in progress, furniture and equipment, and vehicles. This entire amount is reported in governmental activities. The following table shows fiscal 2003 balances compared to 2002:

| Capital Assets at June 30 (Net of Depreciation) | | |
|--|--------------------------------|----------------------|
| | <u>Governmental Activities</u> | |
| | <u>2003</u> | <u>2002</u> |
| Land | \$ 801,394 | \$ 801,394 |
| Land improvements | 174,400 | 140,394 |
| Building and improvements | 6,659,571 | 6,858,984 |
| Furniture and equipment | 3,017,699 | 3,464,335 |
| Vehicles | 1,374,520 | 1,215,216 |
| Construction in progress | <u>6,748</u> | <u>-</u> |
| Total | <u>\$ 12,034,332</u> | <u>\$ 12,480,323</u> |

The District acquired \$309,496 in new vehicles during fiscal 2003. Total additions to capital assets for 2003 were \$1,489,483 and total disposals were \$18,671 (net of accumulated depreciation). The overall decrease in capital assets of \$445,991 is primarily due to the recording of \$1,916,803 in depreciation expense for fiscal 2003.

Debt Administration

At June 30, 2003, the District had \$7,134,928 in general obligation bonds and tax anticipation notes outstanding. Of this total, \$845,000 is due within one year and \$6,289,928 is due within greater than one year. The following table summarizes the bonds and notes outstanding.

| Outstanding Debt, at Year End | | |
|--------------------------------------|---|---|
| | <u>Governmental Activities 2003</u> | <u>Governmental Activities 2002</u> |
| General obligation bonds: | | |
| Library improvement | \$ 6,524,928 | \$ 6,749,928 |
| Tax anticipation notes | <u>610,000</u> | <u>1,195,000</u> |
| Total | <u>\$ 7,134,928</u> | <u>\$ 7,944,928</u> |

The tax anticipation notes were received in 1998. These notes are scheduled to mature in fiscal year 2004 and bear an interest rate of 4.6%. Payment of principal and interest on the tax anticipation note is being made from the general fund.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
UNAUDITED**

In 1998, the District passed a 0.81 mill tax levy, providing for facility improvements and additions to the District's public library. The general obligation bonds are scheduled to mature in fiscal year 2023 and bear an interest rate of 5.15%. Payment of principal and interest on the library improvement bonds is being made from the debt service fund.

At June 30, 2003, the District's overall legal debt margin was \$59,234,857 with an unvoted debt margin of \$732,747. The District maintains an A-1 bond rating.

For the Future

Overall, the District is strong financially. As the preceding information shows, the District relies heavily upon grants and entitlements, property taxes and school district income taxes. The current tax revenue, along with the District's cash balance, will provide the District with the necessary funds to meet its operating expenses in fiscal year 2004 and beyond. However, the future financial stability of the District is not without challenges.

The first challenge facing the District is the rapid decline in enrollment over the past several years, especially if these declines continue. It appears that the District's enrollment has now stabilized. If the enrollment continues to decline the financial impact could be devastating. In the past three year averaging of enrollment was employed in the state school funding formula to temper drastic declines in state revenue. This was eliminated for FY2004. Any decline in enrollment will result in immediate reductions in state funding.

Another challenge facing the District is the future of state funding. The State of Ohio currently is experiencing budget problems as the growth of expenditures is far exceeding the growth in revenues. The State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable." Since 1997, the State has directed its tax revenue growth toward school districts with little property tax wealth. On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan and granted a motion for reconsideration on November 2, 2001. Between the state's budget difficulties and the court battle, the District is unable to determine what effect, if any, these factors will have on its future State funding and on its financial operations.

In conclusion, the District for the short term is in excellent shape but if revenues do not begin to increase the District will need to look at ways to correct this problem.

Contacting the District's Financial Management

This financial report is designed to provide our citizen's taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Brian Wilson, Treasurer at Newark City School District, 85 East Main Street, Newark, Ohio 43055.

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BASIC
FINANCIAL STATEMENTS

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**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

STATEMENT OF NET ASSETS
JUNE 30, 2003

| | Governmental Activities |
|---|------------------------------------|
| Assets: | |
| Equity in pooled cash and cash equivalents. . . | \$ 19,004,031 |
| Receivables: | |
| Taxes | 16,867,861 |
| School district income taxes | 2,168,697 |
| Accounts | 190,610 |
| Intergovernmental | 1,103,786 |
| Accrued interest | 101,833 |
| Prepayments | 184,814 |
| Materials and supplies inventory. | 35,550 |
| Capital assets: | |
| Land and construction-in-progress | 808,142 |
| Depreciable capital assets, net | 11,226,190 |
| Total capital assets. | <u>12,034,332</u> |
| Total assets. | <u>51,691,514</u> |
| Liabilities: | |
| Accounts payable. | 328,787 |
| Accrued wages and benefits | 4,388,898 |
| Compensated absences. | 83,365 |
| Pension obligation payable. | 1,323,532 |
| Intergovernmental payable | 375,694 |
| Deferred revenue | 13,559,974 |
| Accrued interest payable | 29,778 |
| Claims payable | 39,366 |
| Notes payable | 610,000 |
| Long-term liabilities: | |
| Due within one year. | 839,368 |
| Due within more than one year | 8,562,410 |
| Total liabilities | <u>30,141,172</u> |
| Net Assets: | |
| Invested in capital assets, net of related debt. | 11,505,731 |
| Restricted for: | |
| Capital projects | 1,291,189 |
| Debt service. | 426,619 |
| Other purposes | 1,256,614 |
| Unrestricted. | <u>7,070,189</u> |
| Total net assets | <u>\$ 21,550,342</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets |
|--|----------------------|--------------------------------------|--|--|---|
| | | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| | Expenses | | | | |
| Governmental activities: | | | | | |
| Instruction: | | | | | |
| Regular | \$ 24,508,474 | \$ 600,865 | \$ 695,927 | \$ 27,368 | \$ (23,184,314) |
| Special | 5,795,463 | - | 1,999,072 | - | (3,796,391) |
| Vocational | 1,037,110 | - | 275,412 | 405 | (761,293) |
| Other | 9,625 | - | - | - | (9,625) |
| Support services: | | | | | |
| Pupil. | 2,703,972 | - | 611,351 | - | (2,092,621) |
| Instructional staff | 3,486,646 | - | 1,044,045 | - | (2,442,601) |
| Board of education. | 237,865 | - | - | - | (237,865) |
| Administration. | 3,988,909 | - | 106,734 | - | (3,882,175) |
| Fiscal. | 1,006,549 | - | 10,670 | - | (995,879) |
| Business. | 535,545 | - | - | - | (535,545) |
| Operations and maintenance | 4,744,279 | - | - | - | (4,744,279) |
| Pupil transportation. | 2,068,391 | 26,144 | - | - | (2,042,247) |
| Central | 914,265 | - | 151,810 | - | (762,455) |
| Operation of non-instructional services | 83,422 | 59,533 | 14,027 | - | (9,862) |
| Food service operations | 2,270,663 | 1,143,462 | 1,045,963 | - | (81,238) |
| Extracurricular activities. | 860,452 | 252,401 | - | - | (608,051) |
| Intergovernmental pass through | 694,466 | - | 621,248 | - | (73,218) |
| Interest and fiscal charges | 383,297 | - | - | - | (383,297) |
| Totals | \$ 55,329,393 | \$ 2,082,405 | \$ 6,576,259 | \$ 27,773 | (46,642,956) |

General Revenues:

| | |
|--|----------------------|
| Property taxes levied for: | |
| General purposes | 14,055,686 |
| Debt service. | 504,191 |
| Capital outlay. | 1,499,180 |
| School district income taxes | 6,417,041 |
| Grants and entitlements not restricted to specific programs | 22,430,681 |
| Investment earnings | 396,083 |
| Miscellaneous | 57,260 |
| Total general revenues | 45,360,122 |
| Change in net assets | (1,282,834) |
| Net assets at beginning of year. | 22,833,176 |
| Net assets at end of year | \$ 21,550,342 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2003

| | General | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|---|---|
| Assets: | | | |
| Equity in pooled cash and cash equivalents | \$ 15,701,634 | \$ 2,762,295 | \$ 18,463,929 |
| Receivables: | | | |
| Property taxes | 14,782,521 | 2,085,340 | 16,867,861 |
| School district income tax | 2,168,697 | - | 2,168,697 |
| Accounts | 179,340 | 11,270 | 190,610 |
| Intergovernmental | - | 1,103,786 | 1,103,786 |
| Accrued interest | 99,543 | 2,290 | 101,833 |
| Interfund loans | 86,370 | - | 86,370 |
| Prepayments | 184,583 | 231 | 184,814 |
| Materials and supplies inventory | - | 35,550 | 35,550 |
| Restricted assets: | | | |
| Equity in pooled cash and cash equivalents | 420,817 | - | 420,817 |
| Total assets | <u>\$ 33,623,505</u> | <u>\$ 6,000,762</u> | <u>\$ 39,624,267</u> |
| Liabilities: | | | |
| Accounts payable | \$ 199,931 | \$ 128,856 | \$ 328,787 |
| Accrued wages and benefits | 3,995,105 | 393,793 | 4,388,898 |
| Compensated absences payable | 83,365 | - | 83,365 |
| Pension obligation payable | 749,448 | 83,688 | 833,136 |
| Intergovernmental payable | 344,321 | 31,373 | 375,694 |
| Interfund loan payable | - | 86,370 | 86,370 |
| Accrued interest payable | 2,338 | - | 2,338 |
| General obligation notes payable | 610,000 | - | 610,000 |
| Deferred revenue | 12,921,636 | 2,795,857 | 15,717,493 |
| Total liabilities | <u>18,906,144</u> | <u>3,519,937</u> | <u>22,426,081</u> |
| Fund Balances: | | | |
| Reserved for encumbrances | 559,236 | 403,565 | 962,801 |
| Reserved for debt service | - | 364,156 | 364,156 |
| Reserved for BWC refunds | 264,425 | - | 264,425 |
| Reserved for textbooks/instructional materials | 156,392 | - | 156,392 |
| Reserved for materials and supplies inventory | - | 35,550 | 35,550 |
| Reserved for property tax unavailable for appropriation | 1,704,700 | 235,300 | 1,940,000 |
| Reserved for prepayments | 184,583 | 231 | 184,814 |
| Unreserved: | | | |
| Designated for budget stabilization | 669,981 | - | 669,981 |
| Unreserved, undesignated, reported in: | | | |
| General fund | 11,178,044 | - | 11,178,044 |
| Special revenue funds | - | 549,320 | 549,320 |
| Capital projects funds | - | 892,703 | 892,703 |
| Total fund balances | <u>14,717,361</u> | <u>2,480,825</u> | <u>17,198,186</u> |
| Total liabilities and fund balances | <u>\$ 33,623,505</u> | <u>\$ 6,000,762</u> | <u>\$ 39,624,267</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2003

| | | |
|---|---------------|-----------------------------|
| Total governmental fund balances | | \$ 17,198,186 |
| <i>Amounts reported for governmental activities in the statement of net assets are different because:</i> | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | | 12,034,332 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. | | |
| Taxes | \$ 1,051,919 | |
| Intergovernmental revenue | 980,395 | |
| Accrued interest | 33,893 | |
| Accounts | <u>91,312</u> | |
| Total | | 2,157,519 |
| An internal service fund is used by management to charge the costs of dental insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. | | 79,919 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | | |
| General obligation bonds | 6,524,928 | |
| Compensated absences | 2,348,249 | |
| Capital lease obligation | 528,601 | |
| Pension obligation | 490,396 | |
| Accrued interest payable | <u>27,440</u> | |
| Total | | <u>(9,919,614)</u> |
| Net assets of governmental activities | | <u><u>\$ 21,550,342</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

| | General | Other Governmental Funds | Total Governmental Funds |
|---|-----------------------------|---|---|
| Revenues: | | | |
| From local sources: | | | |
| Taxes | \$ 20,363,165 | \$ 1,997,567 | \$ 22,360,732 |
| Tuition. | 365,798 | - | 365,798 |
| Charges for services | - | 1,142,365 | 1,142,365 |
| Earnings on investments. | 427,039 | 14,603 | 441,642 |
| Extracurricular. | - | 190,769 | 190,769 |
| Other local revenues. | 272,353 | 288,192 | 560,545 |
| Other revenue. | - | 48,068 | 48,068 |
| Intergovernmental - State. | 22,457,866 | 1,646,714 | 24,104,580 |
| Intergovernmental - Federal | 307,128 | 3,383,599 | 3,690,727 |
| Total revenue | <u>44,193,349</u> | <u>8,711,877</u> | <u>52,905,226</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 22,181,557 | 1,267,316 | 23,448,873 |
| Special. | 4,098,459 | 1,659,979 | 5,758,438 |
| Vocational. | 966,521 | 19,470 | 985,991 |
| Other | 8,806 | 819 | 9,625 |
| Support Services: | | | |
| Pupil. | 2,380,185 | 327,536 | 2,707,721 |
| Instructional staff. | 2,466,678 | 931,632 | 3,398,310 |
| Board of education | 237,865 | - | 237,865 |
| Administration | 3,596,019 | 298,725 | 3,894,744 |
| Fiscal | 909,393 | 75,822 | 985,215 |
| Business. | 528,695 | - | 528,695 |
| Operations and maintenance | 4,268,865 | 59,751 | 4,328,616 |
| Pupil transportation | 1,916,812 | 182,171 | 2,098,983 |
| Central. | 689,588 | 207,458 | 897,046 |
| Operation of non-instructional services. | 90 | 103,211 | 103,301 |
| Food service operation | - | 2,008,198 | 2,008,198 |
| Extracurricular activities | 587,718 | 239,133 | 826,851 |
| Facilities acquisition and construction | 2,500 | 1,074,552 | 1,077,052 |
| Capital outlay | - | 155,787 | 155,787 |
| Intergovernmental pass through. | - | 694,466 | 694,466 |
| Debt service: | | | |
| Principal retirement | 130,857 | 249,859 | 380,716 |
| Interest and fiscal charges | 68,717 | 318,439 | 387,156 |
| Total expenditures | <u>45,039,325</u> | <u>9,874,324</u> | <u>54,913,649</u> |
| Excess of revenues under expenditures | <u>(845,976)</u> | <u>(1,162,447)</u> | <u>(2,008,423)</u> |
| Other financing sources (uses): | | | |
| Transfers in. | - | 71,613 | 71,613 |
| Transfers (out) | (71,613) | - | (71,613) |
| Proceeds from sale of capital assets | 4,233 | - | 4,233 |
| Proceeds from capital lease transaction | - | 155,787 | 155,787 |
| Total other financing sources (uses) | <u>(67,380)</u> | <u>227,400</u> | <u>160,020</u> |
| Net change in fund balances | (913,356) | (935,047) | (1,848,403) |
| Fund balances at beginning of year | 15,630,717 | 3,380,322 | 19,011,039 |
| Increase in reserve for inventory. | - | 35,550 | 35,550 |
| Fund balances at end of year. | <u>\$ 14,717,361</u> | <u>\$ 2,480,825</u> | <u>\$ 17,198,186</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | |
|---|------------------------------|
| Net change in fund balances - total governmental funds | \$ (1,848,403) |
| <i>Amounts reported for governmental activities in the statement of activities are different because:</i> | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period. | (427,320) |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets. | (18,671) |
| Governmental funds report expenditures for inventory when purchased. However, in the statement of activities they are reported as an expense when consumed. | 35,550 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 974,767 |
| Proceeds of capital lease transaction are recorded as revenue in the funds, however, on the statement of activities, they are not reported as revenues as they increase in liabilities on the statement of net assets. | (155,787) |
| Repayment of bond principal and lease obligation are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net assets. | 380,716 |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. | 3,859 |
| Some expenses reported in the statement of activities, such as compensated absences and pension obligations, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | (278,268) |
| The internal service fund used by management to charge the costs of dental insurance to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue of the internal service fund is allocated among the governmental activities. | 50,723 |
| Change in net assets of governmental activities | <u><u>\$ (1,282,834)</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | Budgeted Amounts | | | Variance with Final Budget Over (Under) |
|---|-----------------------------|-----------------------------|-----------------------------|--|
| | Original | Final | Actual | |
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 19,740,000 | \$ 20,140,000 | \$ 19,883,022 | \$ (256,978) |
| Tuition. | 280,400 | 380,400 | 351,574 | (28,826) |
| Earnings on investments. | 650,000 | 650,000 | 500,088 | (149,912) |
| Other local revenues. | 256,600 | 271,297 | 267,037 | (4,260) |
| Intergovernmental - state | 23,660,661 | 23,679,616 | 22,457,866 | (1,221,750) |
| Intergovernmental - federal | 255,000 | 255,000 | 240,381 | (14,619) |
| Total revenue | <u>44,842,661</u> | <u>45,376,313</u> | <u>43,699,968</u> | <u>(1,676,345)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 22,121,779 | 22,916,399 | 22,489,556 | 426,843 |
| Special. | 4,034,562 | 4,178,470 | 4,101,117 | 77,353 |
| Vocational. | 1,030,865 | 1,067,634 | 1,047,870 | 19,764 |
| Other instruction | 8,989 | 9,309 | 9,137 | 172 |
| Support Services: | | | | - |
| Pupil. | 2,362,277 | 2,446,537 | 2,401,246 | 45,291 |
| Instructional staff | 2,488,634 | 2,577,400 | 2,529,687 | 47,713 |
| Board of education | 265,220 | 274,680 | 269,595 | 5,085 |
| Administration. | 3,545,170 | 3,671,622 | 3,603,652 | 67,970 |
| Fiscal. | 910,333 | 942,803 | 925,350 | 17,453 |
| Business | 531,068 | 550,011 | 539,829 | 10,182 |
| Operations and maintenance. | 4,395,756 | 4,552,547 | 4,468,269 | 84,278 |
| Pupil transportation | 1,921,801 | 1,990,349 | 1,953,503 | 36,846 |
| Central | 749,905 | 776,654 | 762,276 | 14,378 |
| Operation of non-instructional services | 777 | 805 | 790 | 15 |
| Extracurricular activities. | 578,531 | 599,167 | 588,075 | 11,092 |
| Capital outlay | 11,643 | 12,058 | 11,835 | 223 |
| Debt Service: | | | | |
| Principal retirement | 131,000 | 131,000 | 130,857 | 143 |
| Interest and fiscal charges | 25,000 | 25,000 | 24,864 | 136 |
| Total expenditures | <u>45,113,310</u> | <u>46,722,445</u> | <u>45,857,508</u> | <u>864,937</u> |
| Excess of revenues under expenditures. | <u>(270,649)</u> | <u>(1,346,132)</u> | <u>(2,157,540)</u> | <u>(811,408)</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year receipts | (5,000) | (6,000) | (4,753) | 1,247 |
| Refund of prior year expenditure | 120,000 | 120,000 | 253,778 | 133,778 |
| Transfers in | - | - | 43,434 | 43,434 |
| Transfers (out) | (600,600) | (676,630) | (741,450) | (64,820) |
| Advances in. | - | - | 14,468 | 14,468 |
| Advances (out) | (25,000) | (25,000) | (51,370) | (26,370) |
| Proceeds from sale of capital assets | 10,000 | 10,000 | 4,233 | (5,767) |
| Total other financing sources (uses) | <u>(500,600)</u> | <u>(577,630)</u> | <u>(481,660)</u> | <u>95,970</u> |
| Net change in fund balance | <u>(771,249)</u> | <u>(1,923,762)</u> | <u>(2,639,200)</u> | <u>(715,438)</u> |
| Fund balance at beginning of year | 17,445,981 | 17,445,981 | 17,445,981 | - |
| Prior year encumbrances appropriated | 557,995 | 557,995 | 557,995 | - |
| Fund balance at end of year | <u>\$ 17,232,727</u> | <u>\$ 16,080,214</u> | <u>\$ 15,364,776</u> | <u>\$ (715,438)</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2003

| | Governmental Activities - Internal Service Fund |
|---|--|
| Assets: | |
| Equity in pooled cash and cash equivalents | \$ 119,285 |
| Total assets | <u>119,285</u> |
| Liabilities: | |
| Claims payable | <u>39,366</u> |
| Total liabilities | <u>39,366</u> |
| Net assets: | |
| Unrestricted. | <u>79,919</u> |
| Total net assets | <u><u>\$ 79,919</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | Governmental Activities - Internal Service Fund |
|---|--|
| Operating revenues: | |
| Charges for services. | \$ 488,539 |
| Total operating revenues | <u>488,539</u> |
| Operating expenses: | |
| Purchased services. | 34,156 |
| Claims | 403,660 |
| Total operating expenses. | <u>437,816</u> |
| Operating income | <u>50,723</u> |
| Change in net assets | 50,723 |
| Net assets at beginning of year | <u>29,196</u> |
| Net assets at end of year. | <u><u>\$ 79,919</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | Governmental Activities - Internal Service Fund |
|---|--|
| Cash flows from operating activities: | |
| Cash received from charges for services | \$ 488,539 |
| Cash payments for purchased services. | (34,156) |
| Cash payments for claims. | <u>(364,294)</u> |
| Net cash provided by operating activities | <u>90,089</u> |
| Net increase in cash and cash equivalents. | 90,089 |
| Cash and cash equivalents at beginning of year. . . | <u>29,196</u> |
| Cash and cash equivalents at end of year | <u><u>\$ 119,285</u></u> |
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating income | \$ 50,723 |
| Changes in assets and liabilities: | |
| Increase in claims payable | <u>39,366</u> |
| Net cash provided by operating activities | <u><u>\$ 90,089</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2003

| | <u>Private Purpose Trust</u> | |
|---|----------------------------------|------------------|
| | <u>Scholarship</u> | <u>Agency</u> |
| Assets: | | |
| Equity in pooled cash and cash equivalents | \$ 59,089 | \$ 47,308 |
| Total assets. | <u>59,089</u> | <u>47,308</u> |
| Liabilities: | | |
| Due to students | - | 47,308 |
| Total liabilities | <u>-</u> | <u>\$ 47,308</u> |
| Net Assets: | | |
| Held in trust for scholarships | <u>59,089</u> | |
| Total net assets | <u>\$ 59,089</u> | |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Private Purpose Trust</u> |
|--|----------------------------------|
| | <u>Scholarship</u> |
| Additions: | |
| Interest | \$ 821 |
| Gifts and contributions. | <u>1,000</u> |
| Total additions. | <u>1,821</u> |
| Deductions: | |
| Scholarships awarded | <u>3,875</u> |
| Change in net assets | (2,054) |
| Net assets at beginning of year. | <u>61,143</u> |
| Net assets at end of year | <u><u>\$ 59,089</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The District 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 District's twenty-eight instructional/support facilities (eleven buildings at a campus-style high school), one administrative building, and one transportation/ maintenance/warehouse building compound all staffed by 346 non-certified employees, 589 certified employees and 38 administrators, to provide services to approximately 6,958 students in grades K through 12. The District ranks as the 40 largest by total enrollment among the 740 public and community school districts in the state.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity". The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, preschool and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organizations' government board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access to organizations' resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based upon the application of this criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government). The following organizations are described due to their relationship to the District:

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

JOINTLY GOVERNED ORGANIZATIONS

Licking Area Computer Association (LACA)

LACA is the computer service organization or Data Acquisition Site (DAS) used by the District. LACA is an association of public school districts in a geographic area determined by the Ohio Department of Education. The Licking 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. A board made up of superintendents from all of the participating districts governs LACA. 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 District does not maintain an ongoing financial interest or an ongoing financial responsibility. Payments to LACA in the amount of \$246,368 were made from the general fund to LACA during the current fiscal year.

Licking County Joint Vocational School (JVS)

The JVS is a distinct political subdivision of the State of Ohio, which provides vocational education for students. The JVS is operated under the direction of a Board consisting of three representatives from the Licking County Educational Service Center, two representatives from Newark City Schools, one representative from the Heath City Schools, and one representative from the Granville Exempted Village Schools elected boards. The JVS possesses its own budgeting and taxing authority.

PUBLIC ENTITY RISK POOLS

Ohio School Boards Association Workers' Compensation Group Rating Plan

The District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (the "Plan") was established through the Ohio School Boards Association (OSBA) as a group purchasing pool.

The Plan's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the Plan. Each year, the participating school districts pay an enrollment fee to the Plan to cover the costs of administering the program.

RELATED ORGANIZATION

Newark Public Library (the "Library")

The Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. A Board of Trustees appointed by the School District's Board of Education governs the Library. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the District for operational subsidies. Although the District serves as the taxing authority and may issue tax-related debt on behalf of the Library, its role is limited to an administrative function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. The Library is not considered part of the District, and its operations are not included within the accompanying basic financial statements.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(SEE ACCOUNTANT'S COMPILATION REPORT)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

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

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no enterprise funds. The following is a description of the District's internal service fund:

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides dental benefits to employees.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is a private purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student activities.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal Service fund operating activity is eliminated to avoid overstatement of revenues and expenses.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net assets.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

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

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's internal service fund is charges for services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The private purpose trust fund is reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, includes property taxes, income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6). Revenue from income taxes is recognized in the fiscal year in which the underlying exchange transaction occurred (see Note 18). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities received during the year is reported in the Statement of Revenues, Expenditures and Changes in Fund Balances as an expenditure with a like amount reported as intergovernmental revenue.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

E. Budgets

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. The primary level of budgetary control is at the specific object level for the general fund and at the fund level for all other funds. The General Fund "Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)" has been presented at the function level for comparative purposes. Any budgetary modifications at these levels 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 Licking County Budget Commission for rate determination.

Estimated Resources:

By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commissions' Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the 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 District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended Certificate issued during the fiscal year.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals at any level of control. Any revisions that alter the specific function level (second level) for the general fund or the broad function level (first level) for all other funds 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, all supplemental appropriations were legally enacted.

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

F. Cash and Investments

To improve cash management, cash received by the District is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the basic financial statements.

During fiscal year 2003, investments were limited to overnight repurchase agreements, nonnegotiable certificates of deposits, federal agency securities, and investments in the State Asset Treasury Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

The District has invested funds in STAR Ohio during fiscal 2003. 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, 2003.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2003 amounted to \$427,039, which includes \$80,442 assigned from other District funds.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the Treasurer's investment account at year-end is provided in Note 4.

G. Inventory

On government-wide and fund financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

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

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

| <u>Description</u> | <u>Governmental Activities Estimated Lives</u> |
|----------------------------|--|
| Land improvements | 20 years |
| Buildings and improvements | 25 - 50 years |
| Furniture and equipment | 5 - 20 years |
| Vehicles | 6 - 10 years |

I. Interfund Balances

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

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for 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 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 District's past experience of making termination payments.

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the internal service fund are reported on the proprietary fund financial statements.

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

L. Fund Balance Reserves and Designations

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, textbooks/instructional materials, debt service, materials and supplies inventory, prepayments, property taxes unavailable for appropriation, and Bureau of Workers' Compensation (BWC) refunds. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriation under state statute. A fund balance designation is reported for amounts set-aside by the District for budget stabilization.

M. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are charges for services for the dental self-insurance program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

N. Net Assets

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

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

O. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

P. Estimates

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

Q. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include the amount required by state statute to be set-aside for Bureau of Workers' Compensation (BWC) refunds and to create a reserve for textbooks/instructional materials. See Note 19 for details.

R. Interfund Activity

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

Interfund activities between governmental funds are eliminated for reporting in the statement of activities.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

S. Nonpublic Schools

Within the boundaries of the District, Saint Francis Elementary, Blessed Sacrament Elementary, and Newark Catholic High School are operated through the Columbus Catholic Diocese; Par Excellence and Montessori are operated as private schools. State Legislation provides funding to these parochial and private schools. The District receives the money and then disburses the money as directed by the parochial/private schools. These transactions are reported as a governmental activity of the District.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2003.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Deficit Fund Balances/Retained Earnings

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

| | <u>Deficit</u> |
|--------------------------------|----------------|
| <u>Nonmajor Funds</u> | |
| Title I | \$ 155,633 |
| Disadvantaged Pupil Impact Aid | 77,505 |
| Management Information System | 6,230 |
| EHA Preschool Grant | 806 |
| Reducing Class Size | 8,164 |
| Title VI-B | 76,563 |

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Cash Equivalents". Statutes require the classification of monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the 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 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.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25% of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

Cash on hand: At fiscal year-end, the District had \$4,077 in undeposited cash on hand which is included on the balance sheet and statement of net assets of the District as part of "Equity in Pooled Cash and Cash Equivalents".

The following information classifies deposits and investments by categories of custodial credit risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits: At year-end, the carrying amount of the District's deposits was \$8,098,652 and the bank balance was \$8,262,448. These amounts include \$7,000,000 in nonnegotiable certificates of deposit. Of the bank balance:

1. \$7,200,980 was covered by federal depository insurance or surety company bonds deposited with the District; and
2. \$1,061,468 was uninsured and unregistered as defined by GASB although it was secured by collateral held by third party trustees, pursuant to section 135.181 Ohio Revised Code, in collateralized pools securing all public funds on deposit with specific depository institutions; these securities not being in the name of the District. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the District to a successful claim by the FDIC.

Collateral is required for demand deposits and certificates of deposit in excess of all deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State of Ohio and its municipalities, and obligations of the other states. Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required.

Investments: The District's investments are categorized below to give an indication of the level of custodial credit risk assumed by the entity at fiscal year-end. Category 1 includes investments that are insured or registered or securities held by the District. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department, but not in the District's name. Investments in STAR Ohio are not categorized as they are not evidenced by securities that exist in physical or book entry form.

| | Category 1 | Category 2 | Category 3 | Reported Amount | Fair Value |
|---------------------------|---------------|--------------------|--------------------|----------------------|---------------------|
| Repurchase agreements | \$ - | \$ - | \$1,930,589 | \$ 1,930,589 | \$ 1,930,589 |
| Federal agency securities | - | 1,989,488 | - | 1,989,488 | 1,989,488 |
| Total | <u>\$ -</u> | <u>\$1,989,488</u> | <u>\$1,930,589</u> | | |
| Investment in STAR Ohio | | | | <u>7,087,622</u> | <u>7,087,622</u> |
| Total investments | | | | <u>\$ 11,007,699</u> | <u>\$11,007,699</u> |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

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

| | <u>Cash and Cash Equivalents/Deposits</u> | <u>Investments</u> |
|--|---|---------------------|
| GASB Statement No. 9 | \$ 19,110,428 | \$ - |
| Investments of the cash management pool: | | |
| Repurchase agreements | (1,930,589) | 1,930,589 |
| Investment in STAR Ohio | (7,087,622) | 7,087,622 |
| Federal agency securities | (1,989,488) | 1,989,488 |
| Cash on hand | <u>(4,077)</u> | <u>-</u> |
| GASB Statement No. 3 | <u>\$ 8,098,652</u> | <u>\$11,007,699</u> |

NOTE 5 - INTERFUND TRANSACTIONS

- A.** Interfund balances at June 30, 2003 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|--|-----------------|
| General | School Activity Trusts (special revenue fund) | \$ 35,000 |
| General | Management Information System (special revenue fund) | 25,000 |
| General | Title VI-B (special revenue fund) | <u>26,370</u> |
| Total | | <u>\$86,370</u> |

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year except for the \$35,000 interfund balance between the general fund and the Student Activity Trusts special revenue fund which will be repaid over approximately three years.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at fiscal year-end are reported on the statement of net assets.

- B.** Interfund transfers for the year ended June 30, 2003, consisted of the following, as reported on the fund financial statements:

| | |
|--|-----------|
| Transfers to Nonmajor Governmental funds from: | |
| General fund | \$ 71,613 |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated for reporting in the statement of activities.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the District. Property tax revenue received during calendar 2003 for real and public utility property taxes represents collections of calendar 2002 taxes. Property tax payments received during calendar 2002 for tangible personal property (other than public utility property) are for calendar 2002 taxes.

2003 real property taxes are levied after April 1, 2003, on the assessed value listed as of the prior January 1, 2003 the lien date. Assessed values are established by state law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true values; public utility real property is assessed at thirty-five percent of true value. 2003 public utility property taxes became a lien December 31, 2002, are levied after April 1, 2003 and are collected in 2004 with real property taxes.

2003 tangible personal property taxes are levied after April 1, 2001, on the values as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are twenty-five percent of true value.

The full tax rate for District operations for the year ended June 30, 2003, was \$33.40 per \$1,000.00 of assessed value. The assessed values of real and tangible personal property for tax year 2002 are as follows:

| | |
|----------------------------|-----------------------|
| Real Property | \$ 642,775,000 |
| Public Utility Property | 27,832,080 |
| Tangible Personal Property | <u>62,139,910</u> |
| Total Assessed Valuation | <u>\$ 732,746,990</u> |

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 later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. This year, the June 2003 tangible personal property tax settlement was not received until July of 2003.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 6 - PROPERTY TAXES - (Continued)

The Licking County Treasurer collects property tax on behalf of the District. The Licking County Auditor periodically remits to the District its portion of the taxes collected. These tax "advances" are based on statutory cash flow collection rates. Final "settlements" are made each February and August. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes, which became measurable as of June 30, 2003. Although total property tax collections for the next fiscal year are measurable, they are not (exclusive of advances) intended to finance current year operations. The net receivable (total receivable less amount available intended to finance the current year) is therefore offset by a credit to deferred revenue. The late settlement and the amount available as an advance at June 30 are recognized as revenue.

The amount available as an advance at June 30, 2003, was \$1,940,000 and is recognized as revenue. \$1,704,700 was available to the general fund, \$58,400 was available to the bond retirement debt service fund and \$176,900 was available to the permanent improvement capital projects fund.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2003 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, internal loans and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

Governmental Activities

| | |
|------------------------------|--------------------------|
| Property taxes | \$ 16,867,861 |
| School district income taxes | 2,168,697 |
| Accounts | 190,610 |
| Intergovernmental | 1,103,786 |
| Accrued interest | <u>101,833</u> |
| Total | <u>\$ 20,432,787</u> |

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 8 - FIXED ASSETS

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

| | Restated Balance 06/30/02 | Additions | Deductions | Balance 06/30/03 |
|---|---------------------------------|---------------------|--------------------|----------------------|
| <i>Capital assets, not being depreciated:</i> | | | | |
| Land | \$ 801,394 | \$ - | \$ - | \$ 801,394 |
| Construction in progress | - | 6,748 | - | 6,748 |
| Total capital assets, not being depreciated | <u>801,394</u> | <u>6,748</u> | <u>-</u> | <u>808,142</u> |
| <i>Capital assets, being depreciated:</i> | | | | |
| Land improvements | 240,115 | 58,534 | - | 298,649 |
| Building and improvements | 23,058,074 | 526,557 | - | 23,584,631 |
| Furniture and equipment | 8,360,653 | 588,148 | (183,560) | 8,765,241 |
| Vehicles | 2,488,334 | 309,496 | (122,350) | 2,675,480 |
| Total capital assets, being depreciated | <u>34,147,176</u> | <u>1,482,735</u> | <u>(305,910)</u> | <u>35,324,001</u> |
| <i>Less: accumulated depreciation:</i> | | | | |
| Land improvements | (99,721) | (24,528) | - | (124,249) |
| Building and improvements | (16,199,090) | (725,970) | - | (16,925,060) |
| Furniture and equipment | (4,896,318) | (940,272) | 183,560 | (5,653,030) |
| Vehicles | (1,273,118) | (226,033) | 103,679 | (1,395,472) |
| Total accumulated depreciation | <u>(22,468,247)</u> | <u>(1,916,803)</u> | <u>287,239</u> | <u>(24,097,811)</u> |
| Governmental activities capital assets, net | <u>\$ 12,480,323</u> | <u>\$ (427,320)</u> | <u>\$ (18,671)</u> | <u>\$ 12,034,332</u> |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 8 - FIXED ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:

| | |
|------------|------------|
| Regular | \$ 996,235 |
| Special | 23,881 |
| Vocational | 26,856 |

Support Services:

| | |
|----------------------------|---------------|
| Pupil | 36,045 |
| Instructional Staff | 174,936 |
| Administration | 65,944 |
| Fiscal | 7,097 |
| Business | 6,010 |
| Operations and Maintenance | 104,993 |
| Pupil Transportation | 235,232 |
| Central | 51,158 |
| Non-instructional Services | 33,311 |
| Extracurricular Activities | 81,463 |
| Food Service Operation | <u>73,642</u> |

| | |
|----------------------------|--------------------|
| Total depreciation expense | <u>\$1,916,803</u> |
|----------------------------|--------------------|

NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In a prior year, the District entered into a capitalized lease for copier equipment. During fiscal 2003, the District entered into a capitalized lease agreement for the acquisition of exercise equipment.

These lease agreements met the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the financial statements for the governmental funds.

Capital fixed assets consisting of office equipment and exercise equipment have been capitalized in the amount of \$841,466. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Principal payments in fiscal year 2003 totaled \$155,716; \$130,857 in the general fund and \$24,859 in the capital projects fund.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE - (Continued)

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2003:

| <u>Fiscal Year Ending June 30,</u> | <u>Copier</u> | <u>Exercise Equipment</u> | <u>Total</u> |
|------------------------------------|-------------------|-------------------------------|------------------|
| 2004 | \$ 155,721 | \$ 54,737 | \$210,458 |
| 2005 | 155,721 | 54,737 | 210,458 |
| 2006 | <u>116,791</u> | <u>27,369</u> | <u>144,160</u> |
| Total minimum lease payments | 428,233 | 136,843 | 565,076 |
| Less: amount representing interest | <u>(30,560)</u> | <u>(5,915)</u> | <u>(36,475)</u> |
| Total | <u>\$ 397,673</u> | <u>\$130,928</u> | <u>\$528,601</u> |

NOTE 10 - LONG-TERM OBLIGATIONS

A. The District's long-term obligations during the year consist of the following:

| | <u>Interest Rate</u> | <u>Balance Outstanding 06/30/02</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance Outstanding 06/30/03</u> | <u>Amounts Due in One Year</u> |
|---|--------------------------|---|-------------------|---------------------|---|--|
| Governmental Activities: | | | | | | |
| <u>General Obligation Bonds:</u> | | | | | | |
| Library improvements bonds | 5.15% | \$ 6,749,928 | \$ - | \$ (225,000) | \$ 6,524,928 | \$ 235,000 |
| Total general obligation bonds payable | | <u>\$ 6,749,928</u> | <u>\$ -</u> | <u>\$ (225,000)</u> | <u>\$ 6,524,928</u> | <u>\$ 235,000</u> |
| <u>Other Long-Term Obligations:</u> | | | | | | |
| Capital lease obligation | | \$ 528,530 | \$ 155,787 | \$ (155,716) | \$ 528,601 | \$ 188,986 |
| Compensated absences | | <u>2,139,983</u> | <u>210,207</u> | <u>(1,941)</u> | <u>2,348,249</u> | <u>415,382</u> |
| Total other long-term obligations | | <u>\$ 2,668,513</u> | <u>\$ 365,994</u> | <u>\$ (157,657)</u> | <u>\$ 2,876,850</u> | <u>\$ 604,368</u> |
| Total governmental activities | | <u>\$ 9,418,441</u> | <u>\$ 365,994</u> | <u>\$ (382,657)</u> | <u>\$ 9,401,778</u> | <u>\$ 839,368</u> |

Library Improvement Bonds: The District issued Library improvement bonds on March 26, 1998, on behalf of the district public library. These bonds will be retired from the debt service fund with revenue generated from a 0.81 mill tax levy.

Compensated Absences: Compensated absences will be paid from the fund from which the employee's salaries are paid.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Capital Lease Obligation: The capital lease obligation will be paid from the general and capital projects funds. See Note 9 for details.

- B.** Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2003, are as follows:

| <u>Year Ended</u> | <u>Library Improvement Bonds</u> | | |
|-------------------|----------------------------------|---------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2004 | \$ 235,000 | \$ 306,211 | \$ 541,211 |
| 2005 | 58,102 | 483,116 | 541,218 |
| 2006 | 46,826 | 494,391 | 541,217 |
| 2007 | 245,000 | 295,705 | 540,705 |
| 2008 | 255,000 | 284,391 | 539,391 |
| 2009 - 2013 | 1,470,000 | 1,228,514 | 2,698,514 |
| 2014 - 2018 | 1,850,000 | 830,261 | 2,680,261 |
| 2019 - 2023 | <u>2,365,000</u> | <u>306,875</u> | <u>2,671,875</u> |
| Total | <u>\$ 6,524,928</u> | <u>\$ 4,229,464</u> | <u>\$ 10,754,392</u> |

C. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District.

The effects of these debt limitations at June 30, 2003 are a voted debt margin of \$59,234,857 (including available funds of \$422,556) and an unvoted debt margin of \$732,747.

NOTE 11 - NOTES PAYABLE

The tax anticipation notes described below have been issued in anticipation of tax revenue and will be retired through the general fund. These notes are backed by the full faith and credit of the District.

| | <u>Interest Rate</u> | <u>Issue Date</u> | <u>Notes Outstanding 06/30/02</u> | <u>Notes</u> | | <u>Notes Outstanding 06/30/03</u> |
|------------------------|--------------------------|-----------------------|---|---------------|---------------------|---|
| | | | | <u>Issued</u> | <u>Retired</u> | |
| Tax anticipation notes | 4.60% | 04/08/98 | <u>\$1,195,000</u> | <u>\$ -</u> | <u>\$ (585,000)</u> | <u>\$ 610,000</u> |

NOTE 12 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and state laws. Classified employees earn ten to twenty-two days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 12 - OTHER EMPLOYEE BENEFITS - (Continued)

Each employee earns sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made for twenty-five percent of the total sick leave accumulation, up to a maximum accumulation of seventy days for both certificated and classified employees. An employee receiving such payment must meet the retirement provisions set by STRS and SERS.

B. Insurance Benefits

The District provides life insurance and accidental death and dismemberment insurance in the amount of \$50,000 to certified employees. For classified employees, group term life insurance is provided in the amount of \$50,000 employees under contract for thirty-five hours or more per week, \$20,000 for classified employees under contract for twenty to thirty-four hours per week, and \$10,000 for employees working less than twenty hours per week.

C. Retirement Incentive

The District offers a one-time retirement bonus in the amount of \$500 to all certified employees who provide the District with their notice of retirement by March 1 and complete the balance of the school year. The retirement bonus is payable upon completion of service through the last work day of the school year.

NOTE 13 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2003, the District has contracted with Nationwide Insurance to provide insurance coverage in the following amounts:

| <u>Limits of Coverage</u> | <u>Coverage</u> | <u>Deductible</u> |
|------------------------------|-----------------|-------------------|
| General liability: | | |
| Each occurrence | \$ 3,000,000 | \$ 0 |
| Aggregate | 5,000,000 | 0 |
| Fleet: | | |
| Comprehensive | 1,000,000 | Actual cash value |
| Collision | 1,000,000 | 250 |
| Umbrella liability and fleet | 2,000,000 | 10,000 |
| Building and contents | 84,847,600 | 10,000 |

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

B. Group Health and Dental Insurance

Health, life, dental and other group insurance is offered to employees as a fringe benefit. Employer and employee contributions to premium are determined by negotiated agreements with employee labor unions (currently, single and family coverage is 75% Board-paid and 25% employee-paid).

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 13 - RISK MANAGEMENT - (Continued)

While all benefit plans, with the exception of dental insurance, are traditionally-funded through common carriers, the Board's group health plan contains provisions for discounted amounts to be remitted to the carrier during the year (90% of the carrier-established premium for fiscal 2003), contingent upon the group's claims experience for the year. While the District has not retained risk for any claims, should the group's claim costs for the year exceed the threshold of the discounted amount remitted to the carrier during the year, the District must remit additional premium, to a maximum of the difference between the discounted premium and the full premium.

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 15. As such, no funding provisions are required by the District.

During fiscal year 2002, the District established a Employee Benefits Self-Insurance Fund (an internal service fund) to account for and finance its self-insurance dental program. Fiscal year 2003 was the first year claims were submitted under this new program. Under this program, the Employee Benefits Self-Insurance Fund provides coverage for up to a maximum of \$2,500 for each individual covered. The District purchases commercial insurance for claims in excess of coverage provided by the Fund and for all other risks of loss.

All funds of the District participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services).

The claims liability of \$39,366 reported in the basic financial statements at June 30, 2003, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claim. Claims activity for the current year is as follows:

| <u>Fiscal Year</u> | <u>Beginning Balance</u> | <u>Current Year Claims</u> | <u>Claims Payments</u> | <u>Ending Balance</u> |
|------------------------|------------------------------|--------------------------------|----------------------------|---------------------------|
| 2002-2003 | \$ - | \$ 403,660 | \$(364,294) | \$ 39,366 |

C. OSBA Group Workers' Compensation Rating Program

For fiscal year 2003, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 2.A.). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 13 - RISK MANAGEMENT - (Continued)

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

NOTE 14 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan administered by the School Employees Retirement Board. 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 Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215, or by calling (614) 222-5853.

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute 14% for 2003, 8.17% was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by the School Employees Retirement Board within the rates allowed by state statute. The adequacy of the contribution rates is determined annually. The District's required contributions to SERS for the fiscal years ended June 30, 2003, 2002 and 2001 were \$980,728, \$919,617, and \$1,158,823, respectively; 47% has been contributed for fiscal year 2003 and 100% for the fiscal years 2002 and 2001. \$523,248 represents the unpaid contribution for fiscal year 2003.

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing, multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%; 9.5% was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's required contributions to SERS for the fiscal years ended June 30, 2003, 2002 and 2001 were \$3,766,327, \$3,572,474, and \$3,384,920, respectively; 83% has been contributed for fiscal year 2003 and 100% for the fiscal years 2002 and 2001. \$658,720 represents the unpaid contribution for fiscal year 2003.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

C. Social Security System

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

NOTE 15 - POSTEMPLOYMENT BENEFITS

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. For this fiscal year, the State Teachers Retirement Board allocated employer contributions equal to 1% of covered payroll to the Health Care Reserve fund. For the District, this amount equaled \$1,210,605 during fiscal 2003.

STRS pays health care benefits from the Health Care Reserve fund. The balance in the Health Care Reserve fund was \$3.011 billion at June 30, 2002 (the latest information available). For the fiscal year ended June 30, 2002 (the latest information available), net health care costs paid by STRS were \$354.697 million and STRS had 105,300 eligible benefit recipients.

For SERS, coverage is made available to service retirees with 10 or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 5.83% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2002 (the latest information available) were \$182.947 million and the target level was \$274.4 million. At June 30, 2002, (the latest information available) SERS had net assets available for payment of health care benefits of \$335.2 million and SERS had approximately 50,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled \$672,566 during the 2003 fiscal year.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 16 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

| | <u>General Fund</u> |
|---|---------------------|
| Budget basis | \$ (2,639,200) |
| Net adjustment for revenue accruals | 493,381 |
| Net adjustment for expenditure accruals | 61,125 |
| Net adjustment for other sources/uses | 414,280 |
| Adjustment for encumbrances | <u>757,058</u> |
| GAAP basis | <u>\$ (913,356)</u> |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 17 - CONTINGENCIES

A. Grants

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

B. Litigation

The District is a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and spending projects. The District management is of the opinion that disposition of the claim and legal proceedings will not have a material effect, if any, on the financial condition of the District.

C. State School Funding Decision

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

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school funding scheme that is thorough and efficient...". The District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

NOTE 18 - INCOME TAXES

The District levies a voted tax of one percent for general operation on the income of residents and of estates. The tax was effective on January 1, 1998, and will continue for five years. Employers of the residents are required to withhold income tax on compensation and remit the tax to the state. Taxpayers are required to file an annual return. The state makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE 19 - STATUTORY RESERVES

The District is required by state law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2003, the reserve activity was as follows:

| | Textbooks/ Instructional <u>Materials</u> | Capital <u>Acquisition</u> | <u>Budget Stabilization</u> | |
|--|---|-------------------------------|-----------------------------|------------------|
| | | | <u>Designated</u> | <u>Reserved</u> |
| Set-aside cash balance as of June 30, 2002 | \$ 88,905 | \$ - | \$ 669,981 | \$264,425 |
| Current year set-aside requirement | 911,417 | 911,417 | - | - |
| Current year offsets | - | (1,432,952) | - | - |
| Qualifying disbursements | <u>(843,930)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 156,392</u> | <u>\$ (521,535)</u> | <u>\$ 669,981</u> | <u>\$264,425</u> |
| Balance carried forward to FY 2004 | <u>\$ 156,392</u> | <u>\$ -</u> | <u>\$ 669,981</u> | <u>\$264,425</u> |

Monies representing BWC refunds that were received prior to April 10, 2001, have been shown as a restricted asset and reserved fund balance in the general fund since allowable expenditures are restricted by state statute. The District is still required by state law to maintain the textbook reserve and the capital acquisition reserve. The Board of Education resolved to maintain the budget reserve, which will be shown as designated fund balance in the general fund.

Although the District had offsets during the year that reduced the set-aside amounts below zero for the capital acquisition reserve, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

A schedule of the governmental fund restricted assets at June 30, 2003 follows:

| | |
|---|-------------------|
| Amount restricted for BWC refunds | \$ 264,425 |
| Amount restricted for textbooks/ instructional materials | <u>156,392</u> |
| Total restricted assets | <u>\$ 420,817</u> |

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

**NEWARK CITY SCHOOL DISTRICT
COMBINING STATEMENTS - NONMAJOR FUNDS**

Nonmajor 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 expenditure for specified purposes. The title of each special revenue fund is descriptive of the activities accounted for therein. The nonmajor special revenue funds are:

Public School Support

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

Miscellaneous Grants

To account for a number of small local grants that are restricted for specific expenditures.

School Improvement Models

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

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.

Auxiliary Services

To account for state funds which provide services and materials to students attending non-public schools within the boundaries of the District as provided by state law.

Career Development

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

Teacher Development

To account for monies received under House Bill 117 to be used for locally held professional development and teacher training activities which are guided by Ohio's model competency based education programming or comparable models to support student achievement, including proficiency test performance.

Management Information Systems

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

Disadvantaged Pupil Impact Aid (DPIA)

To account for state funds which provide instructional programs and materials for disadvantaged students

**NEWARK CITY SCHOOL DISTRICT
COMBINING STATEMENTS - NONMAJOR FUNDS**

Nonmajor Special Revenue Funds (Continued)

Data Communications

To account for revenues received from the State to be used to install and provide support costs for data communication links to connect any school to the local A-site.

SchoolNet Professional Development

To account for revenues received to provide professional development programs related to technology

Textbooks/Instructional Materials Subsidy

To account for monies received from the state for textbooks, instructional software, instructional materials, and any other materials the district deems to be helpful in providing appropriate instruction to students in the following subject areas: reading, writing, mathematics, science and citizenship.

Ohio Reads Grant

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.

Alternative Schools

To account for alternative educational programs for existing and new at-risk and delinquent youth. Programs shall be focused on youth in one or more of the following categories: those who have been expelled or suspended, those who have dropped out of school or who are at risk of dropping out of school, those who are habitually truant or disruptive, or those on probation or on parole from a Department of Youth Services' facility.

Extended Learning Opportunity

To account for monies that are used to provide intervention services to those elementary students that are "at risk" of not passing the 4th grade Reading proficiency test. These funds were awarded to districts for the purpose of extending learning opportunities for young at-risk readers.

Miscellaneous State Grants

To account for monies received from state agencies which are not classified elsewhere.

Title II - Eisenhower

To account for federal funds used 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.

**NEWARK CITY SCHOOL DISTRICT
COMBINING STATEMENTS - NONMAJOR FUNDS**

Nonmajor Special Revenue Funds (Continued)

Title I

To account for federal funds for services provided to meet special educational 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 of professional development; programs to enhance personal excellence of students and student achievement.

Drug Free Schools Program

To account for federal funds for the establishment, operation and improvement of drug abuse prevention programs, 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 Grant ("E-Rate")

This fund will be used to account for a federal grant, which is paid directly to the telecommunication service provider. These funds will be used to pay for telecommunication activities.

Goals 2000 Grant

A fund used to account for monies to support a broad range of education improvement goals. Competitive grants are used to establish a network of schools that have developed a systematic improvement plan. Funding is targeted at school districts where student performance on the fourth and ninth grade State Proficiency test are significantly below the State average. Competitive grants are used to support partnerships between school districts and colleges of education to improve teacher education and school instruction simultaneously.

Reducing Class Size

To account for a federal grant aimed at reducing class sizes throughout the district.

Miscellaneous Federal Grants

To account for federal revenues received through state agencies from the federal government or directly from the federal government which are not classified elsewhere.

Food Service

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

School Activity Trusts

To account for trust agreements in which the principal and income are used to support District programs

Staff Trusts

To account for revenues and expenditures related to vending and donations from employees to support District programs

**NEWARK CITY SCHOOL DISTRICT
COMBINING STATEMENTS - NONMAJOR FUNDS**

Nonmajor Debt Service Fund

A fund used to account for the accumulation of resources and payment of general obligation bond principal and interest and certain long-term obligations from governmental resources when the government is obligated in some manner for payment. It is also used to account for the accumulation of resources and payment of general obligation notes payable, as required by Ohio Law. The District maintains only one debt service fund, therefore, combining statements and schedules are not required

Nonmajor 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 funds and trust funds). The nonmajor 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.

Vocational Education Equipment

To account for receipts and expenditures involved in upgrading and retaining out-of-school youths and adults for the purpose of improving their skills and knowledge in their occupations or planned occupations.

SchoolNet

To account for monies received that are used to help the school district obtain computers and related educational technology equipment and or the necessary infrastructure for educational technology.

Interactive Video Distance Learning

To account for State money used to finance the interactive video distance learning project

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|---|--|--|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 1,298,607 | \$ 356,972 | \$ 1,106,716 | \$ 2,762,295 |
| Receivables: | | | | |
| Property taxes | - | 515,660 | 1,569,680 | 2,085,340 |
| Accounts. | 11,270 | - | - | 11,270 |
| Accrued Interest | 2,290 | - | - | 2,290 |
| Intergovernmental | 1,103,786 | - | - | 1,103,786 |
| Materials and supplies inventory | 35,550 | - | - | 35,550 |
| Prepayments. | 231 | - | - | 231 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total assets. | <u>\$ 2,451,734</u> | <u>\$ 872,632</u> | <u>\$ 2,676,396</u> | <u>\$ 6,000,762</u> |
| Liabilities: | | | | |
| Accounts payable. | \$ 102,679 | \$ - | \$ 26,177 | \$ 128,856 |
| Accrued wages and benefits | 393,793 | - | - | 393,793 |
| Pension obligation payable. | 83,688 | - | - | 83,688 |
| Interfund loan payable | 86,370 | - | - | 86,370 |
| Intergovernmental payable | 29,773 | 325 | 1,275 | 31,373 |
| Deferred revenue. | 982,751 | 449,751 | 1,363,355 | 2,795,857 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities. | <u>1,679,054</u> | <u>450,076</u> | <u>1,390,807</u> | <u>3,519,937</u> |
| Fund balances: | | | | |
| Reserved for encumbrances. | 187,579 | - | 215,986 | 403,565 |
| Reserved for materials and supplies inventory | 35,550 | - | - | 35,550 |
| Reserved for prepayments | 231 | - | - | 231 |
| Reserved for debt service | - | 364,156 | - | 364,156 |
| Reserved for property tax unavailable for appropriation. | - | 58,400 | 176,900 | 235,300 |
| Unreserved: | | | | |
| Undesignated, reported in: | | | | |
| Special revenue funds | 549,320 | - | - | 549,320 |
| Capital projects funds | - | - | 892,703 | 892,703 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total fund balances | <u>772,680</u> | <u>422,556</u> | <u>1,285,589</u> | <u>2,480,825</u> |
| Total liabilities and fund balances. | <u>\$ 2,451,734</u> | <u>\$ 872,632</u> | <u>\$ 2,676,396</u> | <u>\$ 6,000,762</u> |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|---|--|--|
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes. | \$ - | \$ 503,987 | \$ 1,493,580 | \$ 1,997,567 |
| Earnings on investments | 14,603 | - | - | 14,603 |
| Charges for services | 1,142,365 | - | - | 1,142,365 |
| Extracurricular | 190,769 | - | - | 190,769 |
| Other local revenues | 288,192 | - | - | 288,192 |
| Other revenues. | 20,700 | - | 27,368 | 48,068 |
| Intergovernmental - state | 1,536,049 | 29,049 | 81,616 | 1,646,714 |
| Intergovernmental - federal | 3,383,599 | - | - | 3,383,599 |
| Total revenue. | <u>6,576,277</u> | <u>533,036</u> | <u>1,602,564</u> | <u>8,711,877</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular. | 666,614 | - | 600,702 | 1,267,316 |
| Special | 1,613,348 | - | 46,631 | 1,659,979 |
| Vocational | 19,470 | - | - | 19,470 |
| Other | 819 | - | - | 819 |
| Support services: | | | | |
| Pupil | 325,931 | - | 1,605 | 327,536 |
| Instructional staff. | 920,919 | - | 10,713 | 931,632 |
| Administration | 288,801 | - | 9,924 | 298,725 |
| Fiscal. | 39,369 | 8,440 | 28,013 | 75,822 |
| Operations and maintenance | 38,900 | - | 20,851 | 59,751 |
| Pupil transportation | 3,329 | - | 178,842 | 182,171 |
| Central | 190,923 | - | 16,535 | 207,458 |
| Operation of non-instructional services | 103,211 | - | - | 103,211 |
| Food service operations | 2,008,198 | - | - | 2,008,198 |
| Extracurricular activities. | 239,133 | - | - | 239,133 |
| Facilities acquisition and construction | 126,979 | - | 947,573 | 1,074,552 |
| Capital outlay. | - | - | 155,787 | 155,787 |
| Intergovernmental pass through | 694,466 | - | - | 694,466 |
| Debt service: | | | | |
| Principal retirement | - | 225,000 | 24,859 | 249,859 |
| Interest and fiscal charges. | - | 315,930 | 2,509 | 318,439 |
| Total expenditures | <u>7,280,410</u> | <u>549,370</u> | <u>2,044,544</u> | <u>9,874,324</u> |
| Excess of revenues over (under) expenditures | <u>(704,133)</u> | <u>(16,334)</u> | <u>(441,980)</u> | <u>(1,162,447)</u> |
| Other financing sources (uses): | | | | |
| Operating transfers in | 71,613 | - | - | 71,613 |
| Proceeds of capital lease transaction | - | - | 155,787 | 155,787 |
| Total other financing sources (uses). | <u>71,613</u> | <u>-</u> | <u>155,787</u> | <u>227,400</u> |
| Net change in fund balances. | (632,520) | (16,334) | (286,193) | (935,047) |
| Fund balances, July 1 | 1,369,650 | 438,890 | 1,571,782 | 3,380,322 |
| Increase in reserve for inventory. | 35,550 | - | - | 35,550 |
| Fund balances, June 30 | <u>\$ 772,680</u> | <u>\$ 422,556</u> | <u>\$ 1,285,589</u> | <u>\$ 2,480,825</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2003

| | <u>Public School Support</u> | <u>Miscellaneous Grants</u> | <u>School Improvement Models</u> | <u>District Managed Student Activity</u> |
|--|----------------------------------|---------------------------------|--|--|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 69,447 | \$ 149,731 | \$ - | \$ 82,833 |
| Receivables: | | | | |
| Accounts. | 3,000 | - | - | 2,425 |
| Accrued Interest. | - | - | - | - |
| Intergovernmental. | - | - | - | - |
| Materials and supplies inventory. | - | - | - | - |
| Prepayments. | - | - | - | - |
| Total assets. | <u>\$ 72,447</u> | <u>\$ 149,731</u> | <u>\$ -</u> | <u>\$ 85,258</u> |
| Liabilities: | | | | |
| Accounts payable. | \$ 1,037 | \$ 75 | \$ - | \$ 3,261 |
| Accrued wages and benefits. | - | - | - | - |
| Pension obligation payable. | - | - | - | - |
| Interfund loan payable. | - | - | - | - |
| Intergovernmental payable. | - | - | - | 57 |
| Deferred revenue. | - | - | - | 425 |
| Total liabilities. | <u>1,037</u> | <u>75</u> | <u>-</u> | <u>3,743</u> |
| Fund balances: | | | | |
| Reserved for encumbrances. | 7,869 | 1,182 | - | 7,983 |
| Reserved for materials and supplies inventory. | - | - | - | - |
| Reserved for prepayments. | - | - | - | - |
| Unreserved-undesignated (deficit). | <u>63,541</u> | <u>148,474</u> | <u>-</u> | <u>73,532</u> |
| Total fund balances (deficits). | <u>71,410</u> | <u>149,656</u> | <u>-</u> | <u>81,515</u> |
| Total liabilities and fund balances. | <u>\$ 72,447</u> | <u>\$ 149,731</u> | <u>\$ -</u> | <u>\$ 85,258</u> |

| <u>Auxiliary Services</u> | <u>Career Development</u> | <u>Teacher Development</u> | <u>Management Information Systems</u> | <u>Disadvantaged Pupil Impact Aid (DPIA)</u> | <u>Data Communications</u> |
|-------------------------------|-------------------------------|--------------------------------|---|--|--------------------------------|
| \$ 92,436 | \$ 4,743 | \$ - | \$ 19,571 | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 110 | - | - |
| <u>\$ 92,436</u> | <u>\$ 4,743</u> | <u>\$ -</u> | <u>\$ 19,681</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 23,148 | \$ 24 | \$ - | \$ - | \$ - | \$ - |
| 30,330 | - | - | - | 65,086 | - |
| 4,558 | - | - | 704 | 8,728 | - |
| - | - | - | 25,000 | - | - |
| 2,129 | - | - | 207 | 3,691 | - |
| - | - | - | - | - | - |
| <u>60,165</u> | <u>24</u> | <u>-</u> | <u>25,911</u> | <u>77,505</u> | <u>-</u> |
| 18,955 | 84 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 110 | - | - |
| <u>13,316</u> | <u>4,635</u> | <u>-</u> | <u>(6,340)</u> | <u>(77,505)</u> | <u>-</u> |
| <u>32,271</u> | <u>4,719</u> | <u>-</u> | <u>(6,230)</u> | <u>(77,505)</u> | <u>-</u> |
| <u>\$ 92,436</u> | <u>\$ 4,743</u> | <u>\$ -</u> | <u>\$ 19,681</u> | <u>\$ -</u> | <u>\$ -</u> |

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**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2003

| | <u>SchoolNet Professional Development</u> | <u>Textbooks/ Instructional Materials Subsidy</u> | <u>Ohio Reads Grant</u> | <u>Alternative Schools</u> |
|---|---|---|-----------------------------|--------------------------------|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 27,863 | \$ - | \$ 54,245 | \$ 42,425 |
| Receivables: | | | | |
| Accounts. | - | - | - | - |
| Accrued interest | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Materials and supplies inventory | - | - | - | - |
| Prepayments. | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total assets. | <u>\$ 27,863</u> | <u>\$ -</u> | <u>\$ 54,245</u> | <u>\$ 42,425</u> |
| Liabilities: | | | | |
| Accounts payable. | \$ 639 | \$ - | \$ 26,412 | \$ 2,320 |
| Accrued wages and benefits | - | - | - | 2,880 |
| Pension obligation payable. | - | - | - | 940 |
| Interfund loan payable | - | - | - | - |
| Intergovernmental payable | 4 | - | 249 | 78 |
| Deferred revenue. | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities. | <u>643</u> | <u>-</u> | <u>26,661</u> | <u>6,218</u> |
| Fund balances: | | | | |
| Reserved for encumbrances | 1,203 | - | 21,401 | 34,101 |
| Reserved for materials and supplies inventory | - | - | - | - |
| Reserved for prepayments | - | - | - | - |
| Unreserved-undesignated (deficit) | <u>26,017</u> | <u>-</u> | <u>6,183</u> | <u>2,106</u> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total fund balances (deficits) | <u>27,220</u> | <u>-</u> | <u>27,584</u> | <u>36,207</u> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities and fund balances. | <u>\$ 27,863</u> | <u>\$ -</u> | <u>\$ 54,245</u> | <u>\$ 42,425</u> |

| Extended Learning Opportunity | Miscellaneous State Grants | Title II Eisenhower | Title VI-B | Title I | Title VI |
|--|---------------------------------------|--------------------------------|-------------------|-------------------|------------------|
| \$ 1,727 | \$ 59,673 | \$ - | \$ - | \$ 52,532 | \$ 6,719 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 159,934 | 556,134 | 34,282 |
| - | - | - | - | - | - |
| - | - | - | - | 68 | - |
| <u>\$ 1,727</u> | <u>\$ 59,673</u> | <u>\$ -</u> | <u>\$ 159,934</u> | <u>\$ 608,734</u> | <u>\$ 41,001</u> |
| \$ - | \$ 5,484 | \$ - | \$ 13,458 | \$ 6,459 | \$ 4,589 |
| - | 406 | - | 21,778 | 165,790 | - |
| - | 714 | - | 11,800 | 25,244 | - |
| - | - | - | 26,370 | - | - |
| - | 210 | - | 3,157 | 10,740 | 71 |
| - | - | - | 159,934 | 556,134 | 34,282 |
| - | 6,814 | - | 236,497 | 764,367 | 38,942 |
| - | 12,062 | - | 13,858 | 13,100 | 2,129 |
| - | - | - | - | - | - |
| - | - | - | - | 68 | - |
| <u>1,727</u> | <u>40,797</u> | <u>-</u> | <u>(90,421)</u> | <u>(168,801)</u> | <u>(70)</u> |
| <u>1,727</u> | <u>52,859</u> | <u>-</u> | <u>(76,563)</u> | <u>(155,633)</u> | <u>2,059</u> |
| <u>\$ 1,727</u> | <u>\$ 59,673</u> | <u>\$ -</u> | <u>\$ 159,934</u> | <u>\$ 608,734</u> | <u>\$ 41,001</u> |

-- Continued

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 JUNE 30, 2003

| | <u>Drug Free Schools Program</u> | <u>EHA Preschool Grant</u> | <u>Telecommunications Act Grant "E-Rate"</u> | <u>Goals 2000 Grant</u> |
|---|--------------------------------------|--------------------------------|--|-----------------------------|
| Assets: | | | | |
| Equity in pooled cash and cash equivalents. | \$ 12,758 | \$ 2,093 | \$ 42,838 | \$ 1,385 |
| Receivables: | | | | |
| Accounts. | - | - | - | - |
| Accrued interest | - | - | - | - |
| Intergovernmental | 12,828 | 7,483 | - | - |
| Materials and supplies inventory | - | - | - | - |
| Prepayments. | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total assets. | <u>\$ 25,586</u> | <u>\$ 9,576</u> | <u>\$ 42,838</u> | <u>\$ 1,385</u> |
| Liabilities: | | | | |
| Accounts payable. | \$ 9,427 | \$ 503 | \$ - | \$ - |
| Accrued wages and benefits | 317 | 1,635 | - | - |
| Pension obligation payable. | 602 | 564 | - | - |
| Interfund loan payable | - | - | - | - |
| Intergovernmental payable | 177 | 197 | - | - |
| Deferred revenue. | 12,828 | 7,483 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities. | <u>23,351</u> | <u>10,382</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | |
| Reserved for encumbrances | 339 | 1,843 | 9,500 | - |
| Reserved for materials and supplies inventory | - | - | - | - |
| Reserved for prepayments | - | - | - | - |
| Unreserved-undesignated (deficit) | 1,896 | (2,649) | 33,338 | 1,385 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total fund balances (deficits) | <u>2,235</u> | <u>(806)</u> | <u>42,838</u> | <u>1,385</u> |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total liabilities and fund balances. | <u>\$ 25,586</u> | <u>\$ 9,576</u> | <u>\$ 42,838</u> | <u>\$ 1,385</u> |

| Reducing Class Size | Miscellaneous Federal Grants | Food Service | School Activity Trusts | Staff Trusts | Total Nonmajor Special Revenue Funds |
|--------------------------------|---|-------------------------|-----------------------------------|-------------------------|---|
| \$ 13,089 | \$ 34,442 | \$ 480,452 | \$ 35,594 | \$ 12,011 | \$ 1,298,607 |
| - | - | 4,845 | - | 1,000 | 11,270 |
| - | - | 2,290 | - | - | 2,290 |
| 186,281 | 23,453 | 123,391 | - | - | 1,103,786 |
| - | - | 35,550 | - | - | 35,550 |
| - | - | 53 | - | - | 231 |
| <u>\$ 199,370</u> | <u>\$ 57,895</u> | <u>\$ 646,581</u> | <u>\$ 35,594</u> | <u>\$ 13,011</u> | <u>\$ 2,451,734</u> |
| \$ 2,404 | \$ 1,549 | \$ 1,558 | \$ - | \$ 332 | \$ 102,679 |
| 9,510 | 2,930 | 93,131 | - | - | 393,793 |
| 5,224 | 932 | 23,678 | - | - | 83,688 |
| - | - | - | 35,000 | - | 86,370 |
| 2,176 | 79 | 6,551 | - | - | 29,773 |
| 186,281 | 23,453 | 1,931 | - | - | 982,751 |
| <u>205,595</u> | <u>28,943</u> | <u>126,849</u> | <u>35,000</u> | <u>332</u> | <u>1,679,054</u> |
| - | 23,259 | 17,111 | - | 1,600 | 187,579 |
| - | - | 35,550 | - | - | 35,550 |
| - | - | 53 | - | - | 231 |
| (6,225) | 5,693 | 467,018 | 594 | 11,079 | 549,320 |
| <u>(6,225)</u> | <u>28,952</u> | <u>519,732</u> | <u>594</u> | <u>12,679</u> | <u>772,680</u> |
| <u>\$ 199,370</u> | <u>\$ 57,895</u> | <u>\$ 646,581</u> | <u>\$ 35,594</u> | <u>\$ 13,011</u> | <u>\$ 2,451,734</u> |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Public School Support</u> | <u>Miscellaneous Grants</u> | <u>School Improvement Models</u> | <u>District Managed Student Activity</u> |
|---|----------------------------------|---------------------------------|--|--|
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ - | \$ - | \$ - | \$ - |
| Charges for services | - | - | - | - |
| Extracurricular | 8,998 | - | - | 172,534 |
| Other local revenues | 50,535 | 108,864 | - | 79,442 |
| Other revenue | - | 20,700 | - | - |
| Intergovernmental - state | - | - | - | - |
| Intergovernmental - federal | - | - | - | - |
| | <u>59,533</u> | <u>129,564</u> | <u>-</u> | <u>251,976</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | - | 20,285 | 939 | - |
| Special | - | - | - | - |
| Vocational | - | 19,470 | - | - |
| Other | - | 819 | - | - |
| Support services: | | | | |
| Pupil | - | - | - | - |
| Instructional staff | - | 2,371 | - | - |
| Administration | 713 | - | - | - |
| Fiscal | - | - | - | - |
| Operations and maintenance | - | - | - | - |
| Pupil transportation | - | 100 | - | - |
| Central | - | - | - | - |
| Operation of non-instructional services | 53,873 | 1,468 | - | 5,365 |
| Food service operations | - | - | - | - |
| Extracurricular activities | - | 77 | - | 237,656 |
| Facilities acquisition and construction | - | - | - | 126,979 |
| Intergovernmental pass through | - | - | - | - |
| | <u>54,586</u> | <u>44,590</u> | <u>939</u> | <u>370,000</u> |
| Total expenditures | <u>54,586</u> | <u>44,590</u> | <u>939</u> | <u>370,000</u> |
| Excess of revenues over (under) expenditures | <u>4,947</u> | <u>84,974</u> | <u>(939)</u> | <u>(118,024)</u> |
| Other financing sources (uses): | | | | |
| Operating transfers in | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 4,947 | 84,974 | (939) | (118,024) |
| Fund balances (deficits), July 1 | 66,463 | 64,682 | 939 | 199,539 |
| Increase in reserve for inventory | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances (deficits), June 30 | <u>\$ 71,410</u> | <u>\$ 149,656</u> | <u>\$ -</u> | <u>\$ 81,515</u> |

| <u>Auxiliary Services</u> | <u>Career Development</u> | <u>Teacher Development</u> | <u>Management Information Systems</u> | <u>Disadvantaged Pupil Impact Aid (DPIA)</u> | <u>Data Communications</u> |
|-------------------------------|-------------------------------|--------------------------------|---|--|--------------------------------|
| \$ 4,866 | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 616,382 | 1,400 | - | 24,846 | 454,323 | - |
| - | - | - | - | - | - |
| <u>621,248</u> | <u>1,400</u> | <u>-</u> | <u>24,846</u> | <u>454,323</u> | <u>-</u> |
| - | - | - | - | - | - |
| - | 2,581 | - | - | 280,371 | - |
| - | - | - | - | 15,366 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | 68,194 | - |
| - | - | 1,119 | - | - | - |
| - | - | - | 4,719 | 105,125 | - |
| - | - | - | 34,444 | - | - |
| - | - | - | - | 38,900 | - |
| - | 90 | - | - | - | - |
| - | - | - | 41,040 | - | 16,500 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 686,966 | - | - | - | - | - |
| <u>686,966</u> | <u>2,671</u> | <u>1,119</u> | <u>80,203</u> | <u>507,956</u> | <u>16,500</u> |
| <u>(65,718)</u> | <u>(1,271)</u> | <u>(1,119)</u> | <u>(55,357)</u> | <u>(53,633)</u> | <u>(16,500)</u> |
| - | - | - | 50,000 | - | - |
| - | - | - | 50,000 | - | - |
| (65,718) | (1,271) | (1,119) | (5,357) | (53,633) | (16,500) |
| 97,989 | 5,990 | 1,119 | (873) | (23,872) | 16,500 |
| - | - | - | - | - | - |
| <u>\$ 32,271</u> | <u>\$ 4,719</u> | <u>\$ -</u> | <u>\$ (6,230)</u> | <u>\$ (77,505)</u> | <u>\$ -</u> |

- - Continued

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>SchoolNet Professional Development</u> | <u>Textbooks/ Instructional Materials Subsidy</u> | <u>Ohio Reads Grant</u> | <u>Alternative Schools</u> |
|---|---|---|-----------------------------|--------------------------------|
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ - | \$ - | \$ - | \$ - |
| Earnings on investments | - | - | - | - |
| Extracurricular | - | - | - | - |
| Other local revenues | - | - | - | - |
| Other revenue | - | - | - | - |
| Intergovernmental - state | 19,600 | - | 193,500 | 83,446 |
| Intergovernmental - federal | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenue. | <u>19,600</u> | <u>-</u> | <u>193,500</u> | <u>83,446</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular. | 300 | 407 | 123,710 | 14,005 |
| Special | - | - | - | - |
| Vocational | - | - | - | - |
| Other | - | - | - | - |
| Support services: | | | | |
| Pupil | - | - | - | 14,776 |
| Instructional staff. | 9,120 | - | 83,696 | 10,870 |
| Administration | - | - | - | - |
| Fiscal. | - | - | - | - |
| Operations and maintenance | - | - | - | - |
| Pupil transportation | - | - | - | 1,339 |
| Central | 5,588 | - | - | 5,000 |
| Operation of non-instructional services | - | - | 6,400 | - |
| Food service operations | - | - | - | - |
| Extracurricular activities | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - |
| Intergovernmental pass through | - | - | 7,500 | - |
| | <u>-</u> | <u>-</u> | <u>7,500</u> | <u>-</u> |
| Total expenditures | <u>15,008</u> | <u>407</u> | <u>221,306</u> | <u>45,990</u> |
| Excess of revenues over (under) expenditures | <u>4,592</u> | <u>(407)</u> | <u>(27,806)</u> | <u>37,456</u> |
| Other financing sources (uses): | | | | |
| Operating transfers in | - | - | - | - |
| Total other financing sources (uses). | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances. | 4,592 | (407) | (27,806) | 37,456 |
| Fund balances (deficits), July 1 | 22,628 | 407 | 55,390 | (1,249) |
| Increase in reserve for inventory | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances (deficits), June 30 | <u>\$ 27,220</u> | <u>\$ -</u> | <u>\$ 27,584</u> | <u>\$ 36,207</u> |

| Extended Learning Opportunity | Miscellaneous State Grants | Title II Eisenhower | Title VI-B | Title I | Title VI |
|--|---------------------------------------|--------------------------------|-------------------|----------------|-----------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 89,806 | - | - | - | - |
| - | - | - | 631,030 | 1,338,917 | 23,654 |
| - | 89,806 | - | 631,030 | 1,338,917 | 23,654 |
| - | - | - | - | - | - |
| - | 28,327 | - | - | - | - |
| - | - | - | 139,930 | 1,437,914 | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 28,188 | - | 172,928 | - | 5,582 |
| - | 71,727 | 18,707 | 345,065 | 115,705 | 29,135 |
| - | 5,470 | - | 89,780 | 75,431 | - |
| - | - | - | - | 4,925 | - |
| - | - | - | - | - | - |
| - | - | - | 285 | 286 | - |
| - | - | - | - | - | - |
| - | - | - | - | 18,351 | 3,566 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | 133,712 | 18,707 | 747,988 | 1,652,612 | 38,283 |
| - | (43,906) | (18,707) | (116,958) | (313,695) | (14,629) |
| - | - | - | - | - | 3,190 |
| - | - | - | - | - | 3,190 |
| - | (43,906) | (18,707) | (116,958) | (313,695) | (11,439) |
| 1,727 | 96,765 | 20,646 | 40,395 | 158,062 | 13,498 |
| - | - | - | - | - | - |
| \$ 1,727 | \$ 52,859 | \$ 1,939 | \$ (76,563) | \$ (155,633) | \$ 2,059 |

-- Continued

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Drug Free Schools Program</u> | <u>EHA Preschool Grant</u> | <u>Telecommunications Act Grant "E-Rate"</u> | <u>Goals 2000 Grant</u> |
|---|--------------------------------------|--------------------------------|--|-----------------------------|
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ - | \$ - | \$ - | \$ - |
| Earnings on investments | - | - | - | - |
| Extracurricular | - | - | - | - |
| Other local revenues | - | - | - | - |
| Other revenue | - | - | - | - |
| Intergovernmental - state | - | - | - | - |
| Intergovernmental - federal | 34,337 | 22,619 | 131,649 | - |
| | <u>34,337</u> | <u>22,619</u> | <u>131,649</u> | <u>-</u> |
| Total revenue. | <u>34,337</u> | <u>22,619</u> | <u>131,649</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular. | 19,988 | - | - | - |
| Special | - | 2,324 | - | - |
| Vocational | - | - | - | - |
| Other | - | - | - | - |
| Support services: | | | | |
| Pupil | 36,263 | - | - | - |
| Instructional staff. | 4,636 | 24,287 | - | 4,651 |
| Administration | 5,563 | - | - | - |
| Fiscal. | - | - | - | - |
| Operations and maintenance | - | - | - | - |
| Pupil transportation | 1,229 | - | - | - |
| Central | - | - | 122,795 | - |
| Operation of non-instructional services | 189 | - | - | - |
| Food service operations | - | - | - | - |
| Extracurricular activities | - | - | - | - |
| Facilities acquisition and construction | - | - | - | - |
| Intergovernmental pass through | - | - | - | - |
| | <u>67,868</u> | <u>26,611</u> | <u>122,795</u> | <u>4,651</u> |
| Total expenditures | <u>67,868</u> | <u>26,611</u> | <u>122,795</u> | <u>4,651</u> |
| Excess of revenues over (under) expenditures | <u>(33,531)</u> | <u>(3,992)</u> | <u>8,854</u> | <u>(4,651)</u> |
| Other financing sources (uses): | | | | |
| Operating transfers in | - | 2,479 | - | - |
| Total other financing sources (uses). | <u>-</u> | <u>2,479</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances. | (33,531) | (1,513) | 8,854 | (4,651) |
| Fund balances (deficits), July 1 | 35,766 | 707 | 33,984 | 6,036 |
| Increase in reserve for inventory | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances (deficits), June 30 | <u>\$ 2,235</u> | <u>\$ (806)</u> | <u>\$ 42,838</u> | <u>\$ 1,385</u> |

| Reducing Class Size | Miscellaneous Federal Grants | Food Service | School Activity Trusts | Staff Trusts | Total Nonmajor Special Revenue Funds |
|--------------------------------|---|-------------------------|-----------------------------------|-------------------------|---|
| \$ - | \$ - | \$ 9,737 | \$ - | \$ - | \$ 14,603 |
| - | - | 1,142,365 | - | - | 1,142,365 |
| - | - | - | - | 9,237 | 190,769 |
| - | - | 70 | 44,491 | 4,790 | 288,192 |
| - | - | - | - | - | 20,700 |
| - | 3,100 | 49,646 | - | - | 1,536,049 |
| 314,878 | 49,904 | 836,611 | - | - | 3,383,599 |
| 314,878 | 53,004 | 2,038,429 | 44,491 | 14,027 | 6,576,277 |
| 162,617 | 13,084 | - | - | - | 666,614 |
| - | 17,814 | - | - | - | 1,613,348 |
| - | - | - | - | - | 19,470 |
| - | - | - | - | - | 819 |
| - | - | - | - | - | 325,931 |
| 175,511 | 10,862 | - | 13,457 | - | 920,919 |
| 2,000 | - | - | - | - | 288,801 |
| - | - | - | - | - | 39,369 |
| - | - | - | - | - | 38,900 |
| - | - | - | - | - | 3,329 |
| - | - | - | - | - | 190,923 |
| 1,068 | - | - | 610 | 12,321 | 103,211 |
| - | - | 2,008,198 | - | - | 2,008,198 |
| - | - | - | 1,400 | - | 239,133 |
| - | - | - | - | - | 126,979 |
| - | - | - | - | - | 694,466 |
| 341,196 | 41,760 | 2,008,198 | 15,467 | 12,321 | 7,280,410 |
| (26,318) | 11,244 | 30,231 | 29,024 | 1,706 | (704,133) |
| - | 15,944 | - | - | - | 71,613 |
| - | 15,944 | - | - | - | 71,613 |
| (26,318) | 27,188 | 30,231 | 29,024 | 1,706 | (632,520) |
| 18,154 | 1,764 | 453,951 | (28,430) | 10,973 | 1,369,650 |
| - | - | 35,550 | - | - | 35,550 |
| \$ (8,164) | \$ 28,952 | \$ 519,732 | \$ 594 | \$ 12,679 | \$ 772,680 |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2003

| | <u>Permanent Improvement</u> | <u>Vocational Education Equipment</u> | <u>SchoolNet</u> | <u>Interactive Video Distance Learning</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|---|---|--|-------------------------|---|---|
| Assets: | | | | | |
| Equity in pooled cash and cash equivalents. . . | \$ 1,093,315 | \$ 8,201 | \$ - | \$ 5,200 | \$ 1,106,716 |
| Receivables: | | | | | |
| Property taxes | <u>1,569,680</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,569,680</u> |
| Total assets. | <u><u>\$ 2,662,995</u></u> | <u><u>\$ 8,201</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 5,200</u></u> | <u><u>\$ 2,676,396</u></u> |
| Liabilities: | | | | | |
| Accounts payable. | \$ 26,177 | \$ - | \$ - | \$ - | \$ 26,177 |
| Intergovernmental payable. | 1,275 | - | - | - | 1,275 |
| Deferred revenue. | <u>1,363,355</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,363,355</u> |
| Total liabilities. | <u>1,390,807</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,390,807</u> |
| Fund balances: | | | | | |
| Reserved for encumbrances | 215,986 | - | - | - | 215,986 |
| Reserved for property taxes | | | | | |
| unavailable for appropriation | 176,900 | - | - | - | 176,900 |
| Unreserved-undesignated | <u>879,302</u> | <u>8,201</u> | <u>-</u> | <u>5,200</u> | <u>892,703</u> |
| Total fund balances | <u>1,272,188</u> | <u>8,201</u> | <u>-</u> | <u>5,200</u> | <u>1,285,589</u> |
| Total liabilities and fund balances. | <u><u>\$ 2,662,995</u></u> | <u><u>\$ 8,201</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 5,200</u></u> | <u><u>\$ 2,676,396</u></u> |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Permanent Improvement</u> | <u>Vocational Education Equipment</u> | <u>SchoolNet</u> | <u>Interactive Video Distance Learning</u> | <u>Total Nonmajor Capital Projects Funds</u> |
|--|----------------------------------|---|------------------|--|--|
| Revenues: | | | | | |
| From local sources: | | | | | |
| Taxes | \$ 1,493,580 | \$ - | \$ - | \$ - | \$ 1,493,580 |
| Other revenue | 27,368 | - | - | - | 27,368 |
| Intergovernmental - state | 81,211 | 405 | - | - | 81,616 |
| | <u>1,602,159</u> | <u>405</u> | <u>-</u> | <u>-</u> | <u>1,602,564</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 389,958 | - | 210,744 | - | 600,702 |
| Special | 46,631 | - | - | - | 46,631 |
| Support services: | | | | | |
| Pupil | 1,605 | - | - | - | 1,605 |
| Instructional staff | 10,713 | - | - | - | 10,713 |
| Administration | 9,924 | - | - | - | 9,924 |
| Fiscal | 28,013 | - | - | - | 28,013 |
| Operations and maintenance | 20,851 | - | - | - | 20,851 |
| Pupil transportation | 178,842 | - | - | - | 178,842 |
| Central | 2,631 | - | - | 13,904 | 16,535 |
| Facilities acquisition and construction | 947,573 | - | - | - | 947,573 |
| Capital outlay | 155,787 | - | - | - | 155,787 |
| Debt service: | | | | | |
| Principal retirement | 24,859 | - | - | - | 24,859 |
| Interest and fiscal charges | 2,509 | - | - | - | 2,509 |
| | <u>1,819,896</u> | <u>-</u> | <u>210,744</u> | <u>13,904</u> | <u>2,044,544</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(217,737)</u> | <u>405</u> | <u>(210,744)</u> | <u>(13,904)</u> | <u>(441,980)</u> |
| Other financing sources: | | | | | |
| Proceeds of capital lease transaction | 155,787 | - | - | - | 155,787 |
| | <u>155,787</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>155,787</u> |
| Net change in fund balances | (61,950) | 405 | (210,744) | (13,904) | (286,193) |
| Fund balances, July 1 | <u>1,334,138</u> | <u>7,796</u> | <u>210,744</u> | <u>19,104</u> | <u>1,571,782</u> |
| Fund balances, June 30 | <u>\$ 1,272,188</u> | <u>\$ 8,201</u> | <u>\$ -</u> | <u>\$ 5,200</u> | <u>\$ 1,285,589</u> |

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INDIVIDUAL FUND SCHEDULES OF
REVENUES, EXPENDITURES/EXPENSES AND
CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Over (Under) |
|---|-------------------------|----------------------|----------------------|--|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 19,740,000 | \$ 20,140,000 | \$ 19,883,022 | \$ (256,978) |
| Tuition | 280,400 | 380,400 | 351,574 | (28,826) |
| Earnings on investments | 650,000 | 650,000 | 500,088 | (149,912) |
| Other local revenue. | 256,600 | 271,297 | 267,037 | (4,260) |
| Intergovernmental-state | 23,660,661 | 23,679,616 | 22,457,866 | (1,221,750) |
| Intergovernmental-federal | 255,000 | 255,000 | 240,381 | (14,619) |
| Total revenues | <u>44,842,661</u> | <u>45,376,313</u> | <u>43,699,968</u> | <u>(1,676,345)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Salaries and wages | 30,125,465 | 30,860,980 | 30,468,214 | 392,766 |
| Fringe benefits | 8,113,267 | 8,546,266 | 8,545,934 | 332 |
| Purchased services | 3,629,715 | 3,999,078 | 3,793,819 | 205,259 |
| Supplies and materials | 2,236,120 | 2,236,120 | 2,053,878 | 182,242 |
| Capital outlay | 242,315 | 235,630 | 211,599 | 24,031 |
| Other | 610,428 | 688,371 | 628,343 | 60,028 |
| Debt service. | 156,000 | 156,000 | 155,721 | 279 |
| Total expenditures | <u>45,113,310</u> | <u>46,722,445</u> | <u>45,857,508</u> | <u>864,937</u> |
| Excess of revenues over (under) expenditures | <u>(270,649)</u> | <u>(1,346,132)</u> | <u>(2,157,540)</u> | <u>(811,408)</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year's (receipts) | (5,000) | (6,000) | (4,753) | 1,247 |
| Refund of prior year expenditures | 120,000 | 120,000 | 253,778 | 133,778 |
| Operating transfers in | - | - | 43,434 | 43,434 |
| Operating transfers (out). | (600,600) | (676,630) | (741,450) | (64,820) |
| Advances in | - | - | 14,468 | 14,468 |
| Advances (out). | (25,000) | (25,000) | (51,370) | (26,370) |
| Proceeds from sale of capital assets | 10,000 | 10,000 | 4,233 | (5,767) |
| Total other financing sources (uses) | <u>(500,600)</u> | <u>(577,630)</u> | <u>(481,660)</u> | <u>95,970</u> |
| Net change in fund balance. | <u>(771,249)</u> | <u>(1,923,762)</u> | <u>(2,639,200)</u> | <u>(715,438)</u> |
| Fund balance, July 1 | <u>17,445,981</u> | <u>17,445,981</u> | <u>17,445,981</u> | <u>-</u> |
| Prior year encumbrances appropriated | <u>557,995</u> | <u>557,995</u> | <u>557,995</u> | <u>-</u> |
| Fund balance, June 30 | <u>\$ 17,232,727</u> | <u>\$ 16,080,214</u> | <u>\$ 15,364,776</u> | <u>\$ (715,438)</u> |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Extracurricular | \$ 3,979 | \$ 3,979 | \$ 8,998 | \$ 5,019 |
| Other local revenue | 21,021 | 21,021 | 47,535 | 26,514 |
| | <u>25,000</u> | <u>25,000</u> | <u>56,533</u> | <u>31,533</u> |
| Total revenues | | | | |
| Expenditures: | | | | |
| Current: | | | | |
| Operation of non-instructional services | 66,550 | 66,550 | 62,779 | 3,771 |
| | <u>66,550</u> | <u>66,550</u> | <u>62,779</u> | <u>3,771</u> |
| Total expenditures | | | | |
| | <u>66,550</u> | <u>66,550</u> | <u>62,779</u> | <u>3,771</u> |
| Net change in fund balance | (41,550) | (41,550) | (6,246) | 35,304 |
| Fund balance, July 1 | 60,237 | 60,237 | 60,237 | - |
| Prior year encumbrances appropriated | 6,550 | 6,550 | 6,550 | - |
| Fund balance, June 30 | \$ 25,237 | \$ 25,237 | \$ 60,541 | \$ 35,304 |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Other local revenue | \$ 16,500 | \$ 16,500 | \$ 108,864 | \$ 92,364 |
| Other revenue | 23,500 | 23,500 | 20,700 | (2,800) |
| | <u>40,000</u> | <u>40,000</u> | <u>129,564</u> | <u>89,564</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 37,695 | 37,695 | 21,641 | 16,054 |
| Special | - | - | - | - |
| Vocational | 37,715 | 37,715 | 21,653 | 16,062 |
| Other | 1,427 | 1,427 | 819 | 608 |
| Support services: | | | | |
| Instructional staff | 4,130 | 4,130 | 2,371 | 1,759 |
| Pupil transportation | 174 | 174 | 100 | 74 |
| Central | - | - | - | - |
| Operation of non-instructional services | 594 | 594 | 341 | 253 |
| Extracurricular activities | 134 | 134 | 77 | 57 |
| | <u>81,869</u> | <u>81,869</u> | <u>47,002</u> | <u>34,867</u> |
| Total expenditures | | | | |
| Net change in fund balance | (41,869) | (41,869) | 82,562 | 124,431 |
| Fund balance, July 1 | 45,408 | 45,408 | 45,408 | - |
| Prior year encumbrances appropriated | 20,504 | 20,504 | 20,504 | - |
| Fund balance, June 30 | <u>\$ 24,043</u> | <u>\$ 24,043</u> | <u>\$ 148,474</u> | <u>\$ 124,431</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SCHOOL IMPROVEMENT MODELS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | <u>Variance with Final Budget- Over (Under)</u> |
|---|-------------------------|---------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Other local revenue | <u>\$ 100</u> | <u>\$ 100</u> | <u>\$ -</u> | <u>\$ (100)</u> |
| Total revenues | <u>\$ 100</u> | <u>\$ 100</u> | <u>\$ -</u> | <u>\$ (100)</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year's (receipts) | <u>(1,000)</u> | <u>(1,000)</u> | <u>(938)</u> | <u>62</u> |
| Total other financing sources (uses) | <u>(1,000)</u> | <u>(1,000)</u> | <u>(938)</u> | <u>62</u> |
| Net change in fund balance | <u>(900)</u> | <u>(900)</u> | <u>(938)</u> | <u>(38)</u> |
| Fund balance, July 1 | <u>938</u> | <u>938</u> | <u>938</u> | <u>-</u> |
| Prior year encumbrances appropriated | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance, June 30 | <u><u>\$ 38</u></u> | <u><u>\$ 38</u></u> | <u><u>\$ -</u></u> | <u><u>\$ (38)</u></u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DISTRICT MANAGED STUDENT ACTIVITY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Extracurricular | \$ 172,551 | \$ 172,551 | \$ 172,534 | \$ (17) |
| Other local revenue. | 77,449 | 77,449 | 77,442 | (7) |
| | <u>250,000</u> | <u>250,000</u> | <u>249,976</u> | <u>(24)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Operation of non-instructional services | 5,517 | 6,100 | 5,915 | 185 |
| Extracurricular activities. | 245,876 | 271,842 | 263,611 | 8,231 |
| Facilities acquisition and construction | 117,360 | 129,753 | 125,825 | 3,928 |
| | <u>368,753</u> | <u>407,695</u> | <u>395,351</u> | <u>12,344</u> |
| Excess of revenues over (under) expenditures | <u>(118,753)</u> | <u>(157,695)</u> | <u>(145,375)</u> | <u>12,320</u> |
| Net change in fund balance | (118,753) | (157,695) | (145,375) | 12,320 |
| Fund balance, July 1 | 69,269 | 69,269 | 69,269 | - |
| Prior year encumbrances appropriated | <u>147,695</u> | <u>147,695</u> | <u>147,695</u> | <u>-</u> |
| Fund balance, June 30 | <u>\$ 98,211</u> | <u>\$ 59,269</u> | <u>\$ 71,589</u> | <u>\$ 12,320</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 AUXILIARY SERVICES FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ 3,916 | \$ 4,843 | \$ 4,866 | \$ 23 |
| Intergovernmental-state | 496,084 | 613,437 | 616,382 | 2,945 |
| Total revenues | <u>500,000</u> | <u>618,280</u> | <u>621,248</u> | <u>2,968</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Operation of non-instructional services | <u>568,038</u> | <u>697,891</u> | <u>707,370</u> | <u>(9,479)</u> |
| Total expenditures | <u>568,038</u> | <u>697,891</u> | <u>707,370</u> | <u>(9,479)</u> |
| Excess of revenues over (under) expenditures | <u>(68,038)</u> | <u>(79,611)</u> | <u>(86,122)</u> | <u>(6,511)</u> |
| Other financing sources (uses): | | | | |
| Transfers in. | - | 72,243 | 72,243 | - |
| Transfers (out) | <u>-</u> | <u>(72,243)</u> | <u>(72,243)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balance | (68,038) | (79,611) | (86,122) | (6,511) |
| Fund balance, July 1 | 96,636 | 96,636 | 96,636 | - |
| Prior year encumbrances appropriated | <u>40,134</u> | <u>40,134</u> | <u>40,134</u> | <u>-</u> |
| Fund balance, June 30 | <u>\$ 68,732</u> | <u>\$ 57,159</u> | <u>\$ 50,648</u> | <u>\$ (6,511)</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CAREER DEVELOPMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 5,000 | \$ 5,000 | \$ 1,400 | \$ (3,600) |
| Total revenues | <u>5,000</u> | <u>5,000</u> | <u>1,400</u> | <u>(3,600)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 3,952 | 3,952 | 2,580 | 1,372 |
| Support services: | | | | |
| Pupils | 582 | 582 | - | 582 |
| Pupil transportation | <u>1,736</u> | <u>1,736</u> | <u>448</u> | <u>1,288</u> |
| Total expenditures | <u>6,270</u> | <u>6,270</u> | <u>3,028</u> | <u>3,242</u> |
| Net change in fund balance | (1,270) | (1,270) | (1,628) | (358) |
| Fund balance, July 1 | 4,939 | 4,939 | 4,939 | - |
| Prior year encumbrances appropriated | <u>1,324</u> | <u>1,324</u> | <u>1,324</u> | <u>-</u> |
| Fund balance, June 30 | <u>\$ 4,993</u> | <u>\$ 4,993</u> | <u>\$ 4,635</u> | <u>\$ (358)</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TEACHER DEVELOPMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 200 | \$ 200 | \$ - | \$ (200) |
| Total revenues | <u>200</u> | <u>200</u> | <u>-</u> | <u>(200)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Instructional staff | 1,249 | 1,249 | 1,055 | 194 |
| Total expenditures | <u>1,249</u> | <u>1,249</u> | <u>1,055</u> | <u>194</u> |
| Excess of revenues over (under) expenditures | <u>(1,049)</u> | <u>(1,049)</u> | <u>(1,055)</u> | <u>(6)</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year's (receipts) | <u>(460)</u> | <u>(460)</u> | <u>(460)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(460)</u> | <u>(460)</u> | <u>(460)</u> | <u>-</u> |
| Net change in fund balance | (1,509) | (1,509) | (1,515) | (6) |
| Fund balance, July 1 | 806 | 806 | 806 | - |
| Prior year encumbrances appropriated | <u>709</u> | <u>709</u> | <u>709</u> | <u>-</u> |
| Fund balance, June 30 | <u>\$ 6</u> | <u>\$ 6</u> | <u>\$ -</u> | <u>\$ (6)</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MANAGEMENT INFORMATION SYSTEMS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 21,500 | \$ 24,846 | \$ 24,846 | \$ - |
| Total revenues | 21,500 | 24,846 | 24,846 | - |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Administration | 3,020 | 5,013 | 4,848 | 165 |
| Fiscal | 21,418 | 35,554 | 34,387 | 1,167 |
| Central | 25,562 | 42,433 | 41,040 | 1,393 |
| Total expenditures | 50,000 | 83,000 | 80,275 | 2,725 |
| Excess of revenues over (under) expenditures | (28,500) | (58,154) | (55,429) | 2,725 |
| Other financing sources (uses): | | | | |
| Transfers in. | 3,500 | 50,000 | 50,000 | - |
| Advances in | 25,000 | 25,000 | 25,000 | - |
| Total other financing sources (uses) | 28,500 | 75,000 | 75,000 | - |
| Net change in fund balance | - | 16,846 | 19,571 | 2,725 |
| Fund balance, July 1 | - | - | - | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance, June 30 | <u>\$ -</u> | <u>\$ 16,846</u> | <u>\$ 19,571</u> | <u>\$ 2,725</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DISADVANTAGED PUPIL IMPACT AID (DPIA) FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|---------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 455,000 | \$ 455,000 | \$ 454,323 | \$ (677) |
| Total revenues | 455,000 | 455,000 | 454,323 | (677) |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 258,044 | 258,044 | 258,044 | - |
| Special | 9,106 | 9,106 | 9,106 | - |
| Support services: | | | | |
| Pupils | 49,251 | 49,251 | 49,251 | - |
| Administration | 99,022 | 99,022 | 99,022 | - |
| Operation and maintenance of plant | 38,900 | 38,900 | 38,900 | - |
| Total expenditures | 454,323 | 454,323 | 454,323 | - |
| Net change in fund balance | 677 | 677 | - | (677) |
| Fund balance, July 1 | - | - | - | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance, June 30 | <u>\$ 677</u> | <u>\$ 677</u> | <u>\$ -</u> | <u>\$ (677)</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DATA COMMUNICATIONS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Central | \$ 16,500 | \$ 16,500 | \$ 16,500 | \$ - |
| Total expenditures | 16,500 | 16,500 | 16,500 | - |
| Net change in fund balance | (16,500) | (16,500) | (16,500) | - |
| Fund balance, July 1 | 16,500 | 16,500 | 16,500 | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SCHOOLNET PROFESSIONAL DEVELOPMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ - | \$ 4,600 | \$ 19,600 | \$ 15,000 |
| Total revenues | - | 4,600 | 19,600 | 15,000 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 435 | 435 | 300 | 135 |
| Support services: | | | | |
| Instructional staff | 11,520 | 11,520 | 6,698 | 4,822 |
| Central | 8,215 | 8,215 | 6,662 | 1,553 |
| Total expenditures | 20,170 | 20,170 | 13,660 | 6,510 |
| Excess of revenues over (under) expenditures | (20,170) | (15,570) | 5,940 | 21,510 |
| Other financing sources (uses): | | | | |
| Refund of prior year's (receipts) | (2,468) | (2,468) | (2,468) | - |
| Total other financing sources (uses) | (2,468) | (2,468) | (2,468) | - |
| Net change in fund balance | (22,638) | (18,038) | 3,472 | 21,510 |
| Fund balance, July 1 | 22,088 | 22,088 | 22,088 | - |
| Prior year encumbrances appropriated | 550 | 550 | 550 | - |
| Fund balance, June 30 | <u>\$ -</u> | <u>\$ 4,600</u> | <u>\$ 26,110</u> | <u>\$ 21,510</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TEXTBOOKS/INSTRUCTIONAL MATERIALS SUBSIDY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | \$ 407 | \$ 407 | \$ 407 | \$ - |
| Total expenditures | 407 | 407 | 407 | - |
| Net change in fund balance | (407) | (407) | (407) | - |
| Fund balance, July 1 | - | - | - | - |
| Prior year encumbrances appropriated | 407 | 407 | 407 | - |
| Fund balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 OHIO READS GRANT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|--|-------------------------|------------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 70,000 | \$ 193,500 | \$ 193,500 | \$ - |
| Total revenues | <u>70,000</u> | <u>193,500</u> | <u>193,500</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 73,461 | 145,915 | 151,458 | (5,543) |
| Support services: | | | | |
| Instructional staff | 36,847 | 73,189 | 75,969 | (2,780) |
| Operation of non-instructional services | <u>3,251</u> | <u>6,457</u> | <u>6,702</u> | <u>(245)</u> |
| Total expenditures | <u>113,559</u> | <u>225,561</u> | <u>234,129</u> | <u>(8,568)</u> |
| Excess of revenues over (under) expenditures | <u>(43,559)</u> | <u>(32,061)</u> | <u>(40,629)</u> | <u>(8,568)</u> |
| Other financing sources (uses): | | | | |
| Refund of prior year's (receipts) | (14,678) | (14,678) | (14,678) | - |
| Pass through | <u>(7,500)</u> | <u>(7,500)</u> | <u>(7,500)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(22,178)</u> | <u>(22,178)</u> | <u>(22,178)</u> | <u>-</u> |
| Net change in fund balance | (65,737) | (54,239) | (62,807) | (8,568) |
| Fund balance, July 1 | 11,865 | 11,865 | 11,865 | - |
| Prior year encumbrances appropriated | <u>57,374</u> | <u>57,374</u> | <u>57,374</u> | <u>-</u> |
| Fund balance, June 30 | <u>\$ 3,502</u> | <u>\$ 15,000</u> | <u>\$ 6,432</u> | <u>\$ (8,568)</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALTERNATIVE SCHOOLS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|-----------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 90,000 | \$ 90,000 | \$ 83,446 | \$ (6,554) |
| Total revenues | 90,000 | 90,000 | 83,446 | (6,554) |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 55,492 | 55,492 | 49,404 | 6,088 |
| Support services: | | | | |
| Pupils | 22,112 | 22,112 | 19,686 | 2,426 |
| Instructional staff | 17,915 | 17,915 | 15,949 | 1,966 |
| Pupil transportation | 61 | 61 | 54 | 7 |
| Central | 5,616 | 5,616 | 5,000 | 616 |
| Total expenditures | 101,196 | 101,196 | 90,093 | 11,103 |
| Net change in fund balance | (11,196) | (11,196) | (6,647) | 4,549 |
| Fund balance, July 1 | 7,581 | 7,581 | 7,581 | - |
| Prior year encumbrances appropriated | 5,070 | 5,070 | 5,070 | - |
| Fund balance, June 30 | <u>\$ 1,455</u> | <u>\$ 1,455</u> | <u>\$ 6,004</u> | <u>\$ 4,549</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EXTENDED LEARNING OPPORTUNITY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|--------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Instructional staff | \$ - | \$ 1,727 | \$ - | \$ 1,727 |
| Total expenditures | - | 1,727 | - | 1,727 |
| Net change in fund balance | - | (1,727) | - | 1,727 |
| Fund balance, July 1 | 1,727 | 1,727 | 1,727 | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance, June 30 | <u>\$ 1,727</u> | <u>\$ -</u> | <u>\$ 1,727</u> | <u>\$ 1,727</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MISCELLANEOUS STATE GRANTS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 50,000 | \$ 89,806 | \$ 89,806 | \$ - |
| Total revenues | 50,000 | 89,806 | 89,806 | - |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 32,757 | 33,926 | 32,979 | 947 |
| Support services: | | | | |
| Pupils | 22,812 | 23,627 | 22,967 | 660 |
| Instructional staff | 78,738 | 81,549 | 79,272 | 2,277 |
| Administration | 5,433 | 5,627 | 5,470 | 157 |
| Total expenditures | 139,740 | 144,729 | 140,688 | 4,041 |
| Excess of revenues over (under) expenditures | (89,740) | (54,923) | (50,882) | 4,041 |
| Other financing sources (uses): | | | | |
| Refund of prior year's (receipts) | (8,267) | (8,267) | (8,267) | - |
| Total other financing sources (uses) | (8,267) | (8,267) | (8,267) | - |
| Net change in fund balance | (98,007) | (63,190) | (59,149) | 4,041 |
| Fund balance, July 1 | 68,954 | 68,954 | 68,954 | - |
| Prior year encumbrances appropriated | 32,322 | 32,322 | 32,322 | - |
| Fund balance, June 30 | <u>\$ 3,269</u> | <u>\$ 38,086</u> | <u>\$ 42,127</u> | <u>\$ 4,041</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TITLE II EISENHOWER FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | <u>Variance with Final Budget- Over (Under)</u> |
|---|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ - | \$ 26,483 | \$ 14,402 | \$ (12,081) |
| Total revenues | - | 26,483 | 14,402 | (12,081) |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Instructional staff | 9,614 | 29,162 | 17,081 | 12,081 |
| Total expenditures | 9,614 | 29,162 | 17,081 | 12,081 |
| Excess of revenues over (under) expenditures | (9,614) | (2,679) | (2,679) | - |
| Other financing sources (uses): | | | | |
| Operating transfers (out) | - | (1,939) | (1,939) | - |
| Advances (out) | - | (2,653) | (2,653) | - |
| Refund of prior year's (receipts) | - | (2,343) | (2,343) | - |
| Total other financing sources (uses) | - | (6,935) | (6,935) | - |
| Net change in fund balance | (9,614) | (9,614) | (9,614) | - |
| Fund balance, July 1 | 2,911 | 2,911 | 2,911 | - |
| Prior year encumbrances appropriated | 6,703 | 6,703 | 6,703 | - |
| Fund balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TITLE VI-B FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|-------------------------|---------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 796,588 | \$ 824,459 | \$ 684,937 | \$ (139,522) |
| Total revenues | <u>796,588</u> | <u>824,459</u> | <u>684,937</u> | <u>(139,522)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special | 153,619 | 153,619 | 146,390 | 7,229 |
| Support services: | | | | |
| Pupils | 112,114 | 112,114 | 102,882 | 9,232 |
| Instructional staff | 484,090 | 484,090 | 432,275 | 51,815 |
| Administration | 104,271 | 104,271 | 96,043 | 8,228 |
| Pupil transportation | <u>345</u> | <u>345</u> | <u>345</u> | <u>-</u> |
| Total expenditures | <u>854,439</u> | <u>854,439</u> | <u>777,935</u> | <u>76,504</u> |
| Excess of revenues over (under) expenditures | <u>(57,851)</u> | <u>(29,980)</u> | <u>(92,998)</u> | <u>(63,018)</u> |
| Other financing sources (uses): | | | | |
| Advances in | <u>26,370</u> | <u>26,370</u> | <u>26,370</u> | <u>-</u> |
| Total other financing sources (uses) | <u>26,370</u> | <u>26,370</u> | <u>26,370</u> | <u>-</u> |
| Net change in fund balance | (31,481) | (3,610) | (66,628) | (63,018) |
| Fund balance, July 1 | 43,936 | 43,936 | 43,936 | - |
| Prior year encumbrances appropriated | 4,417 | 4,417 | 4,417 | - |
| Fund balance(deficits), June 30. | <u>\$ 16,872</u> | <u>\$ 44,743</u> | <u>\$ (18,275)</u> | <u>\$ (63,018)</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TITLE I FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | <u>Variance with Final Budget- Over (Under)</u> |
|---|-------------------------|--------------------------|-------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 1,801,122 | \$ 1,937,972 | \$ 1,491,716 | \$ (446,256) |
| Total revenues | <u>1,801,122</u> | <u>1,937,972</u> | <u>1,491,716</u> | <u>(446,256)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special | 1,791,248 | 1,791,248 | 1,495,344 | 295,904 |
| Support services: | | | | |
| Instructional staff | 152,378 | 152,378 | 127,206 | 25,172 |
| Administration | 97,076 | 97,076 | 81,040 | 16,036 |
| Fiscal | 5,898 | 5,898 | 4,924 | 974 |
| Pupil transportation | 343 | 343 | 286 | 57 |
| Operation of non-instructional services | <u>25,539</u> | <u>25,539</u> | <u>21,320</u> | <u>4,219</u> |
| Total expenditures | <u>2,072,482</u> | <u>2,072,482</u> | <u>1,730,120</u> | <u>342,362</u> |
| Excess of revenues over (under) expenditures | <u>(271,360)</u> | <u>(134,510)</u> | <u>(238,404)</u> | <u>(103,894)</u> |
| Other financing sources (uses): | | | | |
| Transfers in. | 109,878 | 109,878 | 109,878 | - |
| Transfers (out) | (109,878) | (109,878) | (109,878) | - |
| Advances (out) | <u>(471)</u> | <u>(471)</u> | <u>(471)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(471)</u> | <u>(471)</u> | <u>(471)</u> | <u>-</u> |
| Net change in fund balance | (271,831) | (134,981) | (238,875) | (103,894) |
| Fund balance, July 1 | 240,523 | 240,523 | 240,523 | - |
| Prior year encumbrances appropriated | 31,325 | 31,325 | 31,325 | - |
| Fund balance, June 30 | <u><u>\$ 17</u></u> | <u><u>\$ 136,867</u></u> | <u><u>\$ 32,973</u></u> | <u><u>\$ (103,894)</u></u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TITLE VI FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|------------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 50,551 | \$ 65,844 | \$ 38,011 | \$ (27,833) |
| Total revenues | 50,551 | 65,844 | 38,011 | (27,833) |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Pupils | 5,758 | 5,758 | 5,758 | - |
| Instructional staff | 39,992 | 39,992 | 30,045 | 9,947 |
| Operation of non-instructional services | 8,082 | 8,082 | 5,717 | 2,365 |
| Total expenditures | 53,832 | 53,832 | 41,520 | 12,312 |
| Excess of revenues over (under) expenditures | (3,281) | 12,012 | (3,509) | (15,521) |
| Other financing sources (uses): | | | | |
| Transfers in. | 6,449 | 6,449 | 6,449 | - |
| Transfers (out) | (3,259) | (3,259) | (3,259) | - |
| Advances (out) | (5,781) | (5,781) | (5,781) | - |
| Refund of prior year's (receipts) | (220) | (220) | (220) | - |
| Total other financing sources (uses) | (2,811) | (2,811) | (2,811) | - |
| Net change in fund balance | (6,092) | 9,201 | (6,320) | (15,521) |
| Fund balance, July 1 | 1,185 | 1,185 | 1,185 | - |
| Prior year encumbrances appropriated | 5,136 | 5,136 | 5,136 | - |
| Fund balance, June 30 | <u>\$ 229</u> | <u>\$ 15,522</u> | <u>\$ 1</u> | <u>\$ (15,521)</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DRUG FREE SCHOOLS PROGRAM FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|----------------------|------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 28,565 | \$ 28,565 | \$ 35,934 | \$ 7,369 |
| Total revenues | <u>28,565</u> | <u>28,565</u> | <u>35,934</u> | <u>7,369</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 26,987 | 26,987 | 29,031 | (2,044) |
| Support services: | | | | |
| Pupils | 26,783 | 26,783 | 31,117 | (4,334) |
| Instructional staff | 4,636 | 4,636 | 4,636 | - |
| Administration | 5,562 | 5,562 | 5,562 | - |
| Pupil transportation | 1,989 | 1,989 | 1,820 | 169 |
| Operation of non-instructional services | <u>2,538</u> | <u>2,538</u> | <u>918</u> | <u>1,620</u> |
| Total expenditures | <u>68,495</u> | <u>68,495</u> | <u>73,084</u> | <u>(4,589)</u> |
| Excess of revenues over (under) expenditures | <u>(39,930)</u> | <u>(39,930)</u> | <u>(37,150)</u> | <u>2,780</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 25,503 | 25,503 | 25,503 | - |
| Transfers (out) | (25,503) | (25,503) | (25,503) | - |
| Refund of prior year's (receipts) | <u>(8,231)</u> | <u>(8,231)</u> | <u>(8,231)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(8,231)</u> | <u>(8,231)</u> | <u>(8,231)</u> | <u>-</u> |
| Net change in fund balance | (48,161) | (48,161) | (45,381) | 2,780 |
| Fund balance, July 1 | 33,776 | 33,776 | 33,776 | - |
| Prior year encumbrances appropriated | 14,597 | 14,597 | 14,597 | - |
| Fund balance, June 30 | <u><u>\$ 212</u></u> | <u><u>\$ 212</u></u> | <u><u>\$ 2,992</u></u> | <u><u>\$ 2,780</u></u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EHA PRESCHOOL GRANT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|-----------------|----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 33,521 | \$ 38,570 | \$ 33,566 | \$ (5,004) |
| Total revenues | <u>33,521</u> | <u>38,570</u> | <u>33,566</u> | <u>(5,004)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Special | 3,914 | 3,914 | 3,914 | - |
| Support services: | | | | |
| Instructional staff | <u>24,394</u> | <u>24,394</u> | <u>24,913</u> | <u>(519)</u> |
| Total expenditures | <u>28,308</u> | <u>28,308</u> | <u>28,827</u> | <u>(519)</u> |
| Excess of revenues over (under) expenditures | <u>5,213</u> | <u>10,262</u> | <u>4,739</u> | <u>(5,523)</u> |
| Other financing sources (uses): | | | | |
| Transfers in. | 2,479 | 2,479 | 2,479 | - |
| Advances (out) | (5,562) | (5,562) | (5,562) | - |
| Refund of prior year's (receipts) | <u>(1,906)</u> | <u>(1,906)</u> | <u>(1,906)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(4,989)</u> | <u>(4,989)</u> | <u>(4,989)</u> | <u>-</u> |
| Net change in fund balance | 224 | 5,273 | (250) | (5,523) |
| Fund balance, July 1 | - | - | - | - |
| Prior year encumbrances appropriated | <u>250</u> | <u>250</u> | <u>250</u> | <u>-</u> |
| Fund balance, June 30 | <u>\$ 474</u> | <u>\$ 5,523</u> | <u>\$ -</u> | <u>\$ (5,523)</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TELECOMMUNICATIONS ACT GRANT ("E-RATE") FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|-----------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 50,000 | \$ 120,000 | \$ 147,473 | \$ 27,473 |
| Total revenues | 50,000 | 120,000 | 147,473 | 27,473 |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Central | 63,395 | 133,395 | 132,295 | 1,100 |
| Total expenditures | 63,395 | 133,395 | 132,295 | 1,100 |
| Net change in fund balance | (13,395) | (13,395) | 15,178 | 28,573 |
| Fund balance, July 1 | 4,765 | 4,765 | 4,765 | - |
| Prior year encumbrances appropriated | 13,395 | 13,395 | 13,395 | - |
| Fund balance, June 30 | <u>\$ 4,765</u> | <u>\$ 4,765</u> | <u>\$ 33,338</u> | <u>\$ 28,573</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GOALS 2000 GRANT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|--------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Instructional staff | \$ 1,970 | \$ 2,874 | \$ 1,536 | \$ 1,338 |
| Total expenditures | 1,970 | 2,874 | 1,536 | 1,338 |
| Excess of revenues over (under) expenditures | (1,970) | (2,874) | (1,536) | 1,338 |
| Other financing sources (uses): | | | | |
| Refund of prior year's (receipts) | (3,641) | (3,641) | (3,594) | 47 |
| Total other financing sources (uses) | (3,641) | (3,641) | (3,594) | 47 |
| Net change in fund balance | (5,611) | (6,515) | (5,130) | 1,385 |
| Fund balance, July 1 | 5,904 | 5,904 | 5,904 | - |
| Prior year encumbrances appropriated | 611 | 611 | 611 | - |
| Fund balance, June 30 | <u>\$ 904</u> | <u>\$ -</u> | <u>\$ 1,385</u> | <u>\$ 1,385</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 REDUCING CLASS SIZE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|------------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-federal | \$ 484,045 | \$ 510,186 | \$ 339,860 | \$ (170,326) |
| Total revenues | <u>484,045</u> | <u>510,186</u> | <u>339,860</u> | <u>(170,326)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 223,817 | 223,817 | 193,796 | 30,021 |
| Support services: | | | | |
| Instructional staff | 281,309 | 281,309 | 173,771 | 107,538 |
| Administration | 142 | 142 | 142 | - |
| Operation of non-instructional services | <u>2,193</u> | <u>2,193</u> | <u>1,174</u> | <u>1,019</u> |
| Total expenditures | <u>507,461</u> | <u>507,461</u> | <u>368,883</u> | <u>138,578</u> |
| Excess of revenues over (under) expenditures | <u>(23,416)</u> | <u>2,725</u> | <u>(29,023)</u> | <u>(31,748)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 15,955 | 15,955 | 17,894 | 1,939 |
| Transfers (out) | (15,955) | (15,955) | (15,955) | - |
| Refund of prior year's (receipts) | <u>(126)</u> | <u>(126)</u> | <u>(126)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(126)</u> | <u>(126)</u> | <u>1,813</u> | <u>1,939</u> |
| Net change in fund balance | (23,542) | 2,599 | (27,210) | (29,809) |
| Fund balance, July 1 | 29,731 | 29,731 | 29,731 | - |
| Prior year encumbrances appropriated | 64 | 64 | 64 | - |
| Fund balance, June 30 | \$ 6,253 | \$ 32,394 | \$ 2,585 | \$ (29,809) |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MISCELLANEOUS FEDERAL GRANTS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|------------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 3,102 | \$ 3,102 | \$ 3,100 | \$ (2) |
| Intergovernmental-federal | 42,631 | 49,933 | 49,904 | (29) |
| Total revenues | 45,733 | 53,035 | 53,004 | (31) |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 28,117 | 28,117 | 35,887 | (7,770) |
| Special | 15,586 | 15,586 | 19,893 | (4,307) |
| Support services: | | | | |
| Instructional staff | 5,475 | 5,475 | 6,988 | (1,513) |
| Total expenditures | 49,178 | 49,178 | 62,768 | (13,590) |
| Excess of revenues over (under) expenditures | (3,445) | 3,857 | (9,764) | (13,621) |
| Other financing sources (uses): | | | | |
| Transfers in. | - | 15,944 | 15,944 | - |
| Refund of prior year's (receipts) | (389) | (389) | (389) | - |
| Total other financing sources (uses) | (389) | 15,555 | 15,555 | - |
| Net change in fund balance | (3,834) | 19,412 | 5,791 | (13,621) |
| Fund balance, July 1 | 981 | 981 | 981 | - |
| Prior year encumbrances appropriated | 2,862 | 2,862 | 2,862 | - |
| Fund balance, June 30 | <u>\$ 9</u> | <u>\$ 23,255</u> | <u>\$ 9,634</u> | <u>\$ (13,621)</u> |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | Budgeted Amounts | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|-------------------|-------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| From local sources: | | | | |
| Sales / charges for services | \$ 1,150,000 | \$ 1,150,000 | \$ 1,138,617 | \$ (11,383) |
| Earnings on investments | 10,000 | 10,000 | 9,740 | (260) |
| Other local revenue | - | - | 70 | 70 |
| Intergovernmental-state | 45,000 | 45,000 | 49,646 | 4,646 |
| Intergovernmental-federal | 795,000 | 795,000 | 821,441 | 26,441 |
| | | | | |
| Total revenues | 2,000,000 | 2,000,000 | 2,019,514 | 19,514 |
| Expenditures: | | | | |
| Current: | | | | |
| Food service operations: | | | | |
| Salaries and wages | 763,210 | 763,210 | 727,199 | 36,011 |
| Fringe Benefits | 301,681 | 301,681 | 277,807 | 23,874 |
| Purchased services | 55,877 | 55,877 | 49,108 | 6,769 |
| Materials and supplies | 1,171,057 | 1,171,057 | 937,201 | 233,856 |
| Capital outlay | 30,749 | 30,749 | 30,740 | 9 |
| Other | 150 | 150 | 102 | 48 |
| | | | | |
| Total expenditures | 2,322,724 | 2,322,724 | 2,022,157 | 300,567 |
| | | | | |
| Net change in fund balance | (322,724) | (322,724) | (2,643) | 320,081 |
| Fund balance, July 1 | 450,992 | 450,992 | 450,992 | - |
| Prior year encumbrances appropriated | 13,434 | 13,434 | 13,434 | - |
| | | | | |
| Fund balance, June 30 | <u>\$ 141,702</u> | <u>\$ 141,702</u> | <u>\$ 461,783</u> | <u>\$ 320,081</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SCHOOL ACTIVITY TRUSTS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|--------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Other local revenue | \$ 14,386 | \$ 14,386 | \$ 44,491 | \$ 30,105 |
| Total revenues | 14,386 | 14,386 | 44,491 | 30,105 |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Instructional staff | 64,055 | 64,055 | 15,467 | 48,588 |
| Total expenditures | 64,055 | 64,055 | 15,467 | 48,588 |
| Net change in fund balance | (49,669) | (49,669) | 29,024 | 78,693 |
| Fund balance, July 1 | 6,570 | 6,570 | 6,570 | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance(deficit), June 30. | <u>\$ (43,099)</u> | <u>\$ (43,099)</u> | <u>\$ 35,594</u> | <u>\$ 78,693</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STAFF TRUSTS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Sales / charges for services | \$ 45,614 | \$ 45,614 | \$ 13,027 | \$ (32,587) |
| Total revenues | 45,614 | 45,614 | 13,027 | (32,587) |
| Expenditures: | | | | |
| Current: | | | | |
| Operation of non-instructional services | 27,380 | 27,380 | 14,086 | 13,294 |
| Total expenditures | 27,380 | 27,380 | 14,086 | 13,294 |
| Net change in fund balance | 18,234 | 18,234 | (1,059) | (19,293) |
| Fund balance, July 1 | 9,648 | 9,648 | 9,648 | - |
| Prior year encumbrances appropriated | 1,490 | 1,490 | 1,490 | - |
| Fund balance, June 30 | <u>\$ 29,372</u> | <u>\$ 29,372</u> | <u>\$ 10,079</u> | <u>\$ (19,293)</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|--------------------------|--------------------------|--------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 500,000 | \$ 515,000 | \$ 486,133 | \$ (28,867) |
| Intergovernmental-state | 46,152 | 57,152 | 29,049 | (28,103) |
| Total revenues | <u>546,152</u> | <u>572,152</u> | <u>515,182</u> | <u>(56,970)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Fiscal | 9,600 | 9,600 | 8,443 | 1,157 |
| Debt service: | | | | |
| Principal retirement. | 810,000 | 810,000 | 810,000 | - |
| Interest and fiscal charges | <u>357,445</u> | <u>357,445</u> | <u>357,445</u> | <u>-</u> |
| Total expenditures | <u>1,177,045</u> | <u>1,177,045</u> | <u>1,175,888</u> | <u>1,157</u> |
| Excess of revenues over (under) expenditures | <u>(630,893)</u> | <u>(604,893)</u> | <u>(660,706)</u> | <u>(55,813)</u> |
| Other financing sources (uses): | | | | |
| Transfers in. | <u>613,303</u> | <u>622,406</u> | <u>626,515</u> | <u>4,109</u> |
| Total other financing sources (uses) | <u>613,303</u> | <u>622,406</u> | <u>626,515</u> | <u>4,109</u> |
| Net change in fund balance | (17,590) | 17,513 | (34,191) | (51,704) |
| Fund balance, July 1 | 391,163 | 391,163 | 391,163 | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance, June 30 | <u>\$ 373,573</u> | <u>\$ 408,676</u> | <u>\$ 356,972</u> | <u>\$ (51,704)</u> |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|-------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Taxes | \$ 1,469,453 | \$ 1,469,453 | \$ 1,432,953 | \$ (36,500) |
| Other revenue | - | - | 27,368 | 27,368 |
| Intergovernmental-state | 181,603 | 130,055 | 81,210 | (48,845) |
| Total revenues | <u>1,651,056</u> | <u>1,599,508</u> | <u>1,541,531</u> | <u>(57,977)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 451,592 | 451,592 | 441,894 | 9,698 |
| Special | 43,579 | 43,579 | 46,631 | (3,052) |
| Support services: | | | | |
| Pupils | 25,353 | 25,353 | 25,353 | - |
| Instructional staff | 11,703 | 11,703 | 11,702 | 1 |
| Administration | 30,580 | 30,580 | 30,561 | 19 |
| Fiscal | 32,073 | 32,073 | 30,877 | 1,196 |
| Operation and maintenance of plant | 21,870 | 21,870 | 20,851 | 1,019 |
| Pupil transportation | 175,624 | 175,624 | 182,085 | (6,461) |
| Central | 4,000 | 4,000 | 2,631 | 1,369 |
| Extracurricular activities. | 8,400 | 8,400 | - | 8,400 |
| Facilities acquisition and construction | 1,489,126 | 1,489,126 | 1,232,674 | 256,452 |
| Debt service: | | | | |
| Principal retirement. | 27,400 | 24,891 | 24,859 | 32 |
| Interest and fiscal charges | - | 2,509 | 2,509 | - |
| Total expenditures | <u>2,321,300</u> | <u>2,321,300</u> | <u>2,052,627</u> | <u>268,673</u> |
| Net change in fund balance | (670,244) | (721,792) | (511,096) | 210,696 |
| Fund balance, July 1 | 606,449 | 606,449 | 606,449 | - |
| Prior year encumbrances appropriated | 755,799 | 755,799 | 755,799 | - |
| Fund balance, June 30 | <u>\$ 692,004</u> | <u>\$ 640,456</u> | <u>\$ 851,152</u> | <u>\$ 210,696</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 VOCATIONAL EDUCATION EQUIPMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|------------------------|------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| Intergovernmental-state | \$ 5,500 | \$ 5,500 | \$ 405 | \$ (5,095) |
| Total revenues | <u>5,500</u> | <u>5,500</u> | <u>405</u> | <u>(5,095)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Vocational | <u>7,796</u> | <u>7,796</u> | <u>-</u> | <u>7,796</u> |
| Total expenditures | <u>7,796</u> | <u>7,796</u> | <u>-</u> | <u>7,796</u> |
| Net change in fund balance | (2,296) | (2,296) | 405 | 2,701 |
| Fund balance, July 1 | 7,796 | 7,796 | 7,796 | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance, June 30 | <u>\$ 5,500</u> | <u>\$ 5,500</u> | <u>\$ 8,201</u> | <u>\$ 2,701</u> |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | \$ 211,659 | \$ 211,659 | \$ 211,659 | \$ - |
| Total expenditures | 211,659 | 211,659 | 211,659 | - |
| Net change in fund balance | (211,659) | (211,659) | (211,659) | - |
| Fund balance, July 1 | 211,659 | 211,659 | 211,659 | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERACTIVE VIDEO DISTANCE LEARNING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|--------------|-----------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Expenditures: | | | | |
| Current: | | | | |
| Support services: | | | | |
| Central | \$ 19,104 | \$ 19,104 | \$ 13,904 | \$ 5,200 |
| Total expenditures | 19,104 | 19,104 | 13,904 | 5,200 |
| Net change in fund balance | (19,104) | (19,104) | (13,904) | 5,200 |
| Fund balance, July 1 | 19,104 | 19,104 | 19,104 | - |
| Prior year encumbrances appropriated | - | - | - | - |
| Fund balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,200</u> | <u>\$ 5,200</u> |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMPLOYEE BENEFITS SELF INSURANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget- Over (Under)</u> |
|---|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Expenditures: | | | | |
| Other. | \$ 380,000 | \$ 380,000 | \$ 398,450 | \$ (18,450) |
| Total expenditures | <u>380,000</u> | <u>380,000</u> | <u>398,450</u> | <u>(18,450)</u> |
| Operating income (loss). | <u>(380,000)</u> | <u>(380,000)</u> | <u>(398,450)</u> | <u>(18,450)</u> |
| Other financing sources (uses): | | | | |
| Miscellaneous | 360,000 | 390,804 | 488,539 | 97,735 |
| Total other financing sources (uses) | <u>360,000</u> | <u>390,804</u> | <u>488,539</u> | <u>97,735</u> |
| Net change in fund balance | (20,000) | 10,804 | 90,089 | 79,285 |
| Fund balance, July 1. | 29,196 | 29,196 | 29,196 | - |
| Prior year encumbrances appropriated | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance, June 30. | <u>\$ 9,196</u> | <u>\$ 40,000</u> | <u>\$ 119,285</u> | <u>\$ 79,285</u> |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget- Over (Under) |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues: | | | | |
| From local sources: | | | | |
| Earnings on investments | \$ - | \$ - | \$ 657 | \$ 657 |
| Other local revenue. | - | - | 1,000 | 1,000 |
| Total revenues | - | - | 1,657 | 1,657 |
| Expenditures: | | | | |
| Current: | | | | |
| Operation of non-instructional services | 5,442 | 5,442 | 3,674 | 1,768 |
| Total expenditures | 5,442 | 5,442 | 3,674 | 1,768 |
| Net change in fund balance. | (5,442) | (5,442) | (2,017) | 3,425 |
| Fund balance, July 1 | 50,034 | 50,034 | 50,034 | - |
| Prior year encumbrances appropriated | 100 | 100 | 100 | - |
| Fund balance, June 30 | <u>\$ 44,692</u> | <u>\$ 44,692</u> | <u>\$ 48,117</u> | <u>\$ 3,425</u> |

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ENDOWMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget- Over (Under)</u> |
|---|-------------------------|------------------|------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Earnings on investments | \$ 700 | \$ 700 | \$ 163 | \$ (537) |
| Total revenues | <u>700</u> | <u>700</u> | <u>163</u> | <u>(537)</u> |
| Expenditures: | | | | |
| Other. | <u>700</u> | <u>700</u> | <u>700</u> | <u>-</u> |
| Total expenditures | <u>700</u> | <u>700</u> | <u>700</u> | <u>-</u> |
| Net change in fund balance. | - | - | (537) | (537) |
| Fund balance, July 1 | 11,009 | 11,009 | 11,009 | - |
| Prior year encumbrances appropriated | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance, June 30 | <u>\$ 11,009</u> | <u>\$ 11,009</u> | <u>\$ 10,472</u> | <u>\$ (537)</u> |

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STATISTICAL SECTION

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

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**GENERAL GOVERNMENTAL REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS (1)**

| | Fiscal Year Ended June 30, 2003 | Fiscal Year Ended June 30, 2002 | Fiscal Year Ended June 30, 2001 | Fiscal Year Ended June 30, 2000 |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Revenues: | | | | |
| Taxes | \$ 22,360,732 | \$ 21,955,345 | \$ 24,228,094 | \$ 23,747,527 |
| Tuition. | 365,798 | 266,839 | 260,298 | 438,598 |
| Charges for services | 1,142,365 | 1,138,057 | - | - |
| Earnings on investments | 441,642 | 910,298 | 1,520,669 | 1,124,207 |
| Extracurricular | 190,769 | 207,826 | 190,378 | 204,676 |
| Gifts and donations | - | - | 103,445 | - |
| Intergovernmental. | 27,795,307 | 29,111,561 | 26,803,962 | 25,298,675 |
| Other revenue | 608,613 | 652,233 | 448,289 | 244,781 |
| | <u>\$ 52,905,226</u> | <u>\$ 54,242,159</u> | <u>\$ 53,555,135</u> | <u>\$ 51,058,464</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular. | \$ 23,448,873 | \$ 22,504,640 | \$ 21,720,645 | \$ 20,631,847 |
| Special | 5,758,438 | 5,739,944 | 4,433,452 | 4,419,359 |
| Vocational | 985,991 | 823,787 | 681,858 | 738,881 |
| Other | 9,625 | 103,762 | 77,775 | 16,931 |
| Support services: | | | | |
| Pupil | 2,707,721 | 2,548,054 | 2,200,299 | 2,043,932 |
| Instructional staff. | 3,398,310 | 3,350,064 | 2,598,403 | 2,387,454 |
| Board of Education. | 237,865 | 291,754 | 356,526 | 259,788 |
| Administration | 3,894,744 | 3,774,296 | 3,298,578 | 2,996,761 |
| Fiscal. | 985,215 | 1,015,716 | 973,054 | 871,172 |
| Business | 528,695 | 531,334 | 755,938 | 715,093 |
| Operations and maintenance | 4,328,616 | 3,964,949 | 4,321,346 | 3,858,886 |
| Pupil transportation | 2,098,983 | 1,819,169 | 1,965,737 | 1,581,473 |
| Central | 897,046 | 833,307 | 987,512 | 541,948 |
| Operation of non-instructional services | 103,301 | 155,676 | 640,510 | 686,457 |
| Food service operation. | 2,008,198 | 2,114,495 | - | - |
| Extracurricular activities. | 826,851 | 821,866 | 690,814 | 722,558 |
| Facilities acquisition and construction | 1,077,052 | 709,610 | 1,903,264 | 1,380,394 |
| Capital outlay | 155,787 | - | - | - |
| Intergovernmental pass through | 694,466 | 694,298 | 15,000 | - |
| Debt service. | 767,872 | 879,574 | 993,778 | 979,920 |
| | <u>\$ 54,913,649</u> | <u>\$ 52,676,295</u> | <u>\$ 48,614,489</u> | <u>\$ 44,832,854</u> |

Source: 2003 School District financial records, 1994-2003 School District Audit Reports.

Note: General Governmental includes all governmental funds.

(1) 2003-1998 and 1996 reported on a GAAP basis, remaining years on a cash basis.

| Fiscal Year Ended June 30, 1999 | Fiscal Year Ended June 30, 1998 | Fiscal Year Ended June 30, 1997 | Fiscal Year Ended June 30, 1996 | Fiscal Year Ended June 30, 1995 | Fiscal Year Ended June 30, 1994 |
|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| \$ 26,035,641 | \$ 18,800,327 | \$ 17,500,035 | \$ 18,286,799 | \$ 16,426,145 | \$ 14,622,186 |
| 205,311 | 125,254 | 125,410 | 115,152 | 95,445 | 98,457 |
| - | - | - | - | - | - |
| 503,798 | 431,001 | 458,035 | 422,301 | 351,848 | 176,186 |
| 212,225 | 229,016 | 274,537 | 244,284 | 288,768 | 266,911 |
| - | - | - | - | - | - |
| 25,681,774 | 22,773,186 | 23,017,117 | 22,315,057 | 19,740,887 | 19,778,543 |
| 229,101 | 399,652 | 286,670 | 306,655 | 249,907 | 220,136 |
| <u>\$ 52,867,850</u> | <u>\$ 42,758,436</u> | <u>\$ 41,661,804</u> | <u>\$ 41,690,248</u> | <u>\$ 37,153,000</u> | <u>\$ 35,162,419</u> |
| | | | | | |
| \$ 21,888,841 | \$ 20,549,114 | \$ 19,446,930 | \$ 18,697,335 | \$ 16,969,164 | \$ 16,413,606 |
| 4,479,888 | 4,226,510 | 4,219,783 | 3,939,829 | 3,581,604 | 3,303,563 |
| 814,731 | 770,389 | 810,116 | 889,194 | 951,564 | 919,221 |
| 18,324 | 19,223 | 21,111 | 97,695 | 17,695 | 17,258 |
| 2,076,218 | 1,933,919 | 2,015,164 | 1,862,545 | 1,838,610 | 1,889,021 |
| 2,631,328 | 2,235,914 | 2,210,810 | 1,930,905 | 1,770,428 | 1,706,395 |
| 148,382 | 190,098 | 206,643 | 147,947 | 143,449 | 174,974 |
| 3,015,703 | 2,837,577 | 2,976,476 | 2,905,985 | 2,778,252 | 2,618,444 |
| 957,622 | 726,467 | 700,261 | 679,432 | 692,696 | 640,811 |
| 734,962 | 674,968 | 650,184 | 565,730 | 505,248 | 459,309 |
| 3,928,499 | 4,001,294 | 3,958,526 | 3,798,964 | 3,641,849 | 3,434,954 |
| 1,461,624 | 1,679,680 | 1,459,003 | 1,388,579 | 1,208,926 | 1,031,175 |
| 503,586 | 216,163 | 165,474 | 214,929 | 119,140 | 123,643 |
| 621,231 | 603,364 | 673,256 | 720,872 | 234,183 | 146,890 |
| - | - | - | - | - | - |
| 738,505 | 781,012 | 802,691 | 773,184 | 731,619 | 715,979 |
| 1,262,643 | 1,414,838 | 943,672 | 659,947 | 841,069 | 1,212,339 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 1,009,725 | 463,202 | 318,083 | 321,687 | 324,839 | 1,838,233 |
| <u>\$ 46,291,812</u> | <u>\$ 43,323,732</u> | <u>\$ 41,578,183</u> | <u>\$ 39,594,759</u> | <u>\$ 36,350,335</u> | <u>\$ 36,645,815</u> |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**PROPERTY TAX LEVIES AND COLLECTIONS REAL, PUBLIC UTILITY TAX AND TANGIBLE PERSONAL PROPERTY (1)
LAST TEN CALENDAR YEARS**

| <u>Year (2)</u> | <u>Current Levy</u> | <u>Delinquent Levy (3)</u> | <u>Total Levy</u> | <u>Current Collections</u> | <u>Percent of Current Levy Collected</u> | <u>Delinquent Collections</u> | <u>Total Collection</u> | <u>Total Collection as a Percent of Total Levy</u> | <u>Delinquent Taxes Receivable</u> |
|-----------------|---------------------|--------------------------------|-------------------|--------------------------------|--|-----------------------------------|-----------------------------|--|--|
| 2002 | \$17,082,951 | \$ 1,181,308 | \$18,264,259 | \$16,492,781 | 96.55% | \$ 567,595 | \$ 17,060,376 | 93.41% | \$ 1,204,883 |
| 2001 | 16,803,018 | 1,490,888 | 18,293,906 | 16,203,429 | 96.43% | 910,882 | 17,114,311 | 93.55% | 1,179,595 |
| 2000 | 16,481,808 | 918,277 | 17,400,085 | 15,589,000 | 94.58% | 460,105 | 16,049,105 | 92.24% | 1,350,980 |
| 1999 | 21,743,348 | 1,186,231 | 22,929,579 | 21,262,674 | 97.79% | 682,721 | 21,945,395 | 95.71% | 1,984,184 |
| 1998 | 20,680,453 | 1,787,841 | 22,468,294 | 20,363,419 | 98.47% | 1,387,111 | 21,750,530 | 96.81% | 717,764 |
| 1997 | 19,868,881 | 1,363,399 | 21,232,280 | 18,553,069 | 93.38% | 768,138 | 19,321,207 | 91.00% | 1,911,073 |
| 1996 | 19,348,475 | 1,046,280 | 20,394,755 | 18,700,500 | 96.65% | 449,812 | 19,150,312 | 93.90% | 1,244,443 |
| 1995 | 19,022,802 | 1,185,836 | 20,208,638 | 18,541,348 | 97.47% | 630,993 | 19,172,341 | 94.87% | 1,036,297 |
| 1994 | 18,581,194 | 978,991 | 19,560,185 | 17,841,342 | 96.02% | 412,260 | 18,253,602 | 93.32% | 1,306,583 |
| 1993 | 13,926,856 | 888,678 | 14,815,534 | 13,564,918 | 97.40% | 348,153 | 13,913,071 | 93.91% | 902,463 |

Source: Licking 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. 2003 information cannot be presented because all collections have not been made by June 30.

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

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**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 |
| 2003 | \$ 642,775,000 | \$ 1,836,500,000 | \$ 27,832,080 | \$ 31,628,376 | \$ 62,139,910 | \$ 65,410,432 | \$ 732,746,990 | \$ 1,933,538,808 |
| 2002 | 582,130,530 | 1,663,230,086 | 26,908,730 | 30,578,102 | 65,222,500 | 68,655,263 | 674,261,760 | 1,762,463,451 |
| 2001 | 573,100,360 | 1,637,429,600 | 37,396,510 | 42,496,034 | 63,241,970 | 66,570,495 | 673,738,840 | 1,746,496,129 |
| 2000 | 568,452,510 | 1,624,150,029 | 35,724,640 | 40,596,182 | 56,445,250 | 225,781,000 | 660,622,400 | 1,890,527,211 |
| 1999 | 487,419,510 | 1,392,627,171 | 39,243,900 | 44,595,341 | 59,310,510 | 237,242,040 | 585,973,920 | 1,674,464,552 |
| 1998 | 469,045,480 | 1,340,129,943 | 39,180,720 | 44,523,545 | 60,571,730 | 242,286,920 | 568,797,930 | 1,626,940,408 |
| 1997 | 458,498,250 | 1,309,995,000 | 39,489,670 | 44,874,625 | 60,862,260 | 243,449,040 | 558,850,180 | 1,598,318,665 |
| 1996 | 407,054,230 | 1,163,012,086 | 40,906,460 | 46,484,614 | 59,988,990 | 239,955,960 | 507,949,680 | 1,449,452,660 |
| 1995 | 398,176,870 | 1,137,648,200 | 41,190,640 | 46,807,545 | 48,898,780 | 195,595,120 | 488,266,290 | 1,380,050,865 |
| 1994 | 388,652,490 | 1,110,435,686 | 40,608,850 | 46,146,420 | 52,400,810 | 209,603,240 | 481,662,150 | 1,366,185,346 |

Source: Licking 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 varying rates of true value.

(3) Tangible personal property is assessed at 95% of actual value, prior to 2001 it was assessed at 25% of actual value.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN CALENDAR YEARS**

| Collection Year | School Levy | County Levy | City Levy | Joint Vocational School | Total |
|--------------------|----------------|----------------|--------------|-------------------------------|-------|
| 2003 | 31.14 | 7.20 | 3.70 | 3.00 | 45.04 |
| 2002 | 31.21 | 7.20 | 3.70 | 2.00 | 44.11 |
| 2001 | 31.22 | 7.20 | 3.70 | 2.00 | 44.12 |
| 2000 | 31.40 | 7.20 | 3.70 | 2.00 | 44.30 |
| 1999 | 31.40 | 7.20 | 3.70 | 2.00 | 44.30 |
| 1998 | 49.00 | 7.20 | 3.70 | 2.00 | 61.90 |
| 1997 | 49.00 | 7.20 | 3.70 | 2.00 | 61.90 |
| 1996 | 48.00 | 7.20 | 3.70 | 2.00 | 60.90 |
| 1995 | 48.00 | 6.70 | 3.70 | 2.00 | 60.40 |
| 1994 | 48.00 | 7.20 | 3.70 | 2.00 | 60.90 |

Source: Licking 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.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2003**

| | |
|---------------------------|----------------|
| Assessed Valuation (2003) | \$ 732,746,990 |
|---------------------------|----------------|

Voted Debt Margin

| | |
|--|-----------------------------|
| Bonded debt limit - 9% of assessed value (1) | <u>65,947,229</u> |
| Outstanding debt: | |
| Tax anticipation notes | 610,000 |
| Library facility notes | 6,524,928 |
| Less: amount available in debt service fund | <u>(356,972)</u> |
| Total outstanding debt | <u>6,777,956</u> |
| Voted debt margin | <u><u>\$ 59,169,273</u></u> |

Unvoted Debt Margin

| | |
|--|--------------------------|
| Bonded debt limit - .10% of assessed valuation | <u>732,747</u> |
| Outstanding debt: | |
| Tax anticipation notes | 610,000 |
| Library facility notes | 6,524,928 |
| Less: amount available in debt service fund | <u>(356,972)</u> |
| Total outstanding debt | <u>6,777,956</u> |
| Less exemptions: | |
| Tax anticipation notes | 610,000 |
| Library facility notes | 6,524,928 |
| Less: amount available in debt service fund | <u>(356,972)</u> |
| Total exemptions | <u>6,777,956</u> |
| Unvoted debt margin | <u><u>\$ 732,747</u></u> |

Source: Licking 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.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

| <u>Collection Year</u> | <u>Population (1)</u> | <u>Assessed Value</u> | <u>Net General Obligation Bonded Debt (2)</u> | <u>Ratio of Net Debt to Assessed Value</u> | <u>Net Debt Per Capita</u> |
|----------------------------|-----------------------|-----------------------|---|--|--------------------------------|
| 2003 | 46,279 | \$ 732,746,990 | \$ 6,777,956 | 0.93% | \$ 146.46 |
| 2002 | 46,279 | 674,261,760 | 7,506,038 | 1.11% | 162.19 |
| 2001 | 46,279 | 673,738,840 | 8,240,413 | 1.22% | 178.06 |
| 2000 | 44,389 | 660,622,400 | 8,006,606 | 1.21% | 180.37 |
| 1999 | 44,389 | 585,973,920 | 8,495,000 | 1.45% | 191.38 |
| 1998 | 44,389 | 568,797,930 | 11,329,928 | 1.99% | 255.24 |
| 1997 | 44,389 | 558,850,180 | 1,210,000 | 0.22% | 27.26 |
| 1996 | 44,389 | 507,949,680 | 1,445,000 | 0.28% | 32.55 |
| 1995 | 44,389 | 488,266,290 | 1,670,000 | 0.34% | 37.62 |
| 1994 | 44,389 | 481,662,150 | 1,885,000 | 0.39% | 42.47 |

Source: Licking County Auditor, School District records, and School District Audit Reports.

(1) Population data for 1994 through 2000 was assumed to be the same as the 1990 census and data for 2001 through 2003 was assumed to be the same as the 2000 census, since interim data was not available.

(2) No debt is applicable to enterprise funds.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL 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> |
|-------------|------------------|-----------------|-------------------------------|--|---|
| 2003 | \$ 380,716 | \$ 387,156 | \$ 767,872 | \$ 54,913,649 | 1.40% |
| 2002 | 325,000 | 331,002 | 656,002 | 43,131,653 | 1.52% |
| 2001 | 510,000 | 351,813 | 861,813 | 48,614,489 | 1.77% |
| 2000 | 485,000 | 377,850 | 862,850 | 44,832,854 | 1.92% |
| 1999 | 460,000 | 549,725 | 1,009,725 | 46,291,812 | 2.18% |
| 1998 | 250,000 | 213,202 | 463,202 | 40,588,552 | 1.14% |
| 1997 | 235,000 | 83,083 | 318,083 | 41,578,183 | 0.77% |
| 1996 | 225,000 | 96,733 | 321,733 | 39,594,759 | 0.81% |
| 1995 | 215,000 | 109,839 | 324,839 | 36,350,335 | 0.89% |
| 1994 | 200,000 | 121,983 | 321,983 | 36,645,815 | 0.88% |

Source: School District records and Audit Reports.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

DEMOGRAPHIC STATISTICS

| <u>Selected Population Characteristic</u> | <u>2000</u> | <u>1990</u> |
|---|-------------|-------------|
| <u>Gender</u> | | |
| Male | 21,883 | 20,828 |
| Female | 24,396 | 23,561 |
| <u>Age Distribution</u> | | |
| Under 5 years | 3,481 | 3,554 |
| 5 to 20 years | 9,573 | 9,855 |
| 21 to 24 years | 3,051 | 2,508 |
| 25 to 44 years | 13,507 | 13,809 |
| 45 to 54 years | 5,893 | 4,132 |
| 55 to 64 years | 3,885 | 3,819 |
| 65 to 74 years | 3,342 | 3,539 |
| 75 years and older | 3,547 | 3,173 |
| Percent of population under 20 | 28.21% | 30.21% |
| Percent of population 65 and older | 14.89% | 15.12% |
| <u>Race</u> | | |
| White | 43,560 | 42,605 |
| Black | 1,435 | 1,424 |
| Other | 1,284 | 360 |

Source: U.S. Bureau of the Census

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**PROPERTY VALUES, BANK DEPOSITS AND CONSTRUCTION
LAST TEN CALENDAR YEARS**

| <u>Year</u> | <u>Total Assessed Value</u> | <u>Certified Bank Deposits</u> | <u>Value of New Construction</u> | |
|-------------|---------------------------------|------------------------------------|--------------------------------------|-----|
| 2002 | \$ 674,261,760 | \$ 1,475,801,000 | \$ 56,438,839 | (1) |
| 2001 | 673,738,840 | 1,256,082,000 | 49,633,089 | (1) |
| 2000 | 660,622,400 | 1,188,718,000 | 47,766,585 | (1) |
| 1999 | 585,973,920 | 1,166,894,000 | 22,833,197 | (1) |
| 1998 | 568,797,930 | 861,662,000 | 32,478,869 | (1) |
| 1997 | 558,850,180 | 789,385,000 | 51,554,923 | (1) |
| 1996 | 507,949,680 | 711,043,000 | 175,928,781 | (1) |
| 1995 | 488,266,290 | 697,375,000 | 111,520,794 | (1) |
| 1994 | 481,662,150 | 614,663,000 | 132,572,296 | (1) |
| 1993 | 440,905,070 | 576,683,000 | 61,596,368 | (1) |

Source: Licking County Auditor, Federal Reserve Bank of Cleveland, City of Newark
Comprehensive Annual Financial Report

Data is presented on a calendar year basis because that is the manner in which the data is maintained.
(1) Includes all of Licking County.

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**PRINCIPAL TAXPAYERS
2002 TAX YEAR**

| Top Taxpayers | Assessed Valuations | | | |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | Real Property | Tangible Personal | Public Utility | Total |
| 1. Owens Corning, Inc. | \$ 3,452,870 | \$ 19,517,640 | \$ - | \$ 22,970,510 |
| 2. Ohio Power Company | - | - | 16,255,520 | 16,255,520 |
| 3. Alltel Ohio, Inc. | - | 4,450 | 7,548,220 | 7,552,670 |
| 4. Meijer Stores Ltd. Ptnr. | 1,826,410 | 1,676,300 | - | 3,502,710 |
| 5. Gannett Company Inc. | - | 2,777,160 | - | 2,777,160 |
| 6. National Service Industries Inc. | - | 2,760,910 | - | 2,760,910 |
| 7. Kroger Company | - | 2,757,120 | - | 2,757,120 |
| 8. Southgate Co. Ltd. Ptnr. | 2,438,400 | 2,810 | - | 2,441,210 |
| 9. Health Care Prop. Investors Inc. | 2,288,340 | - | - | 2,288,340 |
| 10. Dow Chemical | - | 2,265,630 | - | 2,265,630 |
| Total top ten taxpayers | <u>\$ 10,006,020</u> | <u>\$ 31,762,020</u> | <u>\$ 23,803,740</u> | <u>\$ 65,571,780</u> |
| Total all assessed valuations | 642,775,000 | 62,139,910 | 27,832,080 | 732,746,990 |

Source: Licking County Auditor.

| Percent of Total Assessed Valuations | Estimated Actual Valuations | | | |
|--|-----------------------------|----------------------|----------------------|----------------------|
| | Real Property | Tangible Property | Public Utility | Total |
| 3.13% | \$ 9,865,343 | \$ 20,493,522 | \$ - | \$ 30,358,865 |
| 2.22% | - | - | 16,255,520 | 16,255,520 |
| 1.03% | - | 4,673 | 7,548,220 | 7,552,893 |
| 0.48% | 5,218,314 | 1,760,115 | - | 6,978,429 |
| 0.38% | - | 2,916,018 | - | 2,916,018 |
| 0.38% | - | 2,898,956 | - | 2,898,956 |
| 0.38% | - | 2,894,976 | - | 2,894,976 |
| 0.33% | 6,966,857 | 2,951 | - | 6,969,808 |
| 0.31% | 6,538,114 | - | - | 6,538,114 |
| 0.31% | - | 2,378,912 | - | 2,378,912 |
| 8.95% | <u>\$ 28,588,628</u> | <u>\$ 33,350,123</u> | <u>\$ 23,803,740</u> | <u>\$ 85,742,491</u> |
| 100.00% | | | | |

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2003

| <u>Jurisdiction</u> | <u>Assessed Valuation</u> | <u>Net General Tax Supported Debt</u> | <u>Percent Overlapping</u> | <u>Amount Applicable Newark City School District</u> |
|-----------------------------|-------------------------------|---|--------------------------------|--|
| Newark City School District | \$ 732,746,990 | \$ 6,777,956 | 100.00% | \$ 6,777,956 |
| City of Newark | 718,973,460 | 28,671,487 | 98.12% | 28,132,546 |
| Licking County | 3,057,731,460 | <u>14,921,459</u> | 23.96% | <u>3,575,740</u> |
| | | <u>\$ 50,370,902</u> | | <u>\$ 38,486,242</u> |

Source: Licking County Auditor

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**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO**

**MISCELLANEOUS STATISTICS
LAST TEN FISCAL YEARS (1)**

| | Fiscal Year Ended June 30, 2003 | Fiscal Year Ended June 30, 2002 | Fiscal Year Ended June 30, 2001 | Fiscal Year Ended June 30, 2000 |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Fall enrollment | 6,962 | 6,985 | 7,222 | 7,395 |
| <u>Demographic Data:</u> | | | | |
| Median income | \$ 34,791 | \$ 34,791 | \$ 34,791 | \$ 34,791 |
| Property valuation/pupil. | 97,545 | 88,831 | 96,410 | 83,110 |
| <u>Fiscal Data:</u> | | | | |
| Effective mills | (1) | 22.71 | 23.01 | 23.07 |
| Average teacher salary | \$ 44,273 | \$ 42,047 | \$ 40,275 | \$ 40,102 |
| <u>Staff Data:</u> | | | | |
| Percent of teachers with no degree. | 0.00% | 0.00% | 0.00% | 0.00% |
| Percent of teachers with bachelor degree . . . | 50.00% | 53.00% | 52.00% | 55.64% |
| Percent of teachers with masters degree . . . | 50.00% | 47.00% | 48.00% | 44.36% |
| Average teacher experience (yrs.) | 13.00 | 13.00 | 13.93 | 14.80 |
| <u>Output:</u> | | | | |
| Pupil attendance rate | 94.10% | 93.60% | 93.60% | 93.40% |
| Staff attendance rate | 96.60% | 96.20% | 96.10% | 96.70% |
| Graduation rate | 69.00% | 71.10% | 69.00% | 71.80% |

Source: Ohio Department of Education, U.S. Census Bureau and School District records
Output for 1999-2003 provided by School District Report Card.

(1) Information not available for 2003.

| Fiscal Year Ended June 30, 1999 | Fiscal Year Ended June 30, 1998 | Fiscal Year Ended June 30, 1997 | Fiscal Year Ended June 30, 1996 | Fiscal Year Ended June 30, 1995 | Fiscal Year Ended June 30, 1994 |
|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| 7,433 | 7,594 | 7,300 | 7,520 | 7,545 | 7,997 |
| \$ 29,931 77,229 | \$ 29,931 74,555 | \$ 29,931 67,720 | \$ 29,931 64,431 | \$ 29,931 61,896 | \$ 29,931 55,709 |
| \$ 23.07 39,528 | \$ 31.74 38,215 | \$ 31.74 35,118 | \$ 30.88 34,195 | \$ 34.27 32,931 | \$ 34.27 32,020 |
| 0.00% 61.67% 38.33% 14.80 | 0.00% 25.65% 36.96% 14.30 | 0.00% 27.25% 34.72% 15.00 | 0.00% 30.41% 33.48% 14.20 | 0.00% 31.66% 33.91% 14.10 | 0.00% 31.97% 33.78% 13.90 |
| 92.80% 96.00% 72.90% | 92.60% 95.91% 75.60% | 92.84% 95.80% 63.79% | 92.32% 95.83% 61.87% | 92.89% 96.03% 78.21% | 92.99% 96.46% 72.01% |

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**Auditor of State
Betty Montgomery**

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

NEWARK CITY SCHOOL DISTRICT

LICKING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
NOVEMBER 20, 2003**