

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

SUPPLEMENTAL REPORTS

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2002**

MR. BRIAN WILSON, TREASURER



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

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, 2001 through June 30, 2002. 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, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

November 21, 2002

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

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TRIMBLE, JULIAN & GRUBE, INC.

"SERVING OHIO LOCAL GOVERNMENTS"

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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 basic financial statements of Newark City School District as of and for the fiscal year ended June 30, 2002. 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 20, 2002

**NEWARK CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(E) CASH FEDERAL RECEIPTS	OTHER FEDERAL RECEIPTS	(E) 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	\$ -	\$ 141,002	\$ -	\$ 150,924
(A) (D) School Breakfast Program	10.553	044453-LL-PU 2002	119,724		119,724	
(A) (D) National School Lunch	10.555	044453-LL-PI 2002	659,009		659,009	
Total U.S. Department of Agriculture and Nutrition Cluster			<u>778,733</u>	<u>141,002</u>	<u>778,733</u>	<u>150,924</u>
U.S. DEPARTMENT OF LABOR:						
(F) School to Work Administration	17.249	N/A	-		6,233	
(G) School to Work Administration	17.249	N/A	-		2,840	
(H) School to Work Administration	17.249	N/A	-		4,980	
Total U.S. Department of Labor			<u>-</u>		<u>14,053</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	428,620		575,701	
Title I - Grants to Local Educational Agencies	84.010	044453-C1-S1 2001	233,691		233,691	
Title I - Grants to Local Educational Agencies	84.010	044453-C1-S1 2002	1,312,906		1,064,393	
Total Title I			<u>1,975,217</u>		<u>1,873,785</u>	
Special Education Cluster:						
(B) Title VI-B - Education of the Handicapped Act	84.027	044453-6B-SF 2001	150,236		135,173	
(B) Title VI-B - Education of the Handicapped Act	84.027	044453-6B-SF 2002	471,865		423,512	
Total Title VI-B			<u>622,101</u>		<u>558,685</u>	
(B) Special Education Preschool Grants	84.173	044453-6B-SF 2001	-		1,212	
(B) Special Education Preschool Grants	84.173	044453-PG-SF 2002	19,152		24,465	
(B) Special Education Preschool Grants	84.173	044453-PG-S1 2002	4,032		4,032	
Total Special Education Preschool Grants			<u>23,184</u>		<u>29,709</u>	
Total Special Education Cluster			<u>645,285</u>		<u>588,394</u>	
Safe and Drug-Free Schools	84.186	044453-DR-S1 2000	-		19,846	
Safe and Drug-Free Schools	84.186	044453-DR-S1 2001	21,725		33,249	
Safe and Drug-Free Schools	84.186	044453-DR-S1 2002	68,085		33,372	
Total Safe and Drug-Free Schools Grants			<u>89,810</u>		<u>86,467</u>	
(F) Goals 2000	84.276	N/A	-		259	
Goals 2000	84.276	044453-G2-S8 2000	-		372	
Goals 2000	84.276	044453-G2-S3 2001	-		29,583	
Goals 2000	84.276	044453-G2-SP 2002	25,000		21,942	
(H) Goals 2000	84.276	N/A	2,000		1,943	
Total Goals 2000			<u>27,000</u>		<u>54,099</u>	
Eisenhower Professional Development Grant	84.281	044453-MS-S1 2000	-		229	
Eisenhower Professional Development Grant	84.281	044453-MS-S1 2001	11,205		16,106	
Eisenhower Professional Development Grant	84.281	044453-MS-S1 2002	19,203		15,628	
Total Eisenhower Professional Development Grant			<u>30,408</u>		<u>31,963</u>	
Title VI - Innovative Educational Program Strategies	84.298	044453-C2-S1 2000	-		8,899	
Title VI - Innovative Educational Program Strategies	84.298	044453-C2-S1 2001	5,156		13,825	
Title VI - Innovative Educational Program Strategies	84.298	044453-C2-S1 2002	28,236		29,381	
Total Title VI - Innovative Educational Program Strategies			<u>33,392</u>		<u>52,105</u>	
Class Size Reduction	84.340	044453-CR-S1 2000	-		915	
Class Size Reduction	84.340	044453-CR-S1 2001	73,739		38,871	
Class Size Reduction	84.340	044453-CR-S1 2002	281,440		251,772	
Total Class Size Reduction			<u>355,179</u>		<u>291,558</u>	
Title I Accountability	84.348	044453-C1-S1 2001	-		34,604	
School Renovation, IDEA and Technology	84.352A	N/A	8,233		5,952	
Total U.S. Department of Education			<u>3,164,524</u>		<u>3,018,927</u>	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH THE OHIO DEPARTMENT OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES:						
Community Alternative Funding System Program	93.778	N/A	260,048		260,048	
Total Federal Financial Assistance			<u>\$ 4,203,305</u>	<u>\$ 141,002</u>	<u>\$ 4,071,761</u>	<u>\$ 150,924</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 Westerville City School District.
 (H) These funds were passed through the Licking County Joint Vocational School.

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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 basic financial statements of Newark City School District as of and for the fiscal year ended June 30, 2002, and have issued our report thereon dated September 20, 2002. During the fiscal year ended June 30, 2002, the Newark City School District implemented Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, GASB Statement No. 37, Basic Financial Statements for State and Local Governments: Omnibus, and GASB Statement No. 38, Certain Financial Statement Note Disclosures. 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 basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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 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.

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 20, 2002

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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, 2002. During the fiscal year ended June 30, 2002, the Newark City School District implemented Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, GASB Statement No. 37, Basic Financial Statements for State and Local Governments: Omnibus, and GASB Statement No. 38, Certain Financial Statement Note Disclosures. 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.

Board of Education
Newark City School District

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.

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, 2002.

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 20, 2002

**NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY
JUNE 30, 2002**

**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
JUNE 30, 2002**

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

1. SUMMARY OF AUDITOR'S RESULTS (Continued)

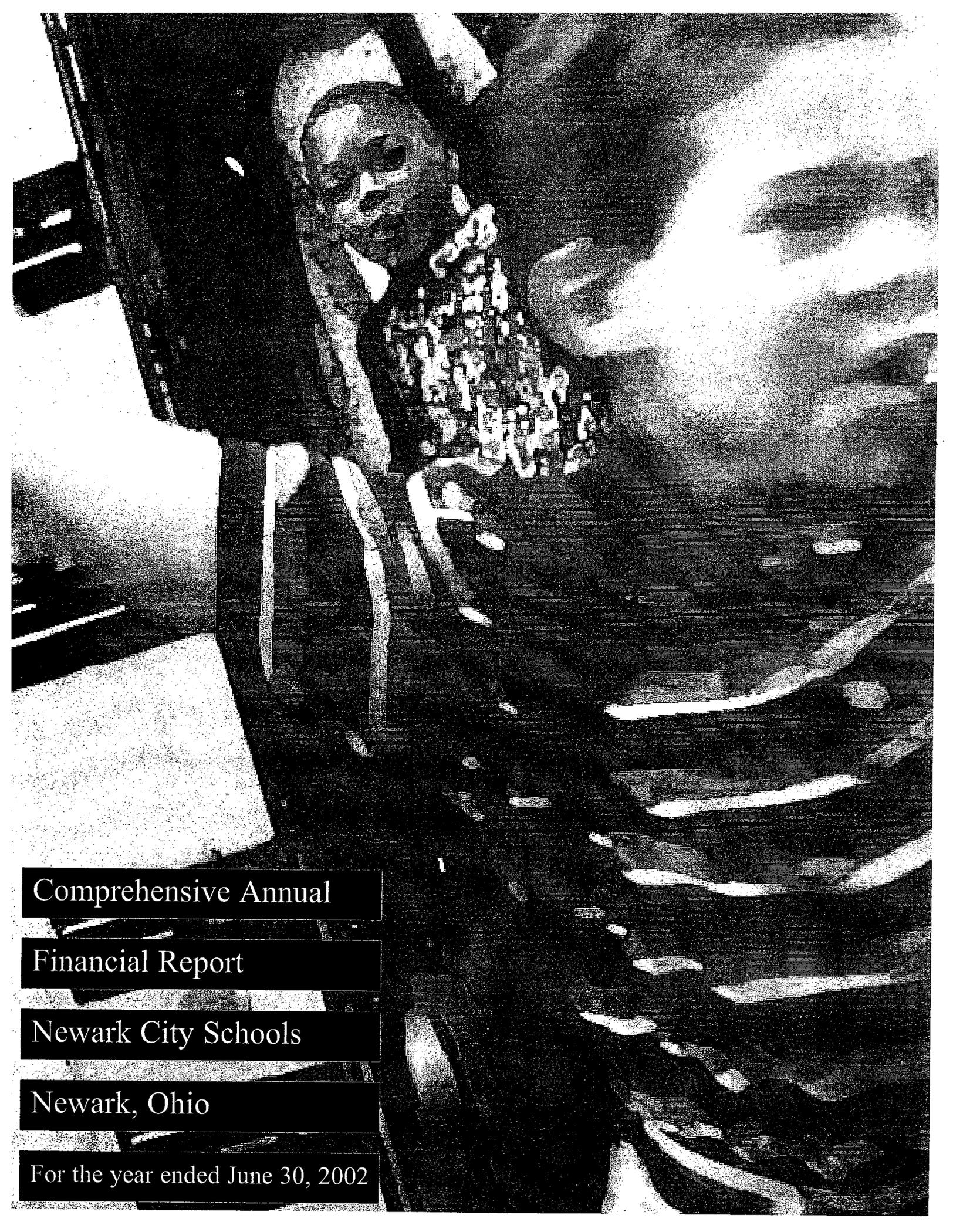
<i>(d)(1)(vii)</i>	<i>Major Programs:</i>	Nutrition Cluster: Donated Commodities; CFDA #10.550, School Breakfast Program; CFDA #10.553, National School Lunch Program; CFDA #10.555; Class Size Reduction; CFDA #84.340
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type 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

Newark City Schools

Newark, Ohio

For the year ended June 30, 2002

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

NEWARK CITY
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2002

PREPARED BY
TREASURER'S DEPARTMENT
BRIAN WILSON, TREASURER

85 EAST MAIN STREET

NEWARK, OHIO 43055

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INTRODUCTORY SECTION

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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NEWARK CITY SCHOOLS

ADMINISTRATIVE SERVICE CENTER
85 East Main Street, Newark, Ohio 43055
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The mission of the Newark City Schools is to create a community that is forever learning, forever growing and forever serving.

September 30, 2002

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.

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 2001-2002 school year, the District had approximately 6,985 (Fall 2001) 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 school housing grades 7 and 8; and Newark High School housing grades 9 through 12 with 2,163 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 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. During both strong and slow economic periods the area has not experienced wide variations in its economic indicators. The largest economic unknown for the community was Owens Corning's bankruptcy in 2000. In 2001 Owens Corning began a \$50 million plant renovation. We are optimistic that this will enable the company to remain a viable industrial entity in Newark for the long term.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Accomplishments for 2002

Financial

Renewed the Districts 2.9 mill Permanent Improvement Levy for an additional five years.

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

Received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association for the second consecutive year.

Instruction

Achieved 13 standards on the State of Ohio’s District report card placing the District in the Continuous Improvement Status.

Assessments in literacy administered three times a year were established. This led to improvements in 4th grade reading proficiency test scores of greater than 20 percentage points in 2001-2002.

Developed a template for the Individual Student Success Plan that includes both academic and non-academic components and the goals developed by the team that volunteered for this assignment. This is a major component of the District’s strategic plan that was adopted by the School Board in February of 2001.

Completed site based planning for a majority of the school buildings in the District. This is a component of the District’s strategic plan that was adopted by the School Board in February of 2001.

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	74.5%	59.3%	84.2%	85.0%	63.5%
1998-1999	75.7%	61.0%	86.8%	89.6%	64.7%
1999-2000	76.7%	63.9%	81.8%	89.9%	65.4%
2000-2001	84.3%	69.2%	91.7%	91.6%	73.0%

Initiatives for 2003

Financial

Renew the District’s 1% income tax in November of 2002. The District first passed the income tax in 1997 for a five-year term. A great deal of controversy surrounded the passage of this levy. In the following year a group of voters in the community successfully lead a repeal of two property tax levies of the District. The state requires that school districts in Ohio cannot fall below 20 mills of property tax for operations. The District made cuts in order to operate with the 20 mills of property tax and one percent income tax. With the hopefully successful renewal of the income tax in November of 2002, the District will be able to maintain operations.

To receive the Certificate of Excellence in Financial Reporting from the GFOA for the District’s 2002 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 2002 Popular Annual Financial Report.

Instruction

To achieve the standards for adequate yearly progress on all proficiency tests in grades 4, 6, 9, and 10.

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 specific function level (second level) for the general fund and at the broad functions level (first 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 first 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 2002 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 no net assets at June 30, 2001 and had net assets of \$29,196 at June 30, 2002. This fund was started late fiscal 2002. More activity will be reported in fiscal 2003 as premiums are collected and claims are paid.

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 two private purpose trust funds and one agency fund. The private purpose trust funds had net assets of \$61,143 at June 30, 2002. The agency fund had cash and cash equivalents held on-behalf of students in the amount of \$51,295 at June 30, 2002.

Cash Management

During the fiscal year ended June 30, 2002, the District's cash resources were divided into investments approximately as follows: in State Treasurer's Pool 52.71%, in bank deposits 1.28%, in time deposits 16.01%, in federal agency securities 31.29%, in repurchase agreements 1.27%. The yield to maturity as of June 30, 2002 was 2.78% and the average days to maturity was 86.5 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. In 2003, the District will manage 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

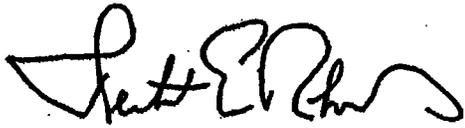
GFOA Certificate of Achievement The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Newark City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001.

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

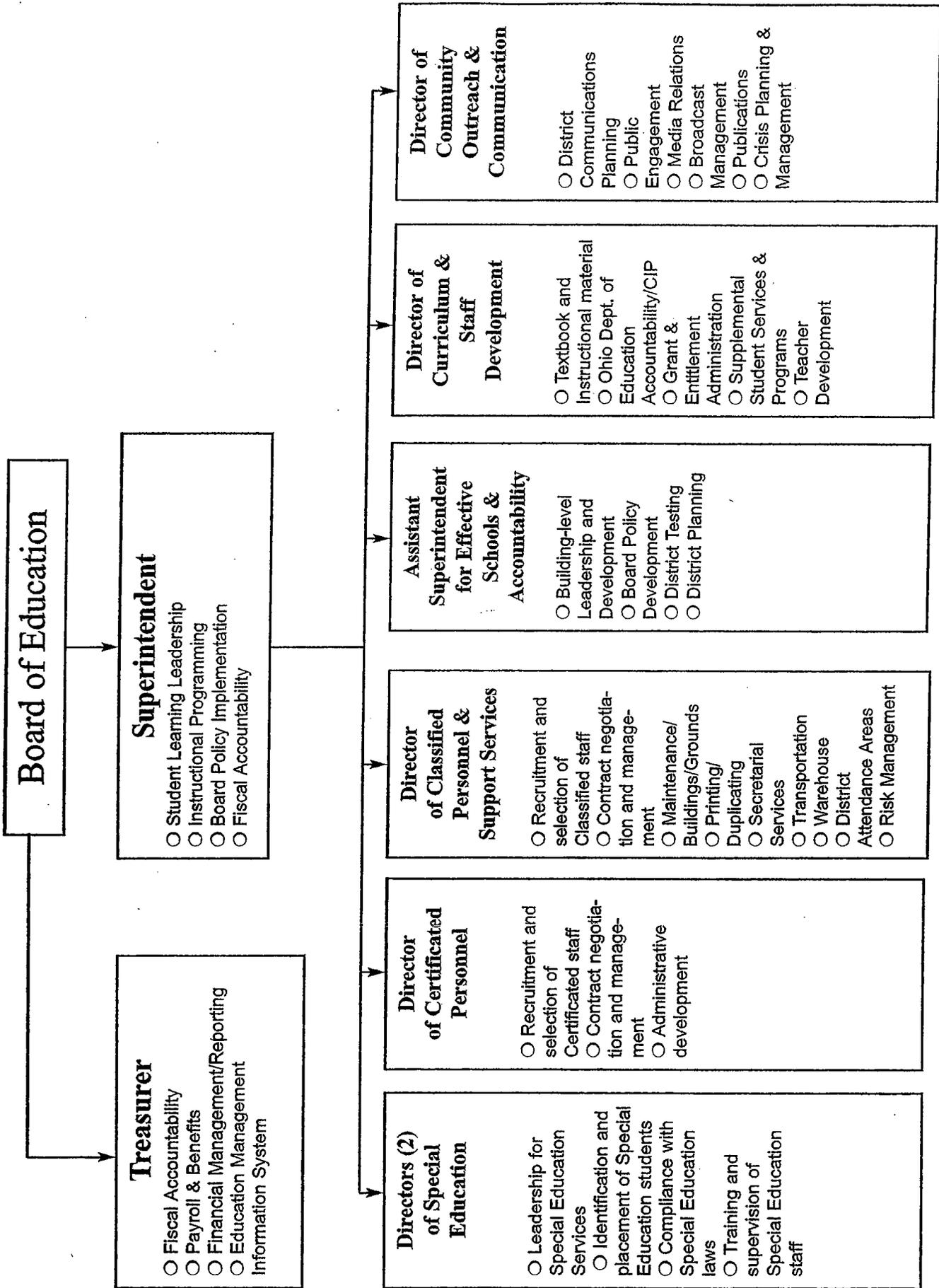
List of Principal Officials

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, 2001

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.



Imelda Arave
President

Jeffrey L. Essler
Executive Director

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FINANCIAL SECTION

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

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

We have audited the accompanying basic financial statements of the Newark City School District, Licking County, Ohio, (the "District"), as of and for the year ended June 30, 2002, as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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 opinion.

As disclosed in Note 2 to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, GASB Statement No. 37, Basic Financial Statements for State and Local Governments: Omnibus and GASB Statement No. 38, Certain Financial Statement Note Disclosures for the year ended June 30, 2002.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Newark City School District, Licking County, Ohio, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Independent Auditor's Report
Newark City School District

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2002, 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.

The Management's Discussion and Analysis is not a required part of the basic financial statements but are 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 an opinion on the basic financial statements of the District, taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the District. 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 purpose financial statements taken as a whole.

We did not audit the data included in the Introductory and Statistical Sections of this report and therefore express no opinion thereon.

Trimble, Julian & Grube, Inc.
September 20, 2002

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
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, 2002. 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 2002 are as follows:

- In total, net assets of governmental activities increased \$439,997 which represents a 1.96% increase from 2001.
- General revenues accounted for \$45,171,092 in revenue or 84.79% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$8,103,979 or 15.21% of total revenues of \$53,275,071.
- The District had \$52,835,074 in expenses related to governmental activities; only \$8,103,979 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 \$45,171,092 were adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$44,419,453 in revenues and other financing sources and \$43,131,653 in expenditures. During fiscal 2002, the general fund's fund balance increased \$1,287,800 from \$14,342,917 to \$15,630,717.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand 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, 2002
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 2002?" 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 of plant, pupil transportation, extracurricular activities, 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 F 9. 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* accounting, which measures cash and all other *financial assets* that 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, 2002
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 F 24 and F 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. This is the first year for government-wide financial statements using the full accrual basis of accounting, therefore a comparison with prior years is not available. A comparative analysis will be provided in future years when prior year information is available.

The table below provides a summary of the District's net assets for 2002.

	Net Assets
	Governmental Activities 2002
<u>Assets</u>	
Current and other assets	\$44,250,663
Capital assets	12,480,323
Total assets	56,730,986
<u>Liabilities</u>	
Current liabilities	23,284,369
Long-term liabilities	10,613,441
Total liabilities	33,897,810
<u>Net Assets</u>	
Invested in capital assets, net of related debt	11,951,793
Restricted	2,948,775
Unrestricted	7,932,608
Total net assets	\$22,833,176

Overall, net assets increased \$439,997 over 2001. Capital assets represent 22% of total assets and long-term liabilities represents 31.31% of total liabilities. A total of \$7,932,608, or 34.74%, of total net assets are considered unrestricted and may be used for general operations of the District.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
UNAUDITED

The table below shows the change in net assets for fiscal year 2002. Since this is the first year the District has prepared government-wide financial statements using the full accrual basis of accounting, revenue and expense comparisons to fiscal year 2001 are not available. A comparative analysis will be provided in future years when prior year information is available.

Change in Net Assets

	Governmental Activities <u>2002</u>
<u>Revenues</u>	
Program revenues:	
Charges for services and sales	\$ 1,828,731
Operating grants and contributions	5,974,608
Capital grants and contributions	300,640
General revenues:	
Property taxes	14,862,695
School district income taxes	6,665,355
Grants and entitlements	22,642,337
Investment earnings	826,007
Other	<u>174,698</u>
Total revenues	<u>53,275,071</u>
<u>Expenses</u>	
Program expenses:	
Instruction:	
Regular	23,411,738
Special	5,757,682
Vocational	856,973
Other	103,762
Support services:	
Pupil	2,594,162
Instructional staff	3,470,282
Board of education	291,754
Administration	3,806,315
Fiscal	999,495
Business	539,054
Operations and maintenance	4,037,085
Pupil transportation	1,870,559
Central	879,653
Operation of non-instructional services	83,732
Food service operations	2,161,102
Extracurricular activities	851,835
Intergovernmental pass through	694,298
Interest and fiscal charges	<u>425,593</u>
Total expenses	<u>52,835,074</u>
Increase in net assets	<u>\$ 439,997</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
UNAUDITED

Governmental Activities

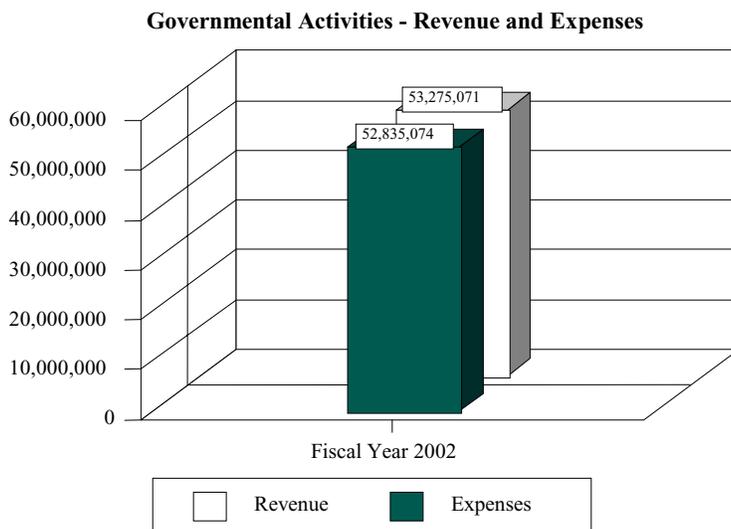
Net assets of the District's governmental activities increased by \$439,997. Total governmental expenses of \$52,835,074 were offset by program revenues of \$8,103,979 and general revenues of \$45,171,092. Program revenues supported 15.34% of the total governmental expenses.

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 represent 82.91% 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 16.5% 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 \$7.0 million per year for five years, is expected to provide adequate revenue for general fund operating expenses through the fiscal year 2004. If the income tax is renewed in November of 2002, the District should have adequate funding for its operations through at least fiscal year 2006.

The District's financial condition has improved significantly in recent years, primarily due to increased financial support from the State. State support has increased by 11.8% over the last two years. Unfortunately, due to enrollment declines these increases are not projected for the future. Future increases in State funding are projected to be more inflationary rather than the low increases seen over the past several years and increases in state funding that are more inflationary in number rather than the significant increases seen over the past several years, the District is projecting a decrease in state funding for future years.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2002.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
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. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. Comparisons to 2001 have not been presented since they are not available.

Governmental Activities

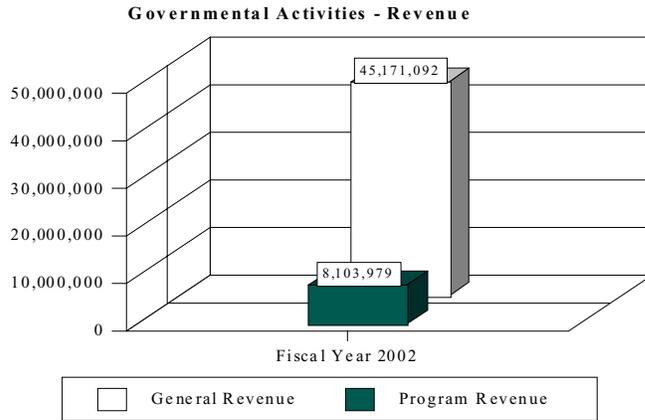
	Total Cost of Services 2002	Net Cost of Services 2002
	<u>2002</u>	<u>2002</u>
Program expenses:		
Instruction:		
Regular	\$23,411,738	\$21,486,687
Special	5,757,682	4,315,312
Vocational	856,973	817,166
Other	103,762	(5,635)
Support Services:		
Pupil	2,594,162	2,493,994
Instructional staff	3,470,282	2,748,331
Board of education	291,754	291,754
Administration	3,806,315	3,563,031
Fiscal	999,495	974,756
Business	539,054	539,054
Operations and maintenance	4,037,085	4,037,085
Pupil transportation	1,870,559	1,791,765
Central	879,653	760,277
Operation of non-instructional services	83,732	(42,959)
Food service operations	2,161,102	34,836
Extracurricular activities	851,835	494,332
Intergovernmental pass through	694,298	5,696
Interest and fiscal charges	<u>425,593</u>	<u>425,593</u>
 Total expenses	 <u>\$52,835,074</u>	 <u>\$44,731,095</u>

The dependence upon tax and other general revenues for governmental activities is apparent, 88.33% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 84.66%. The District's taxpayers, as a whole, are by far the primary support for District's students.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
UNAUDITED**

The graph below presents the District's governmental activities revenue for fiscal year 2002.



The District's Funds

The District's governmental funds (as presented on the balance sheet on page F 16) reported a combined fund balance of \$19,011,039, which is higher than last year's total of \$17,428,863. The June 30, 2001 fund balances have been restated as described in Note 3.A to the basic financial statements. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2002 and 2001.

	<u>Fund Balance June 30, 2002</u>	<u>Fund Balance June 30, 2001</u>	<u>Increase</u>
General	\$15,630,717	\$14,342,917	\$1,287,800
Other Governmental	<u>3,380,322</u>	<u>3,085,946</u>	<u>294,376</u>
Total	<u>\$19,011,039</u>	<u>\$17,428,863</u>	<u>\$1,582,176</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
UNAUDITED

General Fund

The District's general fund balance increased by \$1,287,800 (after a restatement to the June 30, 2001, fund balance which is detailed in Note 3.A. to the basic financial statements). The increase in fund balance can be attributed to property tax increases primarily from Owens Corning paying back taxes after reorganizing from bankruptcy. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2002 <u>Amount</u>	Restated 2001 <u>Amount</u>	Percentage <u>Change</u>
<u>Revenues</u>			
Taxes	\$19,913,001	\$19,718,550	0.99%
Tuition	266,839	260,298	2.51
Earnings on investments	889,576	1,339,861	(33.61)
Intergovernmental	23,050,113	21,867,779	5.41
Other revenues	<u>283,653</u>	<u>338,832</u>	(16.29)
Total	<u>\$44,403,182</u>	<u>\$43,525,320</u>	1.97
<u>Expenditures</u>			
Instruction	\$25,945,008	\$24,669,710	5.17
Support services	16,375,193	15,258,238	7.32
Operation of non-instructional services	260	-	-
Extracurricular activities	587,621	509,925	15.24
Capital outlay	-	689,679	-
Debt service	<u>223,571</u>	<u>131,965</u>	69.42
Total	<u>\$43,131,653</u>	<u>\$41,259,517</u>	4.54%

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 2002, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues were \$43,253,710, which approximates the original budgeted revenue estimate of \$43,235,759. Actual revenues and other financing sources for fiscal 2002 was \$45,099,979. This represents a \$1,864,269 increase over final budgeted revenues. This increase is primarily due to conservative tax and intergovernmental estimates in the original and final budgeted amounts.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$43,598,168 were increased to \$44,717,154 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2002 totaled \$43,821,823, which was \$895,331 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 and increased administrative costs associated with the collection of delinquent property taxes by the County Auditor. Fortunately, the District was able to add to its fund balance in spite of the above set backs primarily because salary costs proved to be lower than anticipated in the original and final budget.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
UNAUDITED

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2002, the District had \$12,480,323 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. This entire amount is reported in governmental activities. The following table shows fiscal 2002 balances compared to 2001:

	Capital Assets at June 30	
	(Net of Depreciation)	
	<u>Governmental Activities</u>	
	<u>2002</u>	<u>2001</u>
Land	\$ 801,394	\$ 801,394
Land improvements	140,394	163,977
Buildings and improvements	6,858,984	6,828,990
Furniture and equipment	3,464,335	3,857,273
Vehicles	<u>1,215,216</u>	<u>1,263,535</u>
 Total	 <u>\$12,480,323</u>	 <u>\$12,915,169</u>

The primary increase occurred in building improvements, which include projects for window replacement projects at multiple buildings, computer wiring, and a major remodeling project at North Elementary that created a new computer lab, library and administrative offices. The District also acquired \$144,843 in new vehicles during fiscal 2002. Total additions to capital assets for 2002 were \$1,412,214 and total disposals were \$12,210 (net of accumulated depreciation). The overall decrease in capital assets of \$434,846 is primarily due to the recording of \$1,834,850 in depreciation expense for fiscal 2002.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
UNAUDITED

Debt Administration

At June 30, 2002, the District had \$7,944,928 in general obligation bonds and tax anticipation notes outstanding. Of this total, \$810,000 is due within one year and \$7,134,928 is due within greater than one year. The following table summarizes the bonds and notes outstanding.

Outstanding Debt, at Year End

	Governmental Activities 2002	Governmental Activities 2001
General obligation bonds:		
Library improvement	\$6,749,928	\$6,964,928
Tax anticipation notes	<u>1,195,000</u>	<u>1,755,000</u>
Total	<u>\$7,944,928</u>	<u>\$8,719,928</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.

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, 2002, the District's overall legal debt margin was \$53,177,520 with an unvoted debt margin of \$674,262. 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 income taxes. An increase in property tax revenue is expected in fiscal year 2003 due to the increased tax valuation caused by the triennial valuation update. This additional 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 2003. However, the future financial stability of the District is not without challenges.

The first challenge is the renewal of the District's one percent income tax in November of 2002. The District currently has sufficient cash balance to meet operating expenses through fiscal year 2004. Unfortunately, fiscal year 2003 will be the first year since the passage of the income tax that operating expenses will exceed operating revenues. The income tax generated approximately \$6,700,000 in fiscal year 2002. If the tax is not renewed in 2002, the District will have to make dramatic cuts in operating expenditures to make up this shortfall or ask for dramatically more money to operate, as the cash balance will shrink quickly with the loss of these monies in fiscal year 2004.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002
UNAUDITED

The next challenge facing the District is the rapid decline in enrollment over the past several years, especially if these declines continue. These declines are impacting our state funding as the District receives state funding based on a rolling three year average of student enrollment or the current year whichever is higher. These enrollment declines are a threat to the neighborhood schools the community has enjoyed for the past century.

The last challenge facing the District is the future of state funding. 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. At this time, the District is unable to determine what effect, if any, this decision and the reconsideration will have on its future State funding and on its financial operations.

The District has not anticipated a significant growth in State revenue. The concern is that, to meet the requirements of the court, the State may require redistribution of commercial and industrial property tax. With approximately thirty-five percent of taxes paid for the District coming from business or industry, this could have a significant impact on the District's residential taxpayers.

In conclusion, the District has committed itself to financial excellence for many years. The District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the last three consecutive years.

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

STATEMENT OF NET ASSETS
JUNE 30, 2002

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents. . .	\$ 21,747,840
Receivables:	
Property taxes	19,358,038
School district income taxes	2,341,822
Accounts	56,266
Intergovernmental	517,757
Accrued interest	138,292
Prepayments.	73,201
Materials and supplies inventory	17,447
Capital assets:	
Land	801,394
Depreciable capital assets, net	11,678,929
Total capital assets	12,480,323
 Total assets	 56,730,986
 Liabilities:	
Accounts payable.	352,871
Accrued wages and benefits	4,340,662
Compensated absences	101,135
Pension obligation payable.	1,183,633
Intergovernmental payable	375,804
Deferred revenue	16,898,965
Accrued interest payable	31,299
Long-term liabilities:	
Due within one year.	1,380,834
Due in more than one year	9,232,607
 Total liabilities	 33,897,810
 Net Assets:	
Invested in capital assets, net of related debt.	11,951,793
Restricted for:	
Capital projects	1,527,871
Debt service.	414,968
Other purposes	1,005,936
Unrestricted	7,932,608
 Total net assets	 \$ 22,833,176

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, 2002

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
					<u>Governmental Activities</u>
Governmental activities:					
Instruction:					
Regular	\$ 23,411,738	\$ 354,595	\$ 1,414,333	\$ 156,123	\$ (21,486,687)
Special	5,757,682	55,533	1,386,837	-	(4,315,312)
Vocational	856,973	-	32,011	7,796	(817,166)
Other	103,762	14,814	94,583	-	5,635
Support services:					
Pupil	2,594,162	-	100,168	-	(2,493,994)
Instructional staff	3,470,282	29,006	692,945	-	(2,748,331)
Board of education	291,754	-	-	-	(291,754)
Administration	3,806,315	-	243,264	-	(3,563,051)
Fiscal	999,495	-	24,739	-	(974,756)
Business	539,054	-	-	-	(539,054)
Operations and maintenance	4,037,085	-	-	-	(4,037,085)
Pupil transportation	1,870,559	-	3,650	75,144	(1,791,765)
Central	879,653	-	110,676	8,700	(760,277)
Operation of non-instructional services	83,732	19,481	54,333	52,877	42,959
Food service operations	2,161,102	1,140,197	986,069	-	(34,836)
Extracurricular activities	851,835	215,105	142,398	-	(494,332)
Intergovernmental pass through	694,298	-	688,602	-	(5,696)
Interest and fiscal charges	425,593	-	-	-	(425,593)
Totals	\$ 52,835,074	\$ 1,828,731	\$ 5,974,608	\$ 300,640	(44,731,095)

General Revenues:

Property taxes levied for:	
General purposes	12,893,048
Debt service	529,776
Capital outlay	1,439,871
School district income taxes	6,665,355
Grants and entitlements not restricted to specific programs	22,642,337
Gain on disposal of capital assets	4,102
Investment earnings	826,007
Miscellaneous	170,596
Total general revenues	45,171,092
Change in net assets	439,997
Net assets, July 1	22,393,179
Net assets, June 30	\$ 22,833,176

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2002

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 17,663,591	\$ 3,636,764	\$ 21,300,355
Receivables:			
Property taxes	16,847,592	2,510,446	19,358,038
School district income taxes	2,341,822	-	2,341,822
Accounts	54,279	1,987	56,266
Intergovernmental	-	517,757	517,757
Accrued interest	134,595	3,697	138,292
Interfund loans	49,467	-	49,467
Materials and supplies inventory	-	10,587	10,587
Prepayments	72,704	497	73,201
Restricted assets:			
Equity in pooled cash and cash equivalents	418,289	-	418,289
Total assets	\$ 37,582,339	\$ 6,681,735	\$ 44,264,074
Liabilities:			
Accounts payable	\$ 107,449	\$ 245,422	\$ 352,871
Accrued wages and benefits	3,896,049	444,613	4,340,662
Compensated absences payable	97,385	3,750	101,135
Pension obligation payable	679,239	84,000	763,239
Intergovernmental payable.	343,283	32,521	375,804
Interfund loan payable	-	49,467	49,467
Notes payable	1,195,000	-	1,195,000
Deferred revenue.	15,633,217	2,441,640	18,074,857
Total liabilities	21,951,622	3,301,413	25,253,035
Fund Balances:			
Reserved for encumbrances	449,497	932,198	1,381,695
Reserved for debt service.	-	398,990	398,990
Reserved for property tax unavailable for appropriation	1,053,600	156,400	1,210,000
Reserved for BWC refunds.	264,425	-	264,425
Reserved for textbooks/instructional materials.	88,905	-	88,905
Reserved for school bus purchases	64,959	-	64,959
Unreserved:			
Designated for budget stabilization.	669,981	-	669,981
Undesignated, reported in:			
General fund.	13,039,350	-	13,039,350
Special revenue funds	-	1,026,623	1,026,623
Capital projects funds	-	866,111	866,111
Total fund balances	15,630,717	3,380,322	19,011,039
Total liabilities and fund balances	\$ 37,582,339	\$ 6,681,735	\$ 44,264,074

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, 2002

Total governmental fund balances		\$ 19,011,039
<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.		12,480,323
Federally donated commodities are not reported in the funds.		6,860
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	\$ 936,553	
Accrued interest	74,586	
Accounts receivable	44,032	
Grants	<u>120,721</u>	
Total		1,175,892
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		29,196
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Library improvement bonds	6,749,928	
Compensated absences	2,139,983	
Pension obligation payable	420,394	
Capital lease payable	528,530	
Accrued interest payable	<u>31,299</u>	
Total		<u>(9,870,134)</u>
Net assets of governmental activities		<u><u>\$ 22,833,176</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, 2002

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
From local sources:			
Taxes	\$ 19,913,001	\$ 2,042,344	\$ 21,955,345
Tuition.	266,839	-	266,839
Charges for services	-	1,138,057	1,138,057
Earnings on investments.	889,576	20,722	910,298
Extracurricular.	-	207,826	207,826
Other local revenues.	283,653	218,480	502,133
Other revenue.	-	150,100	150,100
Intergovernmental - state	22,841,923	1,985,140	24,827,063
Intergovernmental - federal.	208,190	4,076,308	4,284,498
Total revenues	44,403,182	9,838,977	54,242,159
Expenditures:			
Current:			
Instruction:			
Regular	21,420,566	1,084,074	22,504,640
Special.	3,711,654	2,028,290	5,739,944
Vocational.	791,374	32,413	823,787
Other	21,414	82,348	103,762
Support Services:			
Pupil.	2,383,558	164,496	2,548,054
Instructional staff	2,415,457	934,607	3,350,064
Board of education	291,754	-	291,754
Administration.	3,463,619	310,677	3,774,296
Fiscal	938,074	77,642	1,015,716
Business	531,334	-	531,334
Operations and maintenance.	3,954,845	10,104	3,964,949
Pupil transportation	1,679,292	139,877	1,819,169
Central.	717,260	116,047	833,307
Operation of non-instructional services	260	155,416	155,676
Food service operations	-	2,114,495	2,114,495
Extracurricular activities.	587,621	234,245	821,866
Facilities acquisition and construction	-	709,610	709,610
Intergovernmental pass through	-	694,298	694,298
Debt service:			
Principal retirement	124,117	325,000	449,117
Interest and fiscal charges	99,454	331,003	430,457
Total expenditures.	43,131,653	9,544,642	52,676,295
Excess of revenues over expenditures	1,271,529	294,335	1,565,864
Other financing sources (uses):			
Proceeds from sale of capital assets	16,271	41	16,312
Total other financing sources (uses)	16,271	41	16,312
Net change in fund balances	1,287,800	294,376	1,582,176
Fund balances, July 1 (restated)	14,342,917	3,085,946	17,428,863
Fund balances, June 30.	\$ 15,630,717	\$ 3,380,322	\$ 19,011,039

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, 2002

Net change in fund balances - total governmental funds	\$ 1,582,176
<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 exceeded capital outlays in the current period.	(422,636)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.	(12,210)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,122,114)
Donated commodities received and the related expense is not recognized in the funds.	6,860
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	449,117
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	4,864
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.	(75,256)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	<u>29,196</u>
Change in net assets of governmental activities	<u>\$ 439,997</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 19,587,138	\$ 19,415,184	\$ 20,360,524	\$ 945,340
Tuition	269,102	248,000	280,622	32,622
Earnings on investments	905,599	940,000	941,356	1,356
Other local revenue.	241,853	190,650	256,611	65,961
Intergovernmental - state	21,974,281	22,252,876	22,841,921	589,045
Intergovernmental - federal	257,786	207,000	267,965	60,965
Total revenues	<u>43,235,759</u>	<u>43,253,710</u>	<u>44,948,999</u>	<u>1,695,289</u>
Expenditures:				
Current:				
Instruction:				
Regular	21,918,736	21,538,265	21,180,066	358,199
Special	3,622,397	3,721,996	3,688,154	33,842
Vocational	760,315	831,061	805,899	25,162
Other	30,078	30,800	21,531	9,269
Support services:				
Pupils	2,183,004	2,400,841	2,400,841	-
Instructional staff	2,074,443	2,554,829	2,383,897	170,932
Board of education	253,835	297,585	296,985	600
Administration	3,289,215	3,410,995	3,410,110	885
Fiscal	864,828	960,446	958,872	1,574
Business.	584,566	588,637	553,214	35,423
Operation and maintenance of plant	4,360,854	4,360,854	4,147,255	213,599
Pupil transportation.	1,701,754	1,802,004	1,771,004	31,000
Central	578,732	755,453	727,175	28,278
Operation of non-instructional services	12,186	16,456	12,226	4,230
Extracurricular activities.	559,725	572,999	554,533	18,466
Debt service:				
Principal retirement	125,000	125,000	124,117	883
Interest and fiscal charges	31,000	31,000	31,604	(604)
Total expenditures	<u>42,950,668</u>	<u>43,999,221</u>	<u>43,067,483</u>	<u>931,738</u>
Excess of revenues over (under) expenditures	285,091	(745,511)	1,881,516	2,627,027
Other financing sources (uses):				
Operating transfers in	-	-	70,383	70,383
Operating transfers (out).	(630,000)	(700,383)	(698,233)	2,150
Advances in	-	-	5,834	5,834
Advances (out).	(5,000)	(5,000)	(49,467)	(44,467)
Refund of prior year's (receipts)	(12,500)	(12,550)	(6,640)	5,910
Refund of prior year's expenditures	-	-	58,492	58,492
Proceeds from the sale of capital assets	-	-	16,271	16,271
Total other financing sources (uses)	<u>(647,500)</u>	<u>(717,933)</u>	<u>(603,360)</u>	<u>114,573</u>
Excess of revenues and other financing sources over (under) expenditures and other uses.	(362,409)	(1,463,444)	1,278,156	2,741,600
Fund balance, July 1 (restated)	15,082,554	15,082,554	15,082,554	-
Prior year encumbrances appropriated	1,085,271	1,085,271	1,085,271	-
Fund balance, June 30.	<u>\$ 15,805,416</u>	<u>\$ 14,704,381</u>	<u>\$ 17,445,981</u>	<u>\$ 2,741,600</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2002

	Governmental Activities - Internal Service Fund
Assets:	
Equity in pooled cash and cash equivalents	\$ 29,196
Total assets	<u>29,196</u>
Net assets:	
Unrestricted	<u>29,196</u>
Total net assets	<u>\$ 29,196</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, 2002

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services	\$ 29,196
Total operating revenues	29,196
Operating income.	29,196
Change in net assets	29,196
Net assets, July 1	-
Net assets, June 30	\$ 29,196

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, 2002

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services	29,196
Net cash provided by operating activities	29,196
Net increase in cash and cash equivalents	29,196
Cash and cash equivalents, July 1	-
Cash and cash equivalents, June 30	\$ 29,196
 Reconciliation of operating income to net cash provided by operating activities:	
Operating income	29,196
Net cash provided by operating activities	\$ 29,196

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2002

	<u>Private Purpose Trust</u>	
	<u>Scholarship</u>	<u>Agency</u>
Assets:		
Equity in pooled cash and cash equivalents	\$ 61,143	\$ 51,295
Total assets	<u>61,143</u>	<u>51,295</u>
Liabilities:		
Due to students	-	51,295
Total liabilities	<u>-</u>	<u>\$ 51,295</u>
Net Assets:		
Held in trust for scholarships	<u>61,143</u>	
Total net assets	<u>\$ 61,143</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, 2002

	Private Purpose Trust
	Scholarship
Additions:	
Interest	\$ 1,452
Gifts and contributions.	550
Total additions.	2,002
Deductions:	
Scholarships awarded	2,794
Change in net assets	(792)
Net assets, July 1	61,935
Net assets, June 30	\$ 61,143

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, 2002**

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 335 non-certified employees, 500 certified employees and 38 administrators, to provide services to approximately 6,985 students in grades K through 12. The District ranks as the 41st largest by total enrollment among the 705 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 are made from the general fund. During the current fiscal year the District contributed \$129,607 to LACA.

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, 2002

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 are the District's major governmental funds:

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 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, 2002

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

C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the Statement of Net Assets.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (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.

The private purpose trust fund is reported using the economic resources measurement focus.

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 Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the 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, include 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 17). 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

**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)

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, 2002, but which were levied to finance fiscal year 2003 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 used 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. Unused donated commodities are reported as deferred revenue.

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

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 function level (second level) for the general fund and at the broad functions level (first level) for all other funds. 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.

**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)

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.

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 2002, 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.

**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)

The District has invested funds in STAR Ohio during fiscal 2002. 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, 2002.

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 2002 amounted to \$889,576, which includes \$128,631 assigned from other District funds.

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.

**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)

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.

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 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.

**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)

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 judgements, 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

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, property taxes unavailable for appropriation and Bureau of Workers Compensation (BWC) refunds and school bus purchases. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriation under state statute.

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. The District incurred no operating expenses in the dental self-insurance program in fiscal 2002.

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.

**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)

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. In addition, the District reports restricted assets for school bus purchases. See Note 18 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 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.

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 2002.

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

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Changes in Accounting Principles and Restatement of Fund Balance

For fiscal year 2002, the District has implemented GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments"; GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus"; GASB Statement No. 38, "Certain Financial Statement Note Disclosures"; and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements". At June 30, 2001, there was no effect on fund balance as a result of implementing GASB Statements 37 and 38.

GASB No. 34 creates new basic financial statements for reporting on the District's financial activities. The basic financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The government-wide financial statements show the District's programs for governmental activities. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at June 30, 2001, caused by the elimination of the internal service fund and the conversion to the accrual basis of accounting.

Governmental Activities - Fund Reclassification and Restatement of Fund Balance - Certain funds have been reclassified to properly reflect their intended purpose in accordance with the Standards of GASB No. 34. Certain funds previously reported as internal service funds, enterprise funds and expendable trust funds have been reclassified and are now part of the general fund and other nonmajor funds. In addition, certain interest revenue associated with accrued interest receivable and certain tax revenue associated with taxes receivable were overstated at June 30, 2001. It was also determined that GASB Interpretation No. 6 had an effect on fund balance as previously reported at June 30, 2001.

The fund reclassifications, the adjustments for interest and tax revenue and the implementation of GASB Interpretation No. 6 had the following effect on the District's governmental fund balances as previously reported:

	<u>General</u>	<u>Nonmajor</u>	<u>Total</u>
Fund balance			
June 30, 2001	\$16,378,928	\$2,789,749	\$19,168,677
Fund reclassifications	44,033	624,397	668,430
Implementation of GASB Interpretation No. 6	50,633	-	50,633
Adjustment for overstated tax revenue	(1,971,800)	(328,200)	(2,300,000)
Adjustment for overstated interest revenue	<u>(158,877)</u>	<u>-</u>	<u>(158,877)</u>
Adjusted fund balance, June 30, 2002	<u>\$14,342,917</u>	<u>\$3,085,946</u>	<u>\$17,428,863</u>

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

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

The transition from governmental fund balance to net assets of the governmental activities is presented as follows:

	<u>Total</u>
Adjusted fund balance, June 30, 2001	\$ 17,428,863
GASB 34 adjustments:	
Long-term (deferred) assets	2,298,006
Capital assets	12,915,169
Accrued interest payable	(36,163)
Long-term liabilities	<u>(10,212,696)</u>
Governmental activities net assets, June 30, 2001	<u>\$ 22,393,179</u>

B. Deficit Fund Balances/Retained Earnings

Fund balances/retained earnings at June 30, 2002 included the following individual fund deficits:

	<u>Deficit</u>
<u>Nonmajor Funds</u>	
Student Activity Trusts	\$28,430
Disadvantaged Pupil Impact Aid	23,872
Management Information System	873
Alternative Schools	1,249

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, 2002

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, 2002

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 combined balance sheet 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 \$3,213,652 and the bank balance was \$3,705,319. These amounts include \$3,500,000 in nonnegotiable certificates of deposit. Of the bank balance:

1. \$3,601,178 was covered by federal depository insurance or surety company bonds deposited with the District; and
2. \$104,141 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			Reported Amount	Fair Value
	1	2	3		
Repurchase agreements	\$ -	\$ -	\$279,000	\$ 279,000	\$ 279,000
Federal agency securities	-	<u>6,840,380</u>	-	6,840,380	6,840,380
Total	<u>\$ -</u>	<u>\$6,840,380</u>	<u>\$279,000</u>		
Investment in STAR Ohio				<u>11,523,169</u>	<u>11,523,169</u>
Total investments				<u>\$18,642,549</u>	<u>\$18,642,549</u>

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

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

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	\$ 21,860,278	\$ -
Investments of the cash management pool:		
Repurchase agreements	(279,000)	279,000
Investment in STAR Ohio	(11,523,169)	11,523,169
Federal agency securities	(6,840,380)	6,840,380
Cash on hand	<u>(4,077)</u>	<u>-</u>
GASB Statement No. 3	<u>\$ 3,213,652</u>	<u>\$18,642,549</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund balances at June 30, 2002 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	Title II Eisenhower special revenue fund	2,653
General	Title I	471
General	Title VI	5,781
General	EHA Preschool Grant	<u>5,562</u>
Total		<u>\$ 49,467</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 School 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 June 30, 2002 are reported on the Statement of Net Assets.

- B. The District made no interfund transfers during fiscal 2002, which, on a GAAP basis, would be recognized in the basic financial statements.

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.

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

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

NOTE 6 - PROPERTY TAXES - (Continued)

Property taxes include amounts levied against all real, public utility and tangible personal property located in the District. Property tax revenue received during calendar 2002 for real and public utility property taxes represents collections of calendar 2001 taxes. Property tax payments received during calendar 2002 for tangible personal property (other than public utility property) are for calendar 2002 taxes.

2002 real property taxes are levied after April 1, 2002, on the assessed value listed as of the prior January 1, 2002 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. 2002 public utility property taxes became a lien December 31, 2001, are levied after April 1, 2002 and are collected in 2003 with real property taxes.

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

The full tax rate for District operations for the year ended June 30, 2002, was \$32.40 per \$1,000.00 of assessed value. The assessed values of real and tangible personal property for tax year 2001 are as follows:

Real Property	\$582,130,530
Public Utility Property	26,908,730
Tangible Personal Property	<u>65,222,500</u>
Total Assessed Valuation	<u>\$674,261,760</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 2002 tangible personal property tax settlement was not received until July of 2002.

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, 2002. 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, 2002, was \$1,210,000 and is recognized as revenue. \$1,053,600 was available to the general fund, \$39,900 was available to the bond retirement debt service fund and \$116,500 was available to the permanent improvement capital projects fund.

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

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

NOTE 7 - RECEIVABLES

Receivables at June 30, 2002 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	\$19,358,038
School district income taxes	2,341,822
Accounts	56,266
Intergovernmental	517,757
Accrued interest	<u>138,292</u>
 Total	 <u>\$22,412,175</u>

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

NOTE 8 - FIXED ASSETS

Capital asset activity for the fiscal year ended June 30, 2002, was as follows:

	Balance <u>6/30/01</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/02</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 801,394	\$ -	\$ -	\$ 801,394
<i>Capital assets, being depreciated:</i>				
Land improvements	\$ 240,115	\$ -	\$ -	\$ 240,115
Buildings and improvements	22,322,672	735,402	-	23,058,074
Furniture and equipment	7,941,376	531,969	(112,692)	8,360,653
Vehicles	<u>2,520,475</u>	<u>144,843</u>	<u>(176,984)</u>	<u>2,488,334</u>
Total capital assets, being depreciated	<u>\$ 33,024,638</u>	<u>\$ 1,412,214</u>	<u>\$(289,676)</u>	<u>\$ 34,147,176</u>
<i>Less: Accumulated Depreciation</i>				
Land improvements	\$ (76,138)	\$ (23,583)	\$ -	\$ (99,721)
Buildings and improvements	(15,493,682)	(705,408)	-	(16,199,090)
Furniture and equipment	(4,084,103)	(912,697)	100,482	(4,896,318)
Vehicles	<u>(1,256,940)</u>	<u>(193,162)</u>	<u>176,984</u>	<u>(1,273,118)</u>
Total accumulated depreciation	<u>\$(20,910,863)</u>	<u>\$(1,834,850)</u>	<u>\$ 277,466</u>	<u>\$ (22,468,247)</u>
Governmental activities capital assets, net	<u>\$ 12,915,169</u>	<u>\$ (422,636)</u>	<u>\$ (12,210)</u>	<u>\$ 12,480,323</u>

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

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

NOTE 8 - FIXED ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$1,004,743
Special	23,135
Vocational	27,805
<u>Support Services:</u>	
Pupil	36,475
Instructional Staff	177,040
Administration	65,630
Fiscal	7,600
Business	7,388
Operation and Maintenance	115,529
Pupil Transportation	200,648
Central	48,499
Community Services	52,010
Extracurricular Activities	23,752
Food Service Operation	<u>44,596</u>
Total depreciation expense	<u>\$1,834,850</u>

NOTE 9 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In a prior year, the District entered into a capitalized lease for copier equipment. This lease agreement 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 have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital fixed assets consisting of office equipment have been capitalized in the amount of \$685,679. 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 2002 totaled \$124,117 paid by the general fund.

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, 2002:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2003	\$155,721
2004	155,721
2005	155,721
2006	<u>116,791</u>
Total minimum lease payments	583,954
Less: amount representing interest	<u>(55,424)</u>
Total	<u>\$528,530</u>

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

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

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 6/30/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Outstanding 6/30/02</u>	<u>Amounts Due in One Year</u>
Governmental Activities:						
<u>General Obligation Bonds:</u>						
Energy conservation bonds	5.90%	\$ 110,000	\$ -	\$ (110,000)	\$ -	\$ -
Library improvements bonds	5.15%	<u>6,964,928</u>	<u>-</u>	<u>(215,000)</u>	<u>6,749,928</u>	<u>225,000</u>
Total general obligation bonds payable		<u>\$ 7,074,928</u>	<u>\$ -</u>	<u>\$ (325,000)</u>	<u>\$ 6,749,928</u>	<u>\$ 225,000</u>
<u>Notes Payable:</u>						
Tax anticipation notes	4.6%	<u>\$ 1,755,000</u>	<u>\$ -</u>	<u>\$ (560,000)</u>	<u>\$ 1,195,000</u>	<u>\$ 585,000</u>
Total notes payable		<u>\$ 1,755,000</u>	<u>\$ -</u>	<u>\$ (560,000)</u>	<u>\$ 1,195,000</u>	<u>\$ 585,000</u>
<u>Other Long-Term Obligations:</u>						
Capital lease obligation		\$ 652,647	\$ -	\$ (124,117)	\$ 528,530	\$ 130,857
Compensated absences		<u>2,008,394</u>	<u>555,204</u>	<u>(423,615)</u>	<u>2,139,983</u>	<u>439,977</u>
Total other long-term obligations		<u>\$ 2,661,041</u>	<u>\$555,204</u>	<u>\$ (547,732)</u>	<u>\$ 2,668,513</u>	<u>\$ 570,834</u>
Total governmental activities		<u>\$11,490,969</u>	<u>\$555,204</u>	<u>\$(1,432,732)</u>	<u>\$10,613,441</u>	<u>\$1,380,834</u>

Energy Conservation Bonds: The District issued Energy conservation bonds on March 1, 1992. These bonds are retired from the debt service fund.

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.

Tax Anticipation Notes: The District issued tax anticipation notes on April 8, 1998. These notes are retired through the general fund with tax revenues.

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

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

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

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

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

B. Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2002, are as follows:

Year Ended	Tax Anticipation Notes			Library Improvement Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2003	\$ 585,000	\$41,515	\$ 626,515	\$ 225,000	\$ 315,930	\$ 540,930
2004	610,000	14,030	624,030	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 - 2012	-	-	-	1,405,000	1,295,512	2,700,512
2013 - 2017	-	-	-	1,765,000	919,279	2,684,279
2018 - 2022	-	-	-	2,250,000	422,250	2,672,250
2023	-	-	-	520,000	13,000	533,000
Total	<u>\$1,195,000</u>	<u>\$55,545</u>	<u>\$1,250,545</u>	<u>\$6,749,928</u>	<u>\$4,545,394</u>	<u>\$11,295,322</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, 2002 are a voted debt margin of \$53,177,520 (including available funds of \$438,890) and an unvoted debt margin of \$674,262.

NOTE 11 - 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.

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.

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

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

NOTE 11 - OTHER EMPLOYEE BENEFITS - (Continued)

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 12 - 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 2002, 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	\$ 1,000,000	\$ 0
Aggregate	3,000,000	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.

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

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

NOTE 12 - RISK MANAGEMENT - (Continued)

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).

While all benefit plans 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 2002), 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 14. As such, no funding provisions are required by the District.

During fiscal 2002, the District established a Employee Benefits Self-Insurance Fund (an internal service fund) to account for and finance its self-insurance dental 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 District collected premiums, but did not incur any claims during fiscal year 2002.

C. OSBA Group Workers Compensation Rating Program

For fiscal year 2002, 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.

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.

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

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

NOTE 13 - 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 2002; 5.46% 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, 2002, 2001 and 2000 were \$919,617, \$1,158,823, and \$941,196, respectively; 44% has been contributed for fiscal year 2002 and 100% for the fiscal years 2001 and 2000. \$519,108, represents the unpaid contribution for fiscal year 2002.

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 STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$3,572,474, \$3,384,920, and \$3,258,290, respectively; 84% has been contributed for fiscal year 2002 and 100% for the fiscal years 2001 and 2000. \$576,400, represents the unpaid contribution for fiscal year 2002.

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, 2002, certain members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

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

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

NOTE 14 - 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 percent of covered payroll. For this fiscal year, the State Teachers Retirement Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$1,148,295 during fiscal 2002.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Health Care Reserve Fund was \$3.256 billion at June 30, 2001 (the latest information available). For the fiscal year ended June 30, 2001 (the latest information available), net health care costs paid by STRS were \$300.772 million and STRS had 102,132 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 8.54 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2001 (the latest information available), were \$161.440 million and the target level was \$242.2 million. At June 30, 2001 (the latest information available), SERS had net assets available for payment of health care benefits of \$315.7 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 \$696,645 during the 2002 fiscal year.

NOTE 15 - 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:

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

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

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

- (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:

	<u>General Fund</u>
Budget basis	\$1,278,156
Net adjustment for revenue accruals	(545,817)
Net adjustment for expenditure accruals	(622,165)
Net adjustment for other sources/uses	619,631
Adjustment for encumbrances	<u>557,995</u>
GAAP basis	<u>\$1,287,800</u>

NOTE 16 - 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.

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

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

NOTE 16 - CONTINGENCIES - (Continued)

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

A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a timeline for distribution is not specified.

Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

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

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November, 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

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

NOTE 17 - 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, 2002

NOTE 18 - 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, 2002, the reserve activity was as follows:

	Textbooks/ Instructional Materials	Capital Acquisition	<u>Budget Stabilization</u>	
			<u>Designated</u>	<u>Reserved</u>
Set-aside cash balance as of June 30, 2001	\$ 448,904	\$ -	\$648,508	\$264,425
Current year set-aside requirement	846,226	846,226	-	-
Current year offsets	-	(1,507,841)	-	-
Additional set-aside	-	-	21,473	-
Qualifying disbursements	<u>(1,206,225)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>88,905</u>	<u>(661,615)</u>	<u>669,981</u>	<u>264,425</u>
Balance carried forward to FY 2003	<u>\$ 88,905</u>	<u>\$ 0</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 and qualifying disbursements 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.

In addition to the above statutory reserves, the District also received monies restricted for school bus purchases.

A schedule of the governmental fund restricted assets at June 30, 2002 follows:

Amount restricted for BWC refunds	\$264,425
Amount restricted for textbooks/ instructional materials	88,905
Amount restricted for school bus purchases	<u>64,959</u>
Total restricted assets	<u>\$418,289</u>
Amount designated for budget stabilization	<u>\$669,981</u>

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.

Summer Intervention

To account for summer intervention services.

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.

Technology Equity

To account for monies received for technology equity funding to low-wealth School Districts for the purpose of purchasing computers and related equipment.

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, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,644,794	\$ 391,163	\$ 1,600,807	\$ 3,636,764
Receivables:				
Property taxes	-	635,254	1,875,192	2,510,446
Accounts.	1,987	-	-	1,987
Accrued Interest	3,697	-	-	3,697
Intergovernmental	517,757	-	-	517,757
Materials and supplies inventory	10,587	-	-	10,587
Prepayments.	497	-	-	497
	<u>\$ 2,179,319</u>	<u>\$ 1,026,417</u>	<u>\$ 3,475,999</u>	<u>\$ 6,681,735</u>
Total assets.	<u>\$ 2,179,319</u>	<u>\$ 1,026,417</u>	<u>\$ 3,475,999</u>	<u>\$ 6,681,735</u>
Liabilities:				
Accounts payable.	\$ 71,873	\$ -	\$ 173,549	\$ 245,422
Accrued wages and benefits	444,613	-	-	444,613
Compensated absences payable	3,750	-	-	3,750
Pension obligation payable.	84,000	-	-	84,000
Interfund loan payable	49,467	-	-	49,467
Intergovernmental payable	31,020	328	1,173	32,521
Deferred revenue.	124,946	587,199	1,729,495	2,441,640
	<u>809,669</u>	<u>587,527</u>	<u>1,904,217</u>	<u>3,301,413</u>
Total liabilities.	<u>809,669</u>	<u>587,527</u>	<u>1,904,217</u>	<u>3,301,413</u>
Fund balances:				
Reserved for encumbrances.	343,027	-	589,171	932,198
Reserved for debt service	-	398,990	-	398,990
Reserved for property tax unavailable for appropriation.	-	39,900	116,500	156,400
Unreserved:				
Undesignated, reported in:				
Special revenue funds	1,026,623	-	-	1,026,623
Capital projects funds	-	-	866,111	866,111
	<u>1,369,650</u>	<u>438,890</u>	<u>1,571,782</u>	<u>3,380,322</u>
Total fund balances	<u>1,369,650</u>	<u>438,890</u>	<u>1,571,782</u>	<u>3,380,322</u>
Total liabilities and fund balances.	<u>\$ 2,179,319</u>	<u>\$ 1,026,417</u>	<u>\$ 3,475,999</u>	<u>\$ 6,681,735</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, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
From local sources:				
Taxes	\$ -	\$ 558,562	\$ 1,483,782	\$ 2,042,344
Earnings on investments	20,722	-	-	20,722
Charges for services	1,138,057	-	-	1,138,057
Extracurricular	207,826	-	-	207,826
Other local revenue	217,780	-	700	218,480
Other revenue	150,100	-	-	150,100
Intergovernmental - state	1,540,521	57,879	386,740	1,985,140
Intergovernmental - federal	4,076,308	-	-	4,076,308
	<u>7,351,314</u>	<u>616,441</u>	<u>1,871,222</u>	<u>9,838,977</u>
Total revenue				
Expenditures:				
Current:				
Instruction:				
Regular	911,991	-	172,083	1,084,074
Special	2,028,290	-	-	2,028,290
Vocational	32,413	-	-	32,413
Other	82,348	-	-	82,348
Support services:				
Pupil	140,748	-	23,748	164,496
Instructional staff	933,618	-	989	934,607
Administration	287,733	-	22,944	310,677
Fiscal	32,816	9,863	34,963	77,642
Operations and maintenance	-	-	10,104	10,104
Pupil transportation	5,219	-	134,658	139,877
Central	111,347	-	4,700	116,047
Operation of non-instructional services	133,771	-	21,645	155,416
Food service operations	2,114,495	-	-	2,114,495
Extracurricular activities	234,245	-	-	234,245
Facilities acquisition and construction	2,605	-	707,005	709,610
Intergovernmental pass through	694,298	-	-	694,298
Debt service:				
Principal retirement	-	325,000	-	325,000
Interest and fiscal charges	-	331,003	-	331,003
	<u>7,745,937</u>	<u>665,866</u>	<u>1,132,839</u>	<u>9,544,642</u>
Total expenditures				
Excess of revenues over (under) expenditures	(394,623)	(49,425)	738,383	294,335
Other financing sources (uses):				
Proceeds from sale of capital assets	41	-	-	41
Total other financing sources (uses)	41	-	-	41
Net change in fund balances	(394,582)	(49,425)	738,383	294,376
Fund balances, July 1	<u>1,764,232</u>	<u>488,315</u>	<u>833,399</u>	<u>3,085,946</u>
Fund balances, June 30	<u>\$ 1,369,650</u>	<u>\$ 438,890</u>	<u>\$ 1,571,782</u>	<u>\$ 3,380,322</u>

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2002

	Public School Support	Miscellaneous Grants	School Improvement Models	District Managed Student Activity
Assets:				
Equity in pooled cash and cash equivalents.	\$ 66,787	\$ 65,912	\$ 939	\$ 216,964
Receivables:				
Accounts.	-	-	-	-
Accrued Interest.	-	-	-	-
Due from other governments	-	-	-	-
Materials and supplies inventory	-	-	-	-
Prepayments.	-	-	-	-
Total assets.	\$ 66,787	\$ 65,912	\$ 939	\$ 216,964
Liabilities:				
Accounts payable.	\$ 324	\$ 1,230	\$ -	\$ 17,363
Accrued wages and benefits	-	-	-	-
Compensated absences payable	-	-	-	-
Pension obligation payable.	-	-	-	-
Intergovernmental payable	-	-	-	62
Interfund loan payable	-	-	-	-
Deferred revenue.	-	-	-	-
Total liabilities.	324	1,230	-	17,425
Fund balances:				
Reserved for encumbrances.	6,383	19,274	-	137,882
Unreserved-undesignated (deficit)	60,080	45,408	939	61,657
Total fund balances	66,463	64,682	939	199,539
Total liabilities and fund balances.	\$ 66,787	\$ 65,912	\$ 939	\$ 216,964

<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>
\$ 136,770	\$ 6,263	\$ 1,515	\$ -	\$ -	\$ 16,500
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	36	-	-
<u>\$ 136,770</u>	<u>\$ 6,263</u>	<u>\$ 1,515</u>	<u>\$ 36</u>	<u>\$ -</u>	<u>\$ 16,500</u>
\$ 4,443	\$ 273	\$ 392	\$ -	\$ -	\$ -
28,454	-	-	76	15,437	-
-	-	-	-	-	-
3,986	-	-	704	5,862	-
1,898	-	4	129	2,573	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>38,781</u>	<u>273</u>	<u>396</u>	<u>909</u>	<u>23,872</u>	<u>-</u>
35,691	1,051	317	-	-	-
<u>62,298</u>	<u>4,939</u>	<u>802</u>	<u>(873)</u>	<u>(23,872)</u>	<u>16,500</u>
<u>97,989</u>	<u>5,990</u>	<u>1,119</u>	<u>(873)</u>	<u>(23,872)</u>	<u>16,500</u>
<u>\$ 136,770</u>	<u>\$ 6,263</u>	<u>\$ 1,515</u>	<u>\$ 36</u>	<u>\$ -</u>	<u>\$ 16,500</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2002

	SchoolNet Professional Development	Textbooks/ Instructional Materials Subsidy	Ohio Reads Grant	Alternative Schools
Assets:				
Equity in pooled cash and cash equivalents.	\$ 22,638	\$ 407	\$ 69,239	\$ 12,651
Receivables:				
Accounts.	-	-	-	-
Accrued interest.	-	-	-	-
Due from other governments.	-	-	5,500	-
Materials and supplies inventory.	-	-	-	-
Prepayments.	-	-	-	-
Total assets.	\$ 22,638	\$ 407	\$ 74,739	\$ 12,651
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ 13,529	\$ 2,955
Accrued wages and benefits.	-	-	-	8,961
Compensated absences payable.	-	-	-	-
Pension obligation payable.	-	-	-	1,372
Intergovernmental payable.	10	-	320	612
Interfund loan payable.	-	-	-	-
Deferred revenue.	-	-	5,500	-
Total liabilities.	10	-	19,349	13,900
Fund balances:				
Reserved for encumbrances.	550	407	43,845	2,115
Unreserved-undesignated (deficit).	22,078	-	11,545	(3,364)
Total fund balances.	22,628	407	55,390	(1,249)
Total liabilities and fund balances.	\$ 22,638	\$ 407	\$ 74,739	\$ 12,651

<u>Extended Learning Opportunity</u>	<u>Miscellaneous State Grants</u>	<u>Title II Eisenhower</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>
\$ 1,727	\$ 101,276	\$ 9,614	\$ 48,353	\$ 271,848	\$ 6,321
-	-	290	-	-	-
-	-	-	-	-	-
-	-	28,804	67,206	234,961	19,621
-	-	-	-	-	-
-	-	-	-	69	-
<u>\$ 1,727</u>	<u>\$ 101,276</u>	<u>\$ 38,708</u>	<u>\$ 115,559</u>	<u>\$ 506,878</u>	<u>\$ 25,942</u>
\$ -	\$ 971	\$ 380	\$ 60	\$ 13,418	\$ 1,399
-	2,701	167	49,775	208,156	-
-	-	-	-	-	-
-	392	46	8,740	31,924	-
-	447	124	3,290	12,685	-
-	-	2,653	-	471	5,781
-	-	14,692	13,299	82,162	5,264
-	4,511	18,062	75,164	348,816	12,444
-	31,351	6,323	4,357	17,907	3,737
<u>1,727</u>	<u>65,414</u>	<u>14,323</u>	<u>36,038</u>	<u>140,155</u>	<u>9,761</u>
<u>1,727</u>	<u>96,765</u>	<u>20,646</u>	<u>40,395</u>	<u>158,062</u>	<u>13,498</u>
<u>\$ 1,727</u>	<u>\$ 101,276</u>	<u>\$ 38,708</u>	<u>\$ 115,559</u>	<u>\$ 506,878</u>	<u>\$ 25,942</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2002

	Drug Free Schools Program	EHA Preschool Grant	Telecommunications Act Grant "E-Rate"	Goals 2000 Grant
Assets:				
Equity in pooled cash and cash equivalents.	\$ 48,373	\$ 250	\$ 18,160	\$ 6,515
Receivables:				
Accounts.	-	-	-	-
Accrued interest.	-	-	-	-
Due from other governments	1,597	10,987	15,824	-
Materials and supplies inventory	-	-	-	-
Prepayments.	-	-	-	-
	<u>49,970</u>	<u>11,237</u>	<u>33,984</u>	<u>6,515</u>
Total assets.	<u>\$ 49,970</u>	<u>\$ 11,237</u>	<u>\$ 33,984</u>	<u>\$ 6,515</u>
Liabilities:				
Accounts payable.	\$ 10,192	\$ -	\$ -	\$ 479
Accrued wages and benefits	2,917	4,156	-	-
Compensated absences payable	-	-	-	-
Pension obligation payable.	912	534	-	-
Intergovernmental payable	183	238	-	-
Interfund loan payable	-	5,562	-	-
Deferred revenue.	-	40	-	-
	<u>14,204</u>	<u>10,530</u>	<u>-</u>	<u>479</u>
Total liabilities.	<u>14,204</u>	<u>10,530</u>	<u>-</u>	<u>479</u>
Fund balances:				
Reserved for encumbrances.	4,405	250	13,395	132
Unreserved-undesignated (deficit)	31,361	457	20,589	5,904
	<u>35,766</u>	<u>707</u>	<u>33,984</u>	<u>6,036</u>
Total fund balances	<u>35,766</u>	<u>707</u>	<u>33,984</u>	<u>6,036</u>
Total liabilities and fund balances.	<u>\$ 49,970</u>	<u>\$ 11,237</u>	<u>\$ 33,984</u>	<u>\$ 6,515</u>

<u>Reducing Class Size</u>	<u>Miscellaneous Federal Grants</u>	<u>Food Service</u>	<u>School Activity Trusts</u>	<u>Staff Trusts</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 29,795	\$ 3,843	\$ 464,426	\$ 11,138	\$ 6,570	\$ 1,644,794
-	-	1,697	-	-	1,987
-	-	3,697	-	-	3,697
25,036	-	108,221	-	-	517,757
-	-	10,587	-	-	10,587
-	-	392	-	-	497
<u>\$ 54,831</u>	<u>\$ 3,843</u>	<u>\$ 589,020</u>	<u>\$ 11,138</u>	<u>\$ 6,570</u>	<u>\$ 2,179,319</u>
\$ 45	\$ 2,079	\$ 2,176	\$ 165	\$ -	\$ 71,873
30,603	-	93,210	-	-	444,613
-	-	3,750	-	-	3,750
3,922	-	25,606	-	-	84,000
2,053	-	6,392	-	-	31,020
-	-	-	-	35,000	49,467
54	-	3,935	-	-	124,946
<u>36,677</u>	<u>2,079</u>	<u>135,069</u>	<u>165</u>	<u>35,000</u>	<u>809,669</u>
19	783	11,528	1,325	-	343,027
18,135	981	442,423	9,648	(28,430)	1,026,623
<u>18,154</u>	<u>1,764</u>	<u>453,951</u>	<u>10,973</u>	<u>(28,430)</u>	<u>1,369,650</u>
<u>\$ 54,831</u>	<u>\$ 3,843</u>	<u>\$ 589,020</u>	<u>\$ 11,138</u>	<u>\$ 6,570</u>	<u>\$ 2,179,319</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, 2002

	Public School Support	Miscellaneous Grants	School Improvement Models	District Managed Student Activity
Revenues:				
From local sources:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Extracurricular	9,385	-	-	188,345
Other local revenue	41,131	1,500	-	142,398
Other revenue	-	150,100	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	-	-	-	-
Total revenue	50,516	151,600	-	330,743
Expenditures:				
Current:				
Instruction:				
Regular	-	16,492	9,368	-
Special	-	-	-	-
Vocational	-	117	-	-
Other	-	82,348	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	33,150	-	-
Administration	324	-	-	-
Fiscal	-	-	-	-
Pupil transportation	-	191	-	-
Central	-	-	-	-
Operation of non-instructional services	52,169	484	-	5,653
Food service operations	-	-	-	-
Extracurricular activities	-	1,243	-	231,802
Facilities acquisition and construction	-	748	-	1,857
Intergovernmental pass through	-	-	-	-
Total expenditures	52,493	134,773	9,368	239,312
Excess of revenues over (under) expenditures	(1,977)	16,827	(9,368)	91,431
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(1,977)	16,827	(9,368)	91,431
Fund balances, July 1	68,440	47,855	10,307	108,108
Fund balances, June 30	\$ 66,463	\$ 64,682	\$ 939	\$ 199,539

<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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8,685	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
678,910	3,735	-	24,737	454,323	-
-	-	-	-	-	-
<u>687,595</u>	<u>3,735</u>	<u>-</u>	<u>24,737</u>	<u>454,323</u>	<u>-</u>
-	1,245	-	-	337,608	-
-	-	-	-	-	-
-	-	-	-	32,296	-
-	-	-	-	-	-
-	1,811	-	-	-	-
-	-	8,752	-	-	-
-	-	-	4,083	88,469	-
-	-	-	28,132	-	-
-	656	-	-	-	-
-	-	-	-	-	-
-	-	757	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
686,798	-	-	-	-	-
<u>686,798</u>	<u>3,712</u>	<u>9,509</u>	<u>32,215</u>	<u>458,373</u>	<u>-</u>
797	23	(9,509)	(7,478)	(4,050)	-
-	-	-	-	-	-
-	-	-	-	-	-
797	23	(9,509)	(7,478)	(4,050)	-
97,192	5,967	10,628	6,605	(19,822)	16,500
<u>\$ 97,989</u>	<u>\$ 5,990</u>	<u>\$ 1,119</u>	<u>\$ (873)</u>	<u>\$ (23,872)</u>	<u>\$ 16,500</u>

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**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, 2002

	SchoolNet Professional Development	Textbooks/ Instructional Materials Subsidy	Ohio Reads Grant	Summer Intervention
Revenues:				
From local sources:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Extracurricular	-	-	-	-
Other local revenues	-	-	-	299
Other revenue	-	-	-	-
Intergovernmental - state	8,592	-	199,500	-
Intergovernmental - federal	-	-	-	-
	<u>8,592</u>	<u>-</u>	<u>199,500</u>	<u>299</u>
Total revenue.	<u>8,592</u>	<u>-</u>	<u>199,500</u>	<u>299</u>
Expenditures:				
Current:				
Instruction:				
Regular	2,425	236	80,882	-
Special	-	-	-	-
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff.	1,345	-	59,303	-
Administration	-	-	-	-
Fiscal.	-	-	-	-
Pupil transportation	-	-	-	-
Central	1,289	-	-	-
Operation of non-instructional services	-	-	6,690	-
Food service operations	-	-	-	-
Extracurricular activities	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Intergovernmental pass through	-	-	7,500	-
	<u>5,059</u>	<u>236</u>	<u>154,375</u>	<u>-</u>
Total expenditures	<u>5,059</u>	<u>236</u>	<u>154,375</u>	<u>-</u>
Excess of revenues over (under) expenditures	3,533	(236)	45,125	299
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses).	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances.	3,533	(236)	45,125	299
Fund balances, July 1	<u>19,095</u>	<u>643</u>	<u>10,265</u>	<u>(299)</u>
Fund balances, June 30	<u>\$ 22,628</u>	<u>\$ 407</u>	<u>\$ 55,390</u>	<u>\$ -</u>

<u>Alternative Schools</u>	<u>Extended Learning Opportunity</u>	<u>Miscellaneous State Grants</u>	<u>Title II Eisenhower</u>	<u>Title VI-B</u>	<u>Title I</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
94,196	-	76,528	-	-	-
-	-	-	44,810	558,130	1,972,222
<u>94,196</u>	<u>-</u>	<u>76,528</u>	<u>44,810</u>	<u>558,130</u>	<u>1,972,222</u>
53,440	-	66,817	-	-	-
-	-	-	-	157,064	1,858,328
-	-	-	-	-	-
-	-	-	-	-	-
45,337	-	30,264	-	11,318	10,310
27,874	26,772	32,389	32,079	334,108	146,410
-	-	7,003	-	106,376	79,680
-	-	-	-	-	4,684
760	-	991	-	60	1,148
4,854	-	-	-	-	-
-	-	-	441	4,301	26,774
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>132,265</u>	<u>26,772</u>	<u>137,464</u>	<u>32,520</u>	<u>613,227</u>	<u>2,127,334</u>
(38,069)	(26,772)	(60,936)	12,290	(55,097)	(155,112)
-	-	-	-	-	-
-	-	-	-	-	-
(38,069)	(26,772)	(60,936)	12,290	(55,097)	(155,112)
<u>36,820</u>	<u>28,499</u>	<u>157,701</u>	<u>8,356</u>	<u>95,492</u>	<u>313,174</u>
<u>\$ (1,249)</u>	<u>\$ 1,727</u>	<u>\$ 96,765</u>	<u>\$ 20,646</u>	<u>\$ 40,395</u>	<u>\$ 158,062</u>

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**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, 2002

	<u>Title VI</u>	<u>Drug Free Schools Program</u>	<u>EHA Preschool Grant</u>	<u>Telecommunications Act Grant "E-Rate"</u>
Revenues:				
From local sources:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Extracurricular	-	-	-	-
Other local revenues	-	-	-	-
Other revenue	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	47,749	91,407	34,132	102,444
	<u>47,749</u>	<u>91,407</u>	<u>34,132</u>	<u>102,444</u>
 Total revenue.	<u>47,749</u>	<u>91,407</u>	<u>34,132</u>	<u>102,444</u>
 Expenditures:				
Current:				
Instruction:				
Regular	-	41,234	-	-
Special	-	-	4,867	-
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	3,686	36,129	-	-
Instructional staff.	39,516	10,020	29,180	-
Administration	-	-	-	-
Fiscal	-	-	-	-
Pupil transportation	-	1,413	-	-
Central	-	-	-	100,224
Operation of non-instructional services	6,186	2,285	-	-
Food service operations	-	-	-	-
Extracurricular activities	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Intergovernmental pass through	-	-	-	-
	<u>49,388</u>	<u>91,081</u>	<u>34,047</u>	<u>100,224</u>
 Total expenditures	<u>49,388</u>	<u>91,081</u>	<u>34,047</u>	<u>100,224</u>
 Excess of revenues over (under) expenditures	<u>(1,639)</u>	<u>326</u>	<u>85</u>	<u>2,220</u>
 Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses).	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net change in fund balances.	<u>(1,639)</u>	<u>326</u>	<u>85</u>	<u>2,220</u>
 Fund balances, July 1	<u>15,137</u>	<u>35,440</u>	<u>622</u>	<u>31,764</u>
 Fund balances, June 30	<u>\$ 13,498</u>	<u>\$ 35,766</u>	<u>\$ 707</u>	<u>\$ 33,984</u>

<u>Goals 2000 Grant</u>	<u>Reducing Class Size</u>	<u>Miscellaneous Federal Grants</u>	<u>Food Service</u>	<u>School Activity Trusts</u>	<u>Staff Trusts</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ 1,138,057	\$ -	\$ -	\$ 1,138,057
-	-	-	12,037	-	-	20,722
-	-	-	-	10,096	-	207,826
-	-	-	46	3,400	29,006	217,780
-	-	-	-	-	-	150,100
-	-	-	-	-	-	1,540,521
27,000	355,036	8,233	835,145	-	-	4,076,308
<u>27,000</u>	<u>355,036</u>	<u>8,233</u>	<u>1,985,285</u>	<u>13,496</u>	<u>29,006</u>	<u>7,351,314</u>
-	299,405	2,839	-	-	-	911,991
-	-	8,031	-	-	-	2,028,290
-	-	-	-	-	-	32,413
-	-	-	-	-	-	82,348
-	1,893	-	-	-	-	140,748
63,888	21,348	-	-	-	67,484	933,618
34	1,764	-	-	-	-	287,733
-	-	-	-	-	-	32,816
-	-	-	-	-	-	5,219
-	-	4,980	-	-	-	111,347
-	-	-	-	17,806	10,225	133,771
-	-	-	2,114,495	-	-	2,114,495
-	-	-	-	-	1,200	234,245
-	-	-	-	-	-	2,605
-	-	-	-	-	-	694,298
<u>63,922</u>	<u>324,410</u>	<u>15,850</u>	<u>2,114,495</u>	<u>17,806</u>	<u>78,909</u>	<u>7,745,937</u>
(36,922)	30,626	(7,617)	(129,210)	(4,310)	(49,903)	(394,623)
-	-	-	41	-	-	41
-	-	-	41	-	-	41
(36,922)	30,626	(7,617)	(129,169)	(4,310)	(49,903)	(394,582)
42,958	(12,472)	9,381	583,120	15,283	21,473	1,764,232
<u>\$ 6,036</u>	<u>\$ 18,154</u>	<u>\$ 1,764</u>	<u>\$ 453,951</u>	<u>\$ 10,973</u>	<u>\$ (28,430)</u>	<u>\$ 1,369,650</u>

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2002

	Permanent Improvement	Vocational Education Equipment	SchoolNet	Interactive Video Distance Learning	Total Nonmajor Capital Projects Funds
Assets:					
Equity in pooled cash and cash equivalents. . .	\$ 1,362,248	\$ 7,796	\$ 211,659	\$ 19,104	\$ 1,600,807
Receivables:					
Property taxes	1,875,192	-	-	-	1,875,192
Total assets.	\$ 3,237,440	\$ 7,796	\$ 211,659	\$ 19,104	\$ 3,475,999
 Liabilities:					
Accounts payable.	\$ 172,634	\$ -	\$ 915	\$ -	\$ 173,549
Intergovernmental payable.	1,173	-	-	-	1,173
Deferred revenue.	1,729,495	-	-	-	1,729,495
Total liabilities.	1,903,302	-	915	-	1,904,217
 Fund balances:					
Reserved for encumbrances	589,171	-	-	-	589,171
Reserved for property taxes unavailable for appropriation	116,500	-	-	-	116,500
Unreserved-undesignated (deficit)	628,467	7,796	210,744	19,104	866,111
Total fund balances	1,334,138	7,796	210,744	19,104	1,571,782
Total liabilities and fund balances.	\$ 3,237,440	\$ 7,796	\$ 211,659	\$ 19,104	\$ 3,475,999

**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, 2002

	<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	\$ 1,483,782	\$ -	\$ -	\$ -	\$ 1,483,782
Other local revenue	700	-	-	-	700
Intergovernmental - state	<u>161,244</u>	<u>7,796</u>	<u>209,000</u>	<u>8,700</u>	<u>386,740</u>
Total revenue	<u>1,645,726</u>	<u>7,796</u>	<u>209,000</u>	<u>8,700</u>	<u>1,871,222</u>
Expenditures:					
Current:					
Instruction:					
Regular	108,358	-	63,725	-	172,083
Support services:					
Pupil	23,748	-	-	-	23,748
Instructional staff	989	-	-	-	989
Administration	22,944	-	-	-	22,944
Fiscal	34,963	-	-	-	34,963
Operations and maintenance	10,104	-	-	-	10,104
Pupil transportation	134,658	-	-	-	134,658
Central	-	-	-	4,700	4,700
Operation of non-instructional services	-	-	21,645	-	21,645
Facilities acquisition and construction	<u>707,005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>707,005</u>
Total expenditures	<u>1,042,769</u>	<u>-</u>	<u>85,370</u>	<u>4,700</u>	<u>1,132,839</u>
Net change in fund balances	602,957	7,796	123,630	4,000	738,383
Fund balances, July 1	<u>731,181</u>	<u>-</u>	<u>87,114</u>	<u>15,104</u>	<u>833,399</u>
Fund balances, June 30	<u>\$ 1,334,138</u>	<u>\$ 7,796</u>	<u>\$ 210,744</u>	<u>\$ 19,104</u>	<u>\$ 1,571,782</u>

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

GENERAL FUND

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

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

**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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Extracurricular	\$ 6,100	\$ 6,100	\$ 9,385	\$ 3,285
Other local revenue.	<u>18,900</u>	<u>39,900</u>	<u>41,131</u>	<u>1,231</u>
Total revenues	<u>25,000</u>	<u>46,000</u>	<u>50,516</u>	<u>4,516</u>
Expenditures:				
Current:				
Operation of non-instructional services	<u>81,414</u>	<u>92,602</u>	<u>61,907</u>	<u>30,695</u>
Total expenditures	<u>81,414</u>	<u>92,602</u>	<u>61,907</u>	<u>30,695</u>
Excess of revenues over (under) expenditures	<u>(56,414)</u>	<u>(46,602)</u>	<u>(11,391)</u>	<u>35,211</u>
Other financing sources (uses):				
Operating transfers (out).	<u>(17)</u>	<u>(100)</u>	<u>-</u>	<u>100</u>
Total other financing sources (uses)	<u>(17)</u>	<u>(100)</u>	<u>-</u>	<u>100</u>
Net change in fund balance	(56,431)	(46,702)	(11,391)	35,311
Fund balance, July 1	59,526	59,526	59,526	-
Prior year encumbrances appropriated	<u>12,102</u>	<u>12,102</u>	<u>12,102</u>	<u>-</u>
Fund balance, June 30	<u>\$ 15,197</u>	<u>\$ 24,926</u>	<u>\$ 60,237</u>	<u>\$ 35,311</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 GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Other local revenue	\$ -	\$ 1,200	\$ 1,500	\$ 300
Other revenue	85,000	161,800	150,100	(11,700)
Total revenues	<u>85,000</u>	<u>163,000</u>	<u>151,600</u>	<u>(11,400)</u>
Expenditures:				
Current:				
Instruction:				
Regular	34,359	29,404	21,049	8,355
Special	275	275	-	275
Vocational	44,410	43,800	18,689	25,111
Other	25,000	85,000	82,348	2,652
Support services:				
Instructional staff	4,397	37,865	33,150	4,715
Operation and maintenance of plant	-	591	-	591
Pupil transportation	60	591	191	400
Central	-	93	-	93
Operation of non-instructional services	-	2,500	2,327	173
Extracurricular activities	1,100	100	-	100
Facilities acquisition and construction	748	748	748	-
Total expenditures	<u>110,349</u>	<u>200,967</u>	<u>158,502</u>	<u>42,465</u>
Net change in fund balance	(25,349)	(37,967)	(6,902)	31,065
Fund balance, July 1	46,191	46,191	46,191	-
Prior year encumbrances appropriated	<u>6,119</u>	<u>6,119</u>	<u>6,119</u>	<u>-</u>
Fund balance, June 30	<u>\$ 26,961</u>	<u>\$ 14,343</u>	<u>\$ 45,408</u>	<u>\$ 31,065</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Instruction:				
Regular	\$ 10,304	\$ 9,738	\$ 8,801	\$ 937
Total expenditures	<u>10,304</u>	<u>9,738</u>	<u>8,801</u>	<u>937</u>
Excess of revenues over (under) expenditures	<u>(10,304)</u>	<u>(9,738)</u>	<u>(8,801)</u>	<u>937</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	<u>-</u>	<u>(567)</u>	<u>(567)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(567)</u>	<u>(567)</u>	<u>-</u>
Net change in fund balance	(10,304)	(10,305)	(9,368)	937
Fund balance, July 1	10,305	10,305	10,305	-
Prior year encumbrances appropriated	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund balance, June 30	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 938</u>	<u>\$ 937</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Extracurricular	\$ 180,000	\$ 189,292	\$ 188,725	\$ (567)
Other local revenue	20,000	131,708	142,399	10,691
Total revenues	<u>200,000</u>	<u>321,000</u>	<u>331,124</u>	<u>10,124</u>
Expenditures:				
Current:				
Operation of non-instructional services	13,270	13,370	5,853	7,517
Extracurricular activities	235,923	272,316	242,515	29,801
Facilities acquisition and construction	-	125,000	124,825	175
Total expenditures	<u>249,193</u>	<u>410,686</u>	<u>373,193</u>	<u>37,493</u>
Excess of revenues over (under) expenditures	<u>(49,193)</u>	<u>(89,686)</u>	<u>(42,069)</u>	<u>47,617</u>
Other financing sources (uses):				
Miscellaneous	<u>(1,464)</u>	<u>(1,000)</u>	<u>-</u>	<u>1,000</u>
Total other financing sources (uses)	<u>(1,464)</u>	<u>(1,000)</u>	<u>-</u>	<u>1,000</u>
Net change in fund balance	(50,657)	(90,686)	(42,069)	48,617
Fund balance, July 1	82,222	82,222	82,222	-
Prior year encumbrances appropriated	29,116	29,116	29,116	-
Fund balance, June 30	<u>\$ 60,681</u>	<u>\$ 20,652</u>	<u>\$ 69,269</u>	<u>\$ 48,617</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 11,300	\$ 11,300	\$ 8,685	\$ (2,615)
Intergovernmental-state	538,700	674,700	678,910	4,210
Total revenues	<u>550,000</u>	<u>686,000</u>	<u>687,595</u>	<u>1,595</u>
Expenditures:				
Current:				
Operation of non-instructional services	733,733	880,764	787,706	93,058
Facilities acquisition and construction	-	71	-	71
Total expenditures	<u>733,733</u>	<u>880,835</u>	<u>787,706</u>	<u>93,129</u>
Excess of revenues over (under) expenditures	<u>(183,733)</u>	<u>(194,835)</u>	<u>(100,111)</u>	<u>94,724</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	-	(51,906)	(51,906)	-
Total other financing sources (uses)	<u>-</u>	<u>(51,906)</u>	<u>(51,906)</u>	<u>-</u>
Net change in fund balance	(183,733)	(246,741)	(152,017)	94,724
Fund balance, July 1	28,921	28,921	28,921	-
Prior year encumbrances appropriated	219,732	219,732	219,732	-
Fund balance, June 30	<u>\$ 64,920</u>	<u>\$ 1,912</u>	<u>\$ 96,636</u>	<u>\$ 94,724</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 5,000	\$ 3,735	\$ 3,735	\$ -
Total revenues	<u>5,000</u>	<u>3,735</u>	<u>3,735</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	5,966	4,197	1,245	2,952
Support services:				
Pupils	-	3,085	1,818	1,267
Instructional staff	-	700	-	700
Pupil transportation	-	1,719	1,699	20
Total expenditures	<u>5,966</u>	<u>9,701</u>	<u>4,762</u>	<u>4,939</u>
Net change in fund balance	(966)	(5,966)	(1,027)	4,939
Fund balance, July 1	5,966	5,966	5,966	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, June 30	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 4,939</u>	<u>\$ 4,939</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 25,000	\$ -	\$ -	\$ -
Total revenues	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	21	-	-	-
Instructional staff	9,391	9,070	8,264	806
Operation of non-instructional services	757	757	757	-
Total expenditures	<u>10,169</u>	<u>9,827</u>	<u>9,021</u>	<u>806</u>
Excess of revenues over (under) expenditures	<u>14,831</u>	<u>(9,827)</u>	<u>(9,021)</u>	<u>806</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	(756)	(1,098)	(1,098)	-
Total other financing sources (uses)	<u>(756)</u>	<u>(1,098)</u>	<u>(1,098)</u>	<u>-</u>
Net change in fund balance	14,075	(10,925)	(10,119)	806
Fund balance, July 1	5,728	5,728	5,728	-
Prior year encumbrances appropriated	<u>5,197</u>	<u>5,197</u>	<u>5,197</u>	<u>-</u>
Fund balance, June 30	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 806</u>	<u>\$ 806</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 21,500	\$ 24,737	\$ 24,737	\$ -
Total revenues	<u>21,500</u>	<u>24,737</u>	<u>24,737</u>	<u>-</u>
Expenditures:				
Current:				
Support services:				
Administration	-	3,958	3,996	(38)
Fiscal	<u>27,313</u>	<u>28,092</u>	<u>28,054</u>	<u>38</u>
Total expenditures	<u>27,313</u>	<u>32,050</u>	<u>32,050</u>	<u>-</u>
Net change in fund balance	(5,813)	(7,313)	(7,313)	-
Fund balance, July 1	7,313	7,313	7,313	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1,500</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)
DISADVANTAGED PUPIL IMPACT AID (DPIA) FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 455,000	\$ 455,000	\$ 454,324	\$ (676)
Total revenues	<u>455,000</u>	<u>455,000</u>	<u>454,324</u>	<u>(676)</u>
Expenditures:				
Current:				
Instruction:				
Regular	368,157	333,136	333,136	-
Vocational	-	33,303	33,303	-
Support services:				
Administration	<u>86,282</u>	<u>88,000</u>	<u>88,000</u>	<u>-</u>
Total expenditures	<u>454,439</u>	<u>454,439</u>	<u>454,439</u>	<u>-</u>
Net change in fund balance	561	561	(115)	(676)
Fund balance, July 1	115	115	115	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 676</u>	<u>\$ 676</u>	<u>\$ -</u>	<u>\$ (676)</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Support services:				
Central	\$ 16,500	\$ 16,500	\$ -	\$ 16,500
Total expenditures	<u>16,500</u>	<u>16,500</u>	<u>-</u>	<u>16,500</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,500</u>	<u>\$ 16,500</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Over</u> <u>(Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 5,000	\$ 5,200	\$ 8,592	\$ 3,392
Total revenues	<u>5,000</u>	<u>5,200</u>	<u>8,592</u>	<u>3,392</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	2,724	2,424	300
Support services:				
Instructional staff	18,100	15,449	1,895	13,554
Central	<u>6,000</u>	<u>6,073</u>	<u>1,285</u>	<u>4,788</u>
Total expenditures	<u>24,100</u>	<u>24,246</u>	<u>5,604</u>	<u>18,642</u>
Net change in fund balance	(19,100)	(19,046)	2,988	22,034
Fund balance, July 1	19,100	19,100	19,100	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 54</u>	<u>\$ 22,088</u>	<u>\$ 22,034</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Instruction:				
Regular	\$ 643	\$ 643	\$ 643	\$ -
Total expenditures	<u>643</u>	<u>643</u>	<u>643</u>	<u>-</u>
Net change in fund balance	(643)	(643)	(643)	-
Fund balance, July 1	643	643	643	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 30,000	\$ 266,000	\$ 199,500	\$ (66,500)
Total revenues	<u>30,000</u>	<u>266,000</u>	<u>199,500</u>	<u>(66,500)</u>
Expenditures:				
Current:				
Instruction:				
Regular	10,330	177,766	121,706	56,060
Support services:				
Instructional staff	4,604	88,345	66,371	21,974
Central	-	100	100	-
Operation of non-instructional services	-	7,077	6,748	329
Total expenditures	<u>14,934</u>	<u>273,288</u>	<u>194,925</u>	<u>78,363</u>
Excess of revenues over (under) expenditures	<u>15,066</u>	<u>(7,288)</u>	<u>4,575</u>	<u>11,863</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	-	(142)	(142)	-
Miscellaneous	-	(7,500)	(7,500)	-
Total other financing sources (uses)	<u>-</u>	<u>(7,642)</u>	<u>(7,642)</u>	<u>-</u>
Net change in fund balance	15,066	(14,930)	(3,067)	11,863
Fund balance, July 1	<u>5,602</u>	<u>5,602</u>	<u>5,602</u>	<u>-</u>
Prior year encumbrances appropriated	<u>9,330</u>	<u>9,330</u>	<u>9,330</u>	<u>-</u>
Fund balance, June 30	<u>\$ 29,998</u>	<u>\$ 2</u>	<u>\$ 11,865</u>	<u>\$ 11,863</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 95,000	\$ 95,000	\$ 94,196	\$ (804)
Total revenues	<u>95,000</u>	<u>95,000</u>	<u>94,196</u>	<u>(804)</u>
Expenditures:				
Current:				
Instruction:				
Regular	64,339	64,339	51,808	12,531
Support services:				
Pupils	46,718	46,718	40,473	6,245
Instructional staff	17,837	17,837	29,032	(11,195)
Pupil transportation	496	496	496	-
Central	<u>14,646</u>	<u>14,646</u>	<u>14,646</u>	<u>-</u>
Total expenditures	<u>144,036</u>	<u>144,036</u>	<u>136,455</u>	<u>7,581</u>
Net change in fund balance	(49,036)	(49,036)	(42,259)	6,777
Fund balance, July 1	28,911	28,911	28,911	-
Prior year encumbrances appropriated	<u>20,929</u>	<u>20,929</u>	<u>20,929</u>	<u>-</u>
Fund balance, June 30	<u>\$ 804</u>	<u>\$ 804</u>	<u>\$ 7,581</u>	<u>\$ 6,777</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Support services:				
Instructional staff	\$ 28,544	\$ 28,544	\$ 26,817	\$ 1,727
Total expenditures	<u>28,544</u>	<u>28,544</u>	<u>26,817</u>	<u>1,727</u>
Net change in fund balance	(28,544)	(28,544)	(26,817)	1,727
Fund balance, July 1	19,481	19,481	19,481	-
Prior year encumbrances appropriated	<u>9,063</u>	<u>9,063</u>	<u>9,063</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,727</u></u>	<u><u>\$ 1,727</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)
MISCELLANEOUS STATE GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 25,000	\$ 80,000	\$ 76,528	\$ (3,472)
Total revenues	<u>25,000</u>	<u>80,000</u>	<u>76,528</u>	<u>(3,472)</u>
Expenditures:				
Current:				
Instruction:				
Regular	102,354	129,095	85,295	43,800
Support services:				
Pupils	-	50,930	26,453	24,477
Instructional staff	86,050	53,398	50,759	2,639
Administration	-	7,751	7,481	270
Pupil transportation	-	-	991	(991)
Total expenditures	<u>188,404</u>	<u>241,174</u>	<u>170,979</u>	<u>70,195</u>
Net change in fund balance	(163,404)	(161,174)	(94,451)	66,723
Fund balance, July 1	161,051	161,051	161,051	-
Prior year encumbrances appropriated	<u>2,354</u>	<u>2,354</u>	<u>2,354</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1</u>	<u>\$ 2,231</u>	<u>\$ 68,954</u>	<u>\$ 66,723</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 50,000	\$ 60,000	\$ 30,408	\$ (29,592)
Total revenues	<u>50,000</u>	<u>60,000</u>	<u>30,408</u>	<u>(29,592)</u>
Expenditures:				
Current:				
Support services:				
Instructional staff	50,886	63,944	38,099	25,845
Operation of non-instructional services	<u>1,203</u>	<u>1,703</u>	<u>567</u>	<u>1,136</u>
Total expenditures	<u>52,089</u>	<u>65,647</u>	<u>38,666</u>	<u>26,981</u>
Excess of revenues over (under) expenditures	<u>(2,089)</u>	<u>(5,647)</u>	<u>(8,258)</u>	<u>(2,611)</u>
Other financing sources (uses):				
Advances in	-	-	2,653	2,653
Refund of prior year's (receipts)	<u>-</u>	<u>(2,081)</u>	<u>-</u>	<u>2,081</u>
Total other financing sources (uses)	<u>-</u>	<u>(2,081)</u>	<u>2,653</u>	<u>4,734</u>
Net change in fund balance	(2,089)	(7,728)	(5,605)	2,123
Fund balance, July 1	4,434	4,434	4,434	-
Prior year encumbrances appropriated	<u>4,082</u>	<u>4,082</u>	<u>4,082</u>	<u>-</u>
Fund balance, June 30	<u>\$ 6,427</u>	<u>\$ 788</u>	<u>\$ 2,911</u>	<u>\$ 2,123</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 690,000	\$ 715,300	\$ 622,101	\$ (93,199)
Total revenues	<u>690,000</u>	<u>715,300</u>	<u>622,101</u>	<u>(93,199)</u>
Expenditures:				
Current:				
Instruction:				
Special	172,826	172,826	159,583	13,243
Support services:				
Pupils	40,050	40,050	11,686	28,364
Instructional staff	348,450	348,450	288,505	59,945
Administration	107,766	107,766	99,019	8,747
Pupil transportation	870	870	8	862
Operation of non-instructional services	4,282	4,282	4,301	(19)
Total expenditures	<u>674,244</u>	<u>674,244</u>	<u>563,102</u>	<u>111,142</u>
Excess of revenues over (under) expenditures	<u>15,756</u>	<u>41,056</u>	<u>58,999</u>	<u>17,943</u>
Other financing sources (uses):				
Advances (out)	-	-	(5,865)	(5,865)
Refund of prior year's (receipts)	(9,198)	(9,198)	(9,198)	-
Total other financing sources (uses)	<u>(9,198)</u>	<u>(9,198)</u>	<u>(15,063)</u>	<u>(5,865)</u>
Net change in fund balance	6,558	31,858	43,936	12,078
Fund balance, July 1	(25,957)	(25,957)	(25,957)	-
Prior year encumbrances appropriated	25,957	25,957	25,957	-
Fund balance, June 30	<u>\$ 6,558</u>	<u>\$ 31,858</u>	<u>\$ 43,936</u>	<u>\$ 12,078</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 1,700,000	\$ 2,312,000	\$ 1,975,217	\$ (336,783)
Total revenues	<u>1,700,000</u>	<u>2,312,000</u>	<u>1,975,217</u>	<u>(336,783)</u>
Expenditures:				
Current:				
Instruction:				
Special	1,484,404	2,099,399	1,681,291	418,108
Vocational	-	-	-	-
Other	-	-	-	-
Support services:				
Pupils	-	21,005	10,324	10,681
Instructional staff	171,537	179,685	142,541	37,144
Administration	-	84,621	75,618	9,003
Fiscal	-	5,888	4,739	1,149
Pupil transportation	-	1,213	1,148	65
Operation of non-instructional services	24,269	29,159	24,054	5,105
Total expenditures	<u>1,680,210</u>	<u>2,420,970</u>	<u>1,939,715</u>	<u>481,255</u>
Excess of revenues over (under) expenditures	<u>19,790</u>	<u>(108,970)</u>	<u>35,502</u>	<u>144,472</u>
Other financing sources (uses):				
Advances in	-	-	471	471
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>471</u>	<u>471</u>
Net change in fund balance	19,790	(108,970)	35,973	144,943
Fund balance, July 1	52,331	52,331	52,331	-
Prior year encumbrances appropriated	152,219	152,219	152,219	-
Fund balance, June 30	<u>\$ 224,340</u>	<u>\$ 95,580</u>	<u>\$ 240,523</u>	<u>\$ 144,943</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 47,000	\$ 53,100	\$ 33,392	\$ (19,708)
Total revenues	<u>47,000</u>	<u>53,100</u>	<u>33,392</u>	<u>(19,708)</u>
Expenditures:				
Current:				
Support services:				
Pupils	-	6,254	6,748	(494)
Instructional staff	59,334	58,631	42,591	16,040
Operation of non-instructional services	<u>6,840</u>	<u>7,170</u>	<u>7,902</u>	<u>(732)</u>
Total expenditures	<u>66,174</u>	<u>72,055</u>	<u>57,241</u>	<u>14,814</u>
Excess of revenues over (under) expenditures	<u>(19,174)</u>	<u>(18,955)</u>	<u>(23,849)</u>	<u>(4,894)</u>
Other financing sources (uses):				
Advances in	-	-	5,781	5,781
Miscellaneous	<u>-</u>	<u>(211)</u>	<u>-</u>	<u>211</u>
Total other financing sources (uses)	<u>-</u>	<u>(211)</u>	<u>5,781</u>	<u>5,992</u>
Net change in fund balance	(19,174)	(19,166)	(18,068)	1,098
Fund balance, July 1	936	936	936	-
Prior year encumbrances appropriated	<u>18,317</u>	<u>18,317</u>	<u>18,317</u>	<u>-</u>
Fund balance, June 30	<u>\$ 79</u>	<u>\$ 87</u>	<u>\$ 1,185</u>	<u>\$ 1,098</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 60,000	\$ 91,500	\$ 89,810	\$ (1,690)
Total revenues	<u>60,000</u>	<u>91,500</u>	<u>89,810</u>	<u>(1,690)</u>
Expenditures:				
Current:				
Instruction:				
Regular	57,185	69,032	52,417	16,615
Support services:				
Pupils	14,834	51,219	33,464	17,755
Instructional staff	9,220	12,808	10,020	2,788
Pupil transportation	-	480	2,074	(1,594)
Operation of non-instructional services	1,680	2,899	3,089	(190)
Total expenditures	<u>82,919</u>	<u>136,438</u>	<u>101,064</u>	<u>35,374</u>
Excess of revenues over (under) expenditures	<u>(22,919)</u>	<u>(44,938)</u>	<u>(11,254)</u>	<u>33,684</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	-	(328)	(328)	-
Total other financing sources (uses)	<u>-</u>	<u>(328)</u>	<u>(328)</u>	<u>-</u>
Net change in fund balance	(22,919)	(45,266)	(11,582)	33,684
Fund balance, July 1	<u>30,524</u>	<u>30,524</u>	<u>30,524</u>	<u>-</u>
Prior year encumbrances appropriated	<u>14,834</u>	<u>14,834</u>	<u>14,834</u>	<u>-</u>
Fund balance, June 30	<u>\$ 22,439</u>	<u>\$ 92</u>	<u>\$ 33,776</u>	<u>\$ 33,684</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 35,000	\$ 35,000	\$ 23,184	\$ (11,816)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>23,184</u>	<u>(11,816)</u>
Expenditures:				
Current:				
Instruction:				
Special	5,160	5,160	5,117	43
Support services:				
Instructional staff	<u>30,223</u>	<u>30,223</u>	<u>24,841</u>	<u>5,382</u>
Total expenditures	<u>35,383</u>	<u>35,383</u>	<u>29,958</u>	<u>5,425</u>
Excess of revenues over (under) expenditures	<u>(383)</u>	<u>(383)</u>	<u>(6,774)</u>	<u>(6,391)</u>
Other financing sources (uses):				
Advances in	-	-	5,562	5,562
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,562</u>	<u>5,562</u>
Net change in fund balance	(383)	(383)	(1,212)	(829)
Fund balance, July 1	1,212	1,212	1,212	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 829</u>	<u>\$ 829</u>	<u>\$ -</u>	<u>\$ (829)</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 48,000	\$ 86,700	\$ 86,620	\$ (80)
Total revenues	48,000	86,700	86,620	(80)
Expenditures:				
Current:				
Support services:				
Central	79,085	118,386	113,620	4,766
Total expenditures	79,085	118,386	113,620	4,766
Net change in fund balance	(31,085)	(31,686)	(27,000)	4,686
Fund balance, July 1	25,680	25,680	25,680	-
Prior year encumbrances appropriated	6,085	6,085	6,085	-
Fund balance, June 30	<u>\$ 680</u>	<u>\$ 79</u>	<u>\$ 4,765</u>	<u>\$ 4,686</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ -	\$ 27,300	\$ 27,000	\$ (300)
Total revenues	<u>-</u>	<u>27,300</u>	<u>27,000</u>	<u>(300)</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	2,720	-	2,720
Support services:				
Instructional staff	43,294	64,656	60,903	3,753
Administration	-	(528)	40	(568)
Total expenditures	<u>43,294</u>	<u>66,848</u>	<u>60,943</u>	<u>5,905</u>
Excess of revenues over (under) expenditures	<u>(43,294)</u>	<u>(39,548)</u>	<u>(33,943)</u>	<u>5,605</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	-	(4,176)	(4,176)	-
Total other financing sources (uses)	<u>-</u>	<u>(4,176)</u>	<u>(4,176)</u>	<u>-</u>
Net change in fund balance	(43,294)	(43,724)	(38,119)	5,605
Fund balance, July 1	40,729	40,729	40,729	-
Prior year encumbrances appropriated	<u>3,294</u>	<u>3,294</u>	<u>3,294</u>	<u>-</u>
Fund balance, June 30	<u>\$ 729</u>	<u>\$ 299</u>	<u>\$ 5,904</u>	<u>\$ 5,605</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 277,000	\$ 380,400	\$ 355,179	\$ (25,221)
Total revenues	<u>277,000</u>	<u>380,400</u>	<u>355,179</u>	<u>(25,221)</u>
Expenditures:				
Current:				
Instruction:				
Regular	220,113	307,745	266,753	40,992
Support services:				
Pupils	2,350	1,993	1,893	100
Instructional staff	20,420	35,018	21,366	13,652
Administration	-	1,751	1,610	141
Total expenditures	<u>242,883</u>	<u>346,507</u>	<u>291,622</u>	<u>54,885</u>
Net change in fund balance	34,117	33,893	63,557	29,664
Fund balance, July 1	(36,176)	(36,176)	(36,176)	-
Prior year encumbrances appropriated	<u>2,350</u>	<u>2,350</u>	<u>2,350</u>	<u>-</u>
Fund balance, June 30	<u>\$ 291</u>	<u>\$ 67</u>	<u>\$ 29,731</u>	<u>\$ 29,664</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 FEDERAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 20,000	\$ 10,000	\$ 8,233	\$ (1,767)
Total revenues	<u>20,000</u>	<u>10,000</u>	<u>8,233</u>	<u>(1,767)</u>
Expenditures:				
Current:				
Instruction:				
Regular	7,500	4,374	3,623	751
Special	12,500	8,233	8,031	202
Support services:				
Central	<u>5,000</u>	<u>5,000</u>	<u>4,980</u>	<u>20</u>
Total expenditures	<u>25,000</u>	<u>17,607</u>	<u>16,634</u>	<u>973</u>
Net change in fund balance	(5,000)	(7,607)	(8,401)	(794)
Fund balance, July 1	9,382	9,382	9,382	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 4,382</u>	<u>\$ 1,775</u>	<u>\$ 981</u>	<u>\$ (794)</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, 2002

	Budgeted Amounts		Actual	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues:				
From local sources:				
Sales / charges for services	\$ 1,119,497	\$ 1,119,497	\$ 1,139,854	\$ 20,357
Earnings on investments	27,000	27,000	18,141	(8,859)
Other local revenue		-	46	46
Intergovernmental-federal	662,847	662,847	828,537	165,690
Total revenues	<u>1,809,344</u>	<u>1,809,344</u>	<u>1,986,578</u>	<u>177,234</u>
Expenditures:				
Current:				
Food service operations:				
Salaries and wages	655,295	655,295	703,093	(47,798)
Fringe Benefits	254,117	254,117	260,898	(6,781)
Purchased services	69,768	69,768	40,111	29,657
Materials and supplies	1,103,884	1,103,884	1,028,562	75,322
Capital outlay	82,416	82,416	78,675	3,741
Other	200	200	92	108
Total expenditures	<u>2,165,680</u>	<u>2,165,680</u>	<u>2,111,431</u>	<u>54,249</u>
Excess of revenues over (under) expenditures	<u>(356,336)</u>	<u>(356,336)</u>	<u>(124,853)</u>	<u>231,483</u>
Other financing sources (uses):				
Refund of prior year expenditures	7	7	-	(7)
Proceeds from the sale of fixed assets	649	649	41	(608)
Total other financing sources (uses)	<u>656</u>	<u>656</u>	<u>41</u>	<u>(615)</u>
Net change in fund balance	(355,680)	(355,680)	(124,812)	230,868
Fund balance, July 1	421,259	421,259	421,259	-
Prior year encumbrances appropriated	154,545	154,545	154,545	-
Fund balance, June 30	<u>\$ 220,124</u>	<u>\$ 220,124</u>	<u>\$ 450,992</u>	<u>\$ 230,868</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Other local revenue	\$ 31,400	\$ 31,400	\$ 29,006	\$ (2,394)
Total revenues	<u>31,400</u>	<u>31,400</u>	<u>29,006</u>	<u>(2,394)</u>
Expenditures:				
Current:				
Support services:				
Instructional staff	67,600	67,600	67,484	116
Operation of non-instructional services	7,862	11,662	10,225	1,437
Extracurricular activities	6,000	8,500	1,200	7,300
Total expenditures	<u>81,462</u>	<u>87,762</u>	<u>78,909</u>	<u>8,853</u>
Excess of revenues over (under) expenditures	<u>(50,062)</u>	<u>(56,362)</u>	<u>(49,903)</u>	<u>6,459</u>
Other financing sources (uses):				
Advances in	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Total other financing sources (uses)	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Net change in fund balance	(15,062)	(21,362)	(14,903)	6,459
Fund balance, July 1	21,473	21,473	21,473	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, June 30	<u>\$ 6,411</u>	<u>\$ 111</u>	<u>\$ 6,570</u>	<u>\$ 6,459</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Sales / charges for services	\$ 19,950	\$ 19,950	\$ 10,097	\$ (9,853)
Contributions / donations.	950	950	1,630	680
Other local revenue.	4,200	4,200	1,769	(2,431)
Total revenues	<u>25,100</u>	<u>25,100</u>	<u>13,496</u>	<u>(11,604)</u>
Expenditures:				
Current:				
Operation of non-instructional services	22,085	26,438	19,381	7,057
Total expenditures	<u>22,085</u>	<u>26,438</u>	<u>19,381</u>	<u>7,057</u>
Net change in fund balance	3,015	(1,338)	(5,885)	(4,547)
Fund balance, July 1	15,533	15,533	15,533	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 18,548</u>	<u>\$ 14,195</u>	<u>\$ 9,648</u>	<u>\$ (4,547)</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 626,590	\$ 586,371	\$ 586,187	\$ (184)
Intergovernmental-state	-	-	57,879	57,879
Total revenues	<u>626,590</u>	<u>586,371</u>	<u>644,066</u>	<u>57,695</u>
Expenditures:				
Current:				
Support services:				
Fiscal	9,600	9,600	9,536	64
Debt service:				
Principal retirement	1,283,860	1,283,860	1,283,852	8
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,293,460</u>	<u>1,293,460</u>	<u>1,293,388</u>	<u>72</u>
Excess of revenues over (under) expenditures	<u>(666,870)</u>	<u>(707,089)</u>	<u>(649,322)</u>	<u>57,767</u>
Other financing sources (uses):				
Operating transfers in	<u>551,303</u>	<u>551,303</u>	<u>627,850</u>	<u>76,547</u>
Total other financing sources (uses)	<u>551,303</u>	<u>551,303</u>	<u>627,850</u>	<u>76,547</u>
Net change in fund balance	(115,567)	(155,786)	(21,472)	134,314
Fund balance, July 1	<u>412,635</u>	<u>412,635</u>	<u>412,635</u>	<u>-</u>
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 297,068</u>	<u>\$ 256,849</u>	<u>\$ 391,163</u>	<u>\$ 134,314</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ -	\$ 1,599,483	\$ 1,507,841	\$ (91,642)
Other local revenue	-	-	700	700
Intergovernmental-state	750,000	-	161,244	161,244
	<u>750,000</u>	<u>-</u>	<u>161,244</u>	<u>161,244</u>
Total revenues	750,000	1,599,483	1,669,785	70,302
Expenditures:				
Current:				
Instruction:				
Regular	100,500	215,500	223,211	(7,711)
Support services:				
Pupils	-	23,748	23,748	-
Instructional staff	186,000	1,000	1,000	-
Administration	-	24,133	23,250	883
Fiscal	-	43,313	35,936	7,377
Operation and maintenance of plant	-	9,800	10,926	(1,126)
Pupil transportation	-	135,006	137,364	(2,358)
Facilities acquisition and construction	983,914	1,538,864	1,223,546	315,318
	<u>983,914</u>	<u>1,538,864</u>	<u>1,223,546</u>	<u>315,318</u>
Total expenditures	1,270,414	1,991,364	1,678,981	312,383
Net change in fund balance	(520,414)	(391,881)	(9,196)	382,685
Fund balance, July 1	266,781	266,781	266,781	-
Prior year encumbrances appropriated	348,864	348,864	348,864	-
Fund balance, June 30	<u>\$ 95,231</u>	<u>\$ 223,764</u>	<u>\$ 606,449</u>	<u>\$ 382,685</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 5,500	\$ 7,800	\$ 7,796	\$ (4)
Total revenues	<u>5,500</u>	<u>7,800</u>	<u>7,796</u>	<u>(4)</u>
Expenditures:				
Current:				
Instruction:				
Vocational	<u>7,690</u>	<u>7,690</u>	<u>-</u>	<u>7,690</u>
Total expenditures	<u>7,690</u>	<u>7,690</u>	<u>-</u>	<u>7,690</u>
Excess of revenues over (under) expenditures	<u>(2,190)</u>	<u>110</u>	<u>7,796</u>	<u>7,686</u>
Other financing sources (uses):				
Advances (out)	<u>-</u>	<u>(5,940)</u>	<u>(5,834)</u>	<u>106</u>
Total other financing sources (uses)	<u>-</u>	<u>(5,940)</u>	<u>(5,834)</u>	<u>106</u>
Net change in fund balance	<u>(2,190)</u>	<u>(5,830)</u>	<u>1,962</u>	<u>7,792</u>
Fund balance, July 1	<u>5,834</u>	<u>5,834</u>	<u>5,834</u>	<u>-</u>
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 3,644</u>	<u>\$ 4</u>	<u>\$ 7,796</u>	<u>\$ 7,792</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ -	\$ -	\$ 209,000	\$ 209,000
Total revenues	-	-	209,000	209,000
Expenditures:				
Current:				
Instruction:				
Regular	66,904	66,904	64,496	2,408
Support services:				
Central	21,895	21,895	21,645	250
Total expenditures	88,799	88,799	86,141	2,658
Net change in fund balance	(88,799)	(88,799)	122,859	211,658
Fund balance, July 1	70,800	70,800	70,800	-
Prior year encumbrances appropriated	18,000	18,000	18,000	-
Fund balance, June 30	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 211,659</u>	<u>\$ 211,658</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TECHNOLOGY EQUITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Instruction:				
Regular	\$ 447	\$ 447	\$ 447	\$ -
Total expenditures	<u>447</u>	<u>447</u>	<u>447</u>	<u>-</u>
Net change in fund balance	(447)	(447)	(447)	-
Fund balance, July 1	1	1	1	-
Prior year encumbrances appropriated	<u>446</u>	<u>446</u>	<u>446</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ -	\$ -	\$ 8,700	\$ 8,700
Total revenues	-	-	8,700	8,700
Expenditures:				
Current:				
Support services:				
Central	15,104	15,104	4,700	10,404
Total expenditures	15,104	15,104	4,700	10,404
Net change in fund balance	(15,104)	(15,104)	4,000	19,104
Fund balance, July 1	15,104	15,104	15,104	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,104</u>	<u>\$ 19,104</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales / charges for services	\$ -	\$ -	\$ 29,196	\$ 29,196
Total revenues	<u>-</u>	<u>-</u>	<u>29,196</u>	<u>29,196</u>
Net change in fund balance	-	-	29,196	29,196
Fund balance, July 1.	-	-	-	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,196</u>	<u>\$ 29,196</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, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 2,000	\$ 2,000	\$ 1,162	\$ (838)
Other local revenue.	<u>500</u>	<u>500</u>	<u>550</u>	<u>50</u>
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>1,712</u>	<u>(788)</u>
Expenditures:				
Current:				
Operation of non-instructional services	<u>2,500</u>	<u>2,500</u>	<u>2,194</u>	<u>306</u>
Total expenditures	<u>2,500</u>	<u>2,500</u>	<u>2,194</u>	<u>306</u>
Net change in fund balance.	-	-	(482)	(482)
Fund balance, July 1	50,516	50,516	50,516	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 50,516</u>	<u>\$ 50,516</u>	<u>\$ 50,034</u>	<u>\$ (482)</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, 2002

	<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	\$ 290	\$ (410)
Total revenues	<u>700</u>	<u>700</u>	<u>290</u>	<u>(410)</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.	-	-	(410)	(410)
Fund balance, July 1	11,419	11,419	11,419	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 11,419</u>	<u>\$ 11,419</u>	<u>\$ 11,009</u>	<u>\$ (410)</u>

STATISTICAL SECTION

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, 2002	Fiscal Year Ended June 30, 2001	Fiscal Year Ended June 30, 2000	Fiscal Year Ended June 30, 1999
Revenues:				
Taxes	\$ 21,955,345	\$ 24,228,094	\$ 23,747,527	\$ 26,035,641
Tuition.	266,839	260,298	438,598	205,311
Charges for services	1,138,057	-	-	-
Earnings on investments	910,298	1,520,669	1,124,207	503,798
Extracurricular	207,826	190,378	204,676	212,225
Gifts and donations	-	103,445	-	-
Intergovernmental.	29,111,561	26,803,962	25,298,675	25,681,774
Other revenue	652,233	448,289	244,781	229,101
 Total revenues	 \$ 54,242,159	 \$ 53,555,135	 \$ 51,058,464	 \$ 52,867,850
 Expenditures:				
Current:				
Instruction:				
Regular.	\$ 22,504,640	\$ 21,720,645	\$ 20,631,847	\$ 21,888,841
Special	5,739,944	4,433,452	4,419,359	4,479,888
Vocational	823,787	681,858	738,881	814,731
Other	103,762	77,775	16,931	18,324
Support services:				
Pupil	2,548,054	2,200,299	2,043,932	2,076,218
Instructional staff.	3,350,064	2,598,403	2,387,454	2,631,328
Board of Education.	291,754	356,526	259,788	148,382
Administration	3,774,296	3,298,578	2,996,761	3,015,703
Fiscal.	1,015,716	973,054	871,172	957,622
Business	531,334	755,938	715,093	734,962
Operations and maintenance	3,964,949	4,321,346	3,858,886	3,928,499
Pupil transportation	1,819,169	1,965,737	1,581,473	1,461,624
Central	833,307	987,512	541,948	503,586
Operation of non-instructional services	155,676	640,510	686,457	621,231
Food service operation.	2,114,495	-	-	-
Extracurricular activities.	821,866	690,814	722,558	738,505
Facilities acquisition and construction	709,610	1,903,264	1,380,394	1,262,643
Intergovernmental pass through	694,298	15,000	-	-
Debt service.	879,574	993,778	979,920	1,009,725
 Total expenditures	 \$ 52,676,295	 \$ 48,614,489	 \$ 44,832,854	 \$ 46,291,812

Source: 2002 School District financial records, 1993-2001 School District Audit Reports.

Note: General Governmental includes all governmental funds.

(1) 2002-1998 and 1996 reported on a GAAP basis, remaining years on a cash basis.

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	Fiscal Year Ended June 30, 1993
\$ 18,800,327	\$ 17,500,035	\$ 18,286,799	\$ 16,426,145	\$ 14,622,186	\$ 12,491,386
125,254	125,410	115,152	95,445	98,457	143,093
-	-	-	-	-	-
431,001	458,035	422,301	351,848	176,186	198,665
229,016	274,537	244,284	288,768	266,911	223,230
-	-	-	-	-	-
22,773,186	23,017,117	22,315,057	19,740,887	19,778,543	18,845,875
399,652	286,670	306,655	249,907	220,136	194,826
<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>	<u>\$ 32,097,075</u>
\$ 20,549,114	\$ 19,446,930	\$ 18,697,335	\$ 16,969,164	\$ 16,413,606	\$ 16,112,088
4,226,510	4,219,783	3,939,829	3,581,604	3,303,563	3,064,308
770,389	810,116	889,194	951,564	919,221	932,438
19,223	21,111	97,695	17,695	17,258	16,202
1,933,919	2,015,164	1,862,545	1,838,610	1,889,021	1,778,989
2,235,914	2,210,810	1,930,905	1,770,428	1,706,395	1,610,378
190,098	206,643	147,947	143,449	174,974	137,708
2,837,577	2,976,476	2,905,985	2,778,252	2,618,444	2,652,495
726,467	700,261	679,432	692,696	640,811	618,133
674,968	650,184	565,730	505,248	459,309	461,258
4,001,294	3,958,526	3,798,964	3,641,849	3,434,954	3,303,507
1,679,680	1,459,003	1,388,579	1,208,926	1,031,175	839,163
216,163	165,474	214,929	119,140	123,643	188,524
603,364	673,256	720,872	234,183	146,890	120,627
-	-	-	-	-	-
781,012	802,691	773,184	731,619	715,979	689,357
1,414,838	943,672	659,947	841,069	1,212,339	1,634,546
-	-	-	-	-	-
463,202	318,083	321,687	324,839	1,838,233	323,298
<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>	<u>\$ 34,483,019</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>
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%	717,765
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%	1,306,582
1993	13,926,856	888,678	14,815,534	13,564,918	97.40%	348,153	13,913,071	93.91%	902,463
1992	13,947,969	911,729	14,859,698	13,615,787	97.62%	399,563	14,015,350	94.32%	844,347

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. 2002 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
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	1,890,527,210
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	1,449,452,659
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
1993	344,917,420	985,478,343	39,897,330	45,337,875	56,090,320	224,361,280	440,905,070	1,255,177,498

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
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
1993	47.80	7.20	3.70	2.00	60.70

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, 2002

Assessed Valuation (2002)	\$ 674,261,760
 <u>Voted Debt Margin</u>	
Bonded debt limit - 9% of assessed value (1)	<u>60,683,558</u>
Outstanding debt:	
Tax anticipation notes	1,195,000
Library facility notes	6,749,928
Less: amount available in debt service fund	<u>(438,890)</u>
Total outstanding debt	<u>7,506,038</u>
Voted debt margin	<u><u>\$ 53,177,520</u></u>
 <u>Unvoted Debt Margin</u>	
Bonded debt limit - .10% of assessed valuation	<u>674,262</u>
Outstanding debt:	
Tax anticipation notes	1,195,000
Library facility notes	6,749,928
Less: amount available in debt service fund	<u>(438,890)</u>
Total outstanding debt	<u>7,506,038</u>
Less exemptions:	
Tax anticipation notes	1,195,000
Library facility notes	6,749,928
Less: amount available in debt service fund	<u>(438,890)</u>
Total exemptions	<u>7,506,038</u>
Unvoted debt margin	<u><u>\$ 674,262</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

Collection Year	Population (1)	Assessed Value	Net General Obligation Bonded Debt (2)	Ratio of Net Debt to Assessed Value	Net Debt Per Capita
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
1993	44,389	440,905,070	1,965,000	0.45%	44.27

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

- (1) Population data for 1993 through 2000 was assumed to be the same as the 1990 census and data for 2002 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

Year	Principal	Interest	Total Debt Service	Total Governmental Expenditures	Ratio of Debt Service to Governmental Expenditures (Percentages)
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%
1993	190,000	133,298	323,298	34,483,019	0.94%

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>	
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)
1992	431,210,220	569,115,000	20,824,629	

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
2001 TAX YEAR

Top Taxpayers	Assessed Valuations			
	Real Property	Tangible Personal	Public Utility	Total
1. Owens Corning, Inc.	\$ 3,348,700	\$ 18,733,590	\$ -	\$ 22,082,290
2. Ohio Power Company	-	-	15,614,490	15,614,490
3. Alltel Ohio, Inc.	-	6,030	7,457,550	7,463,580
4. State Farm Mutual Auto Insurance	5,191,910	-	-	5,191,910
5. Meijer Stores Ltd. Ptnr.	1,823,050	1,749,950	-	3,573,000
6. Southgate Co. Ltd. Ptnr.	2,424,370	1,500	-	2,425,870
7. Health Care Prop. Investors Inc.	2,266,430	-	-	2,266,430
8. National Gas & Oil	-	-	2,073,770	2,073,770
9. L & C Lighting Group Inc. (1)	1,747,550	(2)	-	1,747,550
10. Columbia Gas	-	-	1,144,840	1,144,840
Total top ten taxpayers	<u>\$ 16,802,010</u>	<u>\$ 20,491,070</u>	<u>\$ 26,290,650</u>	<u>\$ 63,583,730</u>
Total all assessed valuations	582,130,530	65,222,500	26,908,730	674,261,760

Source: Licking County Auditor.

(1) : Formerly Holophan Lighting Inc.

(2) : Currently receiving 100% abatement from taxes on Personal Property.

Percent of Total Assessed Valuations	Estimated Actual Valuations			
	Real Property	Tangible Property	Public Utility	Total
3.28%	\$ 9,567,714	\$ 19,670,270	\$ -	\$ 29,237,984
2.32%	-	-	15,614,490	15,614,490
1.11%	-	6,332	7,457,550	7,463,882
0.77%	14,834,029	-	-	14,834,029
0.53%	5,208,714	1,837,448	-	7,046,162
0.36%	6,926,771	1,575	-	6,928,346
0.34%	6,475,514	-	-	6,475,514
0.31%	-	-	2,073,770	2,073,770
0.26%	4,993,000	-	-	4,993,000
0.17%	-	-	1,144,840	1,144,840
<u>9.43%</u>	<u>\$ 48,005,742</u>	<u>\$ 21,515,625</u>	<u>\$ 26,290,650</u>	<u>\$ 95,812,017</u>
100.00%				

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

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2002

<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	\$ 674,261,760	\$ 7,506,038	100.00%	\$ 7,506,038
City of Newark	658,882,190	21,859,581	97.72%	21,361,183
Licking County	2,694,359,920	<u>15,825,276</u>	25.02%	<u>3,959,484</u>
		<u>\$ 45,190,895</u>		<u>\$ 32,826,705</u>

Source: Licking County Auditor

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

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

	<u>Fiscal Year Ended June 30, 2001</u>	<u>Fiscal Year Ended June 30, 2000</u>	<u>Fiscal Year Ended June 30, 1999</u>	<u>Fiscal Year Ended June 30, 1998</u>
Fall enrollment	7,222	7,395	7,433	7,594
<u>Demographic Data:</u>				
Median income	\$ 34,791	\$ 34,791	\$ 29,931	\$ 29,931
Property valuation/pupil.	96,410	83,110	77,229	74,555
<u>Fiscal Data:</u>				
Effective mills	23.01	23.07	23.07	31.74
Average teacher salary	\$ 40,275	\$ 40,102	\$ 39,528	\$ 38,215
<u>Staff Data:</u>				
Percent of teachers with no degree.	0.00%	0.00%	0.00%	0.00%
Percent of teachers with bachelor degree	52.00%	55.64%	61.67%	25.65%
Percent of teachers with masters degree	48.00%	44.36%	38.33%	36.96%
Average teacher experience (yrs.)	13.93	14.80	14.80	14.30
<u>Output:</u>				
Pupil attendance rate	93.60%	93.40%	92.80%	92.60%
Staff attendance rate	96.10%	96.70%	96.00%	95.91%
Graduation rate	69.00%	71.80%	72.90%	75.60%

Source: Ohio Department of Education, U.S. Census Bureau and School District records
Output for 1999-2001 provided by School District Report Card.

(1) Information not available for 2002.

<u>Fiscal Year Ended June 30, 1997</u>	<u>Fiscal Year Ended June 30, 1996</u>	<u>Fiscal Year Ended June 30, 1995</u>	<u>Fiscal Year Ended June 30, 1994</u>	<u>Fiscal Year Ended June 30, 1993</u>	<u>Fiscal Year Ended June 30, 1992</u>
7,300	7,520	7,545	7,997	8,136	7,976
\$ 29,931 67,720	\$ 29,931 64,431	\$ 29,931 61,896	\$ 29,931 55,709	\$ 29,331 53,517	\$ 29,931 53,691
31.74 \$ 35,118	30.88 \$ 34,195	34.27 \$ 32,931	34.27 \$ 32,020	29.10 \$ 31,933	29.10 \$ 30,332
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27.25%	30.41%	31.66%	31.97%	51.59%	38.11%
34.72%	33.48%	33.91%	33.78%	22.79%	27.75%
15.00	14.20	14.10	13.90	15.20	13.90
92.84%	92.32%	92.89%	92.99%	93.86%	94.97%
95.80%	95.83%	96.03%	96.46%	97.55%	96.82%
63.79%	61.87%	78.21%	72.01%	84.10%	77.04%

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STATE OF OHIO
OFFICE OF THE AUDITOR

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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
DECEMBER 5, 2002**