

**Middletown City School District**  
Middletown, Ohio

**Comprehensive Annual  
Financial Report**



**MIDDLETOWN  
CITY SCHOOLS**

*For the Fiscal Year Ended June 30, 2000*

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

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**JIM PETRO, AUDITOR OF STATE**

35 North Fourth Street, 1<sup>st</sup> Floor  
Columbus, Ohio 43215  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-728-7398

Board of Education  
Middletown City School District  
Middletown, Ohio

We have reviewed the Independent Auditor's Report of the Middletown City School District, Butler County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 1999 to June 30, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Middletown 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

February 28, 2001

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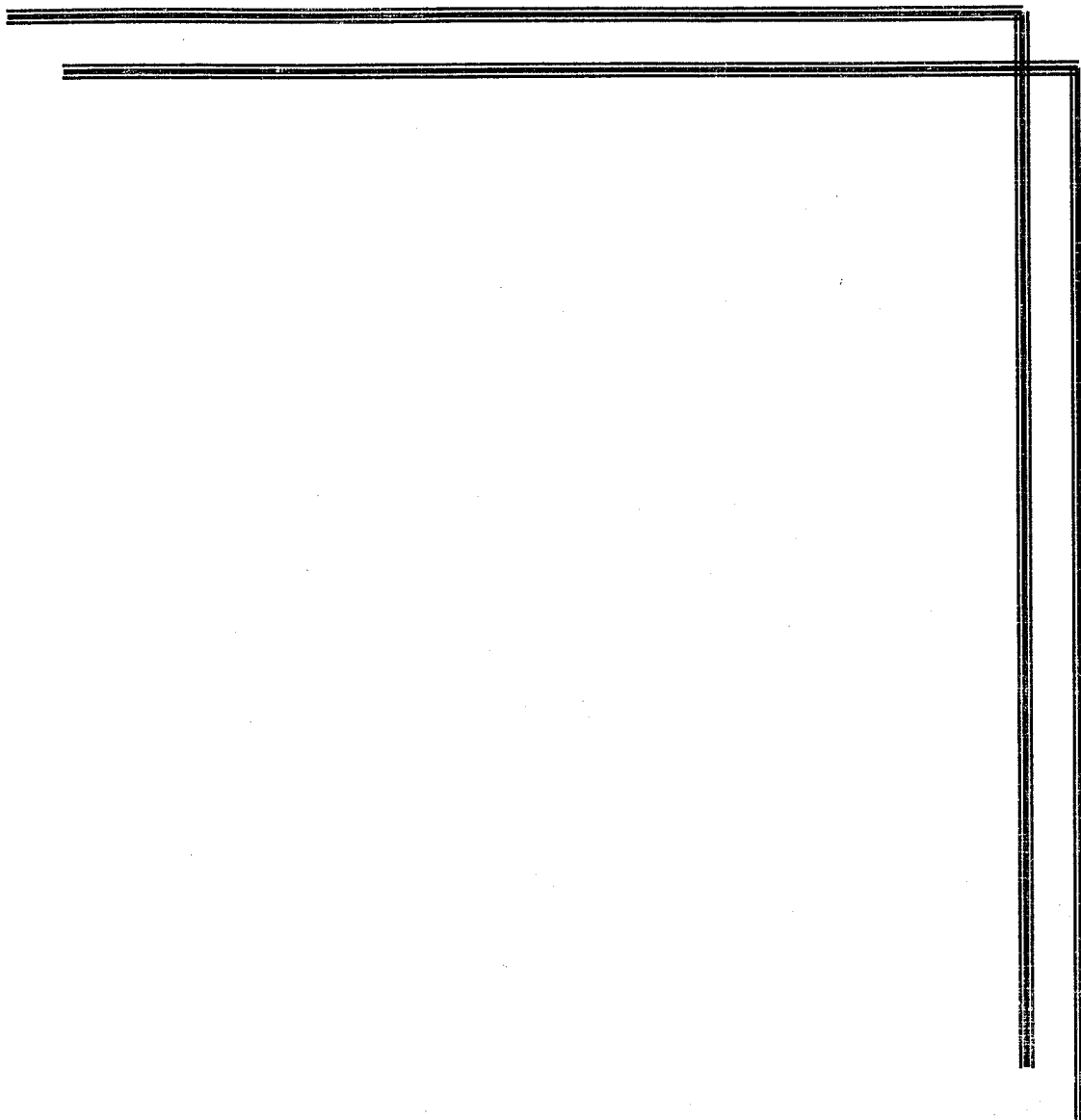
**Middletown City School District**  
Middletown, Ohio

**Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2000**

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

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ИЗВЕЩАНИЕ ОБ ИТОГАХ РАБОТЫ



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**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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**TABLE OF CONTENTS**

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

MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

TABLE OF CONTENTS  
 (Continued)

	<u>PAGE</u>
<b>COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES</b>	
<b>General Fund:</b>	
General Fund Description	43
Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual (Non-GAAP Budgetary Basis)	44
<b>Special Revenue Funds:</b>	
Description of Funds	48
Combining Balance Sheet	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	58
Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual (Non-GAAP Budgetary Basis):	
Emergency Levy Fund	64
Public School Support Fund	67
Venture Capital Fund	68
Local Grants Fund	69
Auxiliary Services Fund	71
Athletic Fund	72
Professional Development Fund	73
Entry Year Fund	74
Disadvantaged Pupil Impact Aid (D.P.I.A.) Fund	75
Discipline Intervention Fund	76
Management Information System Fund	77
SchoolNet Professional Development Fund	78
Textbook Instructional Subsidy Fund	79
Ohio Reads Fund	80
Alternative Schools Fund	81
School Readiness Fund	82
Project Connect Fund	83
Miscellaneous State Grants Fund	84
Adult Basic Education Fund	86
D. Eisenhower Math and Science Fund	87
Title VI-B Fund	88
Title I Fund	89
Title VI Fund	90
Drug Free Schools Fund	91
Goals 2000 Fund	92
KEEP Fund	93
Preschool Fund	94
Title VI-R Fund	95
Miscellaneous Federal Funds	96

MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

TABLE OF CONTENTS  
 (Continued)

	<u>PAGE</u>
<b>Debt Service Fund:</b>	
Description of Fund	98
 <b>Capital Projects Funds:</b>	
Description of Funds	99
Combining Balance Sheet	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	101
Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual (Non-GAAP Budgetary Basis):	
Permanent Improvement Fund	102
SchoolNet Plus Fund	103
SchoolNet Power-Up Fund	104
Interactive Video Distance Learning (IVDL) Fund	105
 <b>Enterprise Funds:</b>	
Description of Funds	106
Combining Balance Sheet	107
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	108
Combining Statement of Cash Flows	109
Schedule of Revenues, Expenses and Changes in Fund Equity, Budget and Actual (Non-GAAP Budgetary Basis):	
Food Services Fund	110
Uniform School Supply Fund	111
Special Rotary Fund	112
Adult Education Fund	113
 <b>Fiduciary Funds:</b>	
Description of Funds	114
Combining Balance Sheet	115
Combining Statement of Changes in Assets and Liabilities -- Agency Funds	116
 <b>General Fixed Assets Account Group:</b>	
Description of Account Group	117
Schedule of General Fixed Assets by Source	118
Schedule of General Fixed Assets by Function and Type	119
Schedule of Changes in Fixed Assets by Function	120

MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

TABLE OF CONTENTS  
 (Continued)

		<u>PAGE</u>
<b>III. STATISTICAL SECTION</b>		
Table 1	General Operating Expenditures by Function	S-1
Table 2	General Operating Revenues by Source	S-3
Table 3	Property Tax Levies and Collections - Real and Public Utility Property	S-4
Table 4	Assessed and Estimated Actual Value of Taxable Property	S-5
Table 5	Property Tax Rates - Direct and Overlapping Governments	S-6
Table 6	Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita	S-7
Table 7	Computation of Legal Debt Margin	S-8
Table 8	Computation of Direct and Overlapping Debt	S-9
Table 9	Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Operating Expenditures	S-10
Table 10	Demographic Statistics	S-11
Table 11	Construction, Bank Deposits and Property Values	S-12
Table 12	Principal Taxpayers	S-13
Table 13	Middletown Area Ten Largest Employers	S-14
Table 14	Teaching Staff Vital Statistics	S-15
Table 15	Student Vital Statistics	S-16
Table 16	Schedule of Insurance Policies	S-17
Table 17	Directory of School Facilities	S-18
Table 18	Cost to Educate a 2000 Graduate	S-19
Table 19	Partnership With Youth Program Participants	S-20

# Middletown City Schools

OFFICE OF THE TREASURER  
1515 Girard Avenue  
Middletown, OH 45044-4396

www.middletowncityschools.com

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Mr. Edmund R. Pokora, Treasurer  
epokora@mcsd.k12.oh.us

Phone: 513.423.0781  
Fax: 513.420.4579

January 22, 2001

To The Citizens and Board Of Education of the Middletown City School District:

The Comprehensive Annual Financial Report (CAFR) of the Middletown City School District (District) for the fiscal year ended June 30, 2000, is hereby submitted. This report contains financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2000 fiscal year.

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

This report is divided into three sections:

The Introductory Section includes the table of contents, this transmittal letter which provides an overview of the District for the 1999-00 school year, a list of principal officials, and an organizational chart.

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

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

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

## DESCRIPTION OF THE DISTRICT

The District serves an area of 25 square miles, encompassing the City of Middletown and a portion of Lemon Township in the northeastern corner of Butler County. It also encompasses a small portion of Franklin Township in Warren County. The population of the District is over 62,000 according to information from the U.S. Census Bureau, with the City of Middletown accounting for over 58,000 residents. The tax base of the District is comprised of a unique blend of residential, commercial, and industrial property, with over 60% of the tax revenue of the District paid by business and industry. The largest employer in the District is AK Steel, which employs over 4,000 at the Middletown Works and contributes over 13% to the total tax base of the District.

The 1999-00 school year marked the last year of operations for the former Middletown/Monroe School District, prompting the Board of Education to restore the original name – Middletown City School District. On March 7, 2000 the voters residing in the proposed Monroe Local School District approved a ballot issue to create a new school district, encompassing parts of the Middletown City School District and a portion of the Lebanon City School District in nearby Warren County. The Ohio Department of Education formally approved the new school district at the State Board of Education meeting on April 11, 2000, to begin operations on or before July 1, 2000.

During the 1999-00 school year, the District had 9,261 students enrolled in 13 elementary schools, 2 middle schools serving grades 7-8, 2 comprehensive high schools for grades 9-12, and 1 alternative high school. For the 2000-01 school year, as a result of the creation of Monroe Local Schools, the District estimates it will have 7,700 students in 12 elementary schools, 2 middle schools, one comprehensive high school, and one alternative high school. The District continues to operate a variety of other facilities, including a central administration building, bus garage, central supply warehouse, and several sports fields.

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

## ORGANIZATION OF THE DISTRICT

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

The members of the Board, current terms, and total years served as of June 30, 2000, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Dr. Mark Frazer	Jan. 1998 - Dec. 2001	10-1/2
Mrs. Katie McNeil	Jan. 2000 - Dec. 2003	4-1/2
Rev. Greg Tyus	Jan. 2000 - Dec. 2003	1/2
Mr. John Venturella	Jan. 2000 - Dec. 2003	1/2
Mr. Steve Lane	Apr. 2000 - Dec. 2001	1/2

For 2000, the members elected Dr. Frazer President and Mrs. McNeil Vice-President of the Board of Education. Mr. John Venturella and Rev. Greg Tyus were elected to the Board in November 1999 and began their four-year terms on January 1, 2000. Mr. Steve Lane was appointed to the Board in April 2000 after the resignation of Mrs. Carol Brotherton, who resides in Monroe and was appointed to the Monroe Local Board of Education in April 2000.

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

The Superintendent is the Chief Executive Officer of the District and is directly responsible to the Board for all operations of the District. On March 9, 1998, the Board named Dr. Wayne Driscoll, Superintendent, for a three-year term ending July 31, 2001. Dr. Driscoll holds a Doctorate in Education from Columbia University and has 28 years experience in education.

The Treasurer is the Chief Financial Officer of the District and is directly responsible to the Board for all financial operations, investments, and serves as Secretary to the Board. Mr. Ed Pokora has served as Treasurer since October 1989 and has a total of 17 years experience as a school treasurer in Ohio. At its Organizational meeting in January 2000 the Board approved a four-year contract with Mr. Pokora that expires in January 2004.

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

## **ECONOMIC CONDITION AND OUTLOOK**

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

## **EMPLOYEE RELATIONS**

The District employed 995 full and part-time staff members during the 1999-00 school year. This included classified employees who are responsible for the operation of the District's support services and the teaching and administrative staff of the District. Two organizations represent the teaching and classified employees. The District's administrative employees are not currently represented.

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

The Middletown Classified Employees Association (MCEA), also an affiliate of the Ohio Education Association (OEA), represents a majority of the support staff of the District. Classified employees are responsible for providing the necessary support services of the District, including: transportation services, lunchroom services, clerical support, and building maintenance and custodial

needs. In August 1999, the District and the association concluded negotiations on a new collective bargaining agreement that expires on June 30, 2002.

During the 1999-00 school year, the District successfully conducted interim negotiations with each employee association regarding the transfer and assignment of staff between the Middletown and Monroe school districts as discussed further in the next section.

## **MAJOR INITIATIVES FOR THE YEAR**

The 1999-00 school year proved to be a year of transition for the Middletown City Schools. It began in July 1999 as the Middletown/Monroe City School District, serving students from the cities of Middletown and Monroe. By June 2000 there would be a historic vote by the State Board of Education, an overwhelming vote of support by Monroe residents and the emergence of a separate Middletown City School District.

### *The Resurgence of Middie Pride and the Formation of the Monroe Local School District*

On September 14, 1999 the Ohio State Board of Education approved a resolution that allowed only residents living in the city limits of Monroe, and portions of Lemon Township, to decide at the March 7, 2000 election whether or not to establish a separate Monroe Local School District. Voters overwhelmingly approved the ballot issue and a separate Monroe school district was created on June 30, 2000. The school districts of Middletown and Lemon Township, which served students in the Monroe area, were originally merged into the Middletown City School District in 1954 as a wave of school district consolidations swept throughout Ohio. This historic reversal of the 1954 merger by the Ohio State Board of Education paved the way for the possible creation of Monroe Local School District and also created an opportunity to develop and design a new Middletown City School District.

The vote by the Ohio State Board of Education in September 1999 created an opportunity for District officials and community leaders to redesign and refocus their energies on one school community – Middletown. Since 1995, members of the Committee on Reviewing Education (CORE) had made efforts to form a separate Monroe school district. Their support in the Monroe community appeared to be very strong, so that when the State Board approved the resolution for a public vote, District staff began the process of dismantling and developing a new Middletown school district that would be ready to meet the needs of Middletown students.

After the March 7, 2000 vote, the Middletown City School District began the process of implementing a new school district for Middletown that reflected the changes necessitated with the loss of Monroe students and programs. A District Transition Planning Team convened weekly to review issues and challenges as a result of the school district split. The separation meant changes in employment levels, building usage, transportation routes, and a variety of other operational issues. Approximately 1,051 students of the 1999-00 total student enrollment of 9,466 in the Middletown/Monroe Schools would become students of the Monroe Local School District.

The separation also provided the opportunity to renew the Middletown school spirit and pride through focused efforts on the Middletown community. On July 4, 2000, as a part of the annual All American Weekend celebration at Middletown High School, the celebration of Middie Pride and the establishment of a separate Middletown District was also ushered in as a new district logo was unveiled. Depicted on the cover of this report, the new logo was designed by William Cunningham, a junior at Middletown High School through a logo contest conducted among all District schools.



The separation of school districts also required a division of cash and assets to each operating system. During the summer of 2000, Middletown school officials successfully negotiated a Memorandum of Agreement for the equitable division of cash and other assets between the Middletown and Monroe school districts. In general terms, the Memorandum required the transfer of 14% of the total fixed assets of the former consolidated school district to Monroe, and a division of cash that recognized the funding sources from state aid and local property taxes. The financial impact of the Memorandum is outlined in Note 22 of the financial statements.

### *Tax Levy Renewed*

On November 5, 1999 residents approved the renewal of a 7.2 mill, five-year levy that will expire on December 31, 2005. This levy generated \$8.2 million annually and was originally passed in 1990 at the rate of 11.1 mills. Proceeds of the levy are recorded in the Emergency Levy Fund and are primarily used to provide special education services, pupil transportation services, building utility costs, and library and media programs in all District schools.

The District will also face renewal of a 4.52 mill, three-year limited levy during the 2001 fiscal year. Originally passed in 1995 at 5.72 mills, this levy has been instrumental in making expenditures in areas that most benefit student achievement and the overall improvement of the system. The School Finance Committee will review the financial needs of the District over the next several months and make a recommendation to the Board for renewal during 2001.

### *Middletown City Schools Continuous Improvement Plan (CIP)*

In the spring of 2000, through the combined efforts of school district officials, business leaders, and community representatives, a critical review of the educational needs of the District was conducted. The Middletown City Schools Continuous Improvement Plan (CIP) was adopted by the Board of Education which outlined specific goals and strategies aimed at improvements in student achievement, attendance, and graduation requirements. The overall goal of the CIP is for the District to become the first urban school district in Ohio to be designated as "effective" on Ohio's state report cards.

The current phase of the CIP has involved over 150 individuals on one of six School Improvement Teams who have been reviewing, refining and further developing the key elements of the strategic plan into specific recommendations and action plans. These teams are focusing on the following areas: computer technology, state proficiency tests, full-service and site-based schools, a consistent and challenging curriculum, a multi-year financial plan, and school facilities.

### *Partnership With Youth Program*

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

## FINANCIAL INFORMATION

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

### Internal Controls

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

### Single Audit Act

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

As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2000 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

### Budgetary Controls

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

Governmental and Expendable Trust Funds

The following schedule presents a summary of the major revenues for all Governmental Funds (including the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund) and the Expendable Trust Fund for the fiscal year ended June 30, 2000, and the amount and percentage of increases and decreases in relation to the 1999 fiscal year:

<u>Revenue by Source</u>	<u>2000 Amount</u>	<u>Percent of Total</u>	<u>Incr/(Decr) from 1999</u>	<u>Percent of Incr/(Decr)</u>
Local Taxes	\$30,513,263	50.3%	(\$5,521,882)	(15.3%)
State Sources	25,152,889	41.5%	58,948	0.2%
Federal Sources	3,100,167	5.1%	(692,148)	(18.3%)
Interest Income	1,167,796	1.9%	344,299	41.8%
Other Income	742,231	1.2%	(5,273)	(0.7%)
Total	<u>\$60,676,346</u>	<u>100.0%</u>	<u>(\$5,816,056)</u>	<u>(8.7%)</u>

Overall, total revenues decreased 8.7% from the 1999 fiscal year, due mostly in part to the accrual of local taxes. Local tax revenue decreased 15.3% primarily due to a decrease of \$3,150,000 in the amount of taxes available as an advance and recognized as revenue for the current year-end.

State funding remained virtually unchanged from last year. Federal revenue sources decreased significantly as a result of the termination of Goals 2000 funding and the elimination of KEEP funding for after-school latch key programs. The District also realized new funding from federal sources with the receipt of Title VI-R funding which reduces class size in grades 1-3.

Improved cash flow available for investment purposes and the use of an investment manager contributed to the increase of over \$340,000 in interest income over the previous year. Rates are expected to remain at or near current levels into the 2001 fiscal year. Other income remained unchanged from the 1999 fiscal year.

The schedule on the following page presents a summary of expenditures for all Governmental Funds and the Expendable Trust Fund for the fiscal year ended June 30, 2000, and the amount and percentage of increases and decreases in relation to the 1999 fiscal year.

<u>Expenditure by Function</u>	<u>2000 Amount</u>	<u>Percent of Total</u>	<u>Incr/(Decr) from 1999</u>	<u>Percent of Incr/(Decr)</u>
Classroom Instruction	\$35,505,397	57.8%	\$1,615,015	4.8%
Pupil Support	3,173,271	5.2%	165,018	5.5%
Staff Support	3,313,565	5.4%	425,701	14.7%
Administration	5,005,107	8.1%	85,524	1.7%
Fiscal Services	1,298,096	2.1%	134,451	11.6%
Maintenance	6,913,108	11.3%	237,124	3.6%
Transportation	2,666,474	4.3%	101,805	4.0%
Central Services	1,167,387	1.9%	(282,066)	(19.5%)
Community Services	1,115,875	1.8%	215,312	23.9%
Extracurricular	815,772	1.3%	41,668	5.4%
Capital Outlay	369,741	0.6%	237,441	179.5%
Debt Service	108,902	0.2%	(42,261)	(28.0%)
<b>Total</b>	<b>\$61,452,695</b>	<b>100.0%</b>	<b>\$2,934,732</b>	<b>5.0%</b>

Total Governmental Fund expenditures increased 5% or approximately \$2,900,000 from the 1999 fiscal year as a result of increased spending in the areas of personnel, classroom equipment and capital outlay expenditures for building improvements and electrical upgrades. The 2000 fiscal year marked the second year for the District's class size reduction (CSR) program. Through a combination of state, local and federal funds, the District has been reducing elementary class sizes in grades 1-3. A total of 15 additional teachers were employed through the CSR program for the 2000 fiscal year. This program also had an impact on the total expenditures for Staff Support services

Expenditure decreases in the Central Services area are a result of the completion of building wiring for network and Internet use. The District continues to make a significant investment in computers and related technology. The increase in Community Services expenditures is a result of additional state and federal grants received by the District. In terms of actual dollars expended, nearly 60% was directed for instructional programs and classroom needs, which included materials, supplies, textbooks, and other classroom needs.

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

#### General Fund

The District continues to operate with a very sound financial base as the General Fund ended the 2000 fiscal year with a fund balance of \$7,554,734 and an undesignated and unreserved fund equity of \$3,372,578. This represents an increase of \$441,426 or 15% from the fiscal year June 30, 1999 fund equity. The District has also recorded \$690,021 as an extraordinary item for the financial obligation to Monroe Local Schools at June 30, 2000.

#### Special Revenue Funds

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

Two property tax levies originally approved by voters in 1995 generated \$10,050,947 this year and makes up 55% of the total revenue in the Special Revenue funds. While the proceeds of these levies may be used for general operations similar to those in the General Fund, state law requires these revenues to be accounted for in the Emergency Levy Fund. These funds provide for specific resources and programs for students and reflect the District's continuing commitment to allocate resources in the most beneficial manner.

Other revenue generated by the major Special Revenue Funds include Title I Fund, \$1,520,354; Disadvantaged Pupil Impact Aid (D.P.I.A.) Fund, \$1,161,260; Auxiliary Services Fund, \$607,297; Title VI-B Fund, \$575,562; and Alternative Schools Fund, \$432,500. Total expenditures of \$19,147,950 exceeded revenues of \$18,172,228 resulting in an ending balance of \$4,146,680 in the Special Revenue fund type.

### Capital Projects Funds

The Capital Projects Funds are made up of a Permanent Improvement Fund and the state funded SchoolNet Program. SchoolNet funding includes resources for electrical improvements (Power Up), distance learning (IVDL) and computer workstations (SchoolNet Plus). In May 2000 the District issued \$850,000 in tax anticipation notes for the purpose of building renovations and repairs for the start of the 2000-01 school year. The proceeds were recorded in the Permanent Improvement Fund. As a part of the separation agreement with Monroe Local Schools \$150,000 of the note proceeds were paid to Monroe for their use in preparing their facilities for the 2000-01 school year.

### Debt Administration

The District had one debt issue outstanding at June 30, 2000. The issue is \$850,000 in six-month tax anticipation notes issued under Ohio law for building improvements and equipment purposes. The District is using current inside millage for the repayment of this obligation. The notes carry an interest rate of 4.98% and will mature on November 27, 2000.

### Cash Management

The District operates an aggressive cash management program operated under the acronym S.L.Y: Safety, Liquidity and Yield. Investments of funds are made with these three features in mind, safety being the key consideration. Inactive funds are invested in certificates of deposit, in the State Treasury Asset Reserve of Ohio (STAR Ohio), an investment pool managed by the Treasurer of the State of Ohio, or in investments guaranteed by the U. S. Government or its agencies. The amount of investment income in fiscal year 2000 for all District funds was \$1,167,796, which was an increase of over \$340,000 from the previous year. A more detailed description of the District's investment functions is described in Note 5 to the financial statements.

### Risk Management

The District, as a political subdivision, maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, property loss and boiler and machinery coverage is purchased from insurance companies licensed to do business in the State of Ohio. The maximum deductible amount for these coverages is \$1,000 per loss incurred. Table 16 in the Statistical Section of this report provides a detailed listing of the District's insurance policies as of June 30, 2000.

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

through BHP since 1985. Note 14 to the financial statements presents a more detailed review of the District's Risk Management Program.

## **OTHER INFORMATION**

### Independent Audit

The State of Ohio requires an annual audit by either the Ohio Auditor of State or by an independent public accounting firm. The State Auditor and the District selected Plattenburg and Associates, Inc. to perform the audit for the fiscal year ended June 30, 2000. The auditor's unqualified opinion rendered on the District's general purpose financial statements, and their report on the combining and individual fund statements and schedules, is included in the financial section of this report.

### ASBO Certificate of Excellence

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its Comprehensive Annual Report for the fiscal year ended June 30, 1999. In order to be awarded a Certificate of Excellence, a Comprehensive Annual Financial Report must conform to the principles and standards of financial reporting as adopted by ASBO. This award is granted only after an extensive review of the report by a panel of certified public accountants and practicing school business officials. The District believes this report continues to conform to the Certificate of Excellence program standards and is submitting it to ASBO to determine its eligibility for a certificate.

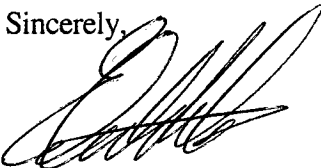
### GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1999. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The District believes our current report conforms to the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### Acknowledgments

The preparation and publication of the 2000 Comprehensive Annual Financial Report of the Middletown City School District was made possible by the combined efforts of the District's Finance Department and the cooperation of many District employees. The support and commitment to excellence by the Middletown Board of Education and the citizens of the District was vital to the successful issuance of this report and the continuing efforts being made to improve our financial management and reporting.

Sincerely,



Edmund R. Pokora  
Treasurer

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

**BOARD OF EDUCATION**

President  
Vice President  
Board Member  
Board Member  
Board Member

Dr. Mark Frazer  
Mrs. Katie McNeil  
Rev. Greg Tyus  
Mr. John Venturella  
Mr. Steve Lane

**ADMINISTRATIVE OFFICIALS**

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

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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Middletown/Monroe City  
School District, Ohio

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

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



*Anne Spray Kinney*  
President

*Jeffrey L. Essler*  
Executive Director



**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**MIDDLETOWN / MONROE CITY SCHOOL DISTRICT**

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 1999

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

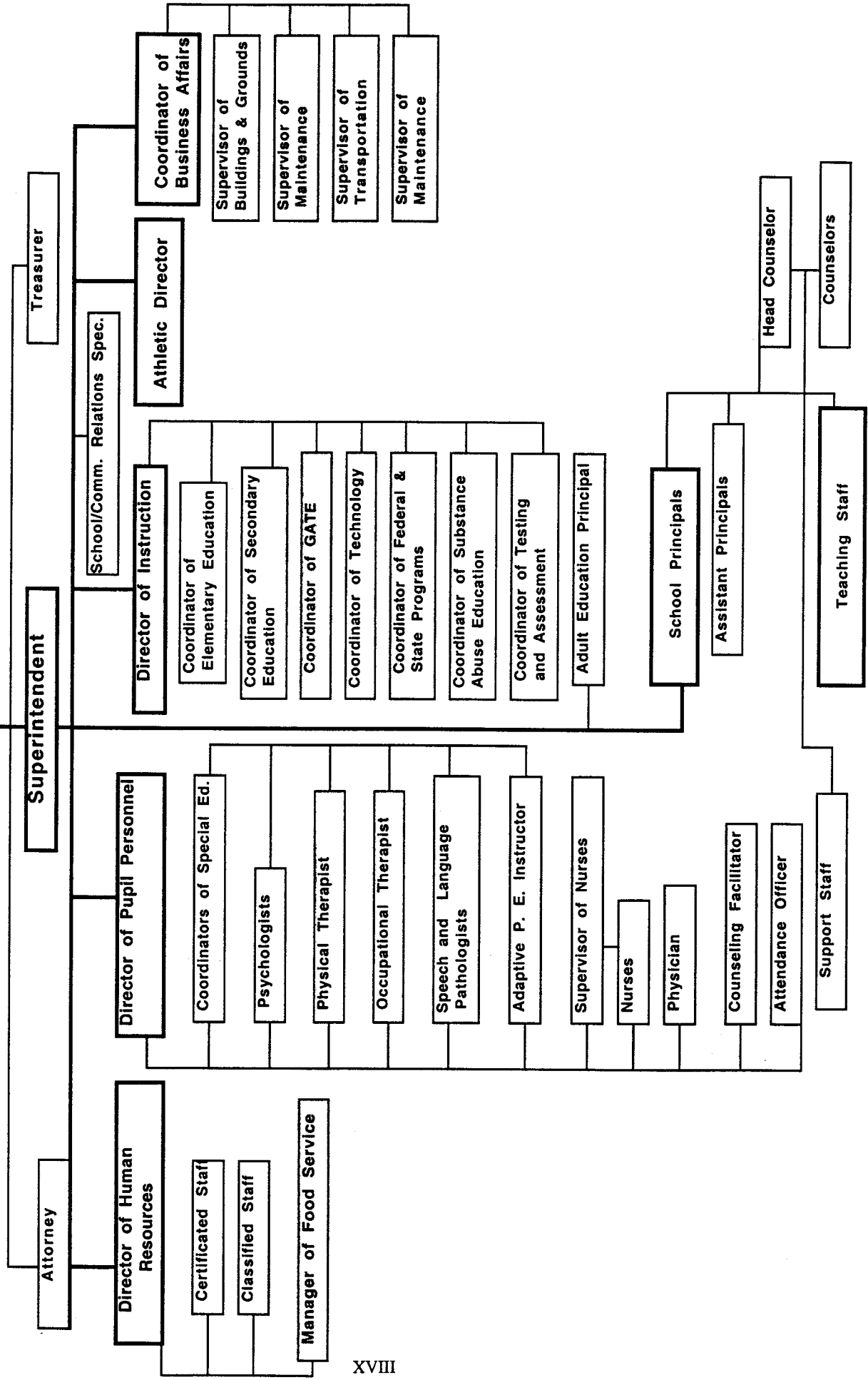
*Sam Deering*  
President

*Don T. Hagen*  
Executive Director

Middletown City School District

School District Citizens

Board of Education



FINZUCHL SECHS  
ZOHCHS



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**Independent Auditors' Report**

December 13, 2000

Board of Education  
Middletown City School District  
Middletown, Ohio

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

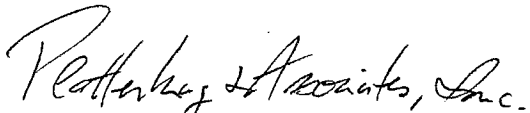
We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 13, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

  
Plattenburg & Associates, Inc.  
Certified Public Accountants

**GENERAL PURPOSE  
FINANCIAL STATEMENTS**

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 2000**  
(With comparative totals for June 30, 1999)

	<b>GOVERNMENTAL FUND TYPES</b>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>ASSETS AND OTHER DEBITS:</b>				
Assets:				
Equity in pooled cash and investments	\$ 8,715,623	\$ 5,263,950	\$ 724,145	\$ 812,675
Restricted Cash	1,602,007	0	0	0
Receivables (net of allowances for uncollectibles)				
Taxes	24,778,983	12,932,944	260,201	0
Accounts	35,432	4,569	0	0
Accrued interest	56,329	0	0	0
Intergovernmental - state and local	6,349	39,357	0	0
Intergovernmental - federal	0	0	0	0
Interfund loan receivable	757,186	0	0	0
Materials and supplies inventory	0	0	0	0
Inventory held for resale	0	0	0	0
Property, plant and equipment (net of accumulated depreciation, where applicable)	0	0	0	0
Other debits:				
Amount available in Debt Service Fund	0	0	0	0
Amount to be provided for retirement of General Long-term Obligations	0	0	0	0
<b>Total Assets and Other Debits</b>	<u><u>35,951,909</u></u>	<u><u>18,240,820</u></u>	<u><u>984,346</u></u>	<u><u>812,675</u></u>
<b>LIABILITIES, EQUITY AND OTHER CREDITS:</b>				
Liabilities:				
Accounts payable	80,163	160,426	0	0
Accrued wages and benefits	4,668,816	1,533,980	0	0
Accrued interest payable	24,597	0	0	0
Interfund loans payable	0	227,186	0	0
Due to Monroe Local Schools	340,021	208,704	0	0
Due to student groups	0	0	0	0
Deferred revenue	23,165,643	11,939,493	240,165	0
General obligation bonds payable	0	0	0	0
Tax anticipation notes payable	0	0	0	850,000
Compensated absences payable	127,935	24,351	0	0
<b>Total liabilities</b>	<u><u>28,407,175</u></u>	<u><u>14,094,140</u></u>	<u><u>240,165</u></u>	<u><u>850,000</u></u>
Equity and other credits:				
Investment in general fixed assets	0	0	0	0
Retained earnings: unreserved	0	0	0	0
Fund Balances:				
Reserved-				
Reserved for encumbrances	900,482	865,641	0	93,314
Reserved for property tax advances	1,669,667	993,452	20,036	0
Reserved for budgetary set-asides	772,758	0	0	0
Unreserved-				
Undesignated	3,372,578	2,287,587	724,145	(130,639)
Designated for set-asides	829,249	0	0	0
<b>Total equity and other credits</b>	<u><u>7,544,734</u></u>	<u><u>4,146,680</u></u>	<u><u>744,181</u></u>	<u><u>(37,325)</u></u>
<b>Total Liabilities, Equity and Other Credits</b>	<u><u>\$ 35,951,909</u></u>	<u><u>\$ 18,240,820</u></u>	<u><u>\$ 984,346</u></u>	<u><u>\$ 812,675</u></u>

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



PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS	
		General Fixed Assets	General Long-Term Obligations	2000 (Memorandum Only)	1999 (Memorandum Only)
Enterprise	Trust and Agency				
\$ 275,554	\$ 177,612	\$ 0	\$ 0	\$ 15,969,559	\$ 13,765,116
0	0	0	0	1,602,007	852,007
0	0	0	0	37,972,128	29,478,319
2,425	681	0	0	43,107	48,472
0	0	0	0	56,329	43,884
973	0	0	0	46,679	67,886
164,995	0	0	0	164,995	143,814
0	0	0	0	757,186	807,169
166,561	0	0	0	166,561	197,042
68,002	0	0	0	68,002	87,780
135,812	0	42,963,883	0	43,099,695	50,254,386
0	0	0	744,181	744,181	618,538
0	0	0	1,998,491	1,998,491	2,382,532
<u>814,322</u>	<u>178,293</u>	<u>42,963,883</u>	<u>2,742,672</u>	<u>102,688,920</u>	<u>98,746,945</u>
1,583	0	0	0	242,172	386,465
97,834	0	0	353,121	6,653,751	6,031,205
0	0	0	0	24,597	24,597
530,000	0	0	0	757,186	807,169
0	12,821	0	0	561,546	0
0	155,952	0	0	155,952	163,385
64,090	0	0	0	35,409,391	23,788,165
0	0	0	0	0	105,000
0	0	0	0	850,000	0
51,364	0	0	2,389,551	2,593,201	2,757,595
<u>744,871</u>	<u>168,773</u>	<u>0</u>	<u>2,742,672</u>	<u>47,247,796</u>	<u>34,063,581</u>
0	0	42,963,883	0	42,963,883	50,189,415
69,451	0	0	0	69,451	(279,240)
0	0	0	0	1,859,437	2,726,609
0	0	0	0	2,683,155	5,834,126
0	0	0	0	772,758	852,007
0	9,520	0	0	6,263,191	5,360,447
0	0	0	0	829,249	0
<u>69,451</u>	<u>9,520</u>	<u>42,963,883</u>	<u>0</u>	<u>55,441,124</u>	<u>64,683,364</u>
<u>\$ 814,322</u>	<u>\$ 178,293</u>	<u>\$ 42,963,883</u>	<u>\$ 2,742,672</u>	<u>\$ 102,688,920</u>	<u>\$ 98,746,945</u>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**  
(With comparative totals for the fiscal year ended June 30, 1999)

	<b>GOVERNMENTAL FUND TYPES</b>			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
From local sources:				
Taxes	\$ 20,247,283	\$ 10,050,947	\$ 215,033	\$ 0
Tuition	13,366	0	0	0
Earnings on investments	1,161,758	6,038	0	0
Other local revenues	272,831	416,290	0	0
Intergovernmental - state and local	20,523,110	4,607,506	22,273	0
Intergovernmental - federal	8,720	3,091,447	0	0
<b>Total Revenues</b>	<b>42,227,068</b>	<b>18,172,228</b>	<b>237,306</b>	<b>0</b>
Expenditures:				
Current:				
Instruction:				
Regular	25,091,332	2,419,336	0	457,240
Special	4,106	6,265,743	0	0
Vocational	0	33,221	0	0
Adult/Other	946,452	251,478	0	0
Support services:				
Pupil	2,428,958	740,898	0	0
Instructional staff	411,054	2,902,456	0	0
General administration	525,750	0	0	0
School administration	4,242,453	236,904	0	0
Fiscal	1,139,284	156,051	2,761	0
Operations and maintenance	4,886,042	2,027,066	0	0
Pupil transportation	267,663	2,398,811	0	0
Central	1,071,163	96,224	0	0
Community services	53	1,115,822	0	0
Extracurricular activities	556,343	259,429	0	0
Capital outlay	106,792	244,511	0	18,438
Debt service:				
Principal retirement	0	0	105,000	0
Interest charges	0	0	3,902	0
<b>Total Expenditures</b>	<b>41,677,445</b>	<b>19,147,950</b>	<b>111,663</b>	<b>475,678</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>549,623</b>	<b>(975,722)</b>	<b>125,643</b>	<b>(475,678)</b>
Other financing sources (uses):				
Proceeds from sale of fixed assets	9,675	0	0	0
Operating transfers in	0	24,000	0	0
Operating transfers (out)	(524,000)	0	0	0
<b>Total other financing sources (uses)</b>	<b>(514,325)</b>	<b>24,000</b>	<b>0</b>	<b>0</b>
<b>Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Uses and Before Extraordinary Item</b>	<b>35,298</b>	<b>(951,722)</b>	<b>125,643</b>	<b>(475,678)</b>
<b>Extraordinary Item (see Note 22)</b>	<b>(690,021)</b>	<b>(258,704)</b>	<b>0</b>	<b>(150,000)</b>
<b>Excess of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Uses and After Extraordinary Item</b>	<b>(654,723)</b>	<b>(1,210,426)</b>	<b>125,643</b>	<b>(625,678)</b>
Fund Balance, July 1	8,199,457	5,357,106	618,538	588,353
Fund Balance, June 30	<u>\$ 7,544,734</u>	<u>\$ 4,146,680</u>	<u>\$ 744,181</u>	<u>\$ (37,325)</u>

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

FIDUCIARY FUND TYPES	TOTALS	
	2000 (Memorandum Only)	1999 (Memorandum Only)
Expendable Trust		
\$ 0	\$ 30,513,263	\$ 36,035,145
0	13,366	42,790
0	1,167,796	823,497
39,744	728,865	704,714
0	25,152,889	25,093,941
0	3,100,167	3,792,315
<u>39,744</u>	<u>60,676,346</u>	<u>66,492,402</u>
36,489	28,004,397	26,793,079
0	6,269,849	5,697,754
0	33,221	36,263
0	1,197,930	1,363,286
3,415	3,173,271	3,008,253
55	3,313,565	2,887,864
0	525,750	0
0	4,479,357	4,919,583
0	1,298,096	1,163,645
0	6,913,108	6,675,984
0	2,666,474	2,564,669
0	1,167,387	1,449,453
0	1,115,875	900,563
0	815,772	774,104
0	369,741	132,300
0	105,000	95,000
0	3,902	56,163
<u>39,959</u>	<u>61,452,695</u>	<u>58,517,963</u>
<u>(215)</u>	<u>(776,349)</u>	<u>7,974,439</u>
0	9,675	43,049
0	24,000	2,444,951
0	(524,000)	(2,444,951)
<u>0</u>	<u>(490,325)</u>	<u>43,049</u>
<u>(215)</u>	<u>(1,266,674)</u>	<u>8,017,488</u>
<u>0</u>	<u>(1,098,725)</u>	<u>0</u>
<u>(215)</u>	<u>(2,365,399)</u>	<u>8,017,488</u>
<u>9,735</u>	<u>14,773,189</u>	<u>6,755,701</u>
<u>\$ 9,520</u>	<u>\$ 12,407,790</u>	<u>\$ 14,773,189</u>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**  
**(With comparative totals for the fiscal year ended June 30, 1999)**

	<b>GENERAL FUND</b>		
	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Taxes	\$ 22,055,000	\$ 22,089,089	\$ 34,089
Tuition	10,000	13,366	3,366
Earnings on investments	1,075,000	1,161,758	86,758
Other local revenue	230,500	269,312	38,812
Intergovernmental - state	20,570,042	20,516,760	(53,282)
Intergovernmental - federal	7,334	8,720	1,386
<b>Total Revenues</b>	<b>43,947,876</b>	<b>44,059,005</b>	<b>111,129</b>
Expenditures:			
Current:			
Instruction:			
Regular	25,533,799	25,240,592	293,207
Special	5,374	4,105	1,269
Vocational	0	0	0
Adult/Other	1,374,660	944,915	429,745
Support Services:			
Pupil	2,570,350	2,506,577	63,773
Staff	406,767	389,943	16,824
General administration	37,063	34,535	2,528
School administration	4,805,439	4,781,719	23,720
Fiscal and business services	1,198,002	1,152,397	45,605
Operations and maintenance	6,011,876	5,114,011	897,865
Pupil transportation	284,081	255,597	28,484
Central services	1,381,019	1,107,193	273,826
Community services	52	52	0
Extracurricular Activities	581,042	579,545	1,497
Capital Outlay	143,584	106,792	36,792
Debt Service			
Principal retirement	0	0	0
Interest charges	0	0	0
<b>Total Expenditures</b>	<b>44,333,108</b>	<b>42,217,973</b>	<b>2,115,135</b>
Excess (deficiency) of revenues over (under) expenditures	<u>(385,232)</u>	<u>1,841,032</u>	<u>2,226,264</u>
Other financing sources (uses):			
Refund of prior year receipts	0	0	0
Refund of prior year expenditures	25,000	8,158	(16,842)
Sale of notes	0	0	0
Payment to Monroe Local Schools	(350,000)	(350,000)	0
Operating transfers in	0	54,152	54,152
Operating transfers (out)	(578,152)	(578,152)	0
Advances in	807,170	807,168	(2)
Advances (out)	(757,187)	(757,187)	0
<b>Total other financing sources (uses)</b>	<b>(853,169)</b>	<b>(815,861)</b>	<b>37,308</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	<u>(1,238,401)</u>	<u>1,025,171</u>	<u>2,263,572</u>
Fund balance, July 1	7,487,153	7,487,153	0
Prior year encumbrances appropriated	904,825	904,825	0
<b>Fund balance, June 30</b>	<b>\$ 7,153,577</b>	<b>\$ 9,417,149</b>	<b>\$ 2,263,572</b>

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



**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND (Concluded)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**  
**(With comparative totals for the fiscal year ended June 30, 1999)**

	CAPITAL PROJECT FUNDS			EXPENDABLE TRUST FUND		
	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:						
Taxes	0	0	\$ 0	\$ 0	\$ 0	\$ 0
Tuition	0	0	0	0	0	0
Earnings on Investments	0	0	0	0	0	0
Other Local Revenue	0	0	0	39,743	39,743	0
Intergovernmental - State	0	0	0	0	0	0
Intergovernmental - Federal	0	0	0	0	0	0
<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>39,743</b>	<b>39,743</b>	<b>0</b>
Expenditures:						
Current:						
Instruction:						
Regular	299,403	179,484	119,919	36,489	36,489	0
Special	0	0	0	0	0	0
Vocational	0	0	0	0	0	0
Adult/Other	0	0	0	0	0	0
Support Services:						
Pupil	0	0	0	3,415	3,415	0
Staff	0	0	0	55	55	0
General Administration	0	0	0	0	0	0
School Administration	0	0	0	0	0	0
Fiscal and Business Services	0	0	0	0	0	0
Operations and Maintenance	0	0	0	0	0	0
Pupil Transportation	0	0	0	0	0	0
Central Services	0	0	0	0	0	0
Community Services	0	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0	0
Capital Outlay	115,000	111,752	3,248	0	0	0
Debt Service						
Principal Retirement	0	0	0	0	0	0
Interest Charges	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>414,403</b>	<b>291,236</b>	<b>123,167</b>	<b>39,959</b>	<b>39,959</b>	<b>0</b>
Excess (deficiency) of revenues over (under) expenditures	(414,403)	(291,236)	123,167	(216)	(216)	0
Other financing sources (uses):						
Refund of prior year receipts	(277,756)	(277,756)	0	0	0	0
Refund of prior year expenditures	0	0	0	0	0	0
Sale of notes	850,000	850,000	0	0	0	0
Payment to Monroe Local Schools	(150,000)	(150,000)	0	0	0	0
Operating transfers in	0	0	0	0	0	0
Operating transfers (out)	0	0	0	0	0	0
Advances in	0	0	0	0	0	0
Advances (out)	0	0	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>422,244</b>	<b>422,244</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	7,841	131,008	123,167	(216)	(216)	0
Fund balance, July 1	439,018	439,018	0	9,703	9,703	0
Prior year encumbrances appropriated	149,335	149,335	0	31	31	0
<b>Fund balance, June 30</b>	<b>\$ 596,194</b>	<b>\$ 719,361</b>	<b>\$ 123,167</b>	<b>\$ 9,518</b>	<b>\$ 9,518</b>	<b>\$ 0</b>

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

2000 TOTALS (MEMORANDUM ONLY)		
REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
\$ 33,363,000	\$ 33,427,545	\$ 64,545
10,000	13,366	3,366
1,081,038	1,167,796	86,758
756,319	795,131	38,812
25,033,217	24,984,819	(48,398)
3,098,781	3,100,167	1,386
<u>63,342,355</u>	<u>63,488,824</u>	<u>146,469</u>
29,456,440	27,978,352	1,478,088
6,508,351	6,234,855	273,496
37,424	33,220	4,204
1,623,306	1,193,561	429,745
3,366,562	3,255,028	111,534
3,586,981	3,439,888	147,093
37,063	34,535	2,528
5,146,213	5,030,036	116,177
1,358,814	1,311,209	47,605
8,502,936	7,469,947	1,032,989
2,984,599	2,641,968	342,631
1,687,568	1,206,776	480,792
1,055,499	1,054,191	1,308
940,172	938,675	1,497
728,584	549,254	179,330
105,000	105,000	0
3,902	3,902	0
<u>67,129,414</u>	<u>62,480,397</u>	<u>4,649,017</u>
<u>(3,787,059)</u>	<u>1,008,427</u>	<u>4,795,486</u>
(367,689)	(367,689)	0
95,000	80,113	14,887
850,000	850,000	0
(550,000)	(550,000)	0
24,000	78,152	(54,152)
(578,649)	(578,649)	0
1,034,356	1,034,354	2
(778,858)	(778,858)	0
<u>(271,840)</u>	<u>(232,577)</u>	<u>(39,263)</u>
<u>(4,058,899)</u>	<u>775,850</u>	<u>4,834,749</u>
11,529,125	11,529,125	0
2,726,604	2,726,604	0
<u>\$ 10,196,830</u>	<u>\$ 15,031,579</u>	<u>\$ 4,834,749</u>

1999 TOTALS (MEMORANDUM ONLY)		
REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
\$ 32,512,700	\$ 32,537,477	\$ 24,777
30,000	28,607	(1,393)
807,223	823,497	16,274
866,395	914,901	48,506
23,985,991	24,009,281	23,290
4,070,112	4,070,742	630
<u>62,272,421</u>	<u>62,384,505</u>	<u>112,084</u>
27,919,302	27,473,986	445,316
5,895,795	5,857,383	38,412
36,007	36,007	0
1,448,879	1,443,222	5,657
2,971,875	2,950,916	20,959
2,830,634	2,758,539	72,095
48,310	39,444	8,866
4,854,590	4,834,777	19,813
1,068,381	1,039,895	28,486
6,933,927	6,890,286	43,641
2,632,080	2,600,421	31,659
1,383,367	1,402,046	(18,679)
827,660	820,510	7,150
794,323	792,423	1,900
163,007	141,307	21,700
2,092,453	2,092,434	19
58,422	58,117	305
<u>61,959,012</u>	<u>61,231,713</u>	<u>727,299</u>
<u>313,409</u>	<u>1,152,792</u>	<u>839,383</u>
(83,595)	(83,262)	(333)
55,000	52,395	(2,605)
0	0	0
0	0	0
421,167	421,167	0
(401,000)	(400,075)	(925)
474,190	474,190	0
(833,693)	(830,862)	(2,831)
<u>(367,931)</u>	<u>(366,447)</u>	<u>(6,694)</u>
<u>(54,522)</u>	<u>786,345</u>	<u>840,867</u>
8,826,190	8,826,190	0
1,916,590	1,916,590	0
<u>\$ 10,688,258</u>	<u>\$ 11,529,125</u>	<u>\$ 840,867</u>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS  
 PROPRIETARY FUND TYPE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000 AND 1999**

	<u>Enterprise Funds</u>	
	<u>2000</u>	<u>1999</u>
Operating revenues:		
Tuition and fees	\$ 163,593	\$ 165,254
Sales	1,564,304	1,607,037
Other operating revenues	<u>0</u>	<u>9,646</u>
Total operating revenues	<u>1,727,897</u>	<u>1,781,937</u>
Operating expenses:		
Salaries and wages	1,188,160	1,329,990
Fringe benefits	470,476	465,719
Contracted services	13,376	20,766
Supplies	1,605,815	1,505,390
Depreciation	15,907	10,454
Other operating expenses	<u>6,348</u>	<u>10,680</u>
Total operating expenses	<u>3,300,082</u>	<u>3,342,999</u>
Operating (Loss)	<u>(1,572,185)</u>	<u>(1,561,062)</u>
Nonoperating revenues (expenses):		
Operating grants - state and local	1,083,321	1,026,499
Operating grants - federal	88,733	95,363
Proceeds of sale of fixed assets	0	250
Donated commodities	<u>165,821</u>	<u>183,690</u>
Total nonoperating revenues (expenses)	<u>1,337,875</u>	<u>1,305,802</u>
Net Income (Loss) before operating transfers	(234,310)	(255,260)
Operating transfers in	<u>500,000</u>	<u>0</u>
Total operating transfers in (out)	<u>500,000</u>	<u>0</u>
Net Income (Loss)	265,690	(255,260)
Retained Earnings, July 1 (Restated)	<u>(196,239)</u>	<u>(23,980)</u>
Retained Earnings, June 30	<u>\$ 69,451</u>	<u>\$ (279,240)</u>

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



**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 COMBINED STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000 AND 1999**

	<u>Enterprise Funds</u>	
	<u>2000</u>	<u>1999</u>
Cash flows from operating activities:		
Cash received from tuition and fees	\$ 164,199	\$ 174,436
Cash received from sales	1,570,396	1,604,224
Cash received from other operations	(400)	6,948
Cash payments for personal services	(1,677,036)	(1,656,228)
Cash payments for contract services	(13,376)	(12,077)
Cash payments for supplies and materials	(1,433,425)	(1,513,997)
Cash payments for other expenses	(9,697)	(10,680)
Net cash provided by (used for) operating activities	<u>(1,399,339)</u>	<u>(1,407,374)</u>
Cash flows from noncapital financing activities:		
Cash received from operating grants	1,164,282	1,130,310
Transfer in from other funds	500,000	0
Cash received - interfund loans	530,000	785,000
Cash received from sale of assets	0	250
Cash (used) - interfund loans	(785,000)	(450,000)
Net cash provided by noncapital financing activities	<u>1,409,282</u>	<u>1,465,560</u>
Net increase (decrease) in cash and cash equivalents	9,943	58,186
Cash and cash equivalents at beginning of year	<u>265,611</u>	<u>207,425</u>
Cash and cash equivalents at end of year	<u>\$ 275,554</u>	<u>\$ 265,611</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating (loss)	<u>\$ (1,572,185)</u>	<u>\$ (1,561,062)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	15,907	10,454
Donated commodities	165,821	183,690
Changes in assets and liabilities:		
(Increase) Decrease in receivables	6,698	3,270
(Increase) Decrease in intergovernmental	(7,772)	(23,620)
(Increase) Decrease in supplies inventory	30,481	(2,768)
(Increase) Decrease in inventory held for resale	19,778	(3,562)
Increase (Decrease) in accounts payable	(7,695)	2,601
Increase (Decrease) in accrued wages and benefits	(21,061)	2,390
Increase (Decrease) in compensated absences payable	2,661	13,411
Increase (Decrease) in deferred revenue	(31,972)	(32,178)
Net cash provided by (used for) operating activities	<u>\$ (1,399,339)</u>	<u>\$ (1,407,374)</u>

Non-cash activities: The District received and used donated commodities valued at \$165,821 that represented both non-cash materials and supplies expenditures and non-cash operating revenues.

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

MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND EQUITY  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 PROPRIETARY FUND TYPE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
 (With comparative totals for the fiscal year ended June 30, 1999)

	2000 TOTALS (MEMORANDUM ONLY)			1999 TOTALS (MEMORANDUM ONLY)		
	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:						
Operating Revenues						
Tuition and fees	\$ 165,050	\$ 165,500	\$ 450	\$ 173,140	\$ 174,436	\$ 1,296
Sales	1,570,396	1,570,396	0	1,562,595	1,562,572	(23)
Charges for services	0	0	0	38,370	38,562	192
Contributions and donations	0	0	0	3,898	6,398	2,500
Other operating revenue	0	0	0	3,100	3,640	540
Federal and state subsidies	1,162,584	1,162,582	(2)	1,099,300	1,098,242	(1,058)
Total Revenues	2,898,030	2,898,478	448	2,880,403	2,883,850	3,447
Expenses:						
Operating Expenses						
Salaries and wages	1,236,465	1,236,465	0	1,185,812	1,185,812	0
Fringe benefits	440,968	440,571	397	470,416	470,416	0
Purchased services	17,441	13,756	3,685	13,025	13,025	0
Supplies and materials	1,489,781	1,488,977	804	1,534,340	1,534,001	(339)
Other expenses	6,852	5,948	904	26,572	23,301	(3,271)
Equipment purchased	3,749	3,749	0	682	681	(1)
Total Expenses	3,195,256	3,189,466	5,790	3,230,847	3,227,236	(3,611)
Excess (deficiency) of revenues over (under) expenses	(297,226)	(290,988)	(5,376)	(350,444)	(343,386)	7,058
Other financing sources (uses)						
Transfers in	500,000	500,000	0	0	0	0
Advances in	530,000	530,000	0	785,000	785,000	0
Advances out	(785,000)	(785,000)	0	(450,000)	(450,000)	0
Total other financing sources (uses)	245,000	245,000	0	335,000	335,000	0
Excess (deficiency) of revenues and other financing sources over (under) expenses and other uses	(52,226)	(45,988)	(5,376)	(15,444)	(8,386)	7,058
Fund Equity, July 1	199,289	199,289	0	187,844	187,844	0
Prior year encumbrances appropriated	66,320	66,320	0	19,831	19,831	0
Fund Equity, June 30	\$ 213,383	\$ 219,621	\$ (5,376)	\$ 192,231	\$ 199,289	\$ 7,058

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

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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**NOTE 1 - DESCRIPTION OF THE DISTRICT**

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

The District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. The Board controls the District's instructional and support facilities staffed by 280 classified personnel and 550 certified teaching and administrative personnel to provide services to students and other community members.

In terms of enrollment the District is the 30<sup>th</sup> largest in the State of Ohio (among 612 districts) and the third largest in Butler County. It currently operates 12 elementary schools, 2 middle schools (grades 7 - 8), one comprehensive high school (grades 9-12) and one alternative high school. The District encompasses a total of 25 square miles that includes the city of Middletown and portions of Lemon Township.

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

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

**A. The Reporting Entity**

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

The following activities are included within the reporting entity:

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

The District is associated with two organizations, which are defined as jointly governed organizations. These are the Butler County Joint Vocational School District and the Southwest Ohio Computer Association.

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

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

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

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

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

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

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

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

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

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

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

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

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

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

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

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

The District reports deferred revenues on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000 and delinquent property taxes, whose availability is indeterminate and which are intended to finance fiscal 2001 operations, have been recorded as deferred revenues.

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

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

#### *D. Budgetary Process*

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Tax Budget

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

Certificate of Estimated Resources

The County Budget Commission determines if the tax budget substantiates a need to levy the full amount of the authorized tax rates and reviews revenue estimates. The Commission certifies its action to the District by March 1. As a part of this certification, the District receives the Official Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if projected increases or the District identifies decreases in revenue. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate of Estimated Resources issued for the 2000 fiscal year.

Appropriations

By July 1, the annual appropriation resolution is legally adopted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control, for all funds, other than agency funds. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the Butler County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals. The Board must approve any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions. Amounts shown in the budgetary financial statements represent the final amounts appropriated for the 2000 fiscal year, including all supplemental appropriations and modifications. The original appropriation measure was amended several times during the year; however, none of these amendments were significant. All funds completed the year within the amount of their legally authorized appropriation.



### Encumbrances

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

### Lapsing of Appropriations

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

## *E. Cash and Investments*

To improve cash management, cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the Combined Balance Sheet. During fiscal year 2000, investments included STAR Ohio, repurchase agreements, commercial paper, and Treasury bonds. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Under existing Ohio statutes, all investment earnings accrue to the General Fund except those specifically related to auxiliary service funds. Investment earnings are allocated to these funds based on average monthly cash balances. Investment income earned in fiscal 2000 totaled \$1,167,796.

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

***F. Inventory (Materials and Supplies)***

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

***G. Fixed Assets and Depreciation***

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

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

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

***H. Compensated Absences***

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

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

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

*I. Intergovernmental Revenues*

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

*Entitlements:*

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

- Capital Projects Funds
  - School Net Plus

*Non Reimbursable Grants:*

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

*Reimbursable Grants:*

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

Grants and entitlements amounted to approximately 46% of the District's operating revenue during the 2000 fiscal year.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. Interfund Transactions**

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

1. Routine transfers of resources from one fund to another fund through which resources to be expended are recorded as operating transfers.
2. Reimbursements from one fund to another fund are treated as expenditures/expenses in the reimbursing fund and as a reduction in expenditures/expenses in the reimbursed fund.
3. Short-term interfund loans are reflected as interfund loan payable/receivable, while long-term interfund loans (greater than one year in length) are recorded as advances to/from other funds. The District has no long-term advances as of June 30, 2000.

**K. Long-Term Obligations**

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

**L. Fund Equity**

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

**M. Fund Balance Reserves**

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

*N. Restricted Assets*

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. During fiscal year 2000, the District deposited \$750,000 in a Budget Reserve Account. A fund balance reserve has been established which totaled \$1,602,007 at June 30, 2000 of which \$225,000 is due to Monroe Local School District.

*O. Memorandum Only - Total Columns*

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

*P. Comparative Data*

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

*Q. Estimates*

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

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (non-GAAP Budgetary Basis), All Governmental Fund Types and Expendable Trust Funds, and the Combined Statement of Revenues, Expenses and Changes in Fund Equity – Budget and Actual (Non-GAAP Budgetary Basis), Proprietary Fund Type are presented on a budgetary basis to provide a meaningful comparison of actual results with the budget.

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING (continued)**

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

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

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

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

Governmental Fund Types and Expendable Trust Fund

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$ (654,723)	\$ (1,210,426)	\$ 125,643	\$ (625,678)	\$ (215)
Revenue Accruals	1,830,425	1,267,542	21,656	850,000	0
Expenditure Accruals	699,969	379,502	0	0	0
Interfund Loans	49,982	205,017	0	0	0
Encumbrances	(900,482)	(932,357)	0	(93,314)	(1)
Budgetary Basis	<u>\$ 1,025,171</u>	<u>\$ (290,722)</u>	<u>\$ 147,299</u>	<u>\$ 131,008</u>	<u>\$ (216)</u>

**NOTE 4 - FUND BALANCE DEFICITS**

Fund balances at June 30, 2000 included the following individual fund deficits, which include accrual entries:

Special Revenue Funds:

Local Grant Fund	(\$717)
Entry Year Grant Fund	(36,165)
Title VI-B Grant Fund	(140,086)
Title I Grant Fund	(13,275)

Capital Projects Funds:

Permanent Improvement Fund	(\$168,044)
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Proprietary Funds:

Food Service Fund	(\$190,915)
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The above fund had deficit fund balances due to the accrual of wages and fringe benefits and/or the reclassification of Advances In (other sources) to Interfund Loan Payable (liability). The advances were needed to cover fiscal year end cash deficit caused by the timing of the reimbursements from the respective State and/or Federal Agencies.

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

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

**NOTE 5 – DEPOSITS AND INVESTMENTS (continued)**

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

- (1) United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States.
- (2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality.
- (3) Written repurchase agreements for a period not to exceed thirty days in the securities listed above that mature within five years from the date of purchase.
- (4) Bonds and other obligations of the State of Ohio.
- (5) No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (6) The State Treasurer's investment pool (STAR Ohio).
- (7) Certain bankers' acceptances and commercial paper notes for a period not to exceed two hundred and seventy days and in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

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

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



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

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**Deposits:** The District is required to categorize deposits and investments according to GASB Statement No. 3 “Deposits with Financial Institutions, Investments, and Reverse Repurchase Agreements”. At year-end, the carrying amount of the District's deposits was \$142,097. The bank balance of deposits was \$1,172,995, of which \$175,497 was covered by federal depository insurance. The remaining bank balance was covered according to Chapter 135, the Uniform Depository Act, of the Ohio Revised Code, which authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance. The deposits not covered by federal depository insurance are considered uninsured and uncollateralized under the provisions of GASB Statement No. 3.

**Investments:** The District's investments are categorized as follows to give an indication of the level of risk assumed by the entity at year-end. CATEGORY 1 includes investments that are insured or registered or for which the District or its agent in the District's name holds the securities. CATEGORY 2 includes uninsured and unregistered investments for which the counterparty's trust department or agent in the District's name holds the securities. CATEGORY 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its department or agent, but not in the District's name. Based on the above criteria, the District's investments at June 30, 2000 are classified as follows:

Investments	Risk Category	Carrying/Fair Value
STAR Ohio (1)	N/A	\$ 11,966,108
Money Market Fund (1)	N/A	278,571
Commercial Paper	2	1,312,714
U.S. Treasury Notes	2	749,252
U.S. Agencies	2	3,122,615
		<u>\$ 17,429,260</u>

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

**NOTE 6 - INTERFUND TRANSACTIONS**

Interfund balances at June 30, 2000 consisted of the following individual fund receivables and payables:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 757,186	
Special Revenue Funds:		
Local Grants		\$ 78,357
Entry Year Grant		32,039
Ohio Reads Grant		11,650
Project Connect Grant		4,759
Misc State Grants		20,074
Title VI-B Grant		77,244
Misc Federal Grants		<u>3,063</u>
Total Special Revenue		227,186
Enterprise Funds:		
Food Service Fund		<u>530,000</u>
Total	<u>\$ 757,186</u>	<u>\$ 757,186</u>

**NOTE 7 - PROPERTY TAXES**

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 2000 were based, is as follows:

Real Property	\$ 636,518,934
Tangible Personal Property	217,179,292
Public Utility and Real Estate	<u>62,854,774</u>
Total Assessed Property Value	<u>\$ 916,553,000</u>

In 2000, real property taxes were levied in January on the assessed values as of January 1, 1999, the lien date. The Butler County Auditor at 35% of appraised market value establishes assessed values. A reappraisal of real property is required to be completed no less than every six years, with a statistical update every third year. The last reappraisal of property took place in 1996. Tangible personal property tax is assessed on equipment and inventory held by

businesses as of December 31, 1999. Tangible personal property is assessed at 25% of true value (as defined). In 2000, each business was eligible to receive a \$10,000 exemption in assessed value, which was reimbursed to the District by the State. Real property taxes are payable annually or semi-annually. The first payment is due the second Thursday of February, with the remainder payable the second Thursday in July.

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

Accrued property taxes receivable represents real property, personal property, and public utility taxes, which became measurable as of the current year end. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance and recognized as revenue for the current year-end was \$2,683,155.

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2000 consisted of taxes, accounts receivables, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State Programs, and the current year guarantee of Federal Funds. A summary of the principal items of receivables follows:

<u>Fund</u>	<u>Type of Receivable</u>	<u>Amount</u>
General	Taxes	\$ 24,778,983
	Accounts	35,432
	Accrued Interest	56,329
	Intergovernmental	6,349
	Interfund	757,186
Special Revenue Taxes	Taxes	12,932,944
	Accounts	4,569
	Intergovernmental	39,357
Debt Service	Taxes	260,201

**NOTE 9 - FIXED ASSETS**

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

	Balance July 1, 1999	Additions	Reductions (1)	Balance June 30, 2000
Land/Improvements	\$ 1,678,561	0	(311,529)	\$ 1,367,032
Building/Building Improvements	28,077,010	0	(3,563,755)	24,513,255
Furniture/Equipment	20,433,844	458,920	(3,809,168)	17,083,596
<b>Total</b>	<b>\$ 50,189,415</b>	<b>\$458,920</b>	<b>(\$7,684,452)</b>	<b>\$ 42,963,883</b>

(1) Fixed asset reductions of \$7,684,452 includes \$6,754,010 in items transferred to Monroe Local Schools as a part of the school district split. Additional information about the transfer of general fixed assets to Monroe Local Schools can be found in Note 22.

A Summary of the Proprietary Fund fixed assets at June 30, 2000 follows:

Furniture/Equipment	\$ 589,376
Less Accumulated Depreciation	(453,564)
<b>Net Fixed Assets</b>	<b>\$ 135,812</b>

**NOTE 10 - LEGAL DEBT MARGIN**

The Ohio Revised Code provides that voted net general obligation debt of the District should never exceed 9% of the total assessed valuation of the District. The Code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the total assessed valuation of the District. The effects of these debt limitations at June 30, 2000 are a voted debt margin of \$83,233,951 and an unvoted debt margin of \$810,734. The Code also provides that unvoted indebtedness for Energy Conservation Measures shall not exceed 9/10 of 1% of the total assessed valuation of the District. The effect of this debt limitation at June 30, 2000, is an unvoted debt margin of \$8,248,977.

**NOTE 11 - BONDS PAYABLE**

All long-term bonds originally issued to provide funds for energy conservation improvements at Amanda Elementary School have been completely paid. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service Fund.

The following is a description of the District's bond activity for the 2000 fiscal year:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance July 1, 1999</u>	<u>Retired</u>	<u>Balance June 30, 2000</u>
Energy Conservation Bonds	7%	5/89	12/99	\$ 105,000	\$(105,000)	\$ 0

**NOTE 12 - NOTES PAYABLE**

The District was directly liable at June 30, 2000 on a 4.98% bond anticipation note in the amount of \$850,000. The note was issued on May 26, 2000 and will mature on November 27, 2000. The note proceeds were used for capital improvements and building repairs and improvements and as such have been reported in the Permanent Improvement Fund.

**NOTE 13- CHANGES IN THE GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP**

The following table summarizes changes that occurred in liabilities reported in the General Long-Term Obligations Account Group during the year ended June 30, 2000. Compensated absences will be paid from the fund from which the employee is paid. The accrued wages and benefits amounts shown represent pension contributions that are not expected to be liquidated with expendable available financial resources.

	<u>Balance July 1, 1999</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2000</u>
Accrued Wages/Benefits	\$ 311,358	\$ 41,763	\$ 0	\$ 353,121
Compensated Absences	2,584,712	0	(195,161)	2,389,551
Bonds Payable	105,000	0	(105,000)	0
Total	<u>\$ 3,001,070</u>	<u>\$ 41,763</u>	<u>\$ (300,161)</u>	<u>\$ 2,742,672</u>

**NOTE 14 - SEGMENT INFORMATION**

The District maintains four Enterprise Funds to account for the operations of Food Services, Uniform School Supply, Special Rotary and an Adult Education Program. The table on the below reflects, in a summarized format, the more significant financial data relating to the Enterprise Funds of the District as of and for the year ended June 30, 2000.

	Food Service	Uniform School Supply	Special Rotary	Adult Education	Total
Operating Revenues	\$ 1,564,304	\$ 105,388	\$ 234	\$ 57,971	\$ 1,727,897
Operating Expenses					
Before Depreciation	3,109,084	104,782	5,098	65,211	3,284,175
Depreciation	15,707	0	0	200	15,907
Operating					
Income (Loss)	(1,560,487)	606	(4,864)	(7,440)	(1,572,185)
Operating Grants	1,153,456	0	5,000	13,598	1,172,054
Donated Commodities	165,821	0	0	0	165,821
Operating Transfers					
In (Out)	500,000	0	0	0	500,000
Net Income (Loss)	258,790	606	136	6,158	265,690
Net Working Capital	(277,391)	212,258	4,032	46,104	(14,997)
Total Assets	543,846	213,841	4,032	52,603	814,322
Total Liabilities	734,761	1,583	0	8,527	744,871
Total Equity (Deficit)	\$ (190,915)	\$ 212,258	\$ 4,032	\$ 44,076	\$ 69,451

**NOTE 15 - RISK MANAGEMENT**

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

During the 2000 fiscal year, the District contracted with Nationwide Insurance Company for general liability insurance coverage with a \$1,000,000 single occurrence limit and a \$5,000,000 aggregate limit covering all employees and volunteers of the District. The policy holds a \$5,000 occurrence deductible.

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

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

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

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

#### **NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS**

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

##### **A. School Employees Retirement System**

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

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute 14 percent; 10.5 percent was the portion to fund basic pension obligations. The contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$980,756, \$899,681, and \$821,817 respectively; 64 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$157,914 representing the unpaid contribution for fiscal year 2000 is recorded as a liability within the respective funds and the general long-term obligations account group.

**NOTE 16 - EMPLOYEE RETIREMENT SYSTEMS (continued)**

**B. State Teachers Retirement System**

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 9.13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$3,993,808, \$3,713,578 and \$3,591,588 respectively; 82 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$464,520 representing the unpaid contribution for fiscal year 2000 is recorded as a liability within the respective funds.

**NOTE 17 - POST EMPLOYMENT BENEFITS**

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

The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Retirement Board currently allocates employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund. The Health Care Reserve Allocation for the year ended June 30, 2000 was 8% of covered payroll charges.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the fund at June 30, 1999 was \$2,783 million. For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.



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

For this fiscal year, employer contributions to fund health care benefits were 8.5 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, 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, 1999 were \$126,380,984 and the target level was \$189.9 million. At June 30, 1999 SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 51,000 participants currently receiving health care benefits.

#### **NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS**

The Southwestern Ohio Computer Association (SWOCA) is a jointly governed organization among a three county consortium of school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports SWOCA based upon a per pupil charge dependent upon the software package utilized. The Governing Board of SWOCA consists of six members elected by majority vote of all charter member schools plus one representative from the fiscal agent. The District paid SWOCA \$86,002 for services provided during the year. Financial information can be obtained from Mr. Michael Crumley, who serves as Director, at 3603 Hamilton-Middletown Rd., Hamilton, OH 45011.

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

#### **NOTE 19 – STATE SCHOOL FUNDING DECISION**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school-funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the District. During the fiscal year ended June 30, 2000, the District received \$18,634,177 of school foundation support in the General Fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly...", including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program. The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

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

#### **NOTE 20 - CONTINGENT LIABILITIES**

The District receives significant financial assistance from federal, state and local agencies in the form of grants that generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, based on prior experience, the District believes such disallowances, if any will be immaterial.

**NOTE 21 – STATUTORY RESERVES**

The District is required by state law to set aside certain General Fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2000, the reserve activity (cash basis) was as follows:

	<u>Textbook Reserve</u>	<u>Capital Maintenance Reserve</u>	<u>Budget Stabilization Reserve</u>	<u>Total</u>
Balance, Beginning of Year	\$0	\$0	\$852,007	\$852,007
Required Set-Aside	1,320,985	1,320,985	440,328	3,082,298
Offset Credits	0	(850,000)	(665,328)	(1,515,328)
Qualifying Expenditures	(1,175,234)	(470,985)	0	(1,646,219)
Balance, End of Year	<u>\$145,751</u>	<u>\$0</u>	<u>\$627,007</u>	<u>\$772,758</u>

Qualifying expenditures for capital activity during the year totaled \$2,668,400, which exceeded the amount required for set-aside.

**NOTE 22 - EXTRAORDINARY ITEM  
 CREATION OF MONROE LOCAL SCHOOL DISTRICT**

At June 30, 2000 the district formerly known as the Middletown/Monroe City School District was separated into two school districts, Middletown City School District and Monroe Local School District. The creation of the Monroe Local School District impacted the financial operations of the Middletown City School District in several ways. In order to provide a smooth transition for Middletown and Monroe, a Memorandum of Understanding was agreed to by both school districts, with the assistance of the Ohio Department of Education. In accordance with the terms of the Memorandum, cash and general fixed assets that existed at year-end were apportioned equitably between the two school districts. For financial reporting purposes, the apportionment of cash to Monroe Local has been classified as an Extraordinary Item on the accompanying financial statements. The distribution of general fixed assets to Monroe Local is separately disclosed later in this Note as well as in Note 9.

*Transfer of Fixed Assets* – The Memorandum of Understanding required that all physical assets located within the boundaries of the Monroe Local School District, would remain with the new district. In addition, The District agreed to transfer additional fixed assets until at a minimum of 14% of the total asset book value was apportioned to Monroe Local Schools. These additional assets transferred included school buses, classroom furniture, computers, and other similar operational items.

**NOTE 22 - EXTRAORDINARY ITEM  
 CREATION OF MONROE LOCAL SCHOOL DISTRICT (continued)**

The following table outlines the reductions in fixed assets by class for the Middletown City School District as a result of the separation of school districts:

<u>Summary of General Fixed Assets Transferred to Monroe Local Schools on June 30, 2000:</u>	
Land/Improvements	\$311,529
Building/Building Improvements	3,563,755
Furniture/Equipment	2,878,726
Total (see Note 9)	<u>\$ 6,754,010</u>

Transfer of Cash – The Memorandum of Understanding also required an apportionment of cash and investments between the school districts that resulted in an equitable division of available cash balances at June 30, 2000. The school districts arrived at a cash distribution formula that recognized the allocated cash balances based upon the relative percentage of revenue from state funding and local property taxes. The following table outlines the apportionment of cash to the Monroe Local School District as a result of the separation of school districts:

<u>Summary of Cash Apportionment to Monroe Local Schools</u>	
General Fund	\$690,021
Emergency Levy Fund	223,593
Permanenet Improvement Fund	150,000
Pupil School Support Fund	9,619
Athletic Fund	25,492
Total Extraordinary Item	<u>\$1,098,725</u>

Note: The amounts reported on the Combined Balance Sheet as Due to Monroe Local Schools represents the portion of the cash apportionment paid to Monroe Local Schools after the fiscal year end.

**NOTE 23 – PRIOR PERIOD ADJUSTMENT**

The beginning retained earnings balances of the enterprise funds have been adjusted for corrections to the fixed asset detail as follows:

Balance previously stated, June 30, 1999	(\$279,240)
Prior period adjustment	<u>83,001</u>
Balance as restated, July 1, 1999	<u>(\$196,239)</u>

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

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## **GENERAL FUND**

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The General Fund is the primary operating fund of the District, representing 68% of all governmental expenditures. It is used to account for all government resources and activities not accounted for in any other fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of the State of Ohio.

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**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
<b>Revenues:</b>			
<b>From Local Sources:</b>			
<b>Local Taxes:</b>			
Real estate and trailer taxes	\$ 16,105,000	\$ 16,137,851	\$ 32,851
Tangible personal property taxes	5,950,000	5,951,238	1,238
<b>Total Local Taxes</b>	<b>22,055,000</b>	<b>22,089,089</b>	<b>34,089</b>
Tuition	10,000	13,366	3,366
Earnings on Investments	1,075,000	1,161,758	86,758
<b>Other Local Revenues:</b>			
Classroom fees	125,000	148,834	23,834
Transportation fees	50,000	57,703	7,703
Extra-curricular activity fees	46,500	53,100	6,600
Miscellaneous revenues	9,000	9,675	675
<b>Total Other Local Revenue</b>	<b>230,500</b>	<b>269,312</b>	<b>38,812</b>
<b>Intergovernmental - State</b>			
State foundation and grants	18,705,042	18,634,177	(70,865)
Rollback and homestead exemption	1,730,000	1,745,535	15,535
Reimbursement personal property	135,000	137,048	2,048
<b>Total Intergovernmental - State</b>	<b>20,570,042</b>	<b>20,516,760</b>	<b>(53,282)</b>
Intergovernmental - Federal	7,334	8,720	1,386
<b>Total Revenues</b>	<b>\$ 43,947,876</b>	<b>\$ 44,059,005</b>	<b>\$ 111,129</b>



MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and wages	\$ 19,578,981	\$ 19,578,981	\$ 0
Fringe benefits	5,214,343	5,214,343	0
Purchased services	65,763	37,818	27,945
Supplies and materials	612,747	357,865	254,882
Equipment purchased	61,965	51,585	10,380
Total Regular	25,533,799	25,240,592	293,207
Special			
Purchased services	3,949	3,949	0
Supplies and materials	625	156	469
Equipment purchased	800	0	800
Total Special	5,374	4,105	1,269
Adult/Other			
Salaries and wages	108,698	108,698	0
Fringe benefits	19,481	19,481	0
Total Adult Continuing	128,179	128,179	0
Other			
Purchased services	1,246,481	816,736	429,745
Total Other	1,246,481	816,736	429,745
Support Services:			
Pupil			
Salaries and wages	1,877,386	1,861,735	15,651
Fringe benefits	445,769	445,769	0
Purchased services	162,201	122,155	40,046
Supplies and materials	74,494	74,494	0
Other expenditures	500	148	352
Equipment purchased	10,000	2,276	7,724
Total Pupil	2,570,350	2,506,577	63,773
Instructional Staff			
Salaries and wages	318,587	318,587	0
Fringe benefits	63,500	62,675	825
Purchased services	17,000	3,001	13,999
Supplies and materials	5,571	5,571	0
Equipment purchased	2,000	0	2,000
Other expenditures	109	109	0
Total Staff	406,767	389,943	16,824
General Administration			
Salaries and wages	10,000	9,360	640
Fringe benefits	894	894	0
Purchased services	14,260	14,260	0
Supplies and materials	1,800	1,423	377
Other expenditures	10,109	8,598	1,511
Total General Administration	\$ 37,063	\$ 34,535	\$ 2,528

MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
<b>School Administration</b>			
Salaries and wages	\$ 3,471,913	\$ 3,471,913	\$ 0
Fringe benefits	825,986	825,986	0
Purchased services	337,862	337,862	0
Supplies and materials	69,654	69,653	1
Other expenditures	68,100	61,643	6,457
Equipment purchased	31,924	14,662	17,262
<b>Total School Administration</b>	<b>4,805,439</b>	<b>4,781,719</b>	<b>23,720</b>
<b>Fiscal and Business Services</b>			
Salaries and wages	435,556	435,556	0
Fringe benefits	144,672	134,757	9,915
Purchased services	49,935	46,069	3,866
Supplies and materials	44,802	37,320	7,482
Other expenditures	493,162	492,520	642
Equipment purchased	29,875	6,175	23,700
<b>Total Fiscal and Business Services</b>	<b>1,198,002</b>	<b>1,152,397</b>	<b>45,605</b>
<b>Operations and Maintenance</b>			
Salaries and wages	2,425,000	2,045,641	379,359
Fringe benefits	836,500	719,094	117,406
Purchased services	1,086,348	1,086,348	0
Supplies and materials	674,167	611,235	62,932
Other expenditures	100	0	100
Equipment purchased	989,761	651,693	338,068
<b>Total Operations and Maintenance</b>	<b>6,011,876</b>	<b>5,114,011</b>	<b>897,865</b>
<b>Pupil Transportation</b>			
Salaries and wages	1,500	1,266	234
Fringe benefits	141	141	0
Purchased services	325	325	0
Supplies and materials	9,835	9,835	0
Equipment purchased	272,280	244,030	28,250
<b>Total Pupil Transportation</b>	<b>284,081</b>	<b>255,597</b>	<b>28,484</b>
<b>Central Services</b>			
Salaries and wages	35,250	23,640	11,610
Fringe benefits	4,330	4,330	0
Purchased services	650,898	650,898	0
Supplies and materials	292,090	133,812	158,278
Other expenditures	192,750	167,370	25,380
Equipment purchased	205,701	127,143	78,558
<b>Total Central Services</b>	<b>\$ 1,381,019</b>	<b>\$ 1,107,193</b>	<b>\$ 273,826</b>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND (Concluded)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Community Services			
Purchased services	\$ 52	\$ 52	\$ 0
Total Community Services	52	52	0
Extracurricular Activities			
Salaries and wages	476,151	476,141	10
Fringe benefits	69,005	67,518	1,487
Purchased services	2,280	2,280	0
Supplies and materials	12,090	12,090	0
Other expenditures	1,350	1,350	0
Equipment purchased	20,166	20,166	0
Total Extracurricular Activities	581,042	579,545	1,497
Capital Outlay			
Purchased services	36,792	0	36,792
Equipment Purchased	106,792	106,792	0
Total Capital Outlay	143,584	106,792	36,792
Total Expenditures	44,333,108	42,217,973	2,115,135
Excess (deficiency) of revenues over (under) expenditures	(385,232)	1,841,032	2,226,264
Other financing sources (uses):			
Refund of prior year expenditures	25,000	8,158	16,842
Payment to Monroe Local Schools	(350,000)	(350,000)	0
Operating transfers (out)	(578,152)	(578,152)	0
Advances in	807,170	807,168	(2)
Advances (out)	(757,187)	(757,187)	0
Total other financing sources (uses)	(853,169)	(815,861)	70,992
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(1,238,401)	1,025,171	2,263,572
Fund balance, July 1	7,487,153	7,487,153	0
Prior year encumbrances appropriated	904,825	904,825	0
Fund balance, June 30	<u>\$ 7,153,577</u>	<u>\$ 9,417,149</u>	<u>\$ 2,263,572</u>

## SPECIAL REVENUE FUNDS

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

*Emergency Levy Fund:*

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

*Public School Support Fund:*

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

*Venture Capital Fund:*

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

*Local Grants Fund:*

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

*Auxiliary Services Fund:*

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

*Athletic Fund:*

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

*Professional Development Fund:*

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

*Entry Year Fund:*

To account for state funds received for the implementation of entry-year mentoring programs for first year teachers

*Disadvantaged Pupil Impact Aid (DPIA) Fund:*

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

*Discipline Intervention Fund:*

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

*Management Information System Fund:*

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

*SchoolNet Professional Development Fund:*

To account for state funds which provide professional development opportunities and programs for District staff in the area of computers and related technology.

*Textbook Instructional Subsidy Fund:*

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

*Ohio Reads Fund:*

To account for state funds received for reading improvement and intervention programs designed to improve elementary student achievement scores in reading and for the establishment of volunteer reading coordinators at each school building.

*Alternative Schools Fund:*

To account for state funds which provide for alternative educational programs for at-risk and delinquent youth. These funds are being used to replace grants formally received for Project Connect.

*School Readiness Fund:*

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

## **SPECIAL REVENUE FUNDS (Concluded)**

### **Project Connect Fund:**

To account for state funds received for Project Connect, an alternative to suspension and expulsion program for at-risk and delinquent youth.

### **Miscellaneous State Grants Fund:**

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

### **Adult Basic Education Fund:**

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

### **D. Eisenhower Math and Science Fund:**

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 Fund:**

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

### **Title I Fund:**

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

### **Title VI Fund:**

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

### **Drug Free Schools Fund:**

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

### **GOALS 2000 Fund:**

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

*KEEP Fund:*

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

*Preschool Fund:*

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

*Title VI-R Fund:*

To account for federal funds received to hire additional classroom teachers in grades 1-3 to reduce the number of students per teacher.

*Miscellaneous Federal Funds:*

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

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**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 COMBINING BALANCE SHEET  
 ALL SPECIAL REVENUE FUNDS  
 JUNE 30,2000**

	<u>Emergency Levy Fund</u>	<u>Public School Support Fund</u>	<u>Venture Capital Fund</u>	<u>Local Grants Fund</u>
<b>ASSETS:</b>				
Equity in pooled cash and investments	\$ 2,824,674	\$ 40,985	\$ 7,180	\$ 82,585
Receivables (net of allowances for uncollectibles)				
Taxes	12,932,944	0	0	0
Accounts	2,343	1,672	0	0
Intergovernmental - state and local	595	0	0	0
<b>Total Assets</b>	<u><u>15,760,556</u></u>	<u><u>42,657</u></u>	<u><u>7,180</u></u>	<u><u>82,585</u></u>
<b>LIABILITIES AND EQUITY:</b>				
<b>Liabilities:</b>				
Accounts payable	134,458	0	0	0
Accrued wages and benefits	827,646	0	0	4,945
Interfund loans payable	0	0	0	78,357
Due to Monroe Local Schools	173,593	9,619	0	0
Deferred revenue	11,939,493	0	0	0
Compensated absences payable	20,261	0	0	0
<b>Total liabilities</b>	<u><u>13,095,451</u></u>	<u><u>9,619</u></u>	<u><u>0</u></u>	<u><u>83,302</u></u>
<b>Equity:</b>				
<b>Fund Balances:</b>				
<b>Reserved-</b>				
Reserved for encumbrances	610,832	2,945	0	3,231
Reserved for property tax advances	993,452	0	0	0
<b>Unreserved-</b>				
Undesignated	1,060,821	30,093	7,180	(3,948)
<b>Total equity</b>	<u><u>2,665,105</u></u>	<u><u>33,038</u></u>	<u><u>7,180</u></u>	<u><u>(717)</u></u>
<b>Total Liabilities and Equity</b>	<u><u>\$ 15,760,556</u></u>	<u><u>\$ 42,657</u></u>	<u><u>\$ 7,180</u></u>	<u><u>\$ 82,585</u></u>



<u>Auxiliary Services Fund</u>	<u>Athletic Fund</u>	<u>Professional Development Fund</u>	<u>Entry Year Fund</u>	<u>Disadvantaged Pupil Impact Aid Fund</u>	<u>Discipline Intervention Fund</u>	<u>Management Information System Fund</u>
\$ 185,418	\$ 62,008	\$ 16,508	\$ 0	\$ 716,171	\$ 1,617	\$ 11,678
0	0	0	0	0	0	0
0	289	0	0	0	0	0
0	0	0	0	0	0	0
<u>185,418</u>	<u>62,297</u>	<u>16,508</u>	<u>0</u>	<u>716,171</u>	<u>1,617</u>	<u>11,678</u>
10,626	899	0	0	0	0	0
70,025	0	0	4,126	165,424	0	0
0	0	0	32,039	0	0	0
0	25,492	0	0	0	0	0
0	0	0	0	0	0	0
2,458	0	0	0	0	0	0
<u>83,109</u>	<u>26,391</u>	<u>0</u>	<u>36,165</u>	<u>165,424</u>	<u>0</u>	<u>0</u>
45,760	14,145	0	0	29,833	0	3,359
0	0	0	0	0	0	0
<u>56,549</u>	<u>21,761</u>	<u>16,508</u>	<u>(36,165)</u>	<u>520,914</u>	<u>1,617</u>	<u>8,319</u>
<u>102,309</u>	<u>35,906</u>	<u>16,508</u>	<u>(36,165)</u>	<u>550,747</u>	<u>1,617</u>	<u>11,678</u>
<u>\$ 185,418</u>	<u>\$ 62,297</u>	<u>\$ 16,508</u>	<u>\$ 0</u>	<u>\$ 716,171</u>	<u>\$ 1,617</u>	<u>\$ 11,678</u>

Continued

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 COMBINING BALANCE SHEET  
 ALL SPECIAL REVENUE FUNDS (continued)  
 JUNE 30, 2000**

	<u>SchoolNet Professional Dev. Fund</u>	<u>Textbook Instructional Subsidy Fund</u>	<u>Ohio Reads Fund</u>	<u>Alternative Schools Fund</u>
<b>ASSETS:</b>				
Equity in pooled cash and investments	\$ 4,000	\$ 0	\$ 23,868	\$ 423,023
Receivables (net of allowances for uncollectibles)				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental - state and local	1,000	0	0	0
<b>Total Assets</b>	<u>5,000</u>	<u>0</u>	<u>23,868</u>	<u>423,023</u>
<b>LIABILITIES AND EQUITY:</b>				
<b>Liabilities:</b>				
Accounts payable	0	0	0	0
Accrued wages and benefits	0	0	0	3,548
Interfund loans payable	0	0	11,650	0
Due to Monroe Local Schools	0	0	0	0
Deferred revenue	0	0	0	0
Compensated absences payable	0	0	0	0
<b>Total liabilities</b>	<u>0</u>	<u>0</u>	<u>11,650</u>	<u>3,548</u>
<b>Equity:</b>				
<b>Fund Balances:</b>				
<b>Reserved-</b>				
Reserved for encumbrances	0	0	10,630	0
Reserved for property tax advances	0	0	0	0
<b>Unreserved-</b>				
Undesignated	5,000	0	1,588	419,475
<b>Total equity</b>	<u>5,000</u>	<u>0</u>	<u>12,218</u>	<u>419,475</u>
<b>Total Liabilities and Equity</b>	<u>\$ 5,000</u>	<u>\$ 0</u>	<u>\$ 23,868</u>	<u>\$ 423,023</u>

School Readiness Fund	Project Connect Fund	Misc State Grants Fund	Adult Basic Education Fund	D. Eisenhower Math and Science Fund	Title VI-B Fund	Title I Fund
\$ 89,546	\$ 0	\$ 155,225	\$ 29,838	\$ 17,910	\$ 44,971	\$ 189,828
0	0	0	0	0	0	0
0	0	0	0	0	0	165
0	37,762	0	0	0	0	0
<u>89,546</u>	<u>37,762</u>	<u>155,225</u>	<u>29,838</u>	<u>17,910</u>	<u>44,971</u>	<u>189,993</u>
2,216	0	660	0	0	4,815	4,761
30,949	21,990	26,589	24,147	0	102,250	198,198
0	4,759	20,074	0	0	77,244	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	575	0	748	309
<u>33,165</u>	<u>26,749</u>	<u>47,323</u>	<u>24,722</u>	<u>0</u>	<u>185,057</u>	<u>203,268</u>
4,351	0	20,862	116	9,195	43,775	56,826
0	0	0	0	0	0	0
<u>52,030</u>	<u>11,013</u>	<u>87,040</u>	<u>5,000</u>	<u>8,715</u>	<u>(183,861)</u>	<u>(70,101)</u>
<u>56,381</u>	<u>11,013</u>	<u>107,902</u>	<u>5,116</u>	<u>17,910</u>	<u>(140,086)</u>	<u>(13,275)</u>
<u>\$ 89,546</u>	<u>\$ 37,762</u>	<u>\$ 155,225</u>	<u>\$ 29,838</u>	<u>\$ 17,910</u>	<u>\$ 44,971</u>	<u>\$ 189,993</u>

Continued

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 COMBINING BALANCE SHEET  
 ALL SPECIAL REVENUE FUNDS (concluded)  
 JUNE 30,2000**

	<u>Title VI Fund</u>	<u>Drug Free Schools Fund</u>	<u>Goals 2000 Fund</u>	<u>KEEP Fund</u>
<b>ASSETS:</b>				
Equity in pooled cash and investments	\$ 56,606	\$ 23,348	\$ 16,847	\$ 1,068
Receivables (net of allowances for uncollectibles)				
Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental - state and local	0	0	0	0
<b>Total Assets</b>	<u>56,606</u>	<u>23,348</u>	<u>16,847</u>	<u>1,068</u>
 <b>LIABILITIES AND EQUITY:</b>				
<b>Liabilities:</b>				
Accounts payable	0	0	0	743
Accrued wages and benefits	0	6,469	0	0
Interfund loans payable	0	0	0	0
Due to Monroe Local Schools	0	0	0	0
Deferred revenue	0	0	0	0
Compensated absences payable	0	0	0	0
<b>Total liabilities</b>	<u>0</u>	<u>6,469</u>	<u>0</u>	<u>743</u>
<b>Equity:</b>				
<b>Fund Balances:</b>				
Reserved-				
Reserved for encumbrances	1,360	890	0	1,069
Reserved for property tax advances	0	0	0	0
Unreserved-				
Undesignated	55,246	15,989	16,847	(744)
<b>Total equity</b>	<u>56,606</u>	<u>16,879</u>	<u>16,847</u>	<u>325</u>
<b>Total Liabilities and Equity</b>	<u>\$ 56,606</u>	<u>\$ 23,348</u>	<u>\$ 16,847</u>	<u>\$ 1,068</u>

<u>Preschool Fund</u>	<u>Title VI-R Fund</u>	<u>Miscellaneous Federal Funds</u>	<u>Total All Funds</u>
\$ 0	\$ 15,892	\$ 223,156	\$ 5,263,950
0	0	0	12,932,944
0	0	100	4,569
0	0	0	39,357
<u>0</u>	<u>15,892</u>	<u>223,256</u>	<u>18,240,820</u>
0	0	1,248	160,426
0	0	47,674	1,533,980
0	0	3,063	227,186
0	0	0	208,704
0	0	0	11,939,493
0	0	0	24,351
<u>0</u>	<u>0</u>	<u>51,985</u>	<u>14,094,140</u>
0	0	6,462	865,641
0	0	0	993,452
<u>0</u>	<u>15,892</u>	<u>164,809</u>	<u>2,287,587</u>
<u>0</u>	<u>15,892</u>	<u>171,271</u>	<u>4,146,680</u>
<u>\$ 0</u>	<u>\$ 15,892</u>	<u>\$ 223,256</u>	<u>\$ 18,240,820</u>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
ALL SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Emergency Levy Fund	Public School Support Fund	Venture Capital Fund	Local Grants Fund
Revenues:				
From local sources:				
Taxes	\$ 10,050,947	\$ 0	\$ 0	\$ 0
Earnings on investments	0	0	0	0
Other local revenues	71,961	95,494	0	11,192
Intergovernmental - state and local	1,162,385	0	25,000	171,077
Intergovernmental - federal	0	0	0	0
Total Revenues	<u>11,285,293</u>	<u>95,494</u>	<u>25,000</u>	<u>182,269</u>
Expenditures:				
Current:				
Instruction:				
Regular	641,505	0	0	67,442
Special	4,498,153	0	0	0
Vocational	33,221	0	0	0
Adult/Other	0	0	0	35,756
Support services:				
Pupil	19,732	90,800	0	0
Instructional staff	1,700,278	0	43,282	30,404
School administration	4,265	0	0	0
Fiscal	156,051	0	0	0
Operations and maintenance	1,901,460	0	0	66,213
Pupil Transportation	2,398,811	0	0	0
Central	69,528	0	0	4,618
Community services	0	0	0	82,914
Extracurricular activities	0	0	0	2,000
Capital Outlay	244,511	0	0	0
Total Expenditures	<u>11,667,515</u>	<u>90,800</u>	<u>43,282</u>	<u>289,347</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(382,222)</u>	<u>4,694</u>	<u>(18,282)</u>	<u>(107,078)</u>
Other financing sources (uses):				
Operating transfers in	0	0	0	24,000
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,000</u>
Excess of revenues and other financing sources over (under) expenditures and other uses and before extraordinary item	<u>(382,222)</u>	<u>4,694</u>	<u>(18,282)</u>	<u>(83,078)</u>
Extraordinary item (see Note 22)	<u>(223,593)</u>	<u>(9,619)</u>	<u>0</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other uses and after extraordinary item	<u>(605,815)</u>	<u>(4,925)</u>	<u>(18,282)</u>	<u>(83,078)</u>
Fund Balance, July 1	<u>3,270,920</u>	<u>37,963</u>	<u>25,462</u>	<u>82,361</u>
Fund Balance (Deficit), June 30	<u>\$ 2,665,105</u>	<u>\$ 33,038</u>	<u>\$ 7,180</u>	<u>\$ (717)</u>

<u>Auxiliary Services Fund</u>	<u>Athletic Fund</u>	<u>Professional Development Fund</u>	<u>Entry Year Fund</u>	<u>Disadvantaged Pupil Impact Aid Fund</u>	<u>Discipline Intervention Fund</u>	<u>Management Information System Fund</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
6,038	0	0	0	0	0	0
0	237,643	0	0	0	0	0
601,259	0	42,887	30,000	1,161,260	0	27,090
0	0	0	0	0	0	0
<u>607,297</u>	<u>237,643</u>	<u>42,887</u>	<u>30,000</u>	<u>1,161,260</u>	<u>0</u>	<u>27,090</u>
0	0	0	17,819	1,043,853	55,437	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	8	0	0
0	0	86,063	48,346	0	86,511	0
0	0	0	0	34	0	0
0	0	0	0	0	0	0
0	0	0	0	26,240	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	22,078
558,114	0	0	0	0	0	0
0	257,429	0	0	0	0	0
0	0	0	0	0	0	0
<u>558,114</u>	<u>257,429</u>	<u>86,063</u>	<u>66,165</u>	<u>1,070,135</u>	<u>141,948</u>	<u>22,078</u>
<u>49,183</u>	<u>(19,786)</u>	<u>(43,176)</u>	<u>(36,165)</u>	<u>91,125</u>	<u>(141,948)</u>	<u>5,012</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>49,183</u>	<u>(19,786)</u>	<u>(43,176)</u>	<u>(36,165)</u>	<u>91,125</u>	<u>(141,948)</u>	<u>5,012</u>
<u>0</u>	<u>(25,492)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>49,183</u>	<u>(45,278)</u>	<u>(43,176)</u>	<u>(36,165)</u>	<u>91,125</u>	<u>(141,948)</u>	<u>5,012</u>
<u>53,126</u>	<u>81,184</u>	<u>59,684</u>	<u>0</u>	<u>459,622</u>	<u>143,565</u>	<u>6,666</u>
<u>\$ 102,309</u>	<u>\$ 35,906</u>	<u>\$ 16,508</u>	<u>\$ (36,165)</u>	<u>\$ 550,747</u>	<u>\$ 1,617</u>	<u>\$ 11,678</u>

Continued

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**ALL SPECIAL REVENUE FUNDS (continued)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	SchoolNet Professional Dev. Fund	Textbook Instructional Subsidy Fund	Ohio Reads Fund	Alternative Schools Fund
Revenues:				
From local sources:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Earnings on investments	0	0	0	0
Other local revenues	0	0	0	0
Intergovernmental - state and local	5,000	0	80,812	432,500
Intergovernmental - federal	0	0	0	0
Total Revenues	<u>5,000</u>	<u>0</u>	<u>80,812</u>	<u>432,500</u>
Expenditures:				
Current:				
Instruction:				
Regular	0	131,861	64,431	11,866
Special	0	0	0	0
Vocational	0	0	0	0
Adult/Other	0	0	0	0
Support services:				
Pupil	0	0	0	0
Instructional staff	0	0	4,163	1,159
School administration	0	0	0	0
Fiscal	0	0	0	0
Operations and maintenance	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Community services	0	0	0	0
Extracurricular activities	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>0</u>	<u>131,861</u>	<u>68,594</u>	<u>13,025</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,000</u>	<u>(131,861)</u>	<u>12,218</u>	<u>419,475</u>
Other financing sources (uses):				
Operating transfers in	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other uses and before extraordinary item	<u>5,000</u>	<u>(131,861)</u>	<u>12,218</u>	<u>419,475</u>
Extraordinary item (see Note 22)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other uses and after extraordinary item	<u>5,000</u>	<u>(131,861)</u>	<u>12,218</u>	<u>419,475</u>
Fund Balance, July 1	<u>0</u>	<u>131,861</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit), June 30	<u>\$ 5,000</u>	<u>\$ 0</u>	<u>\$ 12,218</u>	<u>\$ 419,475</u>



School Readiness Fund	Project Connect Fund	Misc State Grants Fund	Adult Basic Education Fund	D. Eisenhower Math and Science Fund	Title VI-B Fund	Title I Fund
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
240,000	310,000	213,236	105,000	0	0	0
0	0	0	153,626	56,439	575,562	1,520,354
<u>240,000</u>	<u>310,000</u>	<u>213,236</u>	<u>258,626</u>	<u>56,439</u>	<u>575,562</u>	<u>1,520,354</u>
0	276,721	3,296	0	0	0	0
0	0	0	0	0	368,085	1,147,855
0	0	0	0	0	0	0
0	0	0	215,722	0	0	0
0	0	9,304	17,774	0	182,942	359,622
0	39,297	80,617	58,802	82,865	76,071	255,739
0	11,507	23,060	0	0	117,068	80,834
0	0	0	0	0	0	0
0	1,347	8,732	0	0	0	23,074
0	0	0	0	0	0	0
0	0	0	0	0	0	0
228,452	0	729	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>228,452</u>	<u>328,872</u>	<u>125,738</u>	<u>292,298</u>	<u>82,865</u>	<u>744,166</u>	<u>1,867,124</u>
<u>11,548</u>	<u>(18,872)</u>	<u>87,498</u>	<u>(33,672)</u>	<u>(26,426)</u>	<u>(168,604)</u>	<u>(346,770)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>11,548</u>	<u>(18,872)</u>	<u>87,498</u>	<u>(33,672)</u>	<u>(26,426)</u>	<u>(168,604)</u>	<u>(346,770)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>11,548</u>	<u>(18,872)</u>	<u>87,498</u>	<u>(33,672)</u>	<u>(26,426)</u>	<u>(168,604)</u>	<u>(346,770)</u>
<u>44,833</u>	<u>29,885</u>	<u>20,404</u>	<u>38,788</u>	<u>44,336</u>	<u>28,518</u>	<u>333,495</u>
<u>\$ 56,381</u>	<u>\$ 11,013</u>	<u>\$ 107,902</u>	<u>\$ 5,116</u>	<u>\$ 17,910</u>	<u>\$ (140,086)</u>	<u>\$ (13,275)</u>

Continued

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**ALL SPECIAL REVENUE FUNDS (concluded)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Title VI Fund	Drug Free Schools Fund	Goals 2000 Fund	KEEP Fund
Revenues:				
From local sources:				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Earnings on investments	0	0	0	0
Other local revenues	0	0	0	0
Intergovernmental - state and local	0	0	0	0
Intergovernmental - federal	77,455	96,769	35,000	68,108
Total Revenues	<u>77,455</u>	<u>96,769</u>	<u>35,000</u>	<u>68,108</u>
Expenditures:				
Current:				
Instruction:				
Regular	29,957	0	0	0
Special	0	3,750	0	0
Vocational	0	0	0	0
Adult/Other	0	0	0	0
Support services:				
Pupil	0	0	29,753	0
Instructional staff	28,115	103,683	0	0
School administration	0	0	0	0
Fiscal	0	0	0	0
Operations and maintenance	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Community services	1,098	4,952	0	207,466
Extracurricular activities	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>59,170</u>	<u>112,385</u>	<u>29,753</u>	<u>207,466</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,285</u>	<u>(15,616)</u>	<u>5,247</u>	<u>(139,358)</u>
Other financing sources (uses):				
Operating transfers in	0	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other uses and before extraordinary item	<u>18,285</u>	<u>(15,616)</u>	<u>5,247</u>	<u>(139,358)</u>
Extraordinary item (see Note 22)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other uses and after extraordinary item	<u>18,285</u>	<u>(15,616)</u>	<u>5,247</u>	<u>(139,358)</u>
Fund Balance, July 1	<u>38,321</u>	<u>32,495</u>	<u>11,600</u>	<u>139,683</u>
Fund Balance (Deficit), June 30	<u>\$ 56,606</u>	<u>\$ 16,879</u>	<u>\$ 16,847</u>	<u>\$ 325</u>

<u>Preschool Fund</u>	<u>Title VI-R Fund</u>	<u>Miscellaneous Federal Funds</u>	<u>Total All Funds</u>
\$ 0	\$ 0	\$ 0	\$ 10,050,947
0	0	0	6,038
0	0	0	416,290
0	0	0	4,607,506
<u>16,775</u>	<u>223,528</u>	<u>267,831</u>	<u>3,091,447</u>
<u>16,775</u>	<u>223,528</u>	<u>267,831</u>	<u>18,172,228</u>
0	0	75,148	2,419,336
0	207,500	40,400	6,265,743
0	0	0	33,221
0	0	0	251,478
30,963	0	0	740,898
0	0	177,061	2,902,456
0	136	0	236,904
0	0	0	156,051
0	0	0	2,027,066
0	0	0	2,398,811
0	0	0	96,224
0	0	32,097	1,115,822
0	0	0	259,429
<u>0</u>	<u>0</u>	<u>0</u>	<u>244,511</u>
<u>30,963</u>	<u>207,636</u>	<u>324,706</u>	<u>19,147,950</u>
<u>(14,188)</u>	<u>15,892</u>	<u>(56,875)</u>	<u>(975,722)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>24,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>24,000</u>
<u>(14,188)</u>	<u>15,892</u>	<u>(56,875)</u>	<u>(951,722)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>(258,704)</u>
<u>(14,188)</u>	<u>15,892</u>	<u>(56,875)</u>	<u>(1,210,426)</u>
<u>14,188</u>	<u>0</u>	<u>228,146</u>	<u>5,357,106</u>
<u>\$ 0</u>	<u>\$ 15,892</u>	<u>\$ 171,271</u>	<u>\$ 4,146,680</u>

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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
<b>Revenues:</b>			
<b>From Local Sources:</b>			
<b>Local Taxes:</b>			
Real estate and trailer taxes	\$ 8,043,000	\$ 8,059,653	\$ 16,653
Tangible personal property taxes	3,265,000	3,278,803	13,803
<b>Total Local Taxes</b>	<b>11,308,000</b>	<b>11,338,456</b>	<b>30,456</b>
<b>Intergovernmental - State</b>			
Rollback and homestead exemption	1,085,000	1,088,543	3,543
Reimbursement personal property	72,500	73,841	1,341
<b>Total Intergovernmental - State</b>	<b>1,157,500</b>	<b>1,162,384</b>	<b>4,884</b>
<b>Total Revenues</b>	<b>12,465,500</b>	<b>12,500,840</b>	<b>35,340</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
<b>Regular</b>			
Purchased services	26,600	1,026	25,574
Supplies and materials	585,253	284,371	300,882
Equipment purchased	770,490	483,796	286,694
<b>Total Regular</b>	<b>1,382,343</b>	<b>769,193</b>	<b>613,150</b>
<b>Special</b>			
Salaries and wages	3,580,507	3,440,869	139,638
Fringe benefits	897,704	825,527	72,177
Purchased services	134,341	134,341	0
Supplies and materials	82,998	52,365	30,633
Other expenditures	510	10	500
Equipment purchased	39,872	33,572	6,300
<b>Total Special</b>	<b>4,735,932</b>	<b>4,486,684</b>	<b>249,248</b>
<b>Vocational</b>			
Salaries and wages	32,924	32,924	0
Fringe benefits	4,500	296	4,204
<b>Total Vocational</b>	<b>\$ 37,424</b>	<b>\$ 33,220</b>	<b>\$ 4,204</b>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
EMERGENCY LEVY SPECIAL REVENUE FUND (Continued)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
<b>Support Services:</b>			
<b>Pupil</b>			
Salaries and wages	\$ 300	\$ 300	\$ 0
Fringe benefits	4	4	0
Purchased services	14,443	14,193	250
Supplies and materials	7,848	3,876	3,972
Other expenditures	110	110	0
Equipment purchased	398	298	100
<b>Total Pupil</b>	<b>23,103</b>	<b>18,781</b>	<b>4,322</b>
<b>Instructional Staff</b>			
Salaries and wages	1,112,052	1,112,052	0
Fringe benefits	328,494	328,494	0
Purchased services	60,940	60,940	0
Supplies and materials	196,575	196,575	0
Equipment purchased	7,947	6,658	1,289
<b>Total Staff</b>	<b>1,706,008</b>	<b>1,704,719</b>	<b>1,289</b>
<b>School Administration</b>			
Purchased services	4,458	4,188	270
Supplies and materials	96	77	19
Other expenditures	10,100	0	10,100
Equipment purchased	130	0	130
<b>Total School Administration</b>	<b>14,784</b>	<b>4,265</b>	<b>10,519</b>
<b>Fiscal and Business Services</b>			
Other expenditures	143,051	143,051	0
Equipment purchased	15,000	13,000	2,000
<b>Total Fiscal and Business Services</b>	<b>158,051</b>	<b>156,051</b>	<b>2,000</b>
<b>Operations and Maintenance</b>			
Salaries and wages	55,000	51,832	3,168
Fringe benefits	13,649	13,649	0
Purchased services	1,720,365	1,616,164	104,201
Supplies and materials	44,340	43,635	705
Other expenditures	500	0	500
Equipment purchased	482,616	473,238	9,378
<b>Total Operations and Maintenance</b>	<b>2,316,470</b>	<b>2,198,518</b>	<b>117,952</b>
<b>Pupil Transportation</b>			
Salaries and wages	1,571,000	1,295,297	275,703
Fringe benefits	416,000	415,161	839
Purchased services	85,500	80,436	5,064
Supplies and materials	305,684	281,187	24,497
Other expenditures	298	298	0
Equipment purchased	322,036	313,992	8,044
<b>Total Pupil Transportation</b>	<b>\$ 2,700,518</b>	<b>\$ 2,386,371</b>	<b>\$ 314,147</b>

Continued

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
EMERGENCY LEVY SPECIAL REVENUE FUND (Concluded)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Central Services			
Salaries and wages	\$ 23,653	\$ 23,653	\$ 0
Fringe benefits	7,256	5,560	1,696
Purchased services	63,500	0	63,500
Supplies and materials	60,000	0	60,000
Equipment purchased	116,336	40,315	76,021
Total Central Services	270,745	69,528	201,217
Capital Outlay			
Equipment Purchased	470,000	330,710	139,290
Total Capital Outlay	470,000	330,710	139,290
Total Expenditures	13,815,378	12,158,040	1,657,338
Excess (deficiency) of revenues over (under) expenditures	(1,349,878)	342,800	1,692,678
Other financing sources (uses):			
Refund of prior year expenditures	70,000	71,955	1,955
Payment to Monroe Local Schools	(50,000)	(50,000)	0
Total other financing sources (uses)	20,000	21,955	1,955
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(1,329,878)	364,755	1,694,633
Fund balance, July 1	893,111	893,111	0
Prior year encumbrances appropriated	955,976	955,976	0
Fund balance, June 30	\$ 519,209	\$ 2,213,842	\$ 1,694,633

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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Other Local Revenues:			
Classroom Fees	\$ 6,886	\$ 6,886	\$ 0
Extra-curricular activity fees	93,082	93,082	0
Total Revenues	99,968	99,968	0
Expenditures:			
Current:			
Support Services:			
Pupil			
Salaries and wages	4,268	4,268	0
Fringe benefits	636	636	0
Purchased services	2,057	2,057	0
Supplies and materials	2,808	2,808	0
Other expenditures	76,085	76,085	0
Equipment purchased	8,513	8,513	0
Total Expenditures	94,367	94,367	0
Excess (deficiency) of revenues over (under) expenditures	5,601	5,601	0
Fund balance, July 1	30,752	30,752	0
Prior year encumbrances appropriated	1,686	1,686	0
Fund balance, June 30	\$ 38,039	\$ 38,039	\$ 0

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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - State	\$ 25,000	\$ 25,000	\$ 0
Total Revenues	25,000	25,000	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff			
Salaries and wages	15,685	12,145	3,540
Fringe benefits	2,060	2,060	125
Purchased services	24,246	24,133	113
Supplies and materials	2,604	2,057	547
Other expenditures	2,627	2,627	2,627
Total Expenditures	47,222	43,022	4,200
Excess (deficiency) of revenues over (under) expenditures	(22,222)	(18,022)	4,200
Other financing sources (uses):			
Refund of prior year receipts	(258)	(258)	0
Total other financing sources (uses)	(258)	(258)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(22,480)	(18,280)	4,200
Fund balance, July 1	20,259	20,259	0
Prior year encumbrances appropriated	5,199	5,199	0
Fund balance, June 30	\$ 2,978	\$ 7,178	\$ 4,200



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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
<b>Revenues:</b>			
<b>From Local Sources:</b>			
<b>Other Local Revenues:</b>			
Contributions and donations	\$ 11,192	\$ 11,192	\$ 0
Miscellaneous revenues	85,077	85,077	0
Total Other Local Revenue	96,269	96,269	0
Intergovernmental - State	86,000	86,000	0
<b>Total Revenues</b>	<b>182,269</b>	<b>182,269</b>	<b>0</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
<b>Regular</b>			
Salaries and wages	21,835	21,835	0
Fringe benefits	125	125	0
Purchased services	23,270	23,270	0
Supplies and materials	16,667	16,667	0
Equipment purchased	7,300	7,300	0
Total Regular	69,197	69,197	0
<b>Adult Continuing</b>			
Salaries and wages	24,070	24,070	0
Fringe benefits	5,141	5,141	0
Purchased services	4,128	4,128	0
Supplies and materials	1,931	1,931	0
Total Adult Continuing	35,270	35,270	0
<b>Support Services:</b>			
<b>Instructional Staff</b>			
Salaries and wages	13,337	13,337	0
Fringe benefits	1,666	1,666	0
Purchased services	8,845	8,845	0
Supplies and materials	3,304	3,304	0
Equipment purchased	4,361	4,361	0
Other expenditures	365	365	0
Total Staff	31,878	31,878	0
<b>Operations and Maintenance</b>			
Purchased services	66,212	66,212	0
Total Operations and Maintenance	\$ 66,212	\$ 66,212	\$ 0

Continued

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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Central Services			
Supplies and materials	\$ 4,364	\$ 4,364	\$ 0
Other expenditure	254	254	0
Total Central Services	4,618	4,618	0
Extracurricular Activities			
Salaries and wages	69,472	69,472	0
Fringe benefits	13,442	13,442	0
Other expenditure	2,000	2,000	0
Total Extracurricular Activities	84,914	84,914	0
Total Expenditures	292,089	292,089	0
Excess (deficiency) of revenues over (under) expenditures	(109,820)	(109,820)	0
Other financing sources (uses):			
Operating transfers in	24,000	24,000	0
Operating transfers (out)	(497)	(497)	0
Advances in	78,357	78,357	0
Total other financing sources (uses)	101,860	101,860	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(7,960)	(7,960)	0
Fund balance, July 1	61,696	61,696	0
Prior year encumbrances appropriated	25,619	25,619	0
Fund balance, June 30	\$ 79,355	\$ 79,355	\$ 0

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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
From Local Sources:			
Earnings on investments	\$ 6,038	\$ 6,038	\$ 0
Intergovernmental - State	601,259	601,259	0
Total Revenues	607,297	607,297	0
Expenditures:			
Current:			
Community Services			
Salaries and wages	278,402	278,402	0
Fringe benefits	67,206	67,206	0
Purchased services	48,231	48,231	0
Supplies and materials	165,398	165,398	0
Equipment purchased	11,453	11,453	0
Other expenditure	24,257	24,257	0
Total Expenditures	594,947	594,947	0
Excess (deficiency) of revenues over (under) expenditures	12,350	12,350	0
Other financing sources (uses):			
Refund of prior year receipts	(82,399)	(82,399)	0
Total other financing sources (uses)	(82,399)	(82,399)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(70,049)	(70,049)	0
Fund balance, July 1	29,950	29,950	0
Prior year encumbrances appropriated	179,758	179,758	0
Fund balance, June 30	\$ 139,659	\$ 139,659	\$ 0

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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Other Local Revenues:			
Classroom Fees	\$ 14,244	\$ 14,244	\$ 0
Extra-curricular activity fees	225,595	225,595	0
Total Revenues	239,839	239,839	0
Expenditures:			
Current:			
Extracurricular Activities			
Salaries and wages	4,077	4,077	0
Fringe benefits	623	623	0
Purchased services	81,509	81,509	0
Supplies and materials	74,469	74,469	0
Equipment purchased	26,533	26,533	0
Other expenditures	87,005	87,005	0
Total Expenditures	274,216	274,216	0
Excess (deficiency) of revenues over (under) expenditures	(34,377)	(34,377)	0
Fund balance, July 1	57,328	57,328	0
Prior year encumbrances appropriated	24,914	24,914	0
Fund balance, June 30	\$ 47,865	\$ 47,865	\$ 0

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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
<b>Revenues:</b>			
Intergovernmental - State	\$ 42,887	\$ 42,887	\$ 0
<b>Total Revenues</b>	<b>42,887</b>	<b>42,887</b>	<b>0</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Support Services:</b>			
Instructional Staff			
Salaries and wages	34,279	24,921	9,358
Fringe benefits	3,910	3,886	24
Purchased services	55,072	55,072	0
Supplies and materials	2,423	2,423	0
<b>Total Expenditures</b>	<b>95,684</b>	<b>86,302</b>	<b>9,382</b>
Excess (deficiency) of revenues over (under) expenditures	(52,797)	(43,415)	9,382
Fund balance, July 1	59,141	59,141	0
Prior year encumbrances appropriated	783	783	0
<b>Fund balance, June 30</b>	<b>\$ 7,127</b>	<b>\$ 16,509</b>	<b>\$ 9,382</b>

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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - State	\$ 30,000	\$ 30,000	\$ 0
Total Revenues	30,000	30,000	0
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and wages	9,083	9,083	0
Fringe benefits	1,430	1,430	0
Purchased services	6,487	6,487	0
Supplies and materials	819	819	0
Total Regular	17,819	17,819	0
Support Services:			
Instructional Staff			
Salaries and wages	38,000	38,000	0
Fringe benefits	3,936	3,936	0
Purchased services	2,284	2,284	0
Total Staff	44,220	44,220	0
Total Expenditures	62,039	62,039	0
Excess (deficiency) of revenues over (under) expenditures	(32,039)	(32,039)	0
Other financing sources (uses):			
Advances in	32,039	32,039	0
Total other financing sources (uses)	32,039	32,039	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	0	0	0
Fund balance, July 1	0	0	0
Prior year encumbrances appropriated	0	0	0
Fund balance, June 30	\$ 0	\$ 0	\$ 0

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
DISADVANTAGED PUPIL IMPACT AID SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
<b>Revenues:</b>			
Intergovernmental - State	\$ 1,161,260	\$ 1,161,260	\$ 0
<b>Total Revenues</b>	<b>1,161,260</b>	<b>1,161,260</b>	<b>0</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
<b>Regular</b>			
Salaries and wages	1,026,154	796,582	229,572
Fringe benefits	405,536	196,962	208,574
<b>Total Regular</b>	<b>1,431,690</b>	<b>993,544</b>	<b>438,146</b>
<b>Special</b>			
Salaries and wages	16,000	0	16,000
Fringe benefits	6,511	8	6,503
<b>Total Special</b>	<b>22,511</b>	<b>8</b>	<b>22,503</b>
<b>Support Services:</b>			
<b>Pupil</b>			
Salaries and wages	31,500	0	31,500
Fringe benefits	3,410	8	3,402
<b>Total Pupil</b>	<b>34,910</b>	<b>8</b>	<b>34,902</b>
<b>Instructional Staff</b>			
Salaries and wages	13,000	0	13,000
Fringe benefits	6,652	7	6,645
<b>Total Staff</b>	<b>19,652</b>	<b>7</b>	<b>19,645</b>
<b>School Administration</b>			
Salaries and wages	42,000	0	42,000
Fringe benefits	6,892	38	6,854
<b>Total School Administration</b>	<b>48,892</b>	<b>38</b>	<b>48,854</b>
<b>Operations and Maintenance</b>			
Salaries and wages	12,000	0	12,000
Fringe benefits	3,881	6	3,875
Purchased services	1,200	0	1,200
Supplies and materials	196	99	97
Other expenditures	55,967	55,967	0
<b>Total Operations and Maintenance</b>	<b>73,244</b>	<b>56,072</b>	<b>17,172</b>
<b>Total Expenditures</b>	<b>1,630,899</b>	<b>1,049,677</b>	<b>581,222</b>
Excess (deficiency) of revenues over (under) expenditures	(469,639)	111,583	581,222
Fund balance, July 1	574,755	574,755	0
Prior year encumbrances appropriated	0	0	0
<b>Fund balance, June 30</b>	<b>\$ 105,116</b>	<b>\$ 686,338</b>	<b>\$ 581,222</b>

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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and wages	81,302	81,302	0
Fringe benefits	15,573	13,233	2,340
Total Regular	96,875	94,535	2,340
Support Services:			
Instructional Staff			
Purchased services	123,222	111,127	12,095
Supplies and materials	22,964	10,467	12,497
Total Staff	146,186	121,594	24,592
Total Expenditures	243,061	216,129	26,932
Excess (deficiency) of revenues over (under) expenditures	(243,061)	(216,129)	26,932
Fund balance, July 1	51,361	51,361	0
Prior year encumbrances appropriated	166,385	166,385	0
Fund balance, June 30	\$ (25,315)	\$ 1,617	\$ 26,932



**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MANAGEMENT INFORMATION SYSTEM SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE: FAVORABLE (UNFAVORABLE)</u>
<b>Revenues:</b>			
Intergovernmental - State	\$ 27,090	\$ 27,090	\$ 0
<b>Total Revenues</b>	<b>27,090</b>	<b>27,090</b>	<b>0</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Support Services:</b>			
Central Services			
Purchased services	21,115	19,297	1,818
Supplies and materials	10,071	6,140	3,931
<b>Total Expenditures</b>	<b>31,186</b>	<b>25,437</b>	<b>5,749</b>
Excess (deficiency) of revenues over (under) expenditures	(4,096)	1,653	5,749
Fund balance, July 1	3,998	3,998	0
Prior year encumbrances appropriated	2,668	2,668	0
<b>Fund balance, June 30</b>	<b>\$ 2,570</b>	<b>\$ 8,319</b>	<b>\$ 5,749</b>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SCHOOLNET PROFESSIONAL DEVELOPMENT SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE: FAVORABLE (UNFAVORABLE)</u>
<b>Revenues:</b>			
Intergovernmental - State	\$ 4,000	\$ 4,000	\$ 0
<b>Total Revenues</b>	<b>4,000</b>	<b>4,000</b>	<b>0</b>
<b>Expenditures:</b>			
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess (deficiency) of revenues over (under) expenditures	4,000	4,000	0
Fund balance, July 1	0	0	0
Prior year encumbrances appropriated	0	0	0
<b>Fund balance, June 30</b>	<b>\$ 4,000</b>	<b>\$ 4,000</b>	<b>\$ 0</b>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TEXTBOOK INSTRUCTIONAL SUBSIDY SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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

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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
<b>Revenues:</b>			
Intergovernmental - State	\$ 80,812	\$ 80,812	\$ 0
<b>Total Revenues</b>	<b>80,812</b>	<b>80,812</b>	<b>0</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
<b>Regular</b>			
Salaries and wages	26,000	26,000	0
Purchased services	3,211	3,211	0
Supplies and materials	39,713	39,713	0
<b>Total Regular</b>	<b>68,924</b>	<b>68,924</b>	<b>0</b>
<b>Support Services:</b>			
<b>Instructional Staff</b>			
Salaries and wages	2,200	2,200	0
Fringe benefits	288	288	0
Purchased services	7,390	7,390	0
Supplies and materials	422	422	0
<b>Total Staff</b>	<b>10,300</b>	<b>10,300</b>	<b>0</b>
<b>Total Expenditures</b>	<b>79,224</b>	<b>79,224</b>	<b>0</b>
Excess (deficiency) of revenues over (under) expenditures	1,588	1,588	0
<b>Other financing sources (uses):</b>			
Advances in	11,650	11,650	0
<b>Total other financing sources (uses)</b>	<b>11,650</b>	<b>11,650</b>	<b>0</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	13,238	13,238	0
Fund balance, July 1	0	0	0
Prior year encumbrances appropriated	0	0	0
<b>Fund balance, June 30</b>	<b>\$ 13,238</b>	<b>\$ 13,238</b>	<b>\$ 0</b>

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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - State	\$ 432,500	\$ 432,500	\$ 0
Total Revenues	432,500	432,500	0
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and wages	8,342	8,342	0
Fringe benefits	1,135	1,135	0
Total Expenditures	9,477	9,477	0
Excess (deficiency) of revenues over (under) expenditures	423,023	423,023	0
Fund balance, July 1	0	0	0
Prior year encumbrances appropriated	0	0	0
Fund balance, June 30	<u>\$ 423,023</u>	<u>\$ 423,023</u>	<u>\$ 0</u>

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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
<b>Revenues:</b>			
Intergovernmental - State	\$ 240,000	\$ 240,000	\$ 0
<b>Total Revenues</b>	<b>240,000</b>	<b>240,000</b>	<b>0</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Support Services:</b>			
<b>Community Services</b>			
Salaries and wages	91,425	91,425	0
Fringe benefits	28,203	28,203	0
Purchased services	58,352	58,352	0
Supplies and materials	36,159	36,159	0
Equipment purchased	3,368	3,368	0
<b>Total Expenditures</b>	<b>217,507</b>	<b>217,507</b>	<b>0</b>
Excess (deficiency) of revenues over (under) expenditures	22,493	22,493	0
Fund balance, July 1	61,785	61,785	0
Prior year encumbrances appropriated	917	917	0
<b>Fund balance, June 30</b>	<b>\$ 85,195</b>	<b>\$ 85,195</b>	<b>\$ 0</b>

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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - State	\$ 272,238	\$ 272,238	\$ 0
Total Revenues	272,238	272,238	0
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and wages	195,653	195,653	0
Fringe benefits	40,999	40,999	0
Purchased services	684	684	0
Supplies and materials	11,267	11,267	0
Equipment purchased	6,127	6,127	0
Total Regular	254,730	254,730	0
Support Services:			
Instructional Staff			
Salaries and wages	28,363	28,363	0
Fringe benefits	10,460	10,460	0
Purchased services	472	472	0
Total Staff	39,295	39,295	0
School Administration			
Salaries and wages	10,096	10,096	0
Fringe benefits	1,411	1,411	0
Total School Administration	11,507	11,507	0
Operations and Maintenance			
Purchased services	1,348	1,348	0
Total Operations and Maintenance	1,348	1,348	0
Total Expenditures	306,880	306,880	0
Excess (deficiency) of revenues over (under) expenditures	(34,642)	(34,642)	0
Other financing sources (uses):			
Advances in	4,759	4,759	0
Total other financing sources (uses)	4,759	4,759	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(29,883)	(29,883)	0
Fund balance, July 1	29,883	29,883	0
Prior year encumbrances appropriated	0	0	0
Fund balance, June 30	\$ 0	\$ 0	\$ 0

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MISCELLANEOUS STATE GRANTS SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
<b>Revenues:</b>			
From Local Sources:			
Other Local Revenues	\$ 50,000	\$ 50,000	\$ 0
Intergovernmental - State	175,357	175,357	0
<b>Total Revenues</b>	<b>225,357</b>	<b>225,357</b>	<b>0</b>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular			
Salaries and wages	4,001	4,001	0
Fringe benefits	22	22	0
Supplies and materials	133	133	0
<b>Total Regular</b>	<b>4,156</b>	<b>4,156</b>	<b>0</b>
Support Services:			
Pupil			
Salaries and wages	150	150	0
Fringe benefits	95	95	0
Purchased services	282	282	0
Supplies and materials	8,626	8,626	0
Other expenditures	150	150	0
<b>Total Pupil</b>	<b>9,303</b>	<b>9,303</b>	<b>0</b>
Instructional Staff			
Salaries and wages	46,000	46,000	0
Fringe benefits	3,627	3,627	0
Purchased services	68,035	38,109	29,926
Supplies and materials	12,214	11,439	775
Other expenditures	1,885	400	1,485
<b>Total Staff</b>	<b>131,761</b>	<b>99,575</b>	<b>32,186</b>
School Administration			
Purchased services	59,102	29,417	29,685
Supplies and materials	637	157	480
<b>Total School Administration</b>	<b>59,739</b>	<b>29,574</b>	<b>30,165</b>
Operations and Maintenance			
Purchased services	8,732	8,732	0
<b>Total Operations and Maintenance</b>	<b>8,732</b>	<b>8,732</b>	<b>0</b>
<b>Total Expenditures</b>	<b>213,691</b>	<b>151,340</b>	<b>62,351</b>
Excess (deficiency) of revenues over (under) expenditures	\$ 11,666	\$ 74,017	\$ 62,351



**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MISCELLANEOUS STATE GRANTS SPECIAL REVENUE FUND (Concluded)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Other financing sources (uses):			
Refund of prior year receipts	\$ (900)	\$ (900)	\$ 0
Advances in	20,074	20,074	0
Advances (out)	<u>(21,091)</u>	<u>(21,091)</u>	<u>0</u>
Total other financing sources (uses)	<u>(1,917)</u>	<u>(1,917)</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	9,749	72,100	62,351
Fund balance, July 1	57,697	57,693	4
Prior year encumbrances appropriated	<u>4,569</u>	<u>4,569</u>	<u>0</u>
Fund balance, June 30	<u>\$ 72,015</u>	<u>\$ 134,362</u>	<u>\$ 62,347</u>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ADULT BASIC EDUCATION SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - State	\$ 105,000	\$ 105,000	\$ 0
Intergovernmental - Federal	153,626	153,626	0
Total Revenues	258,626	258,626	0
Expenditures:			
Current:			
Instruction:			
Adult Continuing			
Salaries and wages	144,345	144,345	0
Fringe benefits	30,934	30,934	0
Purchased services	402	402	0
Supplies and materials	11,407	11,407	0
Equipment	26,288	26,288	0
Total Adult Continuing	213,376	213,376	0
Support Services:			
Pupil			
Salaries and wages	15,680	15,680	0
Fringe benefits	2,094	2,094	0
Total Pupil	17,774	17,774	0
Instructional Staff			
Salaries and wages	46,499	46,499	0
Fringe benefits	9,204	9,204	0
Purchased services	3,339	3,339	0
Other expenditures	318	318	0
Total Staff	59,360	59,360	0
Total Expenditures	290,510	290,510	0
Excess (deficiency) of revenues over (under) expenditures	(31,884)	(31,884)	0
Fund balance, July 1	61,517	61,517	0
Prior year encumbrances appropriated	90	90	0
Fund balance, June 30	<u>\$ 29,723</u>	<u>\$ 29,723</u>	<u>\$ 0</u>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
D EISENHOWER MATH AND SCIENCE SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE: FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Intergovernmental - Federal	\$ 56,439	\$ 56,439	\$ 0
Total Revenues	56,439	56,439	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff			
Salaries and wages	25,454	25,251	203
Fringe benefits	2,726	2,726	0
Purchased services	38,837	38,837	0
Supplies and materials	25,445	25,445	0
Total Expenditures	92,462	92,259	203
Excess (deficiency) of revenues over (under) expenditures	(36,023)	(35,820)	203
Fund balance, July 1	37,119	37,119	0
Prior year encumbrances appropriated	7,417	7,417	0
Fund balance, June 30	<u>\$ 8,513</u>	<u>\$ 8,716</u>	<u>\$ 203</u>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE VI-B SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - Federal	\$ 575,562	\$ 575,562	\$ 0
Total Revenues	575,562	575,562	0
Expenditures:			
Current:			
Instruction:			
Special			
Salaries and wages	163,070	163,070	0
Fringe benefits	37,823	37,823	0
Supplies and materials	107,673	107,673	0
Equipment purchased	38,398	38,398	0
Total Special	346,964	346,964	0
Support Services:			
Pupil			
Salaries and wages	64,414	64,414	0
Fringe benefits	15,891	15,891	0
Purchased services	76,330	76,330	0
Supplies and materials	35,730	35,730	0
Total Pupil	192,365	192,365	0
Instructional Staff			
Salaries and wages	46,139	46,139	0
Fringe benefits	16,301	16,301	0
Total Staff	62,440	62,440	0
School Administration			
Salaries and wages	95,873	95,873	0
Fringe benefits	20,778	20,778	0
Total School Administration	116,651	116,651	0
Total Expenditures	718,420	718,420	0
Excess (deficiency) of revenues over (under) expenditures	(142,858)	(142,858)	0
Other financing sources (uses):			
Advances in	77,244	77,244	0
Total other financing sources (uses)	77,244	77,244	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(65,614)	(65,614)	0
Fund balance, July 1	45,075	45,075	0
Prior year encumbrances appropriated	21,735	21,735	0
Fund balance, June 30	\$ 1,196	\$ 1,196	\$ 0

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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - Federal	\$ 1,520,354	\$ 1,520,354	\$ 0
Total Revenues	1,520,354	1,520,354	0
Expenditures:			
Current:			
Instruction:			
Special			
Salaries and wages	678,856	678,856	0
Fringe benefits	170,285	169,809	476
Purchased services	106,034	106,034	0
Supplies and materials	155,510	155,510	0
Other expenditures	7,558	7,558	0
Equipment purchased	68,077	68,077	0
Total Special	1,186,320	1,185,844	476
Support Services:			
Pupil			
Salaries and wages	264,287	264,287	0
Fringe benefits	64,070	64,070	0
Purchased services	2,542	2,542	0
Supplies and materials	20,123	20,123	0
Total Pupil	351,022	351,022	0
Instructional Staff			
Salaries and wages	169,737	169,737	0
Fringe benefits	35,377	35,377	0
Purchased services	4,598	4,598	0
Supplies and materials	23,640	23,640	0
Equipment purchased	5,207	5,207	0
Other expenditures	16,074	16,074	0
Total Staff	254,633	254,633	0
School Administration			
Salaries and wages	58,307	58,307	0
Fringe benefits	11,704	11,704	0
Purchased services	9,230	9,230	0
Supplies and materials	5,306	5,306	0
Equipment purchased	1,599	1,599	0
Total School Administration	86,146	86,146	0
Operations and Maintenance			
Purchased services	25,054	25,054	0
Total Operations and Maintenance	25,054	25,054	0
Total Expenditures	1,903,175	1,902,699	476
Excess (deficiency) of revenues over (under) expenditures	(382,821)	(382,345)	476
Fund balance, July 1	408,354	408,354	0
Prior year encumbrances appropriated	106,992	106,992	0
Fund balance, June 30	\$ 132,525	\$ 133,001	\$ 476

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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
<b>Revenues:</b>			
Intergovernmental - Federal	\$ 77,455	\$ 77,455	\$ 0
<b>Total Revenues</b>	<b>77,455</b>	<b>77,455</b>	<b>0</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
<b>Regular</b>			
Salaries and wages	2,331	2,331	0
Fringe benefits	379	379	0
Supplies and materials	8,619	8,611	8
Equipment purchased	20,003	19,995	8
<b>Total Regular</b>	<b>31,332</b>	<b>31,316</b>	<b>16</b>
<b>Support Services:</b>			
<b>Instructional Staff</b>			
Salaries and wages	726	0	726
Fringe benefits	80	0	80
Purchased services	28,126	28,116	10
<b>Total Staff</b>	<b>28,932</b>	<b>28,116</b>	<b>816</b>
<b>Community Services</b>			
Purchased services	12	0	12
Supplies and materials	1,274	1,098	176
<b>Total Community Services</b>	<b>1,286</b>	<b>1,098</b>	<b>188</b>
<b>Total Expenditures</b>	<b>61,550</b>	<b>60,530</b>	<b>1,020</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>15,905</b>	<b>16,925</b>	<b>1,020</b>
Fund balance, July 1	38,321	38,321	0
Prior year encumbrances appropriated	0	0	0
<b>Fund balance, June 30</b>	<b>\$ 54,226</b>	<b>\$ 55,246</b>	<b>\$ 1,020</b>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
DRUG FREE SCHOOLS SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - Federal	\$ 96,769	\$ 96,769	\$ 0
Total Revenues	96,769	96,769	0
Expenditures:			
Current:			
Instruction:			
Special			
Salaries and wages	3,310	3,310	0
Fringe benefits	440	440	0
Total Special	3,750	3,750	0
Support Services:			
Instructional Staff			
Salaries and wages	18,726	18,726	0
Fringe benefits	5,673	5,673	0
Purchased services	36,607	36,607	0
Supplies and materials	38,604	38,604	0
Equipment purchased	939	939	0
Total Staff	100,549	100,549	0
Community Services			
Purchased services	1,610	1,610	0
Supplies and materials	3,342	3,342	0
Total Community Services	4,952	4,952	0
Total Expenditures	109,251	109,251	0
Excess (deficiency) of revenues over (under) expenditures	(12,482)	(12,482)	0
Other financing sources (uses):			
Refund of prior year receipts	(269)	(269)	0
Total other financing sources (uses)	(269)	(269)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(12,751)	(12,751)	0
Fund balance, July 1	12,971	12,971	0
Prior year encumbrances appropriated	22,239	22,239	0
Fund balance, June 30	\$ 22,459	\$ 22,459	\$ 0

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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - Federal	\$ 35,000	\$ 35,000	\$ 0
Total Revenues	35,000	35,000	0
Expenditures:			
Current:			
Support Services:			
Pupil			
Purchased services	10,162	10,162	0
Supplies and materials	7,950	7,950	0
Other expenditures	12,341	12,341	0
Total Expenditures	30,453	30,453	0
Excess (deficiency) of revenues over (under) expenditures	4,547	4,547	0
Fund balance, July 1	12,299	12,299	0
Prior year encumbrances appropriated	0	0	0
Fund balance, June 30	<u>\$ 16,846</u>	<u>\$ 16,846</u>	<u>\$ 0</u>



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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - Federal	\$ 95,108	\$ 95,108	\$ 0
Total Revenues	95,108	95,108	0
Expenditures:			
Current:			
Support Services:			
Community Services			
Salaries and wages	117,423	117,423	0
Fringe benefits	24,045	24,045	0
Purchased services	57,049	57,049	0
Supplies and materials	30,053	30,053	0
Equipment purchased	7,065	7,065	0
Total Expenditures	235,635	235,635	0
Excess (deficiency) of revenues over (under) expenditures	(140,527)	(140,527)	0
Fund balance, July 1	136,876	136,876	0
Prior year encumbrances appropriated	3,703	3,703	0
Fund balance, June 30	<u>\$ 52</u>	<u>\$ 52</u>	<u>\$ 0</u>

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

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - Federal	\$ 16,775	\$ 16,775	\$ 0
Total Revenues	16,775	16,775	0
Expenditures:			
Current:			
Support Services:			
Pupil			
Salaries and wages	25,861	25,861	0
Fringe benefits	5,102	5,102	0
Total Expenditures	30,963	30,963	0
Excess (deficiency) of revenues over (under) expenditures	(14,188)	(14,188)	0
Fund balance, July 1	14,188	14,188	0
Prior year encumbrances appropriated	0	0	0
Fund balance, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE VI-R SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
<b>Revenues:</b>			
Intergovernmental - Federal	\$ 223,528	\$ 223,528	\$ 0
<b>Total Revenues</b>	<b>223,528</b>	<b>223,528</b>	<b>0</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
<b>Special</b>			
Salaries and wages	162,964	162,964	0
Fringe benefits	44,536	44,536	0
<b>Total Special</b>	<b>207,500</b>	<b>207,500</b>	<b>0</b>
<b>Support Services:</b>			
<b>School Administration</b>			
Supplies and materials	136	136	0
<b>Total School Administration</b>	<b>136</b>	<b>136</b>	<b>0</b>
<b>Total Expenditures</b>	<b>207,636</b>	<b>207,636</b>	<b>0</b>
Excess (deficiency) of revenues over (under) expenditures	15,892	15,892	0
Fund balance, July 1	0	0	0
Prior year encumbrances appropriated	0	0	0
<b>Fund balance, June 30</b>	<b>\$ 15,892</b>	<b>\$ 15,892</b>	<b>\$ 0</b>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MISCELLANEOUS FEDERAL SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Intergovernmental - Federal	\$ 240,831	\$ 240,831	\$ 0
<b>Total Revenues</b>	<b>240,831</b>	<b>240,831</b>	<b>0</b>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and wages	60,207	53,425	6,782
Fringe benefits	8,004	6,106	1,898
Purchased services	19,552	17,139	2,413
Supplies and materials	365	365	0
Equipment purchased	217	0	217
<b>Total Regular</b>	<b>88,345</b>	<b>77,035</b>	<b>11,310</b>
Support Services:			
Pupil			
Purchased services	28,889	0	28,889
Supplies and materials	2,570	0	2,570
Equipment purchased	181	0	181
<b>Total Pupil</b>	<b>31,640</b>	<b>0</b>	<b>31,640</b>
Instructional Staff			
Salaries and wages	49,327	42,919	6,408
Fringe benefits	7,508	6,590	918
Purchased services	142,056	132,602	9,454
Supplies and materials	22,744	18,059	4,685
Equipment purchased	87,464	71,451	16,013
Other expenditures	478	0	478
<b>Total Staff</b>	<b>309,577</b>	<b>271,621</b>	<b>37,956</b>
School Administration			
Purchased services	2,919	0	2,919
<b>Total School Administration</b>	<b>2,919</b>	<b>0</b>	<b>2,919</b>
Community Services			
Fringe benefits	70	0	70
Purchased services	93	0	93
Supplies and materials	957	0	957
<b>Total Community Services</b>	<b>1,120</b>	<b>0</b>	<b>1,120</b>
<b>Total Expenditures</b>	<b>433,601</b>	<b>348,656</b>	<b>84,945</b>
Excess (deficiency) of revenues over (under) expenditures	\$ (192,770)	\$ (107,825)	\$ 84,945

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MISCELLANEOUS FEDERAL SPECIAL REVENUE FUNDS (Concluded)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE: FAVORABLE (UNFAVORABLE)</u>
Other financing sources (uses):			
Refund of prior year receipts	\$ (6,107)	\$ (6,107)	\$ 0
Advances in	3,063	3,063	0
Advances (out)	<u>(580)</u>	<u>(580)</u>	<u>0</u>
Total other financing sources (uses)	<u>(3,624)</u>	<u>(3,624)</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(196,394)	(111,449)	84,945
Fund balance, July 1	186,111	186,111	0
Prior year encumbrances appropriated	<u>141,763</u>	<u>141,763</u>	<u>0</u>
Fund balance, June 30	<u>\$ 131,480</u>	<u>\$ 216,425</u>	<u>\$ 84,945</u>

## DEBT SERVICE FUND

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

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

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## CAPITAL PROJECTS FUNDS

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

*Permanent Improvement:*

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

*SchoolNet Plus:*

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

*SchoolNet Power Up:*

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

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

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

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**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 COMBINING BALANCE SHEET  
 ALL CAPITAL PROJECT FUNDS  
 JUNE 30, 2000**

	<u>Permanent Improvement</u>	<u>SchoolNet Plus</u>	<u>SchoolNet Power up</u>	<u>IVDL</u>	<u>Total All Funds</u>
<b>ASSETS:</b>					
Assets:					
Equity in pooled cash and investments	\$ 681,956	\$ 119,919	\$ 10,800	\$ 0	\$ 812,675
<b>Total Assets</b>	<u>681,956</u>	<u>119,919</u>	<u>10,800</u>	<u>0</u>	<u>812,675</u>
<b>LIABILITIES AND EQUITY:</b>					
Liabilities:					
Tax Anticipation notes payable	850,000	0	0	0	850,000
<b>Total liabilities</b>	850,000	0	0	0	850,000
Equity:					
Fund Balances:					
Reserved-					
Reserved for encumbrances	93,314	0	0	0	93,314
Unreserved-					
Undesignated	(261,358)	119,919	10,800	0	(130,639)
<b>Total equity</b>	<u>(168,044)</u>	<u>119,919</u>	<u>10,800</u>	<u>0</u>	<u>(37,325)</u>
<b>Total Liabilities and Equity</b>	<u>\$ 681,956</u>	<u>\$ 119,919</u>	<u>\$ 10,800</u>	<u>\$ 0</u>	<u>\$ 812,675</u>



**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL CAPITAL PROJECT FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Permanent Improvement	SchoolNet Plus	SchoolNet Power Up	IVDL	Total All Funds
Total Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:					
Current:					
Instruction:					
Regular	0	149,335	277,756	30,149	457,240
Capital outlay	18,438	0	0	0	18,438
Total Expenditures	18,438	149,335	277,756	30,149	475,678
Excess of Revenues Over/(Under) Expenditures and Before Extraordinary Item	(18,438)	(149,335)	(277,756)	(30,149)	(475,678)
Extraordinary Item (see Note 22)	(150,000)	0	0	0	(150,000)
Excess of Revenues Over/(Under) Expenditures and After Extraordinary Item	(168,438)	(149,335)	(277,756)	(30,149)	(625,678)
Fund Balance, July 1	394	269,254	288,556	30,149	588,353
Fund Balance, June 30	\$ (168,044)	\$ 119,919	\$ 10,800	\$ 0	\$ (37,325)

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PERMANENT IMPROVEMENT CAPITAL PROJECT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Current:			
Capital Outlay			
Equipment Purchased	115,000	111,752	3,248
Total Expenditures	115,000	111,752	3,248
Excess (deficiency) of revenues over (under) expenditures	(115,000)	(111,752)	3,248
Other financing sources (uses):			
Sale of notes	850,000	850,000	0
Payment to Monroe Local Schools	(150,000)	(150,000)	0
Total other financing sources (uses)	700,000	700,000	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	585,000	588,248	3,248
Fund balance, July 1	394	394	0
Prior year encumbrances appropriated	0	0	0
Fund balance, June 30	<u>\$ 585,394</u>	<u>\$ 588,642</u>	<u>\$ 3,248</u>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SCHOOLNET PLUS CAPITAL PROJECT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and materials	65,750	15,750	50,000
Equipment purchased	219,254	133,585	85,669
Total Expenditures	285,004	149,335	135,669
Excess (deficiency) of revenues over (under) expenditures	(285,004)	(149,335)	135,669
Fund balance, July 1	119,919	119,919	0
Prior year encumbrances appropriated	149,335	149,335	0
Fund balance, June 30	\$ (15,750)	\$ 119,919	\$ 135,669

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SCHOOLNET POWER UP CAPITAL PROJECT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Total Revenues	\$ 0	\$ 0	\$ 0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	0	0	0
Other financing sources (uses):			
Refund of prior year receipts	<u>(277,756)</u>	<u>(277,756)</u>	<u>0</u>
Total other financing sources (uses)	<u>(277,756)</u>	<u>(277,756)</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(277,756)	(277,756)	0
Fund balance, July 1	288,556	288,556	0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u>\$ 10,800</u>	<u>\$ 10,800</u>	<u>\$ 0</u>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
I.V.D.L. CAPITAL PROJECT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Total Revenues	\$ 0	\$ 0	\$ 0
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased services	12,851	12,851	0
Equipment purchased	17,298	17,298	0
Total Expenditures	30,149	30,149	0
Excess (deficiency) of revenues over (under) expenditures	(30,149)	(30,149)	0
Fund balance, July 1	30,149	30,149	0
Prior year encumbrances appropriated	0	0	0
Fund balance, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

## ENTERPRISE FUNDS

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

*Food Service:*

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

*Uniform School Supply:*

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

*Special Rotary:*

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

*Adult Education:*

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

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MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 COMBINING BALANCE SHEET  
 ALL ENTERPRISE FUNDS  
 JUNE 30, 2000

	Food Service	Uniform School Supply	Special Rotary	Adult Education	Total All Funds
<b>ASSETS:</b>					
Equity in pooled cash and investments	\$ 9,117	\$ 212,479	\$ 4,032	\$ 49,926	\$ 275,554
Receivables (net of allowances for uncollectibles)					
Accounts	1,063	1,362	0	0	2,425
Intergovernmental - state and local	973	0	0	0	973
Intergovernmental - federal	164,995	0	0	0	164,995
Materials and supplies inventory	166,178	0	0	383	166,561
Inventory held for resale	68,002	0	0	0	68,002
Furniture and equipment	586,882	0	0	2,494	589,376
Less: accumulated depreciation	(453,364)	0	0	(200)	(453,564)
<b>Total Assets</b>	<b>543,846</b>	<b>213,841</b>	<b>4,032</b>	<b>52,603</b>	<b>814,322</b>
<b>LIABILITIES &amp; FUND EQUITY</b>					
<b>Liabilities:</b>					
Accounts payable	0	1,583	0	0	1,583
Accrued wages and benefits	93,629	0	0	4,205	97,834
Interfund loans payable	530,000	0	0	0	530,000
Deferred revenue	64,090	0	0	0	64,090
Compensated absences payable	47,042	0	0	4,322	51,364
<b>Total liabilities</b>	<b>734,761</b>	<b>1,583</b>	<b>0</b>	<b>8,527</b>	<b>744,871</b>
<b>Fund Equity:</b>					
Retained Earnings:					
Unreserved	(190,915)	212,258	4,032	44,076	69,451
<b>Total Fund Equity (Deficit)</b>	<b>(190,915)</b>	<b>212,258</b>	<b>4,032</b>	<b>44,076</b>	<b>69,451</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 543,846</b>	<b>\$ 213,841</b>	<b>\$ 4,032</b>	<b>\$ 52,603</b>	<b>\$ 814,322</b>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS  
 ALL ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Food Service	Uniform School Supply	Special Rotary	Adult Education	Total All Funds
Operating Revenues:					
Tuition and fees	\$ 0	\$ 105,388	\$ 234	\$ 57,971	\$ 163,593
Sales	1,564,304	0	0	0	1,564,304
Total operating revenues	1,564,304	105,388	234	57,971	1,727,897
Operating Expenses:					
Salaries and wages	1,144,890	0	0	43,270	1,188,160
Fringe benefits	462,916	0	0	7,560	470,476
Contract services	5,378	0	705	7,293	13,376
Supplies	1,493,188	104,782	3,353	4,492	1,605,815
Depreciation	15,707	0	0	200	15,907
Other operating expenses	2,712	0	1,040	2,596	6,348
Total operating expenses	3,124,791	104,782	5,098	65,411	3,300,082
Operating Income (Loss)	(1,560,487)	606	(4,864)	(7,440)	(1,572,185)
Nonoperating revenues (expenses):					
Operating grants - federal	1,083,321	0	0	0	1,083,321
Operating grants - state and local	70,135	0	5,000	13,598	88,733
Donated commodities	165,821	0	0	0	165,821
Total nonoperating revenues (expenses)	1,319,277	0	5,000	13,598	1,337,875
Income before operating transfers / advances	(241,210)	606	136	6,158	(234,310)
Operating transfers in	500,000	0	0	0	500,000
Net Income (Loss)	258,790	606	136	6,158	265,690
Retained Earnings, July 1 (Restated)	(449,705)	211,652	3,896	37,918	(196,239)
Retained Earnings, June 30	\$ (190,915)	\$ 212,258	\$ 4,032	\$ 44,076	\$ 69,451



**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
COMBINING STATEMENT OF CASH FLOWS  
ALL ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Food Service	Uniform School Supply	Special Rotary	Adult Education	Total All Funds
Cash flows from operating activities:					
Cash received from tuition and fees	\$ 0	\$ 104,931	\$ 234	\$ 59,034	\$ 164,199
Cash received from sales	1,570,396	0	0	0	1,570,396
Cash received from other operations	0	0	(400)	0	(400)
Cash payments for personal services	(1,630,411)	0	0	(46,625)	(1,677,036)
Cash payments for contract services	(5,378)	0	(705)	(7,293)	(13,376)
Cash payments for supplies and materials	(1,321,104)	(104,476)	(3,353)	(4,492)	(1,433,425)
Cash payments for other expenses	(6,461)	0	(640)	(2,596)	(9,697)
Net cash provided by (used for) operating activities	<u>(1,392,958)</u>	<u>455</u>	<u>(4,864)</u>	<u>(1,972)</u>	<u>(1,399,339)</u>
Cash flows from noncapital financing activities:					
Cash received from operating grants	1,145,684	0	5,000	13,598	1,164,282
Cash received - interfund transfers-in	500,000	0	0	0	500,000
Cash received - interfund loans	530,000	0	0	0	530,000
Cash (used) - interfund loans	<u>(785,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(785,000)</u>
Net cash provided by (used for) noncapital financing activities	<u>1,390,684</u>	<u>0</u>	<u>5,000</u>	<u>13,598</u>	<u>1,409,282</u>
Net increase (decrease) in cash and cash equivalents	(2,274)	455	136	11,626	9,943
Cash and cash equivalents at beginning of year	<u>11,391</u>	<u>212,024</u>	<u>3,896</u>	<u>38,300</u>	<u>265,611</u>
Cash and cash equivalents at end of year	<u>\$ 9,117</u>	<u>\$ 212,479</u>	<u>\$ 4,032</u>	<u>\$ 49,926</u>	<u>\$ 275,554</u>
Reconciliation of operating income to net cash provided by (used for) operating activities:					
Operating income (loss)	<u>\$(1,560,487)</u>	<u>\$ 606</u>	<u>\$ (4,864)</u>	<u>\$ (7,440)</u>	<u>\$(1,572,185)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	15,707	0	0	200	15,907
Donated commodities	165,821	0	0	0	165,821
Changes in assets and liabilities:					
(Increase) Decrease in receivables	6,092	(457)	0	1,063	6,698
(Increase) Decrease in intergovernmental	(7,772)	0	0	0	(7,772)
(Increase) Decrease in supplies inventory	30,481	0	0	0	30,481
(Increase) Decrease in inventory held for resale	19,778	0	0	0	19,778
Increase (Decrease) in accounts payable	(8,001)	306	0	0	(7,695)
Increase (Decrease) in accrued wages and benefits	(25,266)	0	0	4,205	(21,061)
Increase (Decrease) in compensated absences	2,661	0	0	0	2,661
Increase (Decrease) in deferred revenue	<u>(31,972)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(31,972)</u>
Net cash provided by (used for) operating activities	<u>\$(1,392,958)</u>	<u>\$ 455</u>	<u>\$ (4,864)</u>	<u>\$ (1,972)</u>	<u>\$(1,399,339)</u>

MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN FUND EQUITY  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOOD SERVICE ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Operating Revenues			
Sales	\$ 1,570,396	\$ 1,570,396	0
Non-Operating Revenue			
Federal and state subsidies	1,145,684	1,145,684	0
Total Revenues	<u>2,716,080</u>	<u>2,716,080</u>	<u>0</u>
Expenses:			
Operating Expenses			
Salaries and wages	1,197,400	1,197,400	0
Fringe benefits	433,011	433,011	0
Purchased services	5,758	5,758	0
Supplies and materials	1,328,597	1,328,597	0
Other expenses	2,712	2,712	0
Equipment purchased	3,749	3,749	0
Total Expenses	<u>2,971,227</u>	<u>2,971,227</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenses	<u>(255,147)</u>	<u>(255,147)</u>	<u>0</u>
Other financing sources (uses)			
Transfers in	500,000	500,000	0
Advances in	530,000	530,000	0
Advances out	<u>(785,000)</u>	<u>(785,000)</u>	<u>0</u>
Total other financing sources (uses)	<u>245,000</u>	<u>245,000</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenses and other uses	<u>(10,147)</u>	<u>(10,147)</u>	<u>0</u>
Fund Equity, July 1	2,735	2,735	0
Prior year encumbrances appropriated	<u>8,654</u>	<u>8,654</u>	<u>0</u>
Fund Equity, June 30	<u>\$ 1,242</u>	<u>\$ 1,242</u>	<u>\$ 0</u>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN FUND EQUITY  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
UNIFORM SCHOOL SUPPLY ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Operating Revenues			
Tuition and fees	\$ 104,500	\$ 104,931	\$ 431
Total Revenues	<u>104,500</u>	<u>104,931</u>	<u>431</u>
Expenses:			
Operating Expenses			
Supplies and materials	152,289	152,289	0
Total Expenses	<u>152,289</u>	<u>152,289</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenses	<u>(47,789)</u>	<u>(47,358)</u>	<u>431</u>
Fund Equity, July 1	155,045	155,045	0
Prior year encumbrances appropriated	<u>56,980</u>	<u>56,980</u>	<u>0</u>
Fund Equity, June 30	<u>\$ 164,236</u>	<u>\$ 164,667</u>	<u>\$ 431</u>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN FUND EQUITY  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SPECIAL ROTARY ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Operating Revenues			
Tuition and fees	\$ 835	\$ 835	\$ 0
Non-Operating Revenue			
Operating grants-state and local	4,000	4,000	0
Total Revenues	<u>4,835</u>	<u>4,835</u>	<u>0</u>
Expenses:			
Operating Expenses			
Purchased services	705	705	0
Supplies and materials	3,599	3,599	0
Other expenses	640	640	0
Total Expenses	<u>4,944</u>	<u>4,944</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenses	<u>(109)</u>	<u>(109)</u>	<u>0</u>
Fund Equity, July 1	3,896	3,896	0
Prior year encumbrances appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund Equity, June 30	<u>\$ 3,787</u>	<u>\$ 3,787</u>	<u>\$ 0</u>

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN FUND EQUITY  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ADULT EDUCATION ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	REVISED BUDGET	ACTUAL	VARIANCE: FAVORABLE (UNFAVORABLE)
Revenues:			
Operating Revenues			
Tuition and fees	\$ 59,715	\$ 59,734	\$ 19
Non-Operating Revenue			
Operating grants-state and local	12,900	12,898	(2)
Total Revenues	<u>72,615</u>	<u>72,632</u>	<u>17</u>
Expenses:			
Operating Expenses			
Salaries and wages	39,065	39,065	0
Fringe benefits	7,957	7,560	397
Purchased services	10,978	7,293	3,685
Supplies and materials	5,296	4,492	804
Other expenses	3,500	2,596	904
Total Expenses	<u>66,796</u>	<u>61,006</u>	<u>5,790</u>
Excess (deficiency) of revenues over (under) expenses	<u>5,819</u>	<u>11,626</u>	<u>(5,807)</u>
Fund Equity, July 1	37,613	37,613	0
Prior year encumbrances appropriated	<u>686</u>	<u>686</u>	<u>0</u>
Fund Equity, June 30	<u>\$ 44,118</u>	<u>\$ 49,925</u>	<u>\$ (5,807)</u>

## FIDUCIARY FUNDS

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

### EXPENDABLE TRUST FUND

#### General Trust Fund:

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

### AGENCY FUNDS

#### Student Activity Fund:

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

#### District Agency Fund:

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

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**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 COMBINING BALANCE SHEET  
 ALL FIDUCIARY FUND TYPES  
 JUNE 30, 2000**

	Expendable	Agency Funds			
	Trust Fund	General	Student	District	Total
	Trust Fund	Trust Fund	Activity	Agency	All Funds
<b>ASSETS:</b>					
Equity in pooled cash and investments	\$ 9,520	\$ 62,817	\$ 105,275	\$ 177,612	
Accounts Receivable	0	681	0	681	
<b>Total Assets</b>	<b>9,520</b>	<b>63,498</b>	<b>105,275</b>	<b>178,293</b>	
<b>LIABILITIES AND EQUITY:</b>					
<b>Liabilities:</b>					
Due to Monroe Local Schools	0	12,821	0	12,821	
Due to student groups	0	50,677	105,275	155,952	
<b>Total liabilities</b>	<b>0</b>	<b>63,498</b>	<b>105,275</b>	<b>168,773</b>	
<b>Equity:</b>					
<b>Fund Balances:</b>					
Unreserved-Undesignated	9,520	0	0	9,520	
<b>Total equity</b>	<b>9,520</b>	<b>0</b>	<b>0</b>	<b>9,520</b>	
<b>Total Liabilities and Equity</b>	<b>\$ 9,520</b>	<b>\$ 63,498</b>	<b>\$ 105,275</b>	<b>\$ 178,293</b>	

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Balance July 1, 1999	Additions	Deductions	Balance June 30, 2000
<b>STUDENT ACTIVITY FUND:</b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 45,045	\$ 204,598	\$ 186,826	\$ 62,817
Receivables (net of allowances for uncollectibles)				
Accounts	1,100	0	419	681
<b>Total Assets</b>	<b>46,145</b>	<b>204,598</b>	<b>187,245</b>	<b>63,498</b>
<b>Liabilities:</b>				
Due to Monroe Local Schools	0	12,821	0	12,821
Due to student groups	46,145	4,532	0	50,677
<b>Total Liabilities</b>	<b>\$ 46,145</b>	<b>\$ 17,353</b>	<b>\$ 0</b>	<b>\$ 63,498</b>

**DISTRICT AGENCY FUND:**

<b>Assets:</b>				
Equity in pooled cash and investments	\$ 50,501	\$ 60,621	\$ 5,847	\$ 105,275
<b>Total Assets</b>	<b>50,501</b>	<b>60,621</b>	<b>5,847</b>	<b>105,275</b>
<b>Liabilities:</b>				
Due to student groups	50,501	54,774	0	105,275
<b>Total Liabilities</b>	<b>\$ 50,501</b>	<b>\$ 54,774</b>	<b>\$ 0</b>	<b>\$ 105,275</b>

**TOTAL AGENCY FUNDS:**

<b>Assets:</b>				
Equity in pooled cash and investments	\$ 95,546	\$ 265,219	\$ 192,673	\$ 168,092
Receivables (net of allowances for uncollectibles)				
Accounts	1,100	0	419	681
<b>Total Assets</b>	<b>96,646</b>	<b>265,219</b>	<b>193,092</b>	<b>\$168,773</b>
<b>Liabilities:</b>				
Due to Monroe Local Schools	0	12,821	0	12,821
Due to student groups	96,646	59,306	0	155,952
<b>Total Liabilities</b>	<b>\$ 96,646</b>	<b>\$ 72,127</b>	<b>\$ 0</b>	<b>\$ 168,773</b>



## **GENERAL FIXED ASSETS ACCOUNT GROUP**

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

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MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE  
AS OF JUNE 30, 2000

General Fixed Assets:

Land	\$	1,367,032
Buildings and building improvements		24,513,255
Furniture, fixtures and equipment		17,083,596
		<hr/>
Total General Fixed Assets	\$	<u>42,963,883</u>

Investment in General Fixed Assets by Source:

General Fund	\$	11,438,725
Special Revenue Funds		4,104,238
Capital Projects Fund		5,979,898
Acquired Before July 1, 1990*		21,441,022
		<hr/>
Total General Fixed Assets	\$	<u>42,963,883</u>

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

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY FUNCTION AND TYPE**  
**AS OF JUNE 30, 2000**

Function	Land and Land Improvements	Buildings and Building Improvements	Furniture Fixtures and Equipment	Total
<b>Instruction:</b>				
Regular	\$ 0	\$ 0	\$ 11,014,165	11,014,165
Special	0	0	240,353	240,353
Vocational	0	0	154,101	154,101
Adult Continuing	0	0	0	0
<b>Support services:</b>				
Pupil	0	0	41,784	41,784
Instructional staff	0	0	346,700	346,700
School administration	0	0	363,997	363,997
Fiscal and business	0	0	165,996	165,996
Operations and maintenance	0	0	746,329	746,329
Pupil transportation	0	0	3,160,296	3,160,296
Central	0	0	405,545	405,545
Community services	0	0	129,514	129,514
Extracurricular activities	0	0	116,362	116,362
Capital Outlay	51,508	4,387,757	198,454	4,637,719
Other - Pre July 1, 1990 items*	1,315,524	20,125,498	0	21,441,022
<b>Total General Fixed Assets</b>	<b>\$ 1,367,032</b>	<b>\$ 24,513,255</b>	<b>\$ 17,083,596</b>	<b>\$ 42,963,883</b>

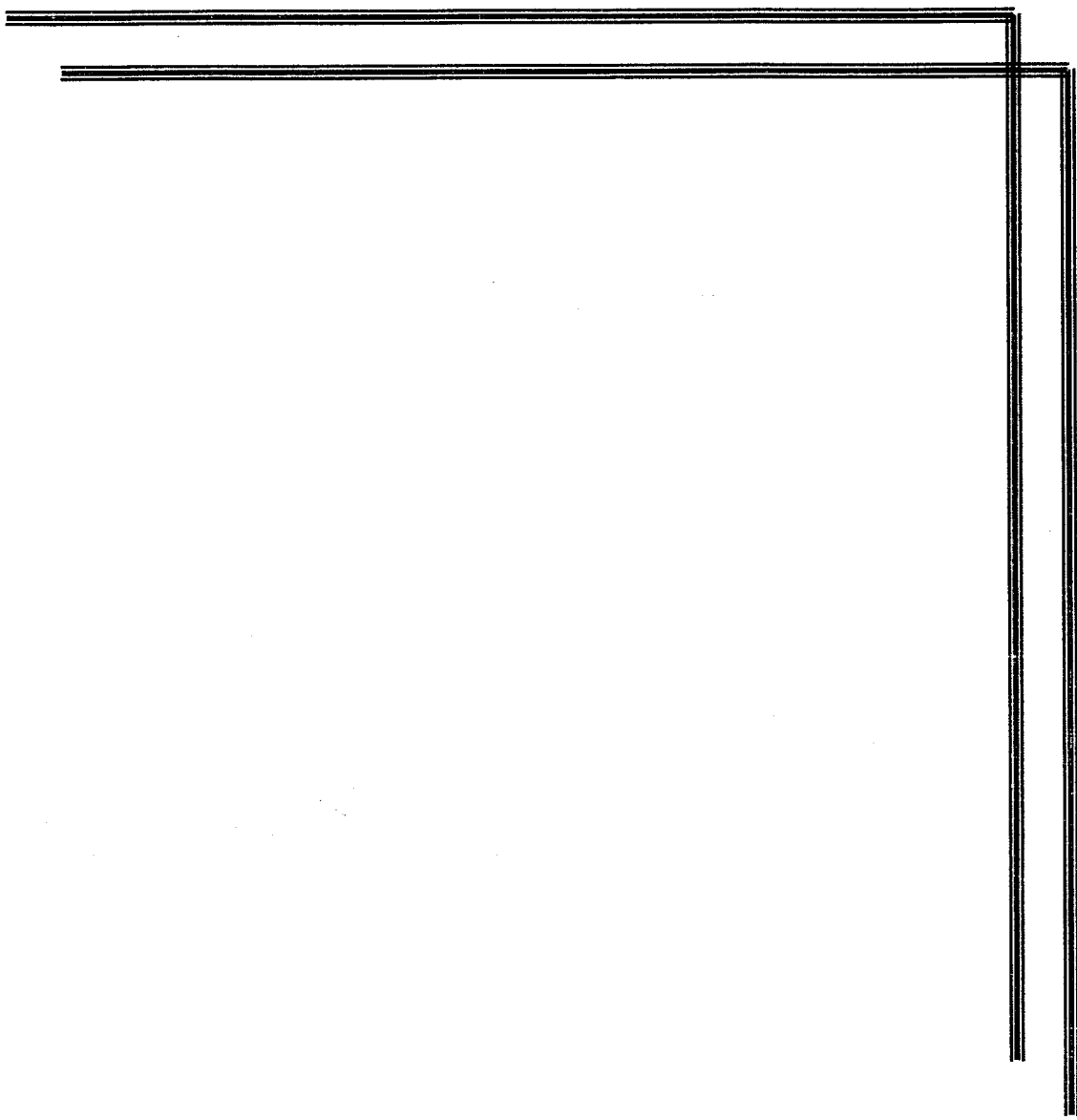
\*Represents older assets for which function/activity can not practically be obtained.

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO**  
**SCHEDULE OF CHANGES IN FIXED ASSETS**  
**BY FUNCTION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Function	Balance at July 1, 1999	Additions	Deductions	Balance at June 30, 2000
<b>Instruction:</b>				
Regular	\$ 13,091,576	\$ 82,105	\$ (2,159,516)	\$ 11,014,165
Special	207,108	36,817	(3,572)	240,353
Vocational	157,611	0	(3,510)	154,101
Adult Continuing	0	0	0	0
<b>Support services:</b>				
Pupil	45,400	0	(3,616)	41,784
Instructional staff	365,948	33,456	(52,704)	346,700
School administration	468,409	0	(104,412)	363,997
Fiscal and business	165,996	0	0	165,996
Operations and maintenance	656,774	127,775	(38,220)	746,329
Pupil transportation	3,416,640	152,579	(408,923)	3,160,296
Central	471,555	17,195	(83,205)	405,545
Community services	125,221	4,293	0	129,514
Extracurricular activities	169,842	3,550	(57,030)	116,362
Capital Outlay	4,636,569	1,150	0	4,637,719
Other - Pre July 1, 1990 items*	26,210,766	0	(4,769,744)	21,441,022
<b>Total General Fixed Assets</b>	<b>\$ 50,189,415</b>	<b>\$ 458,920</b>	<b>\$ (7,684,452)</b>	<b>\$ 42,963,883</b>

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

STATISTICAL SECTION



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## STATISTICAL TABLES

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The following unaudited statistical tables reflect social and economic data, financial trends and fiscal capacity of the District. Since the Emergency Levy Special Revenue Fund accounts for approximately 22% of the District's total general operating expenditures, this fund has been combined with the General Fund in the applicable statistical tables.

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**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
GENERAL OPERATING EXPENDITURES BY FUNCTION (1)  
LAST TEN FISCAL YEARS  
1991 - 2000**

<u>FISCAL YEAR</u>	<u>INSTRUCTION</u>	<u>PUPIL SUPPORT SERVICES</u>	<u>INSTRUCTIONAL SUPPORT SERVICES</u>	<u>ADMINISTRATION</u>	<u>FISCAL SERVICES</u>
1991	\$ 25,267,711	\$ 1,482,203	\$ 1,455,546	\$ 3,823,992	\$ 858,403
1992	25,453,983	1,545,535	1,415,814	3,435,886	886,333
1993	28,020,524	1,838,829	1,446,439	3,750,865	918,641
1994	28,091,596	1,814,957	1,427,644	3,682,829	942,828
1995	29,161,154	1,741,693	1,489,815	4,720,501	919,929
1996	25,467,634	1,783,145	1,302,772	3,608,050	1,055,131
1997	30,147,726	1,709,399	1,591,594	3,997,057	1,115,005
1998	28,804,672	1,932,718	1,584,807	4,099,319	1,117,283
1999	29,550,633	2,346,520	1,803,320	4,523,022	1,148,369
2000	\$ 31,214,769	\$ 2,448,690	\$ 2,111,332	\$ 4,772,468	\$ 1,295,335

Source: Middletown City School District records.

(1) Includes the expenditures of the General and Emergency Levy Funds only.



**TABLE 1**

<u>OPERATION AND MAINTENANCE OF PLANT SERVICES</u>	<u>TRANSPORTATION SERVICES- PUPILS</u>	<u>OTHER SUPPORT SERVICES</u>	<u>EXTRA- CURRICULAR ACTIVITIES</u>	<u>NON- PROGRAMMED CHARGES</u>	<u>TOTAL EXPENDITURES</u>
\$ 4,146,832	\$ 2,224,347	\$ 118,534	\$ 355,010	\$ 23,821	\$ 39,756,399
4,551,378	1,846,454	106,980	465,930	47,642	39,755,935
5,361,207	1,991,937	100,946	617,497	51,613	44,098,498
5,348,244	2,186,006	194,114	692,461	1,710	44,382,389
4,456,585	1,784,321	254,770	670,477	0	45,199,245
4,647,711	1,976,916	250,822	423,597	700,282	41,216,060
5,285,374	1,969,305	522,341	446,808	819,045	47,603,654
5,981,656	2,512,870	712,003	448,995	652,886	47,847,209
6,560,478	2,564,669	1,408,105	504,989	177,788	50,587,893
\$ 6,787,502	\$ 2,666,474	\$ 1,140,744	\$ 556,343	\$ 351,303	\$ 53,344,960

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
GENERAL OPERATING REVENUES BY SOURCE (1)  
LAST TEN FISCAL YEARS  
1991 - 2000**

**TABLE 2**

<u>FISCAL YEAR</u>	<u>TAXES</u>	<u>TUITION AND FEES</u>	<u>EARNINGS ON INVESTMENTS</u>	<u>INTER- GOVERNMENTAL</u>	<u>OTHER</u>	<u>TOTAL REVENUES</u>
1991	\$ 22,919,796	\$ 160,522	\$ 867,912	\$ 16,603,715	\$ 35,594	\$ 40,587,539
1992	23,743,813	172,367	603,493	15,768,247	113,737	40,401,657
1993	24,319,486	61,040	354,563	16,636,821	181,319	41,553,229
1994	23,927,373	70,625	192,364	16,785,103	204,532	41,179,997
1995	22,072,246	52,532	308,697	17,307,965	251,891	39,993,331
1996	27,508,285	51,691	605,059	17,614,495	283,965	46,063,495
1997	28,610,368	62,431	700,852	18,287,882	306,117	47,967,650
1998	28,798,460	72,309	802,942	19,011,644	808,255	49,493,610
1999	33,787,832	42,790	816,274	20,443,914	302,395	55,393,205
2000	\$ 30,298,230	\$ 13,366	\$ 1,161,758	\$ 21,694,215	\$ 344,792	\$ 53,512,361

Source: Middletown City School District records.

(1) Includes the revenues of the General and Emergency Levy Funds only.

TABLE 3

MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY PROPERTY  
 LAST TEN COLLECTION (CALENDAR) YEARS  
 1991 - 2000

COLLECTION YEAR	TAX LEVIED (1)	CURRENT TAX COLLECTIONS (2)	PERCENT COLLECTED	DELINQUENT COLLECTION	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL COLLECTIONS TO LEVY	OUTSTANDING DELINQUENT TAXES (3)	PERCENT OF OUTSTANDING DELINQUENT TAXES TO TAX LEVIED
1991	\$ 16,829,656	\$ 16,004,384	95.10%	\$ 673,157	\$ 16,677,541	99.10%	\$ 1,325,312	7.87%
1992	17,165,442	16,479,015	96.00%	852,598	17,331,613	100.97%	1,235,160	7.20%
1993	17,732,808	17,267,182	97.37%	766,896	18,034,078	101.70%	927,416	5.23%
1994	19,051,083	18,388,868	96.52%	491,842	18,880,710	99.11%	974,051	5.11%
1995	20,189,292	19,041,666	94.32%	633,911	19,675,577	97.46%	1,002,243	4.96%
1996	24,403,739	23,698,673	97.11%	591,960	24,290,633	99.54%	1,156,572	4.74%
1997	25,501,907	24,824,360	97.34%	651,156	25,475,516	99.90%	1,188,378	4.66%
1998	25,775,921	24,927,425	96.71%	720,380	25,647,805	99.50%	1,390,417	5.39%
1999	25,711,787	25,555,250	99.39%	838,957	26,394,207	102.65%	848,208	3.30%
2000	\$ 27,097,451	\$ 26,743,803	98.69%	\$ 777,700	\$ 27,521,503	101.56%	\$ 1,205,236	4.45%

Source: Butler County Auditor

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

TABLE 4

MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN COLLECTION (CALENDAR) YEARS (1)  
 1991 - 2000

COLLECTION YEAR	REAL PROPERTY		TANGIBLE PERSONAL PROPERTY		PUBLIC UTILITIES PERSONAL		TOTAL		RATIO (2)
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
1991	\$ 514,066,270	\$ 1,468,760,771	\$ 235,918,433	\$ 842,565,832	\$ 73,073,210	\$ 91,341,513	\$ 823,057,913	\$ 2,402,668,116	34.26%
1992	522,717,490	1,493,478,543	223,051,199	826,115,552	80,132,130	100,165,163	825,900,819	2,419,759,258	34.13%
1993	527,179,520	1,506,227,200	220,146,521	846,717,388	97,252,680	121,565,850	844,578,721	2,474,510,438	34.13%
1994	574,093,730	1,640,267,800	196,654,808	786,619,232	101,607,930	127,009,913	872,356,468	2,553,896,945	34.16%
1995	586,939,860	1,676,971,029	179,387,670	717,550,680	103,304,360	129,130,450	869,631,890	2,523,652,159	34.46%
1996	596,732,960	1,704,951,314	205,791,439	823,165,756	91,847,380	114,809,225	894,371,779	2,642,926,295	33.84%
1997	661,069,610	1,888,770,314	224,104,236	896,416,944	91,108,250	113,885,313	976,282,096	2,899,072,571	33.68%
1998	675,189,920	1,929,114,057	246,903,455	987,613,820	88,903,890	111,129,863	1,010,997,265	3,027,857,740	33.39%
1999	687,607,230	1,964,592,086	236,392,230	945,568,920	90,672,470	113,340,588	1,014,671,930	3,023,501,593	33.56%
2000	\$ 636,518,934	\$ 1,818,625,526	\$ 217,179,292	\$ 868,717,168	\$ 62,854,774	\$ 78,568,468	\$ 916,553,000	\$ 2,765,911,161	33.14%

Source: Butler County Auditor.

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

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

**TABLE 5**  
**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO**  
**PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN COLLECTION (CALENDAR) YEARS**  
**1991 - 2000**

	TAX YEAR										
	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	
	COLLECTION YEAR										
	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
MIDDLETOWN CSD	35.33	36.53	37.03	37.03	37.03	38.20	33.23	33.23	33.23	33.43	33.43
BUTLER COUNTY	8.45	8.45	8.45	7.45	7.45	7.45	7.45	7.44	7.44	7.45	7.45
CITY OF MONROE	7.85	7.85	7.85	7.85	7.85	7.85	7.85	9.17	9.17	9.17	9.17
CITY OF MIDDLETOWN	6.36	6.31	6.31	6.31	6.31	6.31	6.38	6.57	6.56	6.66	6.66
BUTLER COUNTY JOINT VOCATIONAL	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.94	1.97	1.97
LEMONT TOWNSHIP	-	-	-	-	-	-	2.92	4.92	9.42	9.42	9.42
LEMON TWP - MONROE CORP.	-	-	-	-	-	-	0.60	0.60	0.60	0.60	0.60

Source: Butler County Auditor.

**TABLE 6**  
**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO**  
**RATIO OF NET GENERAL BONDED DEBTS TO ASSESSED VALUE**  
**AND NET BONDED DEBT PER CAPITA**  
**LAST TEN YEARS**  
**1991 - 2000**

COLLECTION YEAR	POPULATION (1)	ASSESSED VALUE (2)	GROSS BONDED DEBT	LESS DEBT SERVICE FUND	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE (%)	ESTIMATED NET BONDED DEBT PER CAPITA
1991	62,684	\$ 774,989,403	\$ 705,000	\$ 254,432	\$ 450,568	0.06%	\$7
1992	62,684	772,512,451	645,000	75,525	569,475	0.07%	9
1993	62,684	789,143,172	585,000	173,052	411,948	0.05%	7
1994	62,684	816,995,098	520,000	269,256	250,744	0.03%	4
1995	62,684	806,933,528	450,000	269,477	180,523	0.02%	3
1996	62,684	894,371,779	375,000	2,131,561	0	0.00%	0
1997	62,684	976,282,096	290,000	1,642,235	0	0.00%	0
1998	62,684	1,010,997,265	200,000	503,152	0	0.00%	0
1999	62,684	1,014,671,930	105,000	618,539	0	0.00%	0
2000	62,684	\$ 916,553,000	\$ 0	\$ 744,181	\$ 0	0.00%	\$0

Sources: (1) Census data for 1980 and 1990; estimates from the City of Middletown, Department of Economic Development and Planning for interim years.  
(2) Butler County Auditor, calendar year basis.

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
COMPUTATION OF LEGAL DEBT MARGIN  
AS OF JUNE 30, 2000**

**TABLE 7**

<b>ASSESSED VALUATION OF DISTRICT</b>		<b>\$ 916,553,000</b>
<hr/>		
<b>OVERALL DIRECT DEBT LIMITATION</b>		
DIRECT DEBT LIMITATION 9% OF ASSESSED VALUATION		82,489,770
AMOUNT AVAILABLE IN DEBT SERVICE FUND		744,181
GROSS INDEBTEDNESS	0	
LESS: DEBT EXEMPT FROM LIMITATION	<u>0</u>	
DEBT SUBJECT TO 9% LIMITATION		<u>0</u>
LEGAL DEBT MARGIN WITHIN 9% LIMITATION		<u>\$ 83,233,951</u>
<hr/>		
<b>UNVOTED DIRECT DEBT LIMITATION</b>		
UNVOTED DEBT LIMITATION 0.1% OF ASSESSED VALUATION		\$ 916,553
AMOUNT AVAILABLE IN DEBT SERVICE FUND RELATED TO UNVOTED DEBT		744,181
GROSS INDEBTEDNESS AUTHORIZED BY THE BOARD	850,000	
LESS: DEBT EXEMPT FROM LIMITATION	<u>0</u>	
DEBT SUBJECT TO 0.1% LIMITATION		<u>(850,000)</u>
LEGAL DEBT MARGIN WITHIN 0.1% LIMITATION		<u>\$ 810,734</u>
<hr/>		
<b>ENERGY CONSERVATION BOND LIMITATION</b>		
OHIO REVISED CODE SECTION 133.042		
DEBT LIMITATION 0.9% OF ASSESSED VALUATION		\$ 8,248,977
ENERGY CONSERVATION NOTES AUTHORIZED BY THE BOARD		<u>0</u>
LEGAL DEBT MARGIN WITHIN 0.9% LIMITATION		<u>\$ 8,248,977</u>

Source: Middletown City School District records.

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 JUNE 30, 2000**

**TABLE 8**

<u>GOVERNMENTAL UNIT</u>	<u>GROSS GENERAL OBLIGATION</u>	<u>PERCENT APPLICABLE TO DISTRICT</u>	<u>AMOUNT APPLICABLE TO DISTRICT</u>
<b>DIRECT:</b>			
Middletown City School District	\$ 850,000	100.00%	\$ 850,000
<b>OVERLAPPING:</b>			
City of Middletown	27,655	100.00%	27,655
City of Monroe	5,878,900	92.37%	5,430,340
Butler County	30,575	17.84%	5,455
Warren County	<u>4,830,454</u>	2.86%	<u>138,151</u>
<b>TOTAL OVERLAPPING:</b>	<u>10,767,584</u>		<u>5,601,601</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT:</b>	<u>\$ 11,617,584</u>		<u>\$ 6,451,601</u>

Source: Ohio Municipal Advisory Council



**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES**  
**FOR GENERAL BONDED DEBT TO TOTAL GENERAL OPERATING EXPENDITURES (1)**  
**LAST TEN FISCAL YEARS**  
**1991 - 2000**

**TABLE 9**

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL OPERATING EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES (%)</u>
1991	\$ 55,000	\$ 51,275	\$ 106,275	\$ 39,756,399	0.27%
1992	60,000	47,250	107,250	39,755,935	0.27%
1993	60,000	43,050	103,050	44,098,498	0.23%
1994	65,000	38,675	103,675	44,382,389	0.23%
1995	70,000	33,950	103,950	45,199,245	0.23%
1996	75,000	28,875	103,875	41,216,060	0.25%
1997	85,000	23,275	108,275	47,603,654	0.23%
1998	90,000	17,150	107,150	47,847,209	0.22%
1999	95,000	10,675	105,675	50,587,893	0.21%
2000	\$ 105,000	\$ 3,902	\$ 108,902	\$ 53,344,960	0.20%

Source: Middletown City School District records.

(1) Includes General and Emergency Levy Funds only.

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 DEMOGRAPHIC STATISTICS  
 LAST TEN FISCAL YEARS  
 1991 - 2000**

**TABLE 10**

FISCAL YEAR	POPULATION (1)	AVERAGE FEDERAL ADJUSTED GROSS INCOME (2)	SCHOOL ENROLLMENT (3)	UNEMPLOYMENT RATE (4)		
				MIDDLETOWN SERVICE AREA	STATE OF OHIO	UNITED STATES
1991	62,684	\$26,563	9,680	6.60%	6.40%	6.70%
1992	62,684	27,183	9,685	7.70%	7.60%	7.60%
1993	62,684	27,183	9,828	7.80%	5.80%	7.00%
1994	62,684	26,731	9,895	5.50%	5.50%	6.00%
1995	62,684	28,187	9,935	4.20%	4.60%	5.80%
1996	62,684	28,903	9,780	4.30%	4.90%	5.30%
1997	62,684	30,310	9,816	3.50%	4.30%	5.20%
1998	62,684	31,557	9,656	3.60%	4.50%	4.70%
1999	62,684	33,087	9,466	3.70%	4.50%	4.50%
2000	62,889	\$34,741	9,260	3.30%	4.10%	4.00%

- Sources: (1) 1980 and 1990 Census data; estimates from the City of Middletown, Department of Economic Development and Planning for interim years.
- (2) Ohio Department of Taxation, Department of Tax Analysis and Local Government Distributions.
- (3) Middletown City School District records.
- (4) Ohio Bureau of Employment Services, Labor Market Division. Data for 2000 is as of the month of June.

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUES  
 LAST TEN COLLECTION (CALENDAR) YEARS  
 1991 - 2000**

**TABLE 11**

<u>FISCAL YEAR</u>	<u>NEW CONSTRUCTION (1)</u>	<u>BANK DEPOSITS (2)</u>	<u>PROPERTY VALUES (3)</u>
1991	\$ 28,105,800	\$ 2,104,239,000	\$ 514,066,270
1992	21,963,514	904,381,000	522,717,490
1993	13,472,200	724,213,000	527,179,520
1994	20,053,429	711,686,000	574,093,730
1995	20,473,940	737,683,000	586,939,860
1996	20,912,114	800,556,000	596,732,960
1997	26,948,400	783,398,000	661,069,610
1998	40,738,971	815,435,000	675,189,920
1999	38,753,171	864,105,000	687,607,230
2000	\$ 10,836,229	\$ 913,169,000	\$ 636,518,934

Sources: (1) Butler County Auditor

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

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

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
PRINCIPAL TAXPAYERS  
AS OF JUNE 30, 2000**

**TABLE 12**

<u>NAME OF TAXPAYER</u>	<u>NATURE OF BUSINESS</u>	<u>TAXABLE VALUE</u>	<u>% OF TOTAL ASSESSED VALUATION</u>
<b>Real Property</b>			
AK Steel Corp.	Steel Manufacturer	\$ 20,418,490	2.23%
Southwestern Ohio Steel Co.	Steel Manufacturer	2,627,500	0.29%
Armco Inc.	Steel Manufacturer	1,867,060	0.20%
Jefferson Smurfit Corp.	Paper Manufacturer	1,551,430	0.17%
Bay West Paper Corp.	Paper Manufacturer	1,526,180	0.17%
Aeronca Aircraft Corp.	Aerospace Systems	1,294,490	0.14%
Precision Strip	Manufacturer	1,146,500	0.13%
Sorg Paper Co.	Paper Manufacturer	1,004,570	0.11%
Square D Co.	Manufacturer	894,100	0.10%
Crystal Tissue Co.	Paper Manufacturer	858,070	0.09%
<b>Personal Property</b>			
AK Steel Corp.	Steel Manufacturer	102,807,000	11.22%
Jefferson Smurfit Corp.	Paper Manufacturer	6,556,660	0.72%
Bay West Paper Corp	Paper Manufacturer	5,881,910	0.64%
Messer Griesheim	Manufacturer	5,653,280	0.62%
Southwestern Ohio Steel	Steel Manufacturer	5,570,870	0.61%
Aeronca Inc.	Aerospace Systems	4,630,143	0.51%
Air Products & Chemical Inc.	Industrial Gasses	3,915,100	0.43%
J & F Steel Corp.	Manufacturer	3,351,160	0.37%
Precision Strip Inc.	Manufacturer	3,137,180	0.34%
MSC Pre Finish Metals Inc.	Manufacturer	2,393,890	0.26%
<b>Public Utility Personal</b>			
Cincinnati Gas & Electric Co.	Public Utility	38,645,980	4.22%
Ohio Bell Telephone	Public Utility	12,037,610	1.31%
Texas Eastern Pipeline Co.	Public Utility	1,232,240	0.13%
All other taxpayers		687,551,587	75.01%
Total Assessed Value		<u>\$ 916,553,000</u>	<u>100.00%</u>

Source: Butler County Auditor

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
MIDDLETOWN AREA TEN LARGEST EMPLOYERS  
AS OF JUNE 30, 2000**

**TABLE 13**

<u>EMPLOYER</u>	<u>NATURE OF BUSINESS</u>	<u>NUMBER OF EMPLOYEES</u>
AK Steel Corp.	Steel Manufacturer	4,100
Middletown Regional Hospital	Health Care	1,600
Middletown City Schools	Education	910
City of Middletown	City Government	430
Aeronca Aircraft Corporation	Aviation Products	420
Jefferson Smurfit Corporation	Paper and Packaging Products	380
Sorg-Bay West Paper Company	Paper Processing	350
Square D Company	Electrical Switchgears	300
Voith Paper Technology	Paper Industry Machine Sales	250
Garden Manor Nursing Home	Nursing Home	240

Source: Mid-Miami Valley Chamber of Commerce.

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
TEACHING STAFF VITAL STATISTICS  
LAST TEN FISCAL YEARS  
1991 - 2000**

**TABLE 14**

FISCAL YEAR	CLASSROOM TEACHER TRAINING				AVG YEARS EXPERIENCE	ATTENDANCE RATE	PUPIL/TEACHER RATIO (1)
	NON-DEGREEE	BACHELOR	BACHELOR +20 HRS	MASTER AND BEYOND			
1991	0.0%	34.2%	21.2%	44.6%	14.3	96.0%	16.6
1992	0.9%	34.0%	22.7%	42.4%	13.7	95.1%	16.4
1993	0.0%	32.6%	24.7%	42.7%	14.0	96.6%	16.5
1994	0.8%	44.5%	21.8%	32.9%	14.6	96.3%	19.7
1995	0.3%	26.3%	23.7%	49.7%	15.1	95.9%	21.2
1996	0.6%	26.5%	25.2%	47.7%	14.8	95.2%	22.2
1997	0.1%	28.0%	27.8%	44.1%	13.2	96.2%	22.3
1998	0.0%	28.7%	29.3%	42.0%	13.0	96.1%	21.3
1999	0.0%	29.5%	28.1%	42.4%	13.1	95.8%	19.6
2000	0.0%	29.2%	30.2%	40.6%	13.5	96.2%	18.6

Source: Ohio Department of Education records.

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

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 STUDENT VITAL STATISTICS  
 LAST TEN FISCAL YEARS  
 1991 - 2000**

**TABLE 15**

<u>FISCAL YEAR</u>	<u>ENROLLMENT</u>	<u>ATTENDANCE RATE</u>	<u>GRADUATION RATE</u>	<u>MINORITY RATE</u>	<u>A.D.C. RATE</u>
1991	9,680	92.0%	60.6%	13.8%	17.5%
1992	9,685	92.8%	62.0%	14.1%	17.7%
1993	9,828	92.6%	72.8%	14.4%	18.1%
1994	9,895	92.2%	64.9%	14.0%	18.6%
1995	9,935	91.7%	63.4%	14.5%	19.5%
1996	9,780	91.9%	64.9%	14.4%	19.2%
1997	9,817	92.9%	67.7%	15.0%	17.7%
1998	9,656	93.2%	70.3%	15.3%	15.6%
1999	9,466	92.4%	76.9%	15.9%	12.6%
2000	9,260	93.2%	74.4%	15.9%	12.1%

Source: Ohio Department of Education records.

MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 SCHEDULE OF INSURANCE POLICIES  
 AT JUNE 30, 2000

TABLE 16

COMPANY	TYPE OF COVERAGE	POLICY NUMBER	POLICY PERIOD	LIMITS	ANNUAL DEDUCTIBLE	ANNUAL PREMIUM
Cincinnati Insurance Company	Buildings and Contents	BFW(94)50466500	7/99 to 7/00	\$105,794,953	\$1,000	\$ 25,319
Nationwide Mutual Insurance Co.	Vehicles and Buses	CA-005949	7/99 to 7/00	\$3,000,000 Combined single limit	\$500	\$ 29,254
Nationwide Mutual Insurance Co.	District Liability	EGL0005949	3/00 to 3/01	\$2,000,000/occurrence \$5,000,000 /aggregate	\$1,000	\$ 31,541
Cincinnati Insurance Company	Boiler and Machinery	BES2651694	7/99 to 7/00	\$15,000,000	\$250	\$ 3,152
Indiana Insurance Co.	Commercial Crime	CR 9243835	7/99 to 7/00	\$10,000	\$0	\$ 543
Indiana Insurance Co.	Inland Marine	BMO(94)50482731	7/99 to 7/00	\$680,848	\$250	\$ 2,485
Ohio Casualty Insurance Co.	School Employee Bond	3-036-053-7	7/99 to 7/00	\$5,000	\$0	\$ 726
Ohio Casualty Insurance Co.	Performance Bonds:					
	Treasurer	2-963-696-1	1/00 to 1/01	\$50,000	\$0	\$ 731
	Superintendent	15940941	1/00 to 1/01	\$20,000	\$0	\$ 70
	Board President	15940941	1/00 to 1/01	\$20,000	\$0	\$ 70

Source: Middletown City School District records.



**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 DIRECTORY OF SCHOOL FACILITIES  
 AS OF JUNE 30, 2000**

**TABLE 17**

<u>FACILITY</u>	<u>ADDRESS</u>	<u>PRINCIPAL</u>	<u>GRADES</u>	<u>1999-00 ENROLLMENT</u>
Amanda Elementary School	1300 Oxford State Road	Mr. John Shepard	K-6	406
Central Academy School	1516 First Avenue	Ms. Linda Carpenter	K-6	292
Creekview Elementary School	301 Loretta Drive	Mr. Stephen Wolf	K-6	358
Jefferson Elementary School	800 Charles Street	Mr. Matthew Gray	K-6	329
Mayfield Elementary School	3325 Burbank Street	Mr. John Petrocy	K-6	596
McKinley Elementary School	1210 S. Verity Parkway	Ms. Phyllis Edmonds	3-6	406
Oneida Elementary School	2901 Yankee Road	Mr. James Thomas	K-6	266
Roosevelt Elementary School	2701 Central Avenue	Ms. Sandra Locher	K-6	763
Rosedale Elementary School	4601 Sophie Avenue	Mr. David Volyes	K-6	322
Taft Elementary School	1036 S. Verity Parkway	Ms. Monica Marsh	K-2	379
Wildwood Elementary School	3300 Wildwood Road	Mr. Michael Lolli	K-6	341
Wilson Elementary School	106 S. Highview Road	Ms. Linda Barton	K-6	323
Vail Middle School	1415 Girard Avenue	Ms. Donna Gardner	7-8	773
Verity Middle School	1900 Johns Road	Mr. Larry Knapp	7-8	699
Middletown High School	601 N. Breiel Blvd.	Mr. Gary Perkins	9-12	1,567
Garfield Alternative Education Ctr	1830 Yankee Road	Mr. Tod Baldwin	9-12	169

Source: Middletown City School District records.

MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
 COST TO EDUCATE A 2000 GRADUATE

TABLE 18

SCHOOL YEAR	GRADE	COST PER PUPIL (1)	
		MIDDLETOWN	STATE AVG
1987-88	K	\$ 1,684	\$ 1,782
1988-89	1	3,590	3,852
1989-90	2	4,044	4,166
1990-91	3	4,369	4,390
1991-92	4	4,708	4,614
1992-93	5	4,993	5,024
1993-94	6	5,177	5,218
1994-95	7	5,457	5,379
1995-96	8	5,175	5,464
1996-97	9	5,780	5,939
1997-98	10	6,187	6,232
1998-99	11	6,517	6,642
1999-00	12	7,127	7,057
		<u>\$ 64,808</u>	<u>\$ 65,759</u>

Source: Ohio Department of Education

(1) Includes all funds of the District.

**MIDDLETOWN CITY SCHOOL DISTRICT, OHIO  
PARTNERSHIP WITH YOUTH PROGRAM PARTICIPANTS  
AS OF JUNE 30, 2000**

**TABLE 19**

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

Abilities First	Meijer Inc.
AK Steel Corporation	Miami University - Middletown Campus
American Red Cross	Mid-Miami Valley Chamber of Commerce
Armbruster Florist	Midd Commons
Arts in Middletown	Middfest International Foundation
Bank One, Cincinnati	Middletown Area United Way
Bern's Greenhouse and Garden Center	Middletown Area YMCA
Big Brothers/Big Sisters	Middletown Journal
Bost Marketing Comm. Inc.	Middletown Lions Club
Boulevard Bagel Co.	Middletown Police Dept
Brown's Run Country Club	Middletown Public Library
Bulls Run Arboretum	Middletown Regional Hospital
CBS Personnel Services	Midfirst Credit Union
Chick-fil-A	Mac's Cad
City of Middletown	Noonan & Brockman DDS
City of Middletown Health Dept.	Ohio National Guard Armory
Clark Schaefer Hackett and Co.	Palmer Group
Conservative Investment Concepts	Papa John's
Cracker Barrel	Parkway Bait & Tackle Shop
Crystal Creative Products	Partnership EAP, Inc.
Dillman Foods, Inc.	Putt-Putt Golf and Games
Donato's Pizza	Rally's
Ellenbee-Leggett	Robinson, Lawton, Kent Realtors
Fifth Third Bank	Shells Seafood Restaurant
First National Bank of Southwestern Ohio	Sorg Opera Co.
Frost & Jacobs, Attorneys at Law	Soroptimist Club of Middletown
Good News Magazine	Square D Company
Health Service Review, Inc.	Target Stores, Inc.
Inland Paperboard & Packaging	Time Warner Cable
Jefferson Smurfit Corporation	Tomson Steel
Junior Achievement of Middletown	Towne Bank
Keep Middletown Beautiful	Towne Mall Merchants Assn.
Lebanon Citizens National Bank	TV Middletown
M.A.L.A.C.H.I.	Warren Correctional Institute
Magnode	Watson's Cleaners
Manchester Inn	Worthington Steel Corporation

Source: Middletown City School District records.

This Comprehensive Annual Financial Report  
was prepared by:

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

The Middletown City School District Finance Department:

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

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

Edmund R. Pokora, Treasurer  
Middletown City School District  
1515 Girard Avenue  
Middletown, OH 45044  
Phone: (513) 423-0781  
Fax: (513) 420-4579  
Email: [epokora@mcsd.k12.oh.us](mailto:epokora@mcsd.k12.oh.us)  
Homepage: [www.middletowncityschools.com](http://www.middletowncityschools.com)

**MIDDLETOWN CITY SCHOOL DISTRICT**

**Single Audit Reports**

**June 30, 2000**

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**PLATTENBURG & ASSOCIATES, INC./CERTIFIED PUBLIC ACCOUNTANTS**

8280 MONTGOMERY ROAD, SUITE 210/ CINCINNATI, OH 45236 • (513) 891-2722 • FAX (513) 891-2760  
2211 SOUTH DIXIE AVENUE/ DAYTON, OH 45409 • (937) 294-1505 • FAX (937) 294-1507

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

December 13, 2000

Board of Education  
Middletown City School District

We have audited the general purpose financial statements of the Middletown City School District, (the District), as of and for the year ended June 30, 2000, and have issued our report thereon dated December 13, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the

normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Plattenburg & Associates, Inc.  
Certified Public Accountants



**PLATTENBURG & ASSOCIATES, INC./CERTIFIED PUBLIC ACCOUNTANTS**

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2211 SOUTH DIXIE AVENUE/ DAYTON, OH 45409 • (937) 294-1505 • FAX (937) 294-1507

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

December 13, 2000

Board of Education  
Middletown City School District

Compliance

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

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

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

### Internal Control Over Compliance

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

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

### Schedule of Federal Awards Expenditures

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 2000, and have issued our report thereon dated December 13, 2000. Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the District taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by *OMB Circular A-133* and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

Plattenburg & Associates, Inc.  
Certified Public Accountants

**MIDDLETOWN CITY SCHOOL DISTRICT**  
**SCHEDULE OF FEDERAL AWARDS EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2000**

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
Passed Through Ohio Department of Education:						
Child Nutrition Cluster:						
Food Distribution Program	03-PU	10.550	\$0	\$129,825	\$0	\$165,821
National School Breakfast Program	05-PU	10.553	172,351	0	172,351	0
National School Lunch Program	04-PU	10.555	889,789	0	889,789	0
Total U.S. Department of Agriculture - Nutrition Cluster			<u>1,062,140</u>	<u>129,825</u>	<u>1,062,140</u>	<u>165,821</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Title VI - B Grant	6B-SF	84.027	575,562	0	641,178	0
Preschool Grant	PG-S1	84.173	16,775	0	30,963	0
Total U.S. Special Education Cluster			<u>592,337</u>	<u>0</u>	<u>672,141</u>	<u>0</u>
Adult Basic Education Grant	AB-S1	84.002	153,626	0	153,626	0
Eisenhower Grant	MS-S1	84.281	56,439	0	61,954	0
Title I Grant	C1-S0	84.010	1,520,354	0	1,630,985	0
Title VI	C2-S1	84.298	77,455	0	58,002	0
Tech Literacy	TF-S1	84.318	0	0	94,269	0
Drug Free Schools Grant	DR-S1	84.186	96,769	0	38,254	0
Comprehensive School Reform	CR-S1	84.332	139,915	0	177,774	0
Entry Year Grant	G2-S4	84.276	98,675	0	107,292	0
Title VI-R	n/a	84.340	223,528	0	207,635	0
Total Department of Education			<u>2,959,098</u>	<u>0</u>	<u>3,201,932</u>	<u>0</u>
<b>DIRECT PROGRAMS</b>						
<b>U.S. DEPARTMENT OF EDUCATION</b>						
Impact Aid Grant	n/a	84.041	258	0	258	0
<b>OHIO HUNGER TASK FORCE</b>						
Keep Year 2	n/a	93.575	27,000	0	26,948	0
USI School Age Care	n/a	84.312	0	0	207,619	0
Total Ohio Hunger Task Force - Direct			<u>27,258</u>	<u>0</u>	<u>234,825</u>	<u>0</u>
Total Federal Assistance			<u>\$4,048,496</u>	<u>\$129,825</u>	<u>\$4,498,897</u>	<u>\$165,821</u>

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B -- FOOD DISTRIBUTION

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

n/a -- Information not available

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

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

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

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

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

None Noted

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

None Noted

**MIDDLETOWN CITY SCHOOL DISTRICT**  
**JUNE 30, 2000**

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

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





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**MIDDLETOWN CITY SCHOOL DISTRICT**

**BUTLER COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 8, 2001**