ROOSEVELT ADMINISTRATIVE SERVICE CENTER

APPLICANTS:

NEWARK CITY SCHOOLS
LICKING EDUCATIONAL SERVICE CENTER
LICKING AREA COMPUTER ASSOCIATION

PURPOSE:

To combine three administrative service organizations into one administrative building. This will create cost savings from administrative support staff and equipment. Create savings for lease costs and utility costs. Finally it will improve the working environment for all three organizations.

REQUESTING: $300,000 IN GRANT MONEY

ROOSEVELT ADMINISTRATIVE SERVICE CENTER

MAIN APPLICANT:

NEWARK CITY SCHOOLS
85 EAST MAIN STREET
NEWARK OHIO 43055

PHONE # 740-670-7010
FAX: 740-670-7024

E-MAIL: jaanderson@laca.org

APPLICANT CONTACT:
JEFFREY A. ANDERSON
TREASURER NEWARK CITY SCHOOLS
85 EAST MAIN STREET
NEWARK, OHIO 43055

PHONE #: 740-670-7010
FAX: 740-670-7024
E-MAIL: jaanderson@laca.org

County: Licking County Ohio
Population: Newark 47,573

ROOSEVELT ADMINISTRATIVE SERVICE CENTER

COLLABORATIVE PARTNERS:

LICKING EDUCATIONAL SERVICE CENTER

675 PRICE ROAD NORTHEAST
NEWARK, OHIO 43055-9454

PHONE# 740-349-6084
FAX: 740-349-6107

E-MAIL: nmccray@laca.org (NELSON McCRAY)

LICKING COUNTY POPULATION: 166,492

VISION

The LCESC is a vital link fo r educational services making a difference together for all schools in Licking County.

MISSION

To provide leadership and service to meet the individual and collective needs of Licking County schools so that the quality of educational experiences for children is enhanced and improved.

LCESC serves the following schools in various capacities:

Granville Exempted Village; Heath City ; Johnston-Monroe Local; Lakewood Local; Licking Heights Local Licking Valley Local; Newark City;North Fork Local; Northridge Local ; Southwest Licking Local; Amanda Clearcreek Local ; Lancaster City ; Northern Local (Perry); C-TEC.

NATURE OF PARTNERSHIP:

The Licking County Educational Service Center (LESC) will move into the remodeled Roosevelt Middle School with Newark City Schools and the Licking Area Computer Association. This will allow the LESC to continue to provide services to it's Fourteen member districts at a lower cost because of the savings that will be incurred by incurring a lower rent cost and sharing receptionist, sharing computer labs, computer lines , servers etc.

LICKING AREA COMPUTER ASSOCIATION

195 UNION STREET, SUITE C-2
NEWARK, OHIO 43055

PHONE# 740-345-3400 EXT.223
FAX: 740-345-3427

E-MAIL: jbowers@laca.org (JON BOWERS)

LICKING COUNTY POPULATION: 166,492

MISSION

The purpose of LACA is to develop, support, and provide leadership for the administrative, educational and network technology for the member Boards of Education while striving to surpass customer expectations.

LACA seves the following member districts:

C-Tec Career and Technology Centers of Licking County; Crooksville Exempted Village Schools; East Muskingum Local Schools; Granville Exempted Village Schools; Heathe City School; Lakewood Local ; Locking Heights Local Schools; Licking County Educational Service Center; Maysville Local Schools; Mount Vernon City Schools; Newark City Schools; North Fork Local Schools; Northridge Local Schools; Southwest Licking Local Schools; Tri Valley Local Schools; West Muskingum Local Schools; Foxfire High School; Foxfire Intermediate Schools; Lakewood Digital Academy; Newark Digital Academy; Par Excellence; Southwest Licking Digital Academy

NATURE OF PARTNERSHIP:

The Licking Area Computer Association (LACA) will move into the remodeled Roosevelt Middle School with Newark City Schools and the Licking County Educational Service CTR. This will allow the LACA to continue to provide services to it's Twenty three member districts at a lower cost because of the savings that will be incurred by incurring a lower rent cost and sharing receptionist, sharing computer labs, computer lines , servers etc.

Name of Project: ROOSEVELT ADMINISTRATION SERVICE CENTER

The Newark City Schools, The Licking Area Computer Association, and The Licking County Educational Service Center would remodel the former Roosevelt Middle School into a new Administrations building for all three organizations. By working collaboratively the three organizations would realize savings in the form of rent and utilities, savings in sharing of staff. For example only one receptionist would be needed in place of the current three receptionists. Savings in sharing computer servers, sharing computer labs, sharing conference rooms, sharing a common backup power generator and other savings such as custodial expense and security.

We are seeking grants to cover the initial cost of feasibility study, design of internal office spaces, preparation of bid packages for fire sprinkler systems, electrical upgrades, and new ACH systems. JBA Architects has provided us with an estimate of the cost of these services:

Programming/Design Phase	25%		$60,000
Construction Documentation Phase	50%		$120,000
Bidding/Contract Award	5%		$12,000
Construction Services	20%	$	48,000
Basic Sevice Total Fee	$100		$240,000

(SEE ESTIMATE OF FEES FROM JBA ARCHITECTS IN FINANCIAL DOCUMENTATION)

Problem Statement:
Additionally Asbestos Abatement is estimated to cost approximately $85,000 based on the cost of a similar middle school renovated three years ago.

It should be noted that the entire community is in support of the Newark City School District to save this fine old school building. This building was built in 1935. The architecture is unique and complements the surrounding community. We would like to complete this renovation and move into the building by August or September of 2013.

The Cost Savings from this project will impact over twenty three school districts by providing services at a lower cost for many years to come. This savings will be achieved through the LCESC and the Licking Area Computer Association.

Cost Projections provided by JBA Architects are:

GENERAL TRADES	$1,072,000
FIRE SUPPRESSION	$269,000
PLUMBING	$192,000
HVAC	$877,500
ELECTRIC	$813,000
TOTAL	$3,223,500

Newark City Schools will utilize bond construction money from it's 2005 Bond issue to fund the $3,223,500.

Detailed Financial Information is included in the attached Popular Annual Financial Report (PAFR) and attached Comprehensive Annual Financial Report (CAFR).

We are requesting the following grants:

NEWARK CITY SCHOOLS	$100,000
LICKING COUNTY EDUCATIONAL SERVICE CENTER	$100,000
LICKING AREA COMPUTER ASSOCIATION	$100,000
TOTAL GRANTS REQUESTED	$300,000

The estimated cost of the project is:

Programming and Design Phase	$60,000
Construction Documentation Phase	$120,000
Bidding/Contract Award	$12,000
Construction Administration	$48,000
Basic Services-Architectural & Engineering Fees	$240,000
General Trades	$1,072,000
Fire Suppression	$269,000
Plumbing	$192,000
HVAC	$877,500
Electric	$813,000
PRELIMINARY ESTIMATE	$3,233,500
TOTAL PROJECT:	$3,473,500

We have local funds of $3,200,000 from our 2005 Bond Issue for matching funds.

Between the three organizations we expect to save the following funds:

Year	2013	2014	2015	2016	2017	2018
LACA	$15,000	$50,000	$50,000	$50,000	$50,000	$50,000
LESC	$15,000	$45,000	$45,000	$45,000	$45,000	$45,000
NEWARK	$25,000	$120,000	$120,000	$120,000	$120,000	$120,000
TOTALS	$55,000	$215,000	$215,000	$215,000	$215,000	$215,000

Comprehensive Annual Financial Report

For the year ending June 30, 2011

Newark City Schools • Newark, Ohio

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

NEWARK CITY
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2011

PREPARED BY
TREASURER'S DEPARTMENT
JEFFREY A. ANDERSON, TREASURER

85 EAST MAIN STREET NEWARK, OHIO 43055

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INTRODUCTORY SECTION

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NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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Administrative Service Center
85 East Main Street
Newark, Ohio 43055
(740) 345-9891
www.newarkcityschools.org

December 20, 2011

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

We are pleased to submit to you the thirteenth Comprehensive Annual Financial Report (CAFR) of the Newark City School District (the "District"). This CAFR, which includes an opinion from Rea and Associates Inc., conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rest with the District's management. To the best of our knowledge and belief, this CAFR and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

State statute requires an annual audit by independent accountants. Rea and Associates Inc. conducted the audit. The audit has been conducted in accordance with generally accepted auditing standards, generally accepted government auditing standards, and include a review of internal controls and test of compliance with Federal and State laws and regulations. The Independent Auditor's Report is included in the CAFR.

This transmittal letter is designed to provide historical information about the District, as well as complement the required Management's Discussion and Analysis (discussed below). Unless noted otherwise, the financial data in this transmittal letter is presented on the modified accrual basis of accounting. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The District's MD&A, which focuses on the government-wide statements, can be found on page 15 of the financial section of this report.

PROFILE OF THE SCHOOL DISTRICT

The City of Newark, the county seat of Licking County, is located approximately 33 miles east of Columbus in the central part of the State. The District serves an area of approximately 19 square miles and approximately 47,573 residents.

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

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

During fiscal year 2011, the District had 6,035 students enrolled in eleven schools: Carson Elementary, Cherry Valley Elementary, Johnny Clem Elementary, Ben Franklin Elementary, Hillview Elementary, Legend Elementary, and McGuffey Elementary schools housing grades K through 5; Heritage Middle, Liberty Middle, and Wilson Middle housing grades 6 through 8; and Newark High School housing grades 9 through 12 with 1,492 students.

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

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

Internal Controls

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

Budgetary Controls

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriations resolution, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control required by Ohio Revised Code is at the fund level. The legal level of budgetary control imposed by the District (the highest level for which expenditures cannot legally exceed the appropriated amount) is established at the broad object level (first level) for the general fund and at the fund level for all other budgeted funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

ECONOMIC CONDITION AND OUTLOOK

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

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

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

Although the District had been impacted by the national recession in fiscal years 2003 and 2004 regarding income tax, the District experienced a 5.3% increase in collections of income tax in fiscal year 2005, an increase of .5% in fiscal year 2006, an increase of 5.6% in fiscal year 2007, and an increase of 16.5% in fiscal year 2008. In fiscal year 2009, collections decreased 3.5% signaling the start of the current economic downturn of local businesses. In fiscal year 2010, collections continued to decline. In fiscal year 2011, collections declined by $62,795 which may show signs of leveling off in the economy.

Long-Term Financial Planning

The District prepares a five-year financial forecast annually for use as a tool for long range planning. The five-year forecast contains projected local and state revenues, spending patterns within each area of the budget, and cash balances in the District's operating fund. The five-year forecast provides early warning signs of potential financial problems.

The District uses the five-year forecast to provide a basis for making financial decisions, including the construction of the annual budget, adjustments to staffing levels, collective bargaining, and the placement of tax levies on the ballot. Specific examples of recent decisions that have resulted in the improvements in the District's financial condition include the Board instituting $5.1 million in cuts for fiscal year 2008 and the passage of the five year 7.5 mil emergency operating on May 5, 2009. The District successfully passed the renewal of the income tax in May 2007 for five years. This income tax was renewed again for another Five years in May 2011 therefore the Income tax will continue until December 2017. The next ballot issue will be the renewal or replacement of the 7.5 mil emergency levy which will expire in 2014

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Accomplishments for 2010

Financial

The District received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association for the twelfth consecutive year.

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

Instruction

The District achieved the status of Continuous Improvement on the state of Ohio's District Report Card.

<u>Achievement Tests</u>

State and federal law requires testing students in grades 3 - 8 and grade 10 in various subjects. During 2011 - 2012, the following tests will be administered:

3rd grade - reading and math
4th grade - reading, and math
5th grade - reading, math, and science
6th grade - reading and math
7th grade - reading, and math
8th grade - reading, math, and science
10th grade- reading, writing, math, science, and social studies

11th and 12th grade- students who have not passed one or more of the OGT assessments will have two opportunities a year (with an additional, optional opportunity each summer) to retake the tests in which they have not yet achieved proficiency. Passing the Ohio Graduation Test is a requirement for graduation from high school for students through the class of 2014.

The percentage of 11th grade students who have successfully passed the Ohio Graduation Tests is listed here:

Reading	91.8%
Writing	90.7%
Math	88.9%
Social Studies	89.2%
Science	81.2%

Initiatives for 2011

Financial

To receive the Certificate of Excellence in Financial Reporting from the GFOA for the District's 2011 CAFR.

To receive the Award for Outstanding Achievement in Popular Annual Financial Reporting from the GFOA for the 2011 Popular Annual Financial Report.

Instruction

- To maintain the District's Effective status and make progress towards becoming the first urban school district in Ohio to achieve Excellent status
- To improve, continuously, the District's Graduation Rate.
- To achieve Adequate Yearly Progress as measured by the District's report card by improving the scores of students with disabilities in reading
- To implement Year 1 of the Ohio Improvement Process
- To continue to implement and monitor the Response to Intervention (RtI) process.
- To purchase materials to support the implementation of the new national Common Core Academic Content Standards in English Language Arts and Math and the new Ohio Academic Content Standards in Science and Social Studies.
- To evaluate high school textbook and instructional materials adoptions and purchase instructional materials as necessary.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Newark City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010.

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

Acknowledgements

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

Respectfully submitted,

Douglas C. Ute
Superintendent

Jeffrey A. Anderson
Treasurer

NEWARK CITY SCHOOL DISTRICT

PRINCIPAL OFFICERS

Board of Education

Molly Ingold	Board Member, President (3/9/04-12/31/11)
Beverly Niccum	Board Member, Vice President (1/1/10-12/31/13)
Dan Bybee	Board Member, (1/1/10-12/31/13)
Mark Christenberry	Board Member, (1/1/08-12/31/11)
Robert Handelman	Board Member, (1/1/04-12/31/11)

Administration

Douglas Ute	Superintendent - (Hired 8/1/09)
Jeffrey Anderson	Treasurer - (Hired 2/28/09)
David Altepeter	Director Classified Personnel/Support Services - (Hired 7/8/96)
Barbara Quackenbush	Director, Certificated Personnel (Hired 2/22/10)
Dana Herreman	Director of Curriculum & Staff Development - (Hired 9/1/77)
Bobbie Reeves	Assistant Director of Curriculum - (Hired 9/2/1980 – 6/30/10)
Jean Brown	Co-Director of Special Education - (Hired 8/1/06)
Mark Severance	Co-Director of Special Education - (Hired 7/31/92)
Fran Russ	Director of Communications - (Hired 12/01/08)

Board of Education

Treasurer

- ❍ Fiscal Accountability
- ❍ Payroll & Benefits
- ❍ Financial Management/Reporting
- ❍ Education Management Information System
- ❍ District Technology Administration

Superintendent

- ❍ Student Learning Leadership
- ❍ Instructional Programming
- ❍ Board Policy Implementation
- ❍ Fiscal Accountability

Assistant Superintendent

- ❍ Building-level Leadership and Development
- ❍ Board Policy Development
- ❍ District Testing
- ❍ District Planning
- ❍ Enrollment & Transfers
- ❍ Custody & Foster Care

Director of Certificated Personnel

- ❍ Recruitment and selection of Certificated staff
- ❍ Contract negotiation and management
- ❍ Administrative development

Director of Classified Personnel & Support Services

- ❍ Recruitment and selection of Classified staff
- ❍ Contract negotiation and management
- ❍ Maintenance/ Buildings/Grounds
- ❍ Printing/ Duplicating
- ❍ Secretarial Services
- ❍ Transportation
- ❍ Warehouse
- ❍ District Attendance Areas
- ❍ Risk Management

Director of Curriculum & Staff Development

- ❍ Textbook and Instructional material
- ❍ Ohio Dept. of Education Accountability/CIP
- ❍ Grant & Entitlement Administration
- ❍ Supplemental Student Services & Programs
- ❍ Teacher Development

Director of Communication

- ❍ District Communication Planning
- ❍ Public Engagement
- ❍ Media Relations
- ❍ Broadcast Management
- ❍ Publications
- ❍ Crisis Planning & Management
- ❍ Web Site Management

Directors (2) of Special Education

- ❍ Leadership for Special Education Services
- ❍ Identification and placement of Special Education students
- ❍ Compliance with Special Education laws
- ❍ Training and supervision of Special Education staff

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Newark City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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

President

Executive Director

FINANCIAL SECTION

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Rea & associates a brighter way

December 20, 2011

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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Newark City School District (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Par Excellence Academy; one of Newark City School District's discretely presented component units, which represent .27 percent, .41 percent and 1.38 percent, respectively, of the assets, net assets and revenues of the reporting entity. Par Excellence Academy financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Par Excellence Academy is based on the report of the other auditors.

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

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

CPAs and business consultants
www.reacpa.com

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2011, 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 grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 15 through 24 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund statements and other schedules, listed in the table of contents as supplementary information, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Kea & Associates, Inc.

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

The management's discussion and analysis of the Newark City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the District's financial performance as a whole; notes to the basic financial statements and basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2011 are as follows:

- The District's net assets of governmental activities increased $3,682,124 which represents a 3.49% increase from 2010.

- General revenues accounted for $58,277,723 in revenue or 77.05% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for $17,362,141 or 22.95% of total revenues of $75,639,864.

- The District had $71,957,740 in expenses related to governmental activities; only $17,362,141 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $58,277,723 were adequate to provide for these programs.

- The District's major governmental funds include the general fund and classroom facilities fund. The general fund had $54,985,005 in revenues and other financing sources and $55,562,035 in expenditures and other financing uses. During fiscal 2011, the general fund's fund balance decreased $577,030 from a restated balance of $11,523,652 to $10,946,622.

- The classroom facilities fund had $27,627,891 in revenues and $24,186,107 in expenditures. During fiscal year 2011, the classroom facilities fund balance increased by $3,441,784 from $14,963,256 to $18,405,040.

Using the Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The statement of net assets and statement of activities answer this question. These statements include all assets, liabilities, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. The accrual basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net assets and statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance, pupil transportation, extracurricular activities, operation of non-instructional services, and food service operations. The statement of net assets and statement of activities can be found on pages 27-29, of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 21. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major funds are the general fund and classroom facilities fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and statement of activities) and governmental funds is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 30-33 and the budgetary statement for the general fund can be found on page 34.

Proprietary Funds

The District maintains only one type of proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District has an internal service fund to account for a self-insurance program which provides dental benefits to employees. The basic proprietary fund financial statements can be found on pages 35-37 of this report.

Fiduciary Funds

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets on pages 38 and 39. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 41-84 of this report.

The District as a Whole

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

	Governmental Activities	
	2011	2010
Assets		
Current assets	$ 97,957,041	$ 117,140,466
Capital assets, net	115,683,375	89,826,897
Total assets	213,640,416	206,967,363
Liabilities		
Current liabilities	34,981,204	30,035,223
Long-term liabilities	69,473,721	71,428,773
Total liabilities	104,454,925	101,463,996
Net Assets		
Invested in capital assets, net of related debt	58,627,357	33,251,985
Restricted	43,863,448	67,827,213
Unrestricted	6,694,686	4,424,169
Total net assets	$ 109,185,491	$ 105,503,367

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2011, the District's assets exceeded liabilities by $109,185,491.

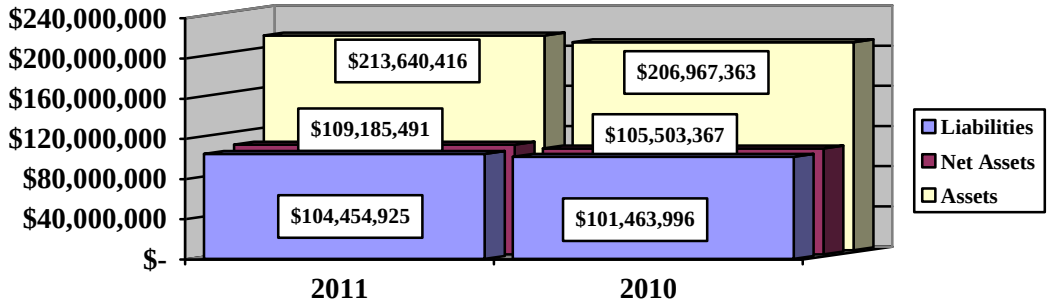
Total capital assets, net increased as the District continued the construction and renovation of various buildings. These projects are being financed through the Ohio School Facilities Commission (OSFC). This construction and addition of capital assets also resulted in an increase of net assets invested in capital assets, net of related debt. Restricted net assets decreased primarily in the area of net assets restricted for capital projects. This amount decreases each year as the District receives and spends funding from the OSFC for the various construction projects.

At year-end, capital assets represented 54.15% of total assets. Capital assets include land, land improvements, buildings and improvements, construction in progress, furniture and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2011, were $58,627,357. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, $43,863,448, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets was $6,694,686.

The table below illustrates the District's assets, liabilities and net assets at June 30, 2011 and 2010.

Governmental Activities



The table below shows the changes in net assets for governmental activities for fiscal year 2011 compared to fiscal year 2010. The 2010 balance of operating grants and contributions and general revenues – grants and entitlements have been restated to conform to 2011 presentation of PAthway to Student Success (PASS) funding from the State of Ohio which is reported as an operating grant and contribution rather than as general revenue.

	Governmental Activities	
	2011	Restated 2010
Revenues		
Program revenues:		
Charges for services and sales	$ 1,957,055	$ 1,994,375
Operating grants and contributions	15,262,296	13,425,703
Capital grants and contributions	142,790	530,000
General revenues:		
Property taxes	22,624,172	25,779,690
School district income taxes	7,774,670	7,674,450
Revenue in lieu of taxes	7,884	-
Grants and entitlements	26,576,387	26,714,548
Gain on sale of capital assets	818,010	76,724
Investment earnings	93,035	215,269
Other	383,565	434,997
Total revenues	75,639,864	76,845,756

	Governmental Activities	
	2011	2010
Expenses		
Program expenses:		
Instruction:		
Regular	$ 32,542,970	$ 28,912,330
Special	8,121,944	8,652,532
Vocational	446,067	476,722
Other	646,105	538,181
Support services:		
Pupil	3,448,955	3,141,826
Instructional staff	4,353,286	4,521,869
Board of Education	241,079	209,247
Administration	3,618,373	3,512,967
Fiscal	1,174,507	1,145,723
Business	671,255	669,134
Operations and maintenance	6,625,701	5,783,283
Pupil transportation	2,381,970	2,354,922
Central	827,465	847,739
Operation of non-instructional services:		
Other non-instructional services	700,135	593,413
Food service operations	2,242,916	2,247,871
Extracurricular activities	969,125	960,411
Interest and fiscal charges	2,945,887	2,997,107
Total expenses	71,957,740	67,565,277
Changes in net assets	3,682,124	9,280,479
Net assets at beginning of year	105,503,367	96,222,888
Net assets at end of year	$ 109,185,491	$ 105,503,367

Governmental Activities

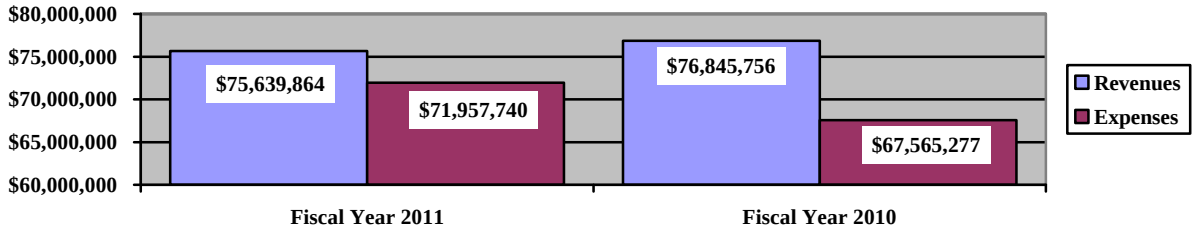
Net assets of the District's governmental activities increased $3,682,124. Total governmental expenses of $71,957,740 were offset by program revenues of $17,362,141, and general revenues of $58,277,723. Program revenues supported 24.13% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, school district income taxes, and grants and entitlements. These three sources of revenue total $56,975,229 and represent 75.32% of total governmental revenue. Property tax revenues decreased $3,155,518, or 12.24%, due to fluctuations in the amount of tax collected and available for advance at fiscal year- end by the Licking County Auditor. Tax advances available are recorded as revenue under GAAP. The amounts of tax advances available at June 30, 2011, 2010, and 2009 was $2,024,020, $4,103,080 and $1,201,300, respectively. The amount of tax advance available at year end can vary depending upon when the Licking County Auditor distributes tax bills.

Operating grant program revenues increased primarily due to Ed Jobs grant funding from the federal government. On the government-wide statement of activities, the District recorded revenue of $1,177,479 related to this funding. The revenue related to this grant is specific to fiscal year 2011. The District also reported the gain on the sale of a building and other capital assets which increased revenues.

The graph below presents the governmental activities revenues and expenses for fiscal years 2011 and 2010.

Governmental Activities - Revenues and Expenses



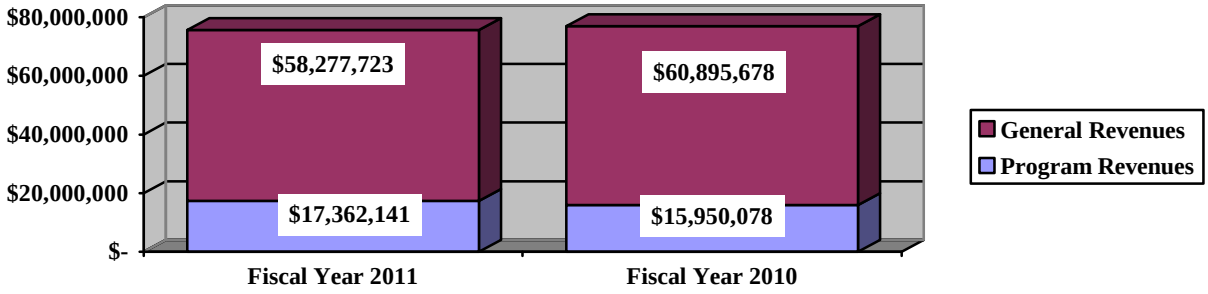
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2011 compared to 2010. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. The 2010 net cost of services for special instruction has been restated to conform to 2011 presentation of PASS funding from the State of Ohio which is reported as an operating grant and contribution offsetting special instruction.

	Governmental Activities			
	Total Cost of Services 2011	Net Cost of Services 2011	Total Cost of Services 2010	Restated Net Cost of Services 2010
Program expenses:				
Instruction:				
Regular	$ 32,542,970	$ 28,057,901	$ 28,912,330	$ 26,061,258
Special	8,121,944	2,705,383	8,652,532	3,289,927
Vocational	446,067	379,091	476,722	410,244
Other	646,105	70,142	538,181	128,144
Support services:				
Pupil	3,448,955	3,106,757	3,141,826	2,802,255
Instructional staff	4,353,286	2,195,949	4,521,869	1,949,945
Board of Education	241,079	241,079	209,247	167,952
Administration	3,618,373	3,364,929	3,512,967	3,234,989
Fiscal	1,174,507	1,163,807	1,145,723	1,118,199
Business	671,255	671,255	669,134	669,134
Operations and maintenance	6,625,701	6,333,125	5,783,283	5,176,932
Pupil transportation	2,381,970	2,055,190	2,354,922	2,317,569
Central	827,465	800,469	847,739	817,983
Operation of non-instructional services:				
Other non-instructional services	700,135	89,947	593,413	(59,409)
Food service operations	2,242,916	(122,523)	2,247,871	(61,318)
Extracurricular activities	969,125	537,211	960,411	594,288
Interest and fiscal charges	2,945,887	2,945,887	2,997,107	2,997,107
Total expenses	$ 71,957,740	$ 54,595,599	$ 67,565,277	$ 51,615,199

The dependence upon tax and other general revenues for governmental activities is apparent, 74.75% of instruction activities, totaling $31,212,517, are supported through taxes and other general revenues. For all governmental activities, general revenue support is 75.87%.

The graph below presents the District's general and program revenues for fiscal years 2011 and 2010. The 2010 program revenues and general revenues have been restated to conform to 2011 presentation of PASS funding from the State of Ohio which is reported as program revenue rather than as general revenue.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds (as presented on the balance sheet on page 30) reported a combined fund balance of $42,297,038, which is higher than last year's total of $40,683,453. The District restated fund balances at June 30, 2010 as described in Note 3.B. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2011 and 2010.

	Fund Balance June 30, 2011	Restated Fund Balance June 30, 2010	Increase (decrease)
General	$ 10,946,622	$ 11,523,652	$ (577,030)
Classroom Facilities	18,405,040	14,963,256	3,441,784
Other Governmental	12,945,376	14,196,545	(1,251,169)
Total	$ 42,297,038	$ 40,683,453	$ 1,613,585

General Fund

The District's general fund balance decreased $577,030.

	2011 Amount	Restated 2010 Amount	Percentage Change
Revenues			
Taxes	$ 24,752,042	$ 26,141,751	(5.32) %
Tuition	655,273	643,778	1.79 %
Earnings on investments	45,461	176,533	(74.25) %
Intergovernmental	28,412,646	28,340,444	0.25 %
Other revenues	1,085,164	1,082,589	0.24 %
Total	$ 54,950,586	$ 56,385,095	(2.54) %
Expenditures			
Instruction	$ 35,752,399	$ 32,725,973	9.25 %
Support services	18,978,168	17,958,168	5.68 %
Operation of non-instructional services	50,570	60,788	(16.81) %
Extracurricular activities	701,923	658,564	6.58 %
Total	$ 55,483,060	$ 51,403,493	7.94 %

The decrease in earnings on investments was due to decreases in investable balances. Taxes decreased as a result of fluctuations in the amount collected and available as advance at fiscal year-end from the Licking County Auditor. In 2010 the amount available for advance from the Licking County Auditor was approximately $3.1 million while in 2011 this amount was approximately $1.6 million. The amount available as an advance can vary depending on when the tax bills are sent. Overall, all other revenues remained consistent with the previous year. The increase in instruction expenditures is primarily due to a one-time charge for retirement incentive payments to employees who notified the District of their intent to retire by June 30, 2011. Expenditures are being controlled primarily through staff reductions.

Classroom Facilities Fund

The classroom facilities fund had $27,627,891 in revenues and $24,186,107 in expenditures. During fiscal year 2011, the classroom facilities fund balance increased by $3,441,784 from $14,963,256 to $18,405,040. The increase in fund balance was a result of funding from the Ohio School Facilities Commission (OSFC) related to the construction project.

General Fund Budgeting Highlights

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

During the course of fiscal year 2011, the original and final budgeted revenues and other financing sources were $55,130,897. Actual revenues and other financing sources for fiscal year 2011 were $57,464,125. Actual revenues and other financing sources were $2,333,228 higher than final budgeted revenues. The variances in budgeted revenues were primarily caused by changes in estimates for taxes and intergovernmental revenues.

General fund original appropriations (appropriated expenditures plus other financing uses) of $56,163,785 were increased to $57,243,785 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2011 totaled $56,061,718, which was $1,182,067 lower than the final budget appropriations. The variances in budgeted expenditures were primarily caused by changes in estimates for other financing uses.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2011, the District had $115,683,375 invested in land, land improvements, buildings and improvements, construction in progress, furniture and equipment, and vehicles. This entire amount is reported in governmental activities.

The following table shows fiscal 2011 balances compared to 2010:

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2011	2010
Land	$ 1,672,643	$ 1,705,643
Land improvements	148,742	71,708
Building and improvements	54,649,612	3,905,946
Furniture and equipment	921,553	940,765
Vehicles	1,339,398	1,274,370
Construction in progress	56,951,427	81,928,465
Total	$ 115,683,375	$ 89,826,897

Total additions to capital assets for 2011 were $26,958,078 and total disposals were $68,089 (net of accumulated depreciation). Depreciation recorded for the fiscal year totaled $1,033,511.

The overall increase in capital assets of $25,856,478 is primarily due to the District's construction of new buildings and renovations of existing buildings using the school improvement bonds issued during a previous fiscal year and OSFC grant revenues.

See Note 10 to the basic financial statements for further details on the District's capital assets.

Debt Administration

At June 30, 2011, the District had $66,009,206 in general obligation bonds. Of this total, $2,004,206 is due within one year and $64,005,000 is due in greater than one year.

The following table summarizes the bonds outstanding at June 30, 2011 and 2010.

Outstanding Debt, at Year End

	Governmental Activities 2011	Governmental Activities 2010
General obligation bonds:		
Library improvement	$ 4,879,206	$ 5,143,845
School improvement	61,130,000	62,785,000
Total	$ 66,009,206	$ 67,928,845

See Note 11 to the basic financial statements for further detail on the District's long-term obligations.

Economic Conditions and Outlook

As the preceding information shows, the District relies heavily upon grants and entitlements, property taxes and school district income taxes. The current tax revenue, along with the District's cash balance, is projected (based on the October 2011 five year forecast that can be found on the Ohio Department of Education's website) to provide the District with the necessary funds to meet its operating expenses through fiscal year 2015. The District cash balance is expected to be depleted by the end of fiscal year 2016. The future financial stability is not without challenges.

The first issue facing the District is the instability of the local economy. The second issue is the uncertainty of the state budget allocations. The third issue is the uncertainty of the Federal Grant programs. Fiscal year 2012 enrollment is expected to increase slightly over the fiscal 2011 level.

In conclusion, the District must begin reviewing all programs "Cost versus Benefit". We must think outside of our normal paradigms. We can no longer continue to operate "…. Well that is how we have always done it." The District's income tax renewal levy was successful in May 2011 for an additional five years. The tax payers passed a 7.5 mil additional operating levy on the May 5, 2009 ballot. (This will be up for renewal in calendar year 2013.) The District will continue to look at ways to increase revenues or contain expenditures. No additional cuts are planned at this time.

Contacting the District's Financial Management

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

BASIC
FINANCIAL STATEMENTS

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NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

STATEMENT OF NET ASSETS
JUNE 30, 2011

	Primary Government	Component Units	
	Governmental Activities	Newark Digital Academy	Par Excellence Academy
Assets:			
Equity in pooled cash and cash equivalents	$ 49,313,178	$ 1,217,453	$ 444,939
Deposit on building	-	-	15,000
Receivables:			
Property taxes	27,521,890	-	-
Income taxes	3,449,115	-	-
Payment in lieu of taxes	7,988	-	-
Accounts	10,910	-	15
Accrued interest	2,501	-	-
Intergovernmental	17,287,624	108,353	78,460
Prepayments	57,461	-	-
Materials and supplies inventory	25,436	-	-
Unamortized bond issuance costs	280,938	-	-
Capital assets:			
Land and construction in progress	58,624,070	53,331	-
Depreciable capital assets, net	57,059,305	96,736	35,539
Capital assets, net	115,683,375	150,067	35,539
Total assets	213,640,416	1,475,873	573,953
Liabilities:			
Accounts payable	149,236	11,111	12,903
Contracts payable	2,630,609	-	-
Retainage payable	280,318	-	-
Accrued wages and benefits	4,562,127	-	72,959
Retirement incentive payable	2,005,767	-	-
Pension obligation payable	1,315,310	-	18,788
Intergovernmental payable	406,296	10,759	2,658
State foundation payable	-	54,494	-
Unearned revenue	23,377,266	-	-
Accrued interest payable	237,375	-	-
Claims payable	16,900	-	-
Long-term liabilities:			
Due within one year	2,950,072	-	6,574
Due in more than one year	66,523,649	-	-
Total liabilities	104,454,925	76,364	113,882
Net Assets:			
Invested in capital assets, net of related debt	58,627,357	150,067	35,539
Restricted for:			
Capital projects	36,596,904	-	-
Classroom facilities maintenance	1,448,436	-	-
Debt service	3,589,200	-	-
Locally funded programs	85,990	-	-
State funded programs	49,935	2,173	548
Federally funded programs	1,191,088	98,685	58,135
Food service operations	678,707	-	-
Student activities	223,188	-	-
Other purposes	-	-	617
Unrestricted	6,694,686	1,148,584	365,232
Total net assets	$ 109,185,491	$ 1,399,509	$ 460,071

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

		Program Revenues		
	Expenses	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental activities:				
Instruction:				
Regular	$ 32,542,970	$ 708,165	$ 3,776,904	$ -
Special	8,121,944	105,510	5,311,051	-
Vocational	446,067	-	66,976	-
Other	646,105	-	575,963	-
Support services:				
Pupil	3,448,955	-	342,198	-
Instructional staff	4,353,286	-	2,157,337	-
Board of education	241,079	-	-	-
Administration	3,618,373	-	253,444	-
Fiscal	1,174,507	-	10,700	-
Business	671,255	-	-	-
Operations and maintenance	6,625,701	22,290	127,496	142,790
Pupil transportation	2,381,970	100,681	226,099	-
Central	827,465	-	26,996	-
Operation of non-instructional services:				
Other non-instructional services	700,135	17,996	592,192	-
Food service operations	2,242,916	570,499	1,794,940	-
Extracurricular activities	969,125	431,914	-	-
Interest and fiscal charges	2,945,887	-	-	-
Total governmental activities	71,957,740	1,957,055	15,262,296	142,790
Component Units				
Newark Digital Academy	1,350,050	-	381,211	-
Par Excellence Academy	986,829	-	253,459	-
Total component units	2,336,879	-	634,670	-
Totals	$ 74,294,619	$ 1,957,055	$ 15,896,966	$ 142,790

General Revenues:
Property taxes levied for:
General purposes
Debt service
Capital outlay
Facilities maintenance
Income taxes levied for:
General purposes
Revenue in lieu of taxes
Grants and entitlements not restricted to specific programs
Investment earnings
Gain on sale of capital assets
Miscellaneous

Total general revenues

Change in net assets

Net assets at beginning of year

Net assets at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets		
Primary Government	Component Units	
Governmental Activities	Newark Digital Academy	Par Excellence Academy
$ (28,057,901)	$ -	$ -
(2,705,383)	-	-
(379,091)	-	-
(70,142)	-	-
(3,106,757)	-	-
(2,195,949)	-	-
(241,079)	-	-
(3,364,929)	-	-
(1,163,807)	-	-
(671,255)	-	-
(6,333,125)	-	-
(2,055,190)	-	-
(800,469)	-	-
(89,947)	-	-
122,523	-	-
(537,211)	-	-
(2,945,887)	-	-
(54,595,599)	-	-
-	(968,839)	-
-	-	(733,370)
-	(968,839)	(733,370)
(54,595,599)	(968,839)	(733,370)
17,543,757	-	-
3,841,620	-	-
825,914	-	-
412,881	-	-
7,774,670	-	-
7,884		
26,576,387	1,602,800	816,542
93,035	1,348	-
818,010		
383,565	20,968	14,265
58,277,723	1,625,116	830,807
3,682,124	656,277	97,437
105,503,367	743,232	362,634
$ 109,185,491	$ 1,399,509	$ 460,071

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	$ 14,211,955	$ 20,714,744	$ 14,242,840	$ 49,169,539
Receivables:				
Property taxes	21,318,070	-	6,203,820	27,521,890
Income taxes	3,449,115	-	-	3,449,115
Payment in lieu of taxes	6,343	-	1,645	7,988
Accounts	10,910	-	-	10,910
Accrued interest	2,501	-	-	2,501
Interfund loans	590,423	-	-	590,423
Intergovernmental	7,487	15,391,767	1,888,370	17,287,624
Prepayments	56,208	-	1,253	57,461
Materials and supplies inventory	-	-	25,436	25,436
Total assets	$ 39,653,012	$ 36,106,511	$ 22,363,364	$ 98,122,887
Liabilities:				
Accounts payable	$ 141,053	$ -	$ 8,183	$ 149,236
Contracts payable	-	2,309,704	320,905	2,630,609
Retainage payable	-	-	280,318	280,318
Accrued wages and benefits	3,815,614	-	746,513	4,562,127
Compensated absences payable	686,450	-	6,133	692,583
Retirement incentive payable	1,972,497	-	33,270	2,005,767
Pension obligation payable	1,105,999	-	209,311	1,315,310
Intergovernmental payable	351,618	-	54,678	406,296
Interfund loans payable	-	-	590,423	590,423
Deferred revenue	2,531,791	15,391,767	1,892,356	19,815,914
Unearned revenue	18,101,368	-	5,275,898	23,377,266
Total liabilities	28,706,390	17,701,471	9,417,988	55,825,849
Fund Balances:				
Nonspendable:				
Materials and supplies inventory	-	-	25,436	25,436
Prepaids	56,208	-	1,253	57,461
Restricted:				
Debt service	-	-	3,460,064	3,460,064
Capital improvements	-	18,405,040	7,381,071	25,786,111
Classroom facilities maintenance	-	-	1,448,436	1,448,436
Food service operations	-	-	715,721	715,721
Non-public schools	-	-	49,935	49,935
Extracurricular	-	-	223,188	223,188
Other purposes	-	-	85,990	85,990
Committed:				
E-rate dispute resolution	189,878	-	-	189,878
Insurance risk reserve	763,383	-	-	763,383
Assigned:				
Student instruction	99,155	-	-	99,155
Student and staff support	1,881,082	-	-	1,881,082
Non-instructional	712	-	-	712
Other purposes	16,844	-	-	16,844
Unassigned	7,939,360	-	(445,718)	7,493,642
Total fund balances	10,946,622	18,405,040	12,945,376	42,297,038
Total liabilities and fund balances	$ 39,653,012	$ 36,106,511	$ 22,363,364	$ 98,122,887

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2011

Total governmental fund balances		$ 42,297,038
Amounts reported for governmental activities on the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		115,683,375
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable	$ 2,143,592	
Income taxes receivable	862,279	
Accounts receivable	3,502	
Accrued interest receivable	1,826	
Intergovernmental receivable	16,804,715	
Total		19,815,914
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net assets.		126,739
Unamortized bond issuance costs are not recognized in the funds.		280,938
Unamortized premiums on bond issuances are not recognized in the funds.		(842,705)
Unamortized deferred charges on bond refundings are not recognized in the funds.		136,466
On the statement of net assets interest is accrued on outstanding bonds, whereas in governmental funds, interest is reported when due.		(237,375)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(66,009,206)	
Compensated absences	(2,065,693)	
Total		(68,074,899)
Net assets of governmental activities		$ 109,185,491

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Revenues:				
From local sources:				
Property taxes	$ 17,284,059	$ -	$ 5,004,415	$ 22,288,474
Income taxes	7,461,866	-	-	7,461,866
Payment in lieu of taxes	6,117	-	1,767	7,884
Tuition	655,273	-	-	655,273
Transportation fees	102,270	-	-	102,270
Charges for services	-	-	570,499	570,499
Earnings on investments	45,461	38,226	11,214	94,901
Extracurricular	248,872	-	151,787	400,659
Classroom materials and fees	141,145	-	-	141,145
Rental income	22,290	-	-	22,290
Contributions and donations	158,760	-	225,923	384,683
Contract services	22,408	-	-	22,408
Other local revenues	389,419	6,875	12,620	408,914
Intergovernmental - state	28,181,582	27,582,790	1,926,559	57,690,931
Intergovernmental - federal	231,064	-	10,578,335	10,809,399
Total revenues	54,950,586	27,627,891	18,483,119	101,061,596
Expenditures:				
Current:				
Instruction:				
Regular	29,706,326	-	2,765,992	32,472,318
Special	5,481,203	-	2,766,670	8,247,873
Vocational	437,997	-	-	437,997
Other	126,873	-	524,864	651,737
Support services:				
Pupil	3,071,382	-	369,095	3,440,477
Instructional staff	2,144,976	-	2,296,046	4,441,022
Board of education	241,079	-	-	241,079
Administration	3,312,510	-	276,515	3,589,025
Fiscal	1,016,583	-	148,353	1,164,936
Business	516,069	-	82,455	598,524
Operations and maintenance	5,804,598	-	295,584	6,100,182
Pupil transportation	2,127,175	-	233,009	2,360,184
Central	743,796	-	58,547	802,343
Operation of non-instructional services:				
Food service operations	-	-	2,188,137	2,188,137
Other non-instructional services	50,570	-	636,660	687,230
Extracurricular activities	701,923	-	146,330	848,253
Facilities acquisition and construction	-	24,186,107	2,979,901	27,166,008
Debt service:				
Principal retirement	-	-	1,980,000	1,980,000
Interest and fiscal charges	-	-	2,910,597	2,910,597
Total expenditures	55,483,060	24,186,107	20,658,755	100,327,922
Excess (deficiency) of revenues over (under) expenditures	(532,474)	3,441,784	(2,175,636)	733,674
Other financing sources (uses):				
Sale of capital assets	34,419	-	851,000	885,419
Transfers in	-	-	78,975	78,975
Transfers (out)	(78,975)	-	-	(78,975)
Total other financing sources (uses)	(44,556)	-	929,975	885,419
Net change in fund balances	(577,030)	3,441,784	(1,245,661)	1,619,093
Fund balances at beginning of year (restated)	11,523,652	14,963,256	14,196,545	40,683,453
Decrease in reserve for inventory	-	-	(5,508)	(5,508)
Fund balances at end of year	$ 10,946,622	$ 18,405,040	$ 12,945,376	$ 42,297,038

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Net change in fund balances - total governmental funds			$	1,619,093
Amounts reported for governmental activities in the statement of activities are different because:				
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period.				
Capital asset additions	$	26,958,078		
Current year depreciation		(1,033,511)		
Total				25,924,567
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.				(68,089)
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.				(5,508)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.				
Delinquent property tax revenue		334,901		
Income tax revenue		312,804		
Property tax revenue		797		
Transportation revenue		(1,589)		
Earnings on investments		(505)		
Classroom materials and fees revenue		(4,918)		
Other local revenue		(13,749)		
Intergovernmental revenue		(26,867,483)		
Total				(26,239,742)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets.				1,980,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported on the statement of activities:				
Decrease in accrued interest payable		5,175		
Accreted interest on capital appreciation bonds		(60,361)		
Amortization of bond issuance costs		(15,944)		
Amortization of bond premiums		47,621		
Amortization of deferred charges		(11,781)		
Total				(35,290)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.				533,053
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated The net revenue (expense) of the internal service fund is allocated among the governmental activities.				(25,960)
Change in net assets of governmental activities			$	3,682,124

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	**Final**	**Actual**	
Revenues:				
From local sources:				
Property taxes	$ 18,055,467	$ 18,055,467	$ 18,898,445	$ 842,978
Income taxes	6,949,001	6,949,001	7,273,438	324,437
Tuition	626,044	626,044	655,273	29,229
Transportation fees	97,923	97,923	102,495	4,572
Earnings on investments	45,752	45,752	47,888	2,136
Extracurricular	237,430	237,430	248,515	11,085
Classroom materials and fees	137,229	137,229	143,636	6,407
Rental income	21,296	21,296	22,290	994
Contributions and donations	144,166	144,166	119,496	(24,670)
Contract services	21,408	21,408	22,408	1,000
Other local revenues	254,822	254,822	266,719	11,897
Intergovernmental - intermediate	5,844	5,844	6,117	273
Intergovernmental - state	26,924,523	26,924,523	28,181,582	1,257,059
Intergovernmental - federal	220,757	220,757	231,064	10,307
Total revenues	53,741,662	53,741,662	56,219,366	2,477,704
Expenditures:				
Current:				
Salaries and wages	30,106,341	30,065,418	30,684,884	(619,466)
Fringe benefits	11,049,099	11,048,414	10,797,575	250,839
Purchased services	9,395,733	9,937,939	9,824,499	113,440
Supplies and materials	3,207,049	3,401,141	2,979,283	421,858
Capital outlay	17,000	-	-	-
Other	1,600,563	1,609,584	947,306	662,278
Total expenditures	55,375,785	56,062,496	55,233,547	828,949
Excess (deficiency) of revenues over (under) expenditures	(1,634,123)	(2,320,834)	985,819	3,306,653
Other financing sources (uses):				
Refund of prior year's expenditures	61,069	61,069	63,920	2,851
Refund of prior year's receipts	(230,000)	(326,160)	(154,665)	171,495
Transfers in	938,998	938,998	-	(938,998)
Transfers (out)	(150,000)	(450,743)	(78,975)	371,768
Advances in	354,135	354,135	291,039	(63,096)
Advances (out)	(400,000)	(400,000)	(590,423)	(190,423)
Other financing uses	(8,000)	(4,386)	(4,108)	278
Sale of capital assets	35,033	35,033	36,669	1,636
Total other financing sources (uses)	601,235	207,946	(436,543)	(644,489)
Net change in fund balance	(1,032,888)	(2,112,888)	549,276	2,662,164
Fund balance at beginning of year (restated).	9,365,540	9,365,540	9,365,540	-
Prior year encumbrances appropriated	2,031,154	2,031,154	2,031,154	-
Fund balance at end of year	$ 10,363,806	$ 9,283,806	$ 11,945,970	$ 2,662,164

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2011

	Governmental Activities - Internal Service Fund
Current assets:	
Equity in pooled cash and cash equivalents	$ 143,639
Total assets	143,639
Current liabilities:	
Claims payable	16,900
Total liabilities	16,900
Net assets:	
Unrestricted	126,739
Total net assets	$ 126,739

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Governmental Activities - Internal Service Fund
Operating revenues:	
Charges for services.	$ 431,210
Total operating revenues	431,210
Operating expenses:	
Purchased services.	42,076
Claims	415,094
Total operating expenses.	457,170
Operating loss / change in net assets	(25,960)
Net assets at beginning of year	152,699
Net assets at end of year.	$ 126,739

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services.	$ 431,210
Cash payments for purchased services	(42,076)
Cash payments for claims	(422,294)
Net cash used in operating activities	(33,160)
Net decrease in cash and cash cash equivalents	(33,160)
Cash and cash equivalents at beginning of year . . .	176,799
Cash and cash equivalents at end of year	$ 143,639
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (25,960)
Changes in assets and liabilities:	
Decrease in claims payable	(7,200)
Net cash used in operating activities.	$ (33,160)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	Private-Purpose Trust	
	Scholarship	**Agency**
Assets:		
Equity in pooled cash and cash equivalents. . .	$ 49,415	$ 51,302
Total assets.	49,415	$ 51,302
Liabilities:		
Due to students.	-	$ 51,302
Total liabilities	-	$ 51,302
Net assets:		
Held in trust for scholarships	49,415	
Total net assets	$ 49,415	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Private-Purpose Trust
	Scholarship
Additions:	
Interest.	$ 246
Gifts and contributions.	2,000
Total additions.	2,246
Deductions:	
Scholarships awarded	4,200
Change in net assets.	(1,954)
Net assets at beginning of year	51,369
Net assets at end of year.	$ 49,415

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. The Board controls the District's twenty-six instructional/support facilities (eleven buildings at a campus-style high school), one administrative building and one transportation/maintenance/warehouse building compound all staffed by 259 non-certified employees, 431 certified employees and 29 administrators, to provide services to approximately 6,035 students in grades K through 12.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading. Based upon the application of these criteria, the District has two component units.

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

DISCRETELY PRESENTED COMPONENT UNITS

Newark Digital Academy (NDA)
The NDA is a legally separate, non-profit corporation established pursuant to Ohio Revised Code Chapters 3314 and 3314.03. The NDA is a conversion school that addresses the needs of students who desire a program of online instruction in an independent environment that does not include the most ancillary components of a more traditional education. The NDA is governed by a Board of Trustees. The NDA Board of Trustees may adopt budgets, hire and fire employees and receive funding from the Ohio Department of Education. Based on the significant services provided by the District to NDA, NDA's purpose of servicing the students within the District, and the relationship between the Board of Education of the District and the Board of Directors of NDA, the NDA is reflected as a component unit of the District. Separately issued financial statements can be obtained from the Treasurer of the NDA at 255 Wood Ave., Newark, Ohio 43055.

Par Excellence Academy (Par Ex)
The Par Ex is a legally separate, non-profit corporation established pursuant to Ohio Revised Code Chapters 3314 and 3314.03. The Par Ex is a conversion school that addresses the needs of students in grades Kindergarten through Third who show a strong interest or talent for the visual arts. The Par Ex is governed by a Board of Trustees. The Board of Trustees may adopt budgets, hire and fire employees and receive funding from the Ohio Department of Education. Based on the significant services provided by the District to Par Ex, Par Ex's purpose of servicing the students within the District and the relationship between the Board of Education of the District and the Board of Trustees of Par Ex, the Par Ex is reflected as a component unit of the District. Separately issued financial statements can be obtained from the Treasurer of Par Ex at 96 Maholm Street, Newark, Ohio 43055.

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the NDA and Par Ex component units can be found in Notes 21 and 22, respectively, to these basic financial statements.

The following organizations are described due to their relationship to the District:

JOINTLY GOVERNED ORGANIZATIONS

Licking Area Computer Association (LACA)
LACA is the computer service organization or Data Acquisition Site (DAS) used by the District. LACA is an association of public school districts in a geographic area determined by the Ohio Department of Education. The Licking County Educational Service Center acts as the fiscal agent for the association. The purpose of the association is to develop and employ a computer system efficiently and effectively for the needs of the member Boards of Education. All Districts in the association are required to pay fees, charges and assessments as charged. A Board made up of superintendents from all of the participating districts governs LACA. An elected Executive Board consisting of five members of the Governing Board is the managerial body of the association and meets on a monthly basis. The District does not maintain an ongoing financial interest or an ongoing financial responsibility. Payments in the amount of $333,142 were made to LACA during the current fiscal year.

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

Licking County Career and Technology Educational Center (C-TEC)
The C-TEC is a distinct political subdivision of the State of Ohio, which provides vocational education for students. The C-TEC is operated under the direction of a Board consisting of three representatives from the Licking County Educational Service Center, two representatives from Newark City Schools, one representative from the Heath City Schools, and one representative from the Granville Exempted Village Schools elected boards. The C-TEC possesses its own budgeting and taxing authority. Financial information can be obtained from Cory Thompson, who serves as the Chief Fiscal Officer, at 150 Price Road, Newark, Ohio 43055.

PUBLIC ENTITY RISK POOL

Workers' Compensation Group Rating Program
The District participates in the Sheakley UniServe Workers' Compensation Group Rating Program (GRP). The GRP is administered by Sheakley UniServe, Inc. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The District pays a fee to the GRP to cover the costs of administering the program.

RELATED ORGANIZATIONS

Newark Public Library (the "Library")
The Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. A Board of Trustees appointed by the District's Board of Education governs the Library. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District serves as the taxing authority and may issue tax-related debt on behalf of the Library, its role is limited to a ministerial function. The District has issued bonds on behalf of the Library (see Note 11). The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. The Library is not considered part of the District, and its operations are not included within the accompanying basic financial statements.

B. Fund Accounting

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

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid.

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

The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General fund -The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Classroom Facilities - This fund is used to account for monies received and expended in connection with contracts entered into by the District and the Ohio Department of Education for the building and equipping of classroom facilities. The financial resources in this fund are restricted to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

PROPRIETARY FUNDS

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

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

FIDUCIARY FUNDS

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

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation.

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

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

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

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

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

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

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

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

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

D. Basis of Accounting

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, includes property taxes, income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from income taxes is recognized in the fiscal year in which the underlying exchange transaction occurred (See Note 8). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2011, but which were levied to finance fiscal year 2012 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2011 are recorded as deferred revenue on the fund financial statements.

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

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

E. Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established at the fund level for all funds. Any budgetary modifications at the legal level of budgetary control may only be made by resolution of the Board of Education.

Tax Budget: Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Licking County Budget Commission for rate determination. The Licking County Budget Commissioners waived this requirement for fiscal year 2011.

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

Appropriations: Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying a new amended certificate is not necessary, the annual appropriation resolution is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals at the legal level of control. Any revisions that alter the legal level of budgetary control must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, all supplemental appropriations were legally enacted.

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

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. In the budgetary statement, the amounts reported as the original budgeted amounts represent the first appropriations passed by the Board during the fiscal year including amounts automatically carried over from prior years and the amounts reported as the final budgeted amounts represent the final appropriations passed by the Board during the fiscal year; including all amendments.

F. Cash and Investments

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

During fiscal year 2011, investments were limited to nonnegotiable certificates of deposit and U.S government money market mutual funds. Investments in nonnegotiable certificates of deposit are reported at cost while investments in U.S. government money market mutual funds are reported at fair value.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2011 amounted to $45,461, which includes $17,282 assigned from other District funds.

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

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

G. Inventory

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when received. Inventories are accounted for using the purchase method on the fund statements and using the consumption method on the government-wide statements.

On the fund financial statements, reported material and supplies inventory is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

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

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

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of $5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction-in-progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

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

I. Interfund Balances

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

J. Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the District's past experience of making termination payments.

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

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

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

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets invested in capital assets, net of related debt does not include the Library bonds since the District does not report the related capital assets. In addition, items related to the Library bonds such as, unamortized premiums of $217,525 and unamortized deferred charges on the refunding of $136,466 are also not included. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

N. Prepayments

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

On the fund financial statements, reported prepayments is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

O. Estimates

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

P. Interfund Activity

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

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

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

Q. Unamortized Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss

On government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Unamortized issuance costs are recorded as a separate line item on the statement of net assets.

Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds. Bond discounts are presented as an reductions to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction of the face amount of the new debt.

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 11.

R. Nonpublic Schools

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

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2011.

T. Budget Stabilization Arrangement

The District has established a budget stabilization reserve in accordance with authority established by State law. Additions to the budget stabilization reserve can only be made by formal resolution of the Board of Education. Expenditures out of the budget stabilization reserve can only be made to offset future budget deficits. At June 30, 2011, the balance in the budget stabilization reserve was $934,406. This amount is included in unassigned fund balance of the general fund and in unrestricted net assets on the statement of net assets.

NOTE 3 - ACCOUNTING PRINCIPLES AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2011, the District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB Statement No. 59, "Financial Instruments Omnibus".

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 also clarifies the definitions of governmental fund types.

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of GASB Statement No. 59 did not have an effect on the financial statements of the District.

B. Fund Reclassifications

Fund reclassifications are required in order to report funds in accordance with GASB Statement No 54. These fund reclassifications had the following effect on the District's governmental fund balances as previously reported:

	General	Classroom Facilities	Nonmajor Governmental	Total Governmental
Fund balance as previously reported	$ 11,328,936	$ 14,963,256	$ 14,391,261	$ 40,683,453
Fund reclassifications:				
Public school support fund	76,012	-	(76,012)	-
Student activity trusts	103,176	-	(103,176)	-
Staff trusts	15,528	-	(15,528)	-
Total fund reclassifications	194,716	-	(194,716)	-
Restated fund balance at July 1, 2010	$ 11,523,652	$ 14,963,256	$ 14,196,545	$ 40,683,453

The fund reclassifications did not have an effect on net assets as previously reported.

NOTE 3 - ACCOUNTING PRINCIPLES AND COMPLIANCE

C. Budgetary Prior Period Adjustment

In prior years certain funds that are legally budgeted in separate special revenue funds were considered part of the general fund on a budgetary basis. The District has elected to report only the legally budgeted general fund in the budgetary statement; therefore, a restatement to the beginning budgetary balance is required. The restatement of the general fund's budgetary-basis fund balance at June 30, 2010 is as follows:

Budgetary Basis

	General Fund
Fund balance at June 30, 2010	$ 9,388,576
Funds budgeted elsewhere	(23,036)
Restated fund balance at July 1, 2010	$ 9,365,540

D. Deficit Fund Balances

Fund balances at June 30, 2011 included the following individual fund deficits:

Nonmajor funds	Deficit
Management Information Systems	$ 2,450
Miscellaneous State Grants	755
Title VI-B	145,737
Education Stabilization	67,592
Stimulus Title II-D	2,530
Title I	162,766
EHA Preschool Grant	1,003
Reducing Class Size	49,233
Miscellaneous Federal Grants	13,652
Total	$ 445,718

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities. The deficit balance in the Education Stabilization fund will require resources from the general fund in fiscal year 2012 to pay certain liabilities accrued in the fund at year-end.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

6. The State Treasurer's investment pool (State Treasurer’s Asset Reserve of Ohio);

7. Certain banker’s acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

A. Cash on Hand

At fiscal year end, the District had $5,908 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and cash equivalents".

B. Deposits with Financial Institutions

At June 30, 2011, the carrying amount of all District deposits was $49,127,669. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2011, $40,036,277 of the District's bank balance of $50,968,714 was exposed to custodial risk as discussed below, while $10,932,437 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

C. Investments

As of June 30, 2011, the District had the following investments and maturities:

		Investment Maturity
Investment type	Fair Value	6 months or less
U.S. government money market mutual funds	$ 280,318	$ 280,318

The weighted average length to maturity of investments is one day.

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to three years or less.

Credit Risk: The District's investments in U.S. government money market mutual funds were rated AAAm by Standard & Poor's. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The District's investment policy places specific limits on the percentage of the District's portfolio that may be invested in any one issuer.

The following table includes the percentage of each investment type held by the District at June 30, 2011:

Investment type	Fair Value	% of Total
U.S. government money market mutual funds	$ 280,318	100.00

D. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of June 30, 2011:

Cash and investments per note	
Carrying amount of deposits	$ 49,127,669
Investments	280,318
Cash on hand	5,908
Total	$ 49,413,895
Cash and investments per statement of net assets	
Governmental activities	$ 49,313,178
Private-purpose trust funds	49,415
Agency fund	51,302
Total	$ 49,413,895

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund balances at June 30, 2011, as reported on the fund statements consist of the following individual interfund loans receivable and payable:

Receivable fund	Payable funds	Amount
General	Nonmajor governmental funds	$ 590,423

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

B. Interfund transfers for the year ended June 30, 2011, consisted of the following, as reported on the fund financial statements:

Transfers From:	Transfers To:	Amount
General	Nonmajor governmental funds	$ 78,975

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16. Interfund transfers between governmental funds are eliminated for reporting in the statement of activities.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2011 represent the collection of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed values as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2011 represent the collection of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien on December 31, 2009, were levied after April 1, 2010, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

NOTE 6 - PROPERTY TAXES - (Continued)

The District receives property taxes from Licking County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2011, are available to finance fiscal year 2011 operations. The amount available as an advance at June 30, 2011 was $1,564,152 in the general fund, $346,776 in the debt service fund (a nonmajor governmental fund) and $113,092 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2010 was $3,179,450 in the general fund, $707,880 in the debt service fund (a nonmajor governmental fund) and $215,750 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2011 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been deferred.

The assessed values upon which the fiscal year 2011 taxes were collected are:

	2010 Second Half Collections		2011 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	$ 771,814,860	96.60	$ 774,335,070	96.53
Public utility personal	27,196,780	3.40	27,847,810	3.47
Total	$ 799,011,640	100.00	$ 802,182,880	100.00
Tax rate per $1,000 of assessed valuation	$ 44.05		$ 43.90	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2011 consisted of property taxes, income taxes, accounts (billings for user charged services and student fees), payment in lieu of taxes, intergovernmental grants and entitlements and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds.

A summary of the principal items of receivables reported on the statement of net assets follows:

Governmental activities:	
Property taxes	$ 27,521,890
School district income tax	3,449,115
Payment in lieu of taxes	7,998
Accounts	10,910
Intergovernmental	17,287,624
Accrued interest	2,501
Total	$ 48,280,038

Receivables have been disaggregated on the face of the financial statements. All receivables, except for $15,391,767 of intergovernmental grants due from the Ohio Schools Facilities Commission (OSFC), are expected to be collected in the subsequent year. The OSFC grant amount will be collected over the life of the construction project.

NOTE 8 - INCOME TAXES

The District levies a voted tax of one percent for general operation on the income of residents and of estates. The tax was effective on January 1, 1998, and was renewed for another five years in 2011. Employers of the residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund and totaled $7,461,866 on the governmental fund financial statements during fiscal year 2011.

NOTE 9 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

Fund	Year-End Encumbrances
General fund	$ 1,885,773
Classroom facilities	24,146,328
Other governmental	3,706,236
Total	$ 29,738,337

NOTE 10 - CAPITAL ASSETS

The change in governmental activities capital assets for fiscal year 2011 is as follows:

	Balance June 30, 2010	Additions	Disposals	Balance June 30, 2011
Capital assets, not being depreciated:				
Land	$ 1,705,643	$ -	$ (33,000)	$ 1,672,643
Construction-in-progress	81,928,465	26,170,386	(51,147,424)	56,951,427
Non-depreciable capital assets	83,634,108	26,170,386	(51,180,424)	58,624,070
Capital assets, being depreciated:				
Land improvements	366,106	95,330	(33,230)	428,206
Building/improvements	22,373,130	51,251,466	(1,022,653)	72,601,943
Furniture/equipment	3,244,644	232,809	(5,270)	3,472,183
Vehicles	3,421,861	355,511	(116,539)	3,660,833
Depreciable capital assets	29,405,741	51,935,116	(1,177,692)	80,163,165
Less: accumulated depreciation:				
Land improvements	(294,398)	(18,296)	33,230	(279,464)
Building/improvements	(18,467,184)	(473,391)	988,244	(17,952,331)
Furniture/equipment	(2,303,879)	(252,021)	5,270	(2,550,630)
Vehicles	(2,147,491)	(289,803)	115,859	(2,321,435)
Total accumulated depreciation	(23,212,952)	(1,033,511)	1,142,603	(23,103,860)
Governmental activities capital assets, net	$ 89,826,897	$ 77,071,991	$(51,215,513)	$ 115,683,375

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$ 339,731
Special	3,572
Vocational	19,750
Support services:	
Pupil	11,294
Instructional staff	17,858
Administration	24,332
Business	69,347
Operations and maintenance	87,425
Pupil transportation	250,252
Central	25,106
Operation of non-instructional services:	
Food service operations	56,018
Other non-instructional services	13,409
Extracurricular activities	115,417
Total depreciation expense	$ 1,033,511

NOTE 10 - CAPITAL ASSETS – (Continued)

During fiscal year 2011, the District sold the Miller Elementary school for $850,000 to Mount Vernon Nazarene University. At the time of the sale, the net book value of the capital assets sold related to the Miller Elementary Building (including land, land improvements, building and building improvements) was $67,406. The gain on the sale of the property was $782,594. In addition, the District sold other capital assets, including vehicles and furniture and equipment, during the fiscal year. During fiscal year 2011, the District recognized total gains on the sale of capital assets of $818,010.

NOTE 11 - LONG-TERM OBLIGATIONS

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

	Interest Rate	Balance Outstanding June 30, 2010	Additions	Reductions	Balance Outstanding June 30, 2011	Amounts Due in One Year
Governmental activities:						
General Obligation Bonds:						
Library refunding bonds-series 2006						
Current interest bonds	3.50-5.00%	$ 4,910,000	$ -	$ (325,000)	$ 4,585,000	$ -
Capital appreciation bonds	23.34%	84,998	-	-	84,998	84,998
Accreted interest		148,847	60,361	-	209,208	209,208
Total library bonds		5,143,845	60,361	(325,000)	4,879,206	294,206
School improvement bonds-series 2005	3%-4.375%	44,090,000	-	(1,190,000)	42,900,000	1,230,000
School improvement bonds-series 2005A	3.5-4.5%	18,695,000	-	(465,000)	18,230,000	480,000
Total school improvement bonds		62,785,000	-	(1,655,000)	61,130,000	1,710,000
Total general obligation bonds payable		67,928,845	60,361	(1,980,000)	66,009,206	2,004,206
Other Long-Term Obligations:						
Compensated absences		2,757,849	417,750	(417,323)	2,758,276	945,866
Total other long-term obligations		2,757,849	417,750	(417,323)	2,758,276	945,866
Total long-term obligations governmental activities		$ 70,686,694	$ 478,111	$ (2,397,323)	68,767,482	$ 2,950,072
Unamortized premium on bonds					842,705	
Deferred charges in refunding bonds					(136,466)	
Total on statement of net assets					$ 69,473,721	

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Library Refunding Bond Series 2006: On January 5, 2006, the District, on behalf of the public library, refunded the callable portion of the library improvement bonds. Bond proceeds were received in the debt service fund and disbursed to the bond escrow account to retire a portion of the Series 1998 bonds. This refunding issue is comprised of both current interest bonds, par value $5,330,000, and capital appreciation bonds, par value $84,998. The interest rates on the current interest bonds range from 3.50% to 5.0%. The capital appreciation bonds mature on December 1, 2011, and have a stated interest rate of 23.34%, and mature at a redemption price equal to 100% of the principal plus accrued interest at the redemption date. The accreted value at maturity for the capital appreciation bonds is $330,000. A total of $209,208 in accreted interest has also been included in the statement of net assets.

The reacquisition price exceeded the net carrying amount of the old debt by $202,282. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2022.

School Improvement Bond Series 2005: The District issued $50 million of general obligation bonds on February 22, 2005. The bonds will be retired from the debt service fund with revenue generated from a 5.9 mill tax levy. This issue is comprised of current interest bonds with interest rates ranging from 3% to 4.375%. The school improvement bonds were issued for the purpose of constructing, renovating, remodeling, furnishing, equipping and otherwise improving school facilities and clearing and improving their sites. As of June 30, 2011, the District had $4,699,162 of unspent bond proceeds remaining on the bond issue.

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2033.

School Improvement Bond Series 2005A: The District issued $20 million of general obligation bonds on December 13, 2005. The bonds will be retired from the debt service fund with revenue generated from a 5.9 mill tax levy. This issue is comprised of current interest bonds with interest rates ranging from 3.5% to 4.5%. The school improvement bonds were issued for the purpose of constructing, renovating, remodeling, furnishing, equipping and otherwise improving school facilities and clearing and improving their sites.

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2034.

Compensated Absences: Compensated absences will be paid from the fund from which the employees' salaries are paid. Compensated absences will primarily be paid from the general fund.

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

B. Principal and interest requirements to retire the long-term obligations outstanding at June 30, 2011, are as follows:

Fiscal	Library Bonds			School Improvement Bonds		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2012	$ -	$ 194,800	$ 194,800	$ 1,710,000	$ 2,653,694	$ 4,363,694
2013	330,000	188,200	518,200	1,770,000	2,592,481	4,362,481
2014	345,000	174,700	519,700	1,835,000	2,523,556	4,358,556
2015	360,000	158,800	518,800	1,905,000	2,447,406	4,352,406
2016	380,000	140,300	520,300	1,985,000	2,368,256	4,353,256
2017 - 2021	2,170,000	426,000	2,596,000	11,240,000	10,488,510	21,728,510
2022 - 2026	1,000,000	40,400	1,040,400	13,925,000	7,729,315	21,654,315
2027 - 2031	-	-	-	17,400,000	4,184,384	21,584,384
2032 - 2034	-	-	-	9,360,000	530,062	9,890,062
Total	$ 4,585,000	$ 1,323,200	$ 5,908,200	$ 61,130,000	$ 35,517,664	$ 96,647,664

Fiscal	Capital Appreciation Bonds		
Year Ended	Principal	Interest	Total
2012	$ 84,998	$ 245,002	$ 330,000
Total	$ 84,998	$ 245,002	$ 330,000

C. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2011, are a voted debt margin of $9,856,525 (including available funds of $3,460,064) and an unvoted debt margin of $802,183.

NOTE 12 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

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

B. Insurance Benefits

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

C. Retirement Incentive

During fiscal year 2011, the District offered a retirement incentive plan (the "Plan") whereby certified employees retiring under the Plan receive a $40,000 incentive payment in addition to their regular severance payment and classified employees receive an incentive payment equal to the lesser of $20,000 or their annual salary in addition to their regular severance payment. The employees must have notified the District of their retirement by June 30, 2011. A total of 16 classified and 41 certified employees took advantage of the Plan.

The District's liability under the Plan at June 30, 2011 totaled $2,698,350. This liability includes $692,583 in regular severance payments which is reported as a component of "compensated absences payable" on the financial statements, $1,915,099 in incentive payments and $90,668 in Educators Preferred Corporation (EPC) and Met Life fees which are both combined and reported as "retirement incentive payable" on the financial statements. The District made a payment to EPC subsequent to fiscal year end in the amount of $2,698,350 to fulfill its obligation for the Plan. EPC is responsible for administering payments to the employees.

NOTE 13 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2011, the District maintained comprehensive insurance coverage for liability, real property, building contents and vehicles. The District obtains insurance coverage through the Ohio Casualty (Joseph James and Associates). Vehicle policies include liability coverage for bodily injury and property damage. The following is a description of the District's insurance coverage:

Building and Contents - Replacement Cost	$ 107,410,000
General Liability:	
Per occurrence/with umbrella	5,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. Building and contents coverage decreased from $155,376,830 in fiscal year 2010 to $107,410,000 in fiscal year 2011 as the District has fewer buildings to cover and better sprinkler and safety systems in place.

B. Group Health and Dental Insurance

Health, life, dental and other group insurance is offered to employees as a fringe benefit. The District provides medical and life coverage for its employees on a fully insured basis and dental insurance on a self-insurance basis. Employer and employee contributions to premium are determined by negotiated agreements with employee labor unions. Classified, certified, administrative and exempt employees receive health insurance that is 80% Board-paid and 20% employee paid and dental insurance that is 75% Board-paid and 25% employee paid. All life insurance is 100% Board-paid for all full-time staff.

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

All funds of the District participate in the program and make payments to the Risk Management Fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services). The claims liability of $16,900 reported in the basic financial statements at June 30, 2011, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claim. Claims activities for the current and prior year are as follows:

Fiscal Year	Beginning Balance	Current Year Claims	Claims Payments	Ending Balance
2011	$ 24,100	$ 415,094	$ (422,294)	$ 16,900
2010	21,104	$ 453,920	$ (450,924)	24,100

NOTE 13 - RISK MANAGEMENT - (Continued)

C. Workers' Compensation Rating Program

For fiscal year 2011, the District participated in the Sheakley UniServe Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is tiered into groups based upon past workers' compensation experience. Within each tiered group, a common premium rate is applied to all school districts within that group. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of their tiered group. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniServe provides administrative, cost control and actuarial services to the GRP.

NOTE 14 - PENSION PLANS

A. School Employees Retirement System

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under *"Media/Financial Reports"*.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2011, 11.77 percent and 0.04 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2011, 2010 and 2009 were $898,391, $939,437 and $665,932, respectively; 54.36 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

NOTE 14 - PENSION PLANS - (Continued)

B. State Teachers Retirement System of Ohio

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org, under *"Publications"*.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For fiscal year 2011, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010 and 2009 were $3,649,020, $3,610,550 and $3,676,216, respectively; 83.51 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009. Contributions to the DC and Combined Plans for fiscal year 2011 were $130,980 made by the District and $93,557 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2011, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

NOTE 15 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Chapter 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2011 was $96.40 and SERS' reimbursement to retirees was $45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under *"Media/Financial Reports"*.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2011, 1.43 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2011, the actuarially determined amount was $35,800.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2011, 2010 and 2009 were $255,642, $181,125 and $455,051, respectively; 54.36 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2011, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 were $57,813, $55,866 and $54,945, respectively; 54.36 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

NOTE 15 - POSTEMPLOYMENT BENEFITS - (Continued)

B. State Teachers Retirement System of Ohio

Plan Description - The District contributes to the cost sharing, multiple employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org, under *"Publications"* or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2011, 2010 and 2009 were $280,694, $277,735 and $282,786, respectively; 83.51 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

NOTE 16 - CONTINGENCIES

A. Grants

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

B. Litigation

The District is involved in no material litigation as either plaintiff or defendant.

NOTE 17 - SET-ASIDES

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

NOTE 17 - SET-ASIDES - (Continued)

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

	Textbooks	Capital Improvements
Set-aside balance June 30, 2010	$ -	$ -
Current year set-aside requirement	892,987	892,987
Contributions in excess of the current fiscal year set-aside requirement	-	-
Current year qualifying expenditures	(889,816)	-
Excess qualified expenditures from prior years	(52,974)	-
Current year offsets	-	(892,987)
Waiver granted by ODE	-	-
Prior year offset from bond proceeds	-	-
Total	$ (49,803)	$ -
Balance carried forward to fiscal year 2012	$ -	$ -
Set-aside balance June 30, 2011	$ -	$ -

The District had current year qualifying disbursements and excess qualified expenditures from prior years to reduce the textbook set-aside amount below zero. Effective July 1, 2011, the textbook set-aside is no longer required and has been removed from existing law. This negative balance is therefore not being presented as being carried forward to the future fiscal year.

The District had offsets during the fiscal year that reduced the set-aside amount to zero for the capital improvements set-aside. During fiscal year 2005 and 2006, the District issued $50,000,000 and $20,000,000, respectively, in capital related school improvement bonds. These proceeds may be used to reduce capital acquisition below zero for future years. The amount presented for Prior Year Offset from Bond Proceeds is limited to an amount needed to reduce the reserve for capital improvement to zero. The District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was $70,000,000 at June 30, 2011.

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

(a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

(b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

(c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

(d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,

(e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

Net Change in Fund Balance

	General fund
Budget basis	$ 549,276
Net adjustment for revenue accruals	(1,358,404)
Net adjustment for expenditure accruals	(2,208,122)
Net adjustment for other sources/uses	391,987
Funds budgeted elsewhere	13,054
Adjustment for encumbrances	2,035,179
GAAP basis	$ (577,030)

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. These include the public school support fund, the student activity trusts fund, the staff trusts fund, the rotary-special services fund, and the rotary fund.

NOTE 19 - CONTRACTUAL COMMITMENTS

As of June 30, 2011, the District has commitments with the following companies for the construction project.

	Contract Amount	Amount Paid as of June 30, 2011	Amount Remaining on Contract
H&A Mechanical, Inc.	$ 1,117,514	$ 1,046,545	$ 70,969
Simplix Grinnell	191,751	90,861	100,890
Converse Electric	564,935	381,940	182,995
MG Abbott, Inc.	787,233	723,121	64,112
Cardinal Environmental	190,082	174,102	15,980
Lang Masonry Contractors	3,403,420	2,170,108	1,233,312
Vaughn Industries	725,300	109,627	615,673
City Electric	896,364	211,554	684,810
Guenther Mechanical, Inc.	1,733,327	828,283	905,044
Wingler Construction	165,055	-	165,055
Dave Williams and Associates	43,515	-	43,515
Clara Brown Interiors, Inc.	145,788	-	145,788
Claggett & Sons, Inc.	7,374,187	3,281,827	4,092,360
Claypool Electric, Inc.	5,434,611	2,144,222	3,290,389
Educational Furniture	4,902	-	4,902
Farnham Equipment, Co.	1,359,900	595,479	764,421
Gutridge Plumbing, Inc.	8,892,299	5,057,047	3,835,252
K&W Roofing	123,758	-	123,758
LEPI Enterprises, Inc.	334,673	92,675	241,998
The Shelly Company	188,277	-	188,277
Lifelock	37,950	-	37,950
Tom Sexton Associates	370,476	-	370,476
Robertson Construction	18,288,913	10,949,795	7,339,118
Total	$ 52,374,230	$ 27,857,186	$ 24,517,044

These contractual commitments relate to the OSFC project undertaken by the District. In addition to the amounts paid above, the District has recorded contracts payable and retainage payable in the amounts of $2,630,609 and $280,318, respectively, for costs incurred prior to fiscal year end on the OSFC project. Costs incurred by fiscal year end (including contracts and retainage payable) have been recorded as construction-in-progress in the District's capital assets (See Note 10).

NOTE 20 - SIGNIFICANT SUBSEQUENT EVENT

On September 2, 2011, the District sold the Maholm Elementary building (96 Maholm Street, Newark, Ohio) to Par Excellence Academy (a component unit). The purchase price for the building was $150,000. The District received a $15,000 down payment on the building on June 28, 2011 and received the remaining $135,000 on September 2, 2011. The down payment received is offset by unearned revenue at June 30, 2011.

NOTE 21 - NEWARK DIGITAL ACADEMY

The Newark Digital NDA (NDA) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 1702 and 3314. NDA is an approved tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect NDA's tax exempt status. NDA's objective is to deliver a comprehensive educational program of high quality, tied to state and national standards, which can be delivered to students in the K-12 population entirely through distance learning technologies. The students may include, but will not be limited to, home schoolers, children with special physical and mental needs, students removed from the regular classroom for discipline concerns, students who need an alternative to the traditional classroom for various reasons, including religious reasons, transient students, and students with the Newark City School District, (sponsor of the NDA), that desire a specific course not currently offered but is available through online instruction.

NDA was created on February 11, 2003 by entering into a five year contract with the Newark City School District (the Sponsor) through fiscal year 2008. On May 13, 2008, the NDA entered into a new five year contract through fiscal year 2013. The Sponsor is responsible for evaluating the performance of the NDA and has the authority to deny renewal of the contract at its expiration.

NDA has entered into a purchased services agreement contract with the Tri-Rivers Educational Computer Association (TRECA) for providing the planning, design, instructional, administrative and technical consulting services during the fiscal year.

NDA has also entered into a purchased services agreement contract with the Jefferson County Educational Service Center (ESC) for participation in the Jefferson County ESC Virtual Learning Academy (VLA).

NDA operates under the direction of a five-member Board of Directors. The Board of Directors is responsible for carrying out provisions of the contract which, include, but are not limited to, state-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards, and qualifications of teachers.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of NDA have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. NDA also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, provided the guidance does not conflict with or contradict GASB pronouncements. NDA has elected not to apply FASB guidance issued after November 30, 1989. The FASB has codified its standards and the standards issued prior to November 30, 1989 which are included in the codification. Following are the more significant of the NDA's accounting policies.

Basis of Presentation - The NDA's basic financial statements consist of a statement of net assets, a statement of revenues, expenses, and changes in net assets; and a statement of cash flows.

NDA uses a single enterprise presentation for its financial records. Enterprise reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows.

NOTE 21 - NEWARK DIGITAL ACADEMY - (Continued)

Measurement Focus and Basis of Accounting - The enterprise activity is accounted for using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of NDA are included on the statement of net assets. The statement of revenues, expenses, and changes in net assets presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets. The statement of cash flows reflects how NDA's finances meet its cash flow needs.

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. NDA's financial statements are prepared using the accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Revenues resulting from non-exchange transactions, in which NDA receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the period when the resources are required to be used or the period when use is first permitted, matching requirements, in which NDA must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to NDA on a reimbursement basis. Expenses are recognized at the time they are incurred.

Budgetary Process - Unlike other public schools located in the State of Ohio, community schools are not required to follow the budgetary provisions set forth in Ohio Revised Code Chapter 5705, unless specifically provided by the NDA's contract with its Sponsor. The contract between NDA and its Sponsor prescribes an annual budget requirement as part of preparing a five year forecast, which is updated on an annual basis.

Cash and Cash Equivalents - Cash received by NDA is reflected as "cash and cash equivalents" on the statement of net assets. NDA had no investments during the fiscal year ended June 30, 2011.

Capital Assets - All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The NDA maintains a capitalization threshold of one thousand dollars. The NDA does not possess any infrastructure.

All reported capital assets, except for land and construction in progress, are depreciated. Depreciation is computed using the straight-line method. Buildings are depreciated over forty years, furniture is depreciated over twenty years, and computers are depreciated over six years.

Intergovernmental Revenue - The NDA currently participates in the State Foundation Program, the EMIS grant, the Data Communication grant, the Data Connectivity grant, the Education Jobs grant, the IDEA Part B grant, Education Stabilization grant, the Stimulus Title II-D grant, the Title I grant, the Drug Free School grant, and the Title II-A grant. Revenue from the State Foundation Program is recognized as operating revenue in the accounting period in which all eligibility requirements have been met. Amounts awarded under State Foundation Program for the 2011 school year excluding State and Federal grants totaled $1,602,800.

NOTE 21 - NEWARK DIGITAL ACADEMY - (Continued)

Revenues received from the remaining programs are recognized as non-operating revenues in the accompanying financial statements. Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. Eligibility includes timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the NDA must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the NDA on a reimbursement basis. State and Federal grants revenue for the fiscal year 2011 received was $381,211.

Prepaid Items - Payments made to vendors for services that will benefit periods beyond June 30, 2011 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed. The NDA has no prepaid assets at June 30, 2011.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, consists of capital assets, net of accumulated depreciation. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Amounts restricted include amounts restricted for State and Federally funded programs.

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

Operating Revenues and Expenses - Operating revenues are those revenues that are generated directly from the primary activity of the NDA. Operating expenses are necessary costs incurred to provide goods or services that are the primary activity of the NDA. All revenues and expenditures not meeting this definition are reported as non-operating.

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 on the financial statements and accompanying notes. Actual results may differ from those estimates.

CHANGES IN ACCOUNTING POLICIES

For fiscal year 2011, the NDA has implemented GASB Statement No. 59, "Financial Instruments Omnibus". GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of GASB Statement No. 59 did not have an effect on the financial statements of the NDA.

DEPOSITS

At June 30, 2011, the carrying amount of all NDA deposits was $1,217,453. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2011, $1,050,517 of the NDA's bank balance of $1,300,517 was exposed to custodial risk as discussed below, while $250,000 was covered by the Federal Deposit Insurance Corporation (FDIC).

NOTE 21 - NEWARK DIGITAL ACADEMY - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the NDA's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the NDA. The NDA has no deposit policy for custodial credit risk beyond the requirement of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the NDA to a successful claim by the FDIC.

CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance 06/30/10	Additions	Reductions	Balance 06/30/11
Capital assets, not being depreciated:				
Land	$ 6,630	$ -	$ -	$ 6,630
Construction in progress	-	46,701	-	46,701
Total capital assets, not being depreciated	6,630	46,701	-	53,331
Capital assets, being depreciated:				
Building	79,370	-	-	79,370
Furniture and equipment	130,400	11,995	-	142,395
Total capital assets, being depreciated	209,770	11,995	-	221,765
Less: accumulated depreciation				
Building	(992)	(1,984)	-	(2,976)
Furniture and equipment	(106,348)	(15,705)	-	(122,053)
Total accumulated depreciation	(107,340)	(17,689)	-	(125,029)
Capital assets, net	$ 109,060	$ 41,007	$ -	$ 150,067

NOTE 21 - NEWARK DIGITAL ACADEMY - (Continued)

SERVICE AGREEMENTS

TRECA – For fiscal year 2011, NDA utilized TRECA for the services of the part-time technician. The NDA's online curriculum was provided by the Jefferson County Educational Service Center (see below). During fiscal year 2011, NDA paid TRECA $19,601 under this contract.

Jefferson County Educational Service Center - NDA entered into a one-year contract for fiscal year 2011 with the Jefferson County Educational Service Center (ESC) for participation in the Jefferson County ESC Virtual Learning Academy (VLA).

The VLA is an internet-based educational delivery system designed for grades 2-12, providing alternative educational options for credit deficiencies, alternative programs, students being schooled at home and summer school programs.

Under the contract, the following terms were agreed upon:

The VLA shall provide NDA with the following services: development and maintenance of NDA's VLA database, technology professional development, daily on-line VLA technical support, marketing consultation, treasurer's office/EMIS support, and intervention support.

The student VLA license fees will be the responsibility of NDA at a rate of $185 per student. Additional fees will be charged for students enrolled in specialized courses. Discounted rates will be charged to summer school students.

For fiscal year 2011, $454,489 was paid by NDA under this contract.

RISK MANAGEMENT

The NDA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Coverage was provided by Indiana Insurance.

During fiscal year 2011, the NDA contracted through Philadelphia Insurance for the following coverage amounts:

Per Occurrence	$1,000,000
Annual Aggregate	$2,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. The only significant reduction in insurance coverage was the annual aggregate decreased from $3,000,000 at June 30, 2010 to $2,000,000 at June 30, 2011.

NDA also carries Public Official Bonds through Travelers Casualty and Surety Company of America for the Treasurer, Executive Director and Board President.

NOTE 21 - NEWARK DIGITAL ACADEMY - (Continued)

CONTINGINCIES

Grants - The NDA received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the NDA. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the NDA at June 30, 2011.

Litigation - The NDA is not involved in any litigation that, in the opinion of management, would have a material effect on the financial statements.

State Foundation Funding - The Ohio Department of Education conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by community schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the state, upon which State foundation funding is calculated. The conclusion of this review resulted in a State Foundation payable of $54,494 at June 30, 2011. This amount will be withheld from foundation settlements in fiscal years 2012 and 2013.

NOTE 22 - PAR EXCELLENCE ACADEMY

The Par Excellence Academy, Licking County, Ohio (the "Academy") is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702, to maintain and provide an Academy exclusively for any educational, literary, scientific and related teaching service, that qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Academy's tax exempt status. The Academy's objective is to deliver a unique opportunity for students who show a strong interest or talent in the visual arts which can be delivered to students in grades Kindergarten through 3rd grade. It is to be operated in cooperation with the public schools to provide an appreciation of the visual arts through studies of its history, theory and design. The Academy, which is part of the State's education program, is nonsectarian in its programs, admissions policies, employment practices, and all other operations. The Academy may acquire facilities as needed and contract for any services necessary for the operation of the school.

The Academy was approved for operation under a contract with the Newark City School District (the "Sponsor") for a period of one academic year for the period of July 1, 2010 through June 30, 2011. This contract was extended for three more academic years for the period July 1, 2011 through June 30, 2014. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration. The Academy is considered a component unit of the Newark City School District for reporting purposes, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39.

NOTE 22 - PAR EXCELLENCE ACADEMY - (Continued)

The Academy operates under the direction of a self-appointed nine-member Board of Trustees. The Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, State-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards and qualifications of teachers. The Board controls the Academy's one instructional/support facility staffed by 9 non-certified staff members and 12 certificated full time teaching personnel who provide services to 135 students.

The basic financial statements (BFS) of the Academy have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Academy also applies Financial Accounting Standards Board (FASB) guidance issued prior to November 30, 1989, provided this guidance does not conflict with or contradict GASB pronouncements. The Academy has the option to also apply FASB guidance issued after November 30, 1989, subject to this same limitation. The Academy has elected not to apply this FASB guidance. The Academy's significant accounting policies are described below.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The Academy uses enterprise accounting to report on its financial activities. Enterprise accounting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Enterprise accounting may be used to account for any activity for which a fee is charged to external users for goods and services.

Operating revenues are those revenues that are generated directly from the primary activity of the Academy. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Academy. All revenues and expenses not meeting this definition are reported as non-operating.

Measurement Focus and Basis of Accounting - Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities are included on the statement of net assets. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made. The accrual basis of accounting is utilized for reporting purposes. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Budgetary Process - Unlike other public schools located in the State of Ohio, community schools are not required to follow budgetary provisions set forth in Ohio Revised Code Section 5705, except House Bill 364, which took effect April 8, 2003, added Ohio Rev. Code Section 3314.03 (11) (d), which states that community schools must comply with Ohio Rev. Code Section 5705.391. This requires each community school to submit to the Ohio Department of Education (ODE) a five year forecast no later than October 31 of each year.

Cash - All monies received by the Academy are deposited in a demand deposit account.

NOTE 22 - PAR EXCELLENCE ACADEMY - (Continued)

Net Assets - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Amounts restricted for other purposes includes amounts restricted for school support and other local sources.

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

Intergovernmental Revenue - The Academy currently participates in the State Foundation Program, the EMIS grant, the K12 Connectivity grant, the IDEA B grant, the Education Stabilization grant, the Title IID grant, the Nutrition Education and Training Program grant, the Title I grant, the Drug Free School grant, and the Title IIA grant. Revenue from the State Foundation Program is recognized as operating revenue in the accounting period in which all eligibility requirements have been met. Amounts awarded under State Foundation Program for the 2011 school year excluding federal and State grants totaled $816,542.

Revenues received from the remaining programs are recognized as non-operating revenues in the accompanying financial statements. Grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements have been met. Eligibility includes timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Academy must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis. State and federal grants revenue for the fiscal year 2011 received was $249,959. In addition, the Academy received $3,500 in local contributions and donations during fiscal year 2011.

Estimates - The preparation of financial statements in conformity with GAAP 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.

Compensated Absences - In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. The Academy does not have a policy regarding the payment of unused sick leave for termination (severance) benefits; therefore, a liability is not accrued for unused sick leave at fiscal year-end. The District does have a policy that allows employees to carry over or be compensated for unused vacation leave at fiscal year-end; therefore a liability has been recorded for unused vacation leave at fiscal year-end.

Capital Assets and Depreciation - All capital assets are capitalized at cost and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The Academy maintains a capitalization threshold of $50. The Academy does not have any infrastructure. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method. Equipment is depreciated over five years.

NOTE 22 - PAR EXCELLENCE ACADEMY - (Continued)

CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2011, the Academy has implemented GASB Statement No. 59, "Financial Instruments Omnibus". GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of GASB Statement No. 59 did not have an effect on the financial statements of the Academy.

DEPOSITS

At June 30, 2011, the carrying amount of the Academy's deposits was $444,639 and the bank balance was $452,519. In addition, the Academy had $300 in cash on hand. The entire bank balance was covered by the Federal Deposit Insurance Corporation (FDIC).

RECEIVABLES

Receivables at June 30, 2011 consisted accounts (billings for user charged services and student fees) and intergovernmental grants. A summary of the principal items of receivables reported on the statement of net assets follows:

Accounts	$ 15
Intergovernmental	78,460
Total	$ 78,475

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

CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance June 30, 2010	Additions	Disposals	Balance June 30, 2011
Furniture and equipment	$ 116,255	$ 10,005	$ -	$ 126,260
Less: accumulated depreciation	(68,621)	(22,100)	-	(90,721)
Capital assets, net	$ 47,634	$ (12,095)	$ -	$ 35,539

COMPENSATED ABSENCES

Employees accumulate sick leave at a rate of 5 days per year. Unused sick leave may accumulate up to 30 days. Some employees accumulate vacation leave at a rate of up to 14 days per year. Unused vacation leave may accumulate up to a maximum of 20 days. A liability for unused vacation leave at June 30 is recorded on the statement of net assets.

NOTE 22 - PAR EXCELLENCE ACADEMY - (Continued)

LONG-TERM OBLIGATIONS

The Academy's long-term obligations during fiscal year 2011 were as follows:

	Balance June 30, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Compensated absences	$ 19,426	$ 3,544	$ (16,396)	$ 6,574	$ 6,574
Total long-term liabilities	$ 19,426	$ 3,544	$ (16,396)	$ 6,574	$ 6,574

RISK MANAGEMENT

Property and Liability - The Academy is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Academy maintains insurance coverage for rental/theft, general liability, contents liability.

The Academy has coverage for employee dishonesty, forgery and alteration coverage and computer equipment.

The Academy owns no real estate, but leases facilities located at 96 Maholm Street, Newark, Ohio 43055.

Settled claims have not exceeded commercial coverage in the past three years. There was no significant reduction from the prior year.

Workers' Compensation - The Academy pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly gross total payroll by a factor that is calculated by the State.

CONTINGENCIES

Grants - The Academy received financial assistance from a State agency in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Academy at June 30, 2011.

State Foundation Funding - The Ohio Department of Education (ODE) conducts reviews of enrollment data and full-time equivalency (FTE) calculations made by the schools. These reviews are conducted to ensure the schools are reporting accurate student enrollment data to the State, upon which State foundation funding is calculated. The Academy was reviewed during fiscal year 2011. The Academy anticipates no adjustments to State funding for fiscal year 2012, as a result of the reviews which have yet to be completed.

Litigation - The Academy is not involved in any litigation that, in the opinion of management, would have a material effect on the financial statements.

NOTE 22 - PAR EXCELLENCE ACADEMY - (Continued)

SERVICE AGREEMENT

The Academy entered into a one-year contract on July 20, 2010 with Licking Area Computer Association (LACA) for certain computer, data processing and application services for the fiscal year ended June 30, 2011. Under this contract, the following terms were agreed upon:

1. LACA shall provide fiscal administration services, including access to financial software through OECN, electronic filing of data, user training, software upgrades, disaster recovery, EMIS compliance procedures and providing staff and resources to support the business process.

2. LACA shall provide student administration systems, including access to the Student Information System (SIS), data archival and retrieval support, help desk support, and preprinted forms need for grade cards, schedule cards, grade scans and transcripts.

3. LACA shall provide EMIS system and services, including access to State EMIS software, interface to SIS and OECN financial software, creation and use of custom user defined reports, and district report card assistance.

4. LACA shall provide library services, including access to INFOhio Library Automation software, INFOhio electronic resource support, and INFOhio compliance procedures.

5. LACA shall provide video distance learning services, including coordinating, developing and delivering local professional development activities, daily management and troubleshooting of video network, technical training, and troubleshooting and coordination of specific video related hardware.

6. The fees for the services provided are based on a base fee plus a fee per student which vary per type of service. The total fee is $64.24 per student.

For fiscal year 2011, $4,918 was paid to LACA for services related to the service agreement. To obtain LACA's audited June 30, 2011 financial statements, please contact Mr. Cory Thompson, Treasurer/CFO, 150 Price Road, Newark, Ohio 43055.

OPERATING LEASES - LESSEE DISCLOSURE

On May 13, 2008, the Academy entered into an operating lease with the Sponsor for the use of the former Maholm Elementry School. The lease began on August 1, 2008 and will continue through July 31, 2011 with annual rent payments of $18,000, payable in monthly installments of $1,500.

SIGNIFICANT SUBSEQUENT EVENT

On September 2, 2011, the Academy purchased the Maholm Elementary building (96 Maholm Street, Newark, Ohio) that it had previously leased. The purchase price for the building was $150,000. The Academy made a $15,000 down payment on the building on June 28, 2011 which has been recorded as "deposit on building" on the financial statements. To finance the building purchase, the Academy entered into a loan agreement with Park National Bank in the amount of $137,000. The loan bears an interest rate of 5.75 percent and matures September 2, 2016.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTAL INFORMATION

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

MAJOR FUNDS

General Fund

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

Since the legal level of budgetary control is not greater than that presented in the basic financial statements, no additional financial statements are presented for the general fund.

OTHER MAJOR FUNDS

Classroom Facilities

To account for the acquisition, construction, or improvement of District facilities related to the Ohio School Facilities Commission project.

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	**Final**	**Actual**	
Classroom Facilities				
Total Revenues and Other Sources.	$ 14,000,000	$ 14,000,000	$ 27,628,155	$ 13,628,155
Total Expenditures and Other Uses.	58,547,314	58,547,314	49,000,197	9,547,117
Net Change in Fund Balance	(44,547,314)	(44,547,314)	(21,372,042)	23,175,272
Fund balance at beginning of year	879,719	879,719	879,719	-
Prior year encumbrances appropriated. . .	14,751,035	14,751,035	14,751,035	-
Fund balance (deficit) at end of year	$ (28,916,560)	$ (28,916,560)	$ (5,741,288)	$ 23,175,272

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	$ 3,245,056	$ 3,113,288	$ 7,884,496	$ 14,242,840
Receivables:				
Property taxes	-	4,695,540	1,508,280	6,203,820
Payment in lieu of taxes	-	1,117	528	1,645
Intergovernmental	1,888,370	-	-	1,888,370
Prepayments	1,253	-	-	1,253
Materials and supplies inventory	25,436	-	-	25,436
Total assets	$ 5,160,115	$ 7,809,945	$ 9,393,304	$ 22,363,364
Liabilities:				
Accounts payable	$ 7,889	$ -	$ 294	$ 8,183
Contracts payable	-	-	320,905	320,905
Retainage payable	-	-	280,318	280,318
Accrued wages and benefits	746,513	-	-	746,513
Compensated absences payable	6,133	-	-	6,133
Retirement incentive payable	33,270	-	-	33,270
Pension obligation payable	209,311	-	-	209,311
Intergovernmental payable	54,678	-	-	54,678
Interfund loan payable	590,423	-	-	590,423
Deferred revenue	1,407,657	366,511	118,188	1,892,356
Unearned revenue	-	3,983,370	1,292,528	5,275,898
Total liabilities	3,055,874	4,349,881	2,012,233	9,417,988
Fund balances:				
Nonspendable:				
Materials and supplies inventory	25,436	-	-	25,436
Prepaids	1,253	-	-	1,253
Restricted:				
Debt service	-	3,460,064	-	3,460,064
Capital improvements	-	-	7,381,071	7,381,071
Classroom facilities maintenance	1,448,436	-	-	1,448,436
Food service operations	715,721	-	-	715,721
Non-public schools	49,935	-	-	49,935
Extracurricular	223,188	-	-	223,188
Other purposes	85,990	-	-	85,990
Unassigned	(445,718)	-	-	(445,718)
Total fund balances	2,104,241	3,460,064	7,381,071	12,945,376
Total liabilities and fund balances	$ 5,160,115	$ 7,809,945	$ 9,393,304	$ 22,363,364

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
From local sources:				
Property taxes	$ 412,881	$ 3,785,146	$ 806,388	$ 5,004,415
Payment in lieu of taxes	-	1,368	399	1,767
Charges for services	570,499	-	-	570,499
Earnings on investments	1,361	-	9,853	11,214
Extracurricular	151,787	-	-	151,787
Contributions and donations	83,133	-	142,790	225,923
Other local revenues	12,620	-	-	12,620
Intergovernmental - state	912,097	664,213	350,249	1,926,559
Intergovernmental - federal	10,578,335	-	-	10,578,335
Total revenues	12,722,713	4,450,727	1,309,679	18,483,119
Expenditures:				
Current:				
Instruction:				
Regular	2,450,530	-	315,462	2,765,992
Special	2,766,670	-	-	2,766,670
Other	524,864	-	-	524,864
Support services:				
Pupil	369,095	-	-	369,095
Instructional staff	2,296,046	-	-	2,296,046
Administration	276,515	-	-	276,515
Fiscal	52,854	70,225	25,274	148,353
Business	-	-	82,455	82,455
Operations and maintenance	29,145	-	266,439	295,584
Pupil transportation	5,084	-	227,925	233,009
Central	58,547	-	-	58,547
Operation of non-instructional services:				
Food service operation	2,188,137	-	-	2,188,137
Other non-instructional services	636,660	-	-	636,660
Extracurricular activities	146,330	-	-	146,330
Facilities acquisition and construction	-	-	2,979,901	2,979,901
Debt service:				
Principal retirement	-	1,980,000	-	1,980,000
Interest and fiscal charges	-	2,910,597	-	2,910,597
Total expenditures	11,800,477	4,960,822	3,897,456	20,658,755
Excess (deficiency) of revenues over (under) expenditures	922,236	(510,095)	(2,587,777)	(2,175,636)
Other financing sources:				
Sale of capital assets	-	-	851,000	851,000
Transfers in	78,975	-	-	78,975
Total other financing sources	78,975	-	851,000	929,975
Net change in fund balances	1,001,211	(510,095)	(1,736,777)	(1,245,661)
Fund balances at beginning of year (restated)	1,108,538	3,970,159	9,117,848	14,196,545
Increase in reserve for inventory	(5,508)	-	-	(5,508)
Fund balances at end of year	$ 2,104,241	$ 3,460,064	$ 7,381,071	$ 12,945,376

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds

The special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The title of each special revenue fund is descriptive of the activities accounted for therein. The nonmajor special revenue funds are:

Miscellaneous Grants

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

District Managed Student Activity

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

Auxiliary Services

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

Management Information Systems

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

Public School Preschool

To account for State funds provided to the District for paying the cost of preschool programs for three and four year olds.

Entry Year Programs

To account for State funds which provide entry-year programs pursuant to Ohio Revised Code Section 3317.024(T)

Data Communications

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

SchoolNet Professional Development

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

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds (Continued)

Alternative Schools

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

Miscellaneous State Grants

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

Title VI-B

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

Education Stabilization

To account for Federal stimulus funds received through State foundation for the purpose of stabilizing the District's budgets.

Stimulus Title II D

To account for Federal stimulus funds that provides the District with funding for classroom technology resources and professional development on technology integration.

Title I

To account for Federal funds for services provided to meet special educational needs of educationally deprived children

Drug Free Schools Program

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

EHA Preschool Grant

To account for Federal funds used for the improvement and expansion of services for handicapped children ages three through five years.

Reducing Class Size

To account for a Federal grant aimed at reducing class sizes through out the District.

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds (Continued)

Miscellaneous Federal Grants

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

Food Service

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

Education Jobs

This fund accounts for federal monies whose purpose is to create education jobs for the 2010-2011 school year. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education.

Classroom Facilities Maintenance

To account for revenues earmarked for the maintenance of facilities.

The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis). These funds are not included in the combining statements for the nonmajor special revenue funds since they are reported in the general fund (GAAP basis); however, the budgetary schedules for these funds are presented in this section.

School Activity Trusts

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

Staff Trusts

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

Rotary Fund - Special Services

To account for operations made in connection with goods and services provided by the District

Rotary Fund

To account for operations that provide goods or services to other governmental units on a cost-reimbusement basis

Public School Support

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

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NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	Miscellaneous Grants	District Managed Student Activity	Auxiliary Services	Management Information Systems
Assets:				
Equity in pooled cash and cash equivalents	$ 86,268	$ 223,448	$ 73,480	$ -
Receivables:				
Intergovernmental	-	-	-	-
Prepayments	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets	$ 86,268	$ 223,448	$ 73,480	$ -
Liabilities:				
Accounts payable	$ -	$ 196	$ 792	$ -
Accrued wages and benefits	-	-	18,553	90
Compensated absences payable	-	-	-	-
Retirement incentive payable	-	-	-	-
Pension obligation payable	-	9	2,940	2,083
Intergovernmental payable	-	55	1,260	277
Interfund loan payable	278	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	278	260	23,545	2,450
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	-	-
Prepaids	-	-	-	-
Restricted:				
Classroom facilities maintenance	-	-	-	-
Food service operations	-	-	-	-
Non-public schools	-	-	49,935	-
Extracurricular	-	223,188	-	-
Other purposes	85,990	-	-	-
Unassigned	-	-	-	(2,450)
Total fund balances	85,990	223,188	49,935	(2,450)
Total liabilities and fund balances	$ 86,268	$ 223,448	$ 73,480	$ -

Alternative Schools	Miscellaneous State Grants	Title VI-B	Education Stabilization	Stimulus Title II D
$ -	$ -	$ 172,410	$ 175,075	$ 2,500
13,405	95	244,898	-	20,962
-	-	-	-	-
-	-	-	-	-
$ 13,405	$ 95	$ 417,308	$ 175,075	$ 23,462
$ -	$ -	$ 1,604	$ -	$ 2,500
-	236	159,719	203,815	-
-	-	-	-	-
-	-	-	-	-
-	335	62,786	25,332	-
-	184	12,827	13,520	30
13,405	-	277,662	-	20,962
-	95	48,447	-	2,500
13,405	850	563,045	242,667	25,992
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(755)	(145,737)	(67,592)	(2,530)
-	(755)	(145,737)	(67,592)	(2,530)
$ 13,405	$ 95	$ 417,308	$ 175,075	$ 23,462

- Continued

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	Title I	EHA Preschool Grant	Reducing Class Size	Miscellaneous Federal Grants
Assets:				
Equity in pooled cash and cash equivalents	$ 92,641	$ -	$ -	$ 22,884
Receivables:				
Intergovernmental	177,283	-	37,509	214,457
Prepayments	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets	$ 269,924	$ -	$ 37,509	$ 237,341
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 1,580
Accrued wages and benefits	207,682	-	41,555	6,259
Compensated absences payable	-	-	-	-
Retirement incentive payable	-	-	-	-
Pension obligation payable	27,395	881	5,082	4,418
Intergovernmental payable	15,210	122	2,596	1,396
Interfund loan payable	55,449	-	12,588	210,079
Deferred revenue	126,954	-	24,921	27,261
Total liabilities	432,690	1,003	86,742	250,993
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	-	-
Prepaids	-	-	-	-
Restricted:				
Classroom facilities maintenance	-	-	-	-
Food service operations	-	-	-	-
Non-public schools	-	-	-	-
Extracurricular	-	-	-	-
Other purposes	-	-	-	-
Unassigned	(162,766)	(1,003)	(49,233)	(13,652)
Total fund balances	(162,766)	(1,003)	(49,233)	(13,652)
Total liabilities and fund balances	$ 269,924	$ -	$ 37,509	$ 237,341

Food Service	Education Jobs	Classroom Facilities Maintenance	Total Nonmajor Special Revenue Funds
$ 947,914	$ -	$ 1,448,436	3,245,056
2,282	1,177,479	-	1,888,370
1,253	-	-	1,253
25,436	-	-	25,436
$ 976,885	$ 1,177,479	$ 1,448,436	$ 5,160,115
$ 1,217	$ -	$ -	$ 7,889
108,604	-	-	746,513
6,133	-	-	6,133
33,270	-	-	33,270
78,050	-	-	209,311
7,201	-	-	54,678
-	-	-	590,423
-	1,177,479	-	1,407,657
234,475	1,177,479	-	3,055,874
25,436	-	-	25,436
1,253	-	-	1,253
-	-	1,448,436	1,448,436
715,721	-	-	715,721
-	-	-	49,935
-	-	-	223,188
-	-	-	85,990
-	-	-	(445,718)
742,410	-	1,448,436	2,104,241
$ 976,885	$ 1,177,479	$ 1,448,436	$ 5,160,115

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Miscellaneous Grants	District Managed Student Activity	Auxiliary Services	Management Information Systems
Revenues:				
From local sources:				
Property taxes	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-
Earnings on investments	-	-	250	-
Extracurricular	-	151,787	-	-
Contributions and donations	45,408	37,725	-	-
Other local revenues	1,020	11,600	-	-
Intergovernmental - state	-	-	572,770	5,000
Intergovernmental - federal	-	-	-	-
Total revenues	46,428	201,112	573,020	5,000
Expenditures:				
Current:				
Instruction:				
Regular	30,211	-	-	-
Special	391	-	-	-
Other	-	-	-	-
Support services:				
Pupil	7,456	-	-	-
Instructional staff	2,398	-	-	-
Administration	484	-	-	6,611
Fiscal	-	-	-	44,797
Operations and maintenance	-	-	-	-
Pupil transportation	668	-	-	-
Central	-	-	-	33,522
Operation of non-instructional services:				
Food service operation	-	-	-	-
Other non-instructional services	487	13,865	559,871	92
Extracurricular activities	-	146,330	-	-
Total expenditures	42,095	160,195	559,871	85,022
Excess (deficiency) of revenues over (under) expenditures	4,333	40,917	13,149	(80,022)
Other financing sources:				
Transfers in	-	-	-	78,974
Total other financing sources	-	-	-	78,974
Net change in fund balances	4,333	40,917	13,149	(1,048)
Fund balances (deficits) at beginning of year	81,657	182,271	36,786	(1,402)
Decrease in reserve for inventory	-	-	-	-
Fund balances (deficits) at end of year	$ 85,990	$ 223,188	$ 49,935	$ (2,450)

Public School Preschool	Data Communications	Alternative Schools	Miscellaneous State Grants	Title VI-B
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
120,000	25,025	51,016	26,870	-
-	-	-	-	2,399,786
120,000	25,025	51,016	26,870	2,399,786
-	-	403	1	-
66,584	-	-	-	805,004
-	-	-	-	-
-	-	50,613	-	196,395
37,660	-	-	25,461	1,223,881
-	-	-	-	112,995
7,756	-	-	-	-
8,000	-	-	-	-
-	-	-	-	3,558
-	25,025	-	-	-
-	-	-	-	-
-	-	-	-	39,074
-	-	-	-	-
120,000	25,025	51,016	25,462	2,380,907
-	-	-	1,408	18,879
-	-	-	-	-
-	-	-	-	-
-	-	-	1,408	18,879
-	-	-	(2,163)	(164,616)
-	-	-	-	-
$ -	$ -	$ -	$ (755)	$ (145,737)

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NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Education Stabilization	Stimulus Title II D	Title I	Drug Free Schools Program
Revenues:				
From local sources:				
Property taxes	$ -	$ -	$ -	$ -
Charges for services	-	-	-	-
Earnings on investments	-	-	-	-
Extracurricular	-	-	-	-
Contributions and donations	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	-	-	-	-
Intergovernmental - federal	2,066,461	488,541	2,764,603	1,823
Total revenues	2,066,461	488,541	2,764,603	1,823
Expenditures:				
Current:				
Instruction:				
Regular	1,417,979	281,218	44,286	177
Special	-	-	1,894,691	-
Other	438,728	-	86,136	-
Support services:				
Pupil	-	2,500	534	1,405
Instructional staff	-	210,747	553,938	-
Administration	-	-	115,018	-
Fiscal	-	-	-	-
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	243	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operation	-	-	-	-
Other non-instructional services	-	1,496	21,775	-
Extracurricular activities	-	-	-	-
Total expenditures	1,856,707	495,961	2,716,621	1,582
Excess (deficiency) of revenues over (under) expenditures	209,754	(7,420)	47,982	241
Other financing sources:				
Transfers in	-	-	-	1
Total other financing sources	-	-	-	1
Net change in fund balances	209,754	(7,420)	47,982	242
Fund balances (deficits) at beginning of year	(277,346)	4,890	(210,748)	(242)
Decrease in reserve for inventory	-	-	-	-
Fund balances (deficits) at end of year	$ (67,592)	$ (2,530)	$ (162,766)	$ -

EHA Preschool Grant	Reducing Class Size	Miscellaneous Federal Grants	Food Service	Classroom Facilities Maintenance	Total Nonmajor Special Revenue Funds
$ -	$ -	$ -	$ -	$ 412,881	$ 412,881
-	-	-	570,499	-	570,499
-	-	-	1,111	-	1,361
-	-	-	-	-	151,787
-	-	-	-	-	83,133
-	-	-	-	-	12,620
-	-	-	41,485	69,931	912,097
79,349	441,473	583,955	1,752,344	-	10,578,335
79,349	441,473	583,955	2,365,439	482,812	12,722,713
-	273,044	403,211	-	-	2,450,530
-	-	-	-	-	2,766,670
-	-	-	-	-	524,864
-	-	110,192	-	-	369,095
44,269	141,544	56,148	-	-	2,296,046
-	41,407	-	-	-	276,515
-	-	301	-	-	52,854
-	-	-	21,145	-	29,145
-	-	615	-	-	5,084
-	-	-	-	-	58,547
-	-	-	2,188,137	-	2,188,137
-	-	-	-	-	636,660
-	-	-	-	-	146,330
44,269	455,995	570,467	2,209,282	-	11,800,477
35,080	(14,522)	13,488	156,157	482,812	922,236
-	-	-	-	-	78,975
-	-	-	-	-	78,975
35,080	(14,522)	13,488	156,157	482,812	1,001,211
(36,083)	(34,711)	(27,140)	591,761	965,624	1,108,538
-	-	-	(5,508)	-	(5,508)
$ (1,003)	$ (49,233)	$ (13,652)	$ 742,410	$ 1,448,436	$ 2,104,241

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Miscellaneous Grants				
Total Revenues and Other Sources.	$ 90,500	$ 90,500	$ 46,706	$ (43,794)
Total Expenditures and Other Uses.	70,786	95,396	57,438	37,958
Net Change in Fund Balance	19,714	(4,896)	(10,732)	(5,836)
Fund balance at beginning of year	70,513	70,513	70,513	-
Prior year encumbrances appropriated. . .	26,487	26,487	26,487	-
Fund balance at end of year	$ 116,714	$ 92,104	$ 86,268	$ (5,836)
District Managed Student Activity				
Total Revenues and Other Sources.	$ 170,000	$ 170,000	$ 201,112	$ 31,112
Total Expenditures and Other Uses.	249,732	259,233	187,618	71,615
Net Change in Fund Balance	(79,732)	(89,233)	13,494	102,727
Fund balance at beginning of year	159,648	159,648	159,648	-
Prior year encumbrances appropriated. . .	29,024	29,024	29,024	-
Fund balance at end of year	$ 108,940	$ 99,439	$ 202,166	$ 102,727
Auxiliary Services				
Total Revenues and Other Sources.	$ 609,124	$ 572,912	$ 683,872	$ 110,960
Total Expenditures and Other Uses.	661,238	662,993	716,259	(53,266)
Net Change in Fund Balance	(52,114)	(90,081)	(32,387)	57,694
Fund balance at beginning of year	89,733	89,733	89,733	-
Prior year encumbrances appropriated. . .	348	348	348	-
Fund balance at end of year	$ 37,967	$ -	$ 57,694	$ 57,694

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	**Final**	**Actual**	
Management Information Systems				
Total Revenues and Other Sources.	$ 85,000	$ 87,443	$ 85,192	$ (2,251)
Total Expenditures and Other Uses.	85,533	88,661	86,410	2,251
Net Change in Fund Balance	(533)	(1,218)	(1,218)	-
Fund balance at beginning of year	1,218	1,218	1,218	-
Fund balance at end of year	$ 685	$ -	$ -	$ -
Public School Preschool				
Total Revenues and Other Sources.	$ 120,000	$ 120,000	$ 120,000	$ -
Total Expenditures and Other Uses.	120,000	120,000	120,000	-
Net Change in Fund Balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance (deficit)at end of year	$ -	$ -	$ -	$ -
Entry Year Programs				
Total Revenues and Other Sources.	$ 12,500	$ -	$ -	$ -
Total Expenditures and Other Uses.	-	-	-	-
Net Change in Fund Balance	12,500	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ 12,500	$ -	$ -	$ -

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Data Communication				
Total Revenues and Other Sources.	$ 22,000	$ 25,025	$ 25,025	$ -
Total Expenditures and Other Uses.	22,000	25,025	25,025	-
Net Change in Fund Balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ -	$ -	$ -	$ -
SchoolNet Professional Development				
Total Revenues and Other Sources.	$ 3,000	$ -	$ -	$ -
Total Expenditures and Other Uses.	-	-	-	-
Net Change in Fund Balance	3,000	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ 3,000	$ -	$ -	$ -
Alternative Schools				
Total Revenues and Other Sources.	$ 50,363	$ 51,016	$ 51,291	$ 275
Total Expenditures and Other Uses.	45,547	51,016	51,291	(275)
Net Change in Fund Balance	4,816	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ 4,816	$ -	$ -	$ -

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Miscellaneous State Grants				
Total Revenues and Other Sources.	$ 26,964	$ 26,964	$ 26,869	$ (95)
Total Expenditures and Other Uses.	1,980	26,981	26,886	95
Net Change in Fund Balance	24,984	(17)	(17)	-
Fund balance at beginning of year	17	17	17	-
Fund balance at end of year	$ 25,001	$ -	$ -	$ -
Title VI-B				
Total Revenues and Other Sources.	$ 3,824,960	$ 2,666,475	$ 2,497,554	$ (168,921)
Total Expenditures and Other Uses.	3,949,870	2,791,385	2,459,752	331,633
Net Change in Fund Balance	(124,910)	(124,910)	37,802	162,712
Fund balance at beginning of year	79,584	79,584	79,584	-
Prior year encumbrances appropriated. . .	45,326	45,326	45,326	-
Fund balance at end of year	$ -	$ -	$ 162,712	$ 162,712
Education Stabilization				
Total Revenues and Other Sources.	$ 1,833,513	$ 2,066,462	$ 2,066,461	$ (1)
Total Expenditures and Other Uses.	1,833,513	2,066,462	1,891,386	175,076
Net Change in Fund Balance	-	-	175,075	175,075
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ -	$ -	$ 175,075	$ 175,075

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	**Final**	**Actual**	
Stimulus Title II D				
Total Revenues and Other Sources.	$ 241,962	$ 488,916	$ 491,851	$ 2,935
Total Expenditures and Other Uses.	263,662	510,616	513,551	(2,935)
Net Change in Fund Balance	(21,700)	(21,700)	(21,700)	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated. . .	21,700	21,700	21,700	-
Fund balance at end of year	$ -	$ -	$ -	$ -
Title I				
Total Revenues and Other Sources.	$ 4,325,133	$ 3,531,650	$ 2,987,332	$ (544,318)
Total Expenditures and Other Uses.	4,338,981	3,545,498	2,917,388	628,110
Net Change in Fund Balance	(13,848)	(13,848)	69,944	83,792
Fund balance at beginning of year	1	1	1	-
Prior year encumbrances appropriated. . .	13,847	13,847	13,847	-
Fund balance at end of year	$ -	$ -	$ 83,792	$ 83,792
Drug Free Schools Program				
Total Revenues and Other Sources.	$ 2,705	$ 2,705	$ 2,699	$ (6)
Total Expenditures and Other Uses.	4,428	4,428	4,422	6
Net Change in Fund Balance	(1,723)	(1,723)	(1,723)	-
Fund balance at beginning of year	1,535	1,535	1,535	-
Prior year encumbrances appropriated. . .	188	188	188	-
Fund balance at end of year	$ -	$ -	$ -	$ -

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	**Final**	**Actual**	
EHA Preschool Grant				
Total Revenues and Other Sources.	$ 63,405	$ 55,621	$ 55,621	$ -
Total Expenditures and Other Uses.	68,253	60,469	60,469	-
Net Change in Fund Balance	(4,848)	(4,848)	(4,848)	-
Fund balance at beginning of year	4,848	4,848	4,848	-
Fund balance at end of year	$ -	$ -	$ -	$ -
Reducing Class Size				
Total Revenues and Other Sources.	$ 643,317	$ 644,088	$ 441,473	$ (202,615)
Total Expenditures and Other Uses.	660,976	661,747	459,132	202,615
Net Change in Fund Balance	(17,659)	(17,659)	(17,659)	-
Fund balance at beginning of year	17,186	17,186	17,186	-
Prior year encumbrances appropriated. . .	473	473	473	-
Fund balance at end of year	$ -	$ -	$ -	$ -
Miscellaneous Federal Grants				
Total Revenues and Other Sources.	$ 695,872	$ 658,061	$ 654,200	$ (3,861)
Total Expenditures and Other Uses.	804,370	766,919	763,058	3,861
Net Change in Fund Balance	(108,498)	(108,858)	(108,858)	-
Fund balance at beginning of year	1	1	1	-
Prior year encumbrances appropriated. . .	108,858	108,858	108,858	-
Fund balance at end of year	$ 361	$ 1	$ 1	$ -

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	**Final**	**Actual**	
Food Service				
Total Revenues and Other Sources.	$ 2,188,000	$ 2,188,000	$ 2,536,362	$ 348,362
Total Expenditures and Other Uses.	2,517,755	2,667,756	2,516,936	150,820
Net Change in Fund Balance	(329,755)	(479,756)	19,426	499,182
Fund balance at beginning of year	675,226	675,226	675,226	-
Prior year encumbrances appropriated. . .	117,187	117,187	117,187	-
Fund balance at end of year	$ 462,658	$ 312,657	$ 811,839	$ 499,182
Education Jobs				
Total Revenues and Other Sources.	$ -	$ 1,178,479	$ -	$ (1,178,479)
Total Expenditures and Other Uses.	-	1,178,479	-	1,178,479
Net Change in Fund Balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ -	$ -	$ -	$ -
Classroom Facilities Maintenance				
Total Revenues and Other Sources.	$ 482,812	$ 482,812	$ 482,812	$ -
Total Expenditures and Other Uses.	100,000	100,000	-	100,000
Net Change in Fund Balance	382,812	382,812	482,812	100,000
Fund balance at beginning of year	965,624	965,624	965,624	-
Fund balance at end of year	$ 1,348,436	$ 1,348,436	$ 1,448,436	$ 100,000

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
School Activity Trusts				
Total Revenues and Other Sources.	$ 24,501	$ 24,501	$ 28,372	$ 3,871
Total Expenditures and Other Uses.	33,748	34,107	26,088	8,019
Net Change in Fund Balance	(9,247)	(9,606)	2,284	11,890
Fund balance at beginning of year	103,176	103,176	103,176	-
Fund balance at end of year	$ 93,929	$ 93,570	$ 105,460	$ 11,890
Staff Trusts				
Total Revenues and Other Sources.	$ 6,304	$ 6,304	$ 7,300	$ 996
Total Expenditures and Other Uses.	8,235	8,318	6,233	2,085
Net Change in Fund Balance	(1,931)	(2,014)	1,067	3,081
Fund balance at beginning of year	15,125	15,125	15,125	-
Prior year encumbrances appropriated. . .	403	403	403	-
Fund balance at end of year	$ 13,597	$ 13,514	$ 16,595	$ 3,081
Rotary Fund - Special Services				
Total Revenues and Other Sources.	$ -	$ -	$ 233	$ 233
Total Expenditures and Other Uses.	10,000	10,000	-	10,000
Net Change in Fund Balance	(10,000)	(10,000)	233	10,233
Fund balance at beginning of year	16,611	16,611	16,611	-
Fund balance at end of year	$ 6,611	$ 6,611	$ 16,844	$ 10,233

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	**Final**	**Actual**	
Rotary Fund				
Total Revenues and Other Sources.	$ 1,000	$ 1,000	$ 2,249	$ 1,249
Total Expenditures and Other Uses.	4,136	4,368	2,310	2,058
Net Change in Fund Balance	(3,136)	(3,368)	(61)	3,307
Fund balance at beginning of year	6,425	6,425	6,425	-
Fund balance at end of year	$ 3,289	$ 3,057	$ 6,364	$ 3,307
Public School Support				
Total Revenues and Other Sources.	$ 23,430	$ 23,430	$ 51,470	$ 28,040
Total Expenditures and Other Uses.	52,475	69,268	42,164	27,104
Net Change in Fund Balance	(29,045)	(45,838)	9,306	55,144
Fund balance at beginning of year	73,616	73,616	73,616	-
Prior year encumbrances appropriated. . .	2,433	2,433	2,433	-
Fund balance at end of year	$ 47,004	$ 30,211	$ 85,355	$ 55,144

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

FUND DESCRIPTION

Nonmajor Debt Service Fund

A fund used to account for and report financial resources that are restricted, committed, or assigned to expenditure for payment of general obligation bond principal and interest and certain long-term obligations from governmental resources when the government is obligated in some manner for payment. It is also used to account for the accumulation of resources and payment of general obligation bonds and library bonds payable, as required by Ohio Law.

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	**Final**	**Actual**	
Debt Service				
Total Revenues and Other Sources.	$ 4,725,000	$ 4,725,000	$ 4,811,624	$ 86,624
Total Expenditures and Other Uses.	4,967,067	4,967,067	4,963,085	3,982
Net Change in Fund Balance	(242,067)	(242,067)	(151,461)	90,606
Fund balance at beginning of year	3,264,749	3,264,749	3,264,749	-
Fund balance at end of year	$ 3,022,682	$ 3,022,682	$ 3,113,288	$ 90,606

FUND DESCRIPTIONS

Nonmajor Capital Projects Funds

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition and construction of capital facilities and other capital assets. The nonmajor capital projects funds are:

Permanent Improvement

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

Building Fund

This fund is used to account for monies received and expended in connection with the renovation and construction of District buildings.

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2010

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Assets:			
Equity in pooled cash and cash equivalents	$ 2,788,690	$ 5,095,806	$ 7,884,496
Receivables:			
Property taxes	1,508,280	-	1,508,280
Payment in lieu of taxes	528	-	528
Total assets	$ 4,297,498	$ 5,095,806	$ 9,393,304
Liabilities:			
Accounts payable	$ 294	$ -	$ 294
Contracts payable	-	320,905	320,905
Retainage payable	-	280,318	280,318
Deferred revenue	118,188	-	118,188
Unearned revenue	1,292,528	-	1,292,528
Total liabilities	1,411,010	601,223	2,012,233
Fund balances:			
Restricted:			
Capital improvements	2,886,488	4,494,583	7,381,071
Total fund balances	2,886,488	4,494,583	7,381,071
Total liabilities and fund balances	$ 4,297,498	$ 5,095,806	$ 9,393,304

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Revenues:			
From local sources:			
Property taxes	$ 806,388	$ -	$ 806,388
Payment in lieu of taxes	399	-	399
Earnings on investments	-	9,853	9,853
Contributions and donations	-	142,790	142,790
Intergovernmental - state	350,249	-	350,249
Total revenues	1,157,036	152,643	1,309,679
Expenditures:			
Current:			
Instruction:			
Regular	315,462	-	315,462
Support services:			
Fiscal	25,274	-	25,274
Business	82,455	-	82,455
Operations and maintenance	266,439	-	266,439
Pupil transportation	227,925	-	227,925
Facilities acquisition and construction	462,184	2,517,717	2,979,901
Total expenditures	1,379,739	2,517,717	3,897,456
Excess (deficiency) of revenues over (under) expenditures	(222,703)	(2,365,074)	(2,587,777)
Other financing sources:			
Sale of capital assets	851,000	-	851,000
Total other financing sources	851,000	-	851,000
Net change in fund balances	628,297	(2,365,074)	(1,736,777)
Fund balances at beginning of year	2,258,191	6,859,657	9,117,848
Fund balances at end of year	$ 2,886,488	$ 4,494,583	$ 7,381,071

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN

FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	**Final**	**Actual**	
Permanent Improvement				
Total Revenues and Other Sources.	$ 1,670,000	$ 1,670,000	$ 2,538,480	$ 868,480
Total Expenditures and Other Uses.	2,320,150	2,320,151	2,168,048	152,103
Net Change in Fund Balance	(650,150)	(650,151)	370,432	1,020,583
Fund balance at beginning of year	1,517,326	1,517,326	1,517,326	-
Prior year encumbrances appropriated. . .	558,155	558,155	558,155	-
Fund balance at end of year	$ 1,425,331	$ 1,425,330	$ 2,445,913	$ 1,020,583
Building				
Total Revenues and Other Sources.	$ -	$ -	$ 152,644	$ 152,644
Total Expenditures and Other Uses.	5,670,887	5,720,887	5,642,279	78,608
Net Change in Fund Balance	(5,670,887)	(5,720,887)	(5,489,635)	231,252
Fund balance at beginning of year	6,648,050	6,648,050	6,648,050	-
Prior year encumbrances appropriated . . .	459,786	459,786	459,786	-
Fund balance at end of year	$ 1,436,949	$ 1,386,949	$ 1,618,201	$ 231,252

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

FUND DESCRIPTION

Internal Service Fund

A fund category used to account for the financing of goods or services provided by one department or agency of the District to other departments or agencies on a cost-reimbursement basis. Charges are intended only to recoup the total cost of such services.

Employee Benefits Self-Insurance

This fund is provided to account for monies received from other funds as payment for providing dental benefits. The Self-Insured Dental fund may make payments for services provided to employees, for reimbursement to employees who have paid providers, to third party administrators for claims payment or administration, for stop-loss coverage, or for any other reinsurance or other similar purposes.

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	**Final**	**Actual**	
Employee Benefits Self-Insurance				
Total Operating and Non-operating Revenues . . .	$ 475,000	$ 475,000	$ 431,210	$ (43,790)
Total Operating and Non-operating Expenses . . .	527,000	527,000	472,294	54,706
Net change in fund equity	(52,000)	(52,000)	(41,084)	10,916
Fund equity at beginning of year.	176,799	176,799	176,799	-
Fund equity at end of year	$ 124,799	$ 124,799	$ 135,715	$ 10,916

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

FUND DESCRIPTIONS

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Private-purpose trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations. The District has no pension or investment trust funds.

PRIVATE-PURPOSE TRUST FUNDS

Special Trusts Fund

To account for monies to be set aside for college scholarships for students enrolled in the School District. The income from such a fund may be expended, but the principal must remain intact.

Endowment Fund

To account for monies endowed for college scholarships for students enrolled in the School District. The income from such a fund may be expended, but the principal must remain intact.

AGENCY FUND

Student Managed Activities Fund

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

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
JUNE 30, 2011

	Special Trusts	Endowment	Total
Assets:			
Equity in pooled cash and cash equivalents	$ 39,423	$ 9,992	$ 49,415
Total assets	39,423	9,992	49,415
Net Assets:			
Held in trust for scholarships	39,423	9,992	49,415
Total net assets	$ 39,423	$ 9,992	$ 49,415

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE-PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Special Trusts	Endowment	Total
Additions:			
Interest	$ 194	$ 52	$ 246
Gifts and contributions	2,000	-	2,000
Total additions	2,194	52	2,246
Deductions:			
Scholarships awarded	4,200	-	4,200
Change in net assets	(2,006)	52	(1,954)
Net assets at beginning of year	41,429	9,940	51,369
Net assets at end of year	$ 39,423	$ 9,992	$ 49,415

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN

FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Special Trusts				
Total Operating and Non-operating Revenues . . .	$ 1,895	$ 1,895	$ 2,194	$ 299
Total Operating and Non-operating Expenses . . .	5,433	5,491	4,200	1,291
Net change in fund equity	(3,538)	(3,596)	(2,006)	1,590
Fund equity at beginning of year.	41,429	41,429	41,429	-
Fund equity at end of year	$ 37,891	$ 37,833	$ 39,423	$ 1,590
Endowment				
Total Operating and Non-operating Revenues . . .	$ 175	$ 175	$ 52	$ (123)
Total Operating and Non-operating Expenses . . .	175	175	-	175
Net change in fund equity	-	-	52	52
Fund equity at beginning of year.	9,940	9,940	9,940	-
Fund equity at end of year	$ 9,940	$ 9,940	$ 9,992	$ 52

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Beginning Balance July 1, 2010	Additions	Deletions	Ending Balance June 30, 2011
Student Managed Activities				
Assets:				
Equity in pooled cash and cash equivalents. . . .	$ 48,904	$ 44,054	$ 41,656	$ 51,302
Liabilities:				
Due to students	$ 48,904	$ 44,054	$ 41,656	$ 51,302
Total liabilities.	$ 48,904	$ 44,054	$ 41,656	$ 51,302

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STATISTICAL SECTION

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NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

STATISTICAL SECTION

This part of the Newark City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents **Page**

Financial Trends **126-139**
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity **140-145**
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity **146-149**
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information **150-151**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information **152-161**
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Sources are noted on the individual schedules. The District implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2011	2010	2009	2008
Governmental activities				
Invested in capital assets, net of related debt	$ 58,627,357	$ 33,251,985	$ 25,231,038	$ 17,859,087
Restricted	43,863,448	67,827,213	76,109,543	7,388,040
Unrestricted (deficit)	6,694,686	4,424,169	(820,796)	(658,639)
Total governmental activities net assets	$ 109,185,491	$ 105,503,367	$ 100,519,785	$ 24,588,488

Source: School District financial records.

2007	2006	2005	2004	2003	2002
$ 16,214,383	$ 13,103,344	$ 9,955,146	$ 9,152,844	$ 11,505,731	$ 11,951,793
5,704,916	5,406,107	5,060,101	3,180,387	2,974,422	2,948,775
(3,782,517)	(3,376,375)	1,362,383	5,327,808	7,070,189	7,932,608
$ 18,136,782	$ 15,133,076	$ 16,377,630	$ 17,661,039	$ 21,550,342	$ 22,833,176

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2011	2010 (1)	2009	2008	2007
Expenses					
Governmental activities:					
Instruction:					
Regular	$ 32,542,970	$ 28,912,330	$ 28,042,461	$ 26,612,336	$ 28,134,111
Special	8,121,944	8,652,532	7,867,634	7,386,301	7,449,750
Vocational	446,067	476,722	482,489	491,686	1,041,165
Other instructional	646,105	538,181	587,205	415,522	293,270
Support services:					
Pupil	3,448,955	3,141,826	3,268,163	3,165,276	3,100,714
Instructional staff	4,353,286	4,521,869	4,650,488	4,581,834	5,179,283
Board of education	241,079	209,247	257,859	314,946	241,624
Administration	3,618,373	3,512,967	3,597,685	3,621,145	4,087,770
Fiscal	1,174,507	1,145,723	1,156,392	1,162,601	1,131,945
Business	671,255	669,134	629,211	601,678	564,398
Operations and maintenance	6,625,701	5,783,283	5,472,649	4,782,208	4,989,885
Pupil transportation	2,381,970	2,354,922	1,950,329	2,066,216	2,783,937
Central	827,465	847,739	1,071,009	1,254,625	829,579
Operation of non-instructional services:					
Other non-instructional services	700,135	593,413	748,448	621,123	789,543
Food service operations	2,242,916	2,247,871	2,850,515	2,794,947	2,561,467
Extracurricular activities	969,125	960,411	1,011,699	925,354	1,029,804
Interest and fiscal charges	2,945,887	2,997,107	3,064,035	3,134,092	3,192,382
Total governmental activities expenses	71,957,740	67,565,277	66,708,271	63,931,890	67,400,627

2006	2005	2004	2003	2002
$ 28,553,388	$ 28,662,755	$ 26,376,443	$ 24,508,474	$ 23,411,738
7,431,992	6,847,032	6,345,783	5,795,463	5,757,682
1,087,737	1,089,735	1,182,704	1,037,110	856,973
194,920	13,059	16,306	9,625	103,762
2,901,350	2,847,301	2,968,230	2,703,972	2,594,162
4,734,810	3,898,544	3,946,139	3,486,646	3,470,282
345,371	341,420	237,432	237,865	291,754
3,910,074	3,945,441	4,191,719	3,988,909	3,806,315
1,105,748	1,008,723	1,032,761	1,006,549	999,495
582,607	523,402	527,942	535,545	539,054
5,174,107	5,171,450	4,960,836	4,744,279	4,037,085
2,565,336	2,345,807	2,167,866	2,068,391	1,870,559
944,617	881,931	780,036	914,265	879,653
861,820	717,034	892,487	777,888	778,030
2,604,010	2,353,651	2,382,382	2,270,663	2,161,102
1,071,732	900,135	899,861	860,452	851,835
3,071,064	1,142,139	337,037	383,297	425,593
67,140,683	62,689,559	59,245,964	55,329,393	52,835,074

- (Continued)

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS - (Continued)
(ACCRUAL BASIS OF ACCOUNTING)

	2011	2010 (1)	2009	2008	2007
Program Revenues					
Governmental activities:					
Charges for services:					
Instruction:					
Regular	$ 708,165	$ 813,838	$ 636,853	$ 571,523	$ 669,166
Special	105,510	114,846	127,435	68,485	-
Other	-	-	-	-	-
Support services:					
Instructional staff	-	-	1,155	-	-
Board of education	-	41,295	-	-	-
Fiscal	-	-	25,018	24,387	23,322
Operations and maintenance	22,290	63,859	37,779	4,993	4,374
Pupil transportation	100,681	-	106,304	121,473	45,245
Operation of non-instructional services:					
Other non-instructional services	17,996	48,244	40,844	46,957	1,689
Food service operations	570,499	565,411	1,067,671	1,135,897	1,123,246
Extracurricular activities	431,914	346,882	403,837	411,048	232,088
Operating grants and contributions:					
Instruction:					
Regular	3,776,904	2,037,234	2,246,518	2,324,772	2,751,747
Special	5,311,051	5,247,759	4,096,721	4,390,760	2,400,089
Vocational	66,976	66,478	65,995	72,809	150,137
Other instructional	575,963	410,037	421,750	262,072	132,894
Support services:					
Pupil	342,198	339,571	291,485	419,746	155,554
Instructional staff	2,157,337	2,571,924	1,847,393	2,058,960	1,909,091
Administration	253,444	277,978	217,473	227,470	256,806
Fiscal	10,700	27,524	25,929	17,947	16,558
Operations and maintenance	127,496	12,492	26,507	10,684	169,128
Pupil transportation	226,099	37,353	182,022	234,751	147,193
Central	26,996	29,756	49,269	51,306	-
Operation of non-instructional services:					
Other non-instructional services	592,192	604,578	604,128	609,014	686,997
Food service operations	1,794,940	1,743,778	1,542,792	1,798,117	1,479,396
Extracurricular activities	-	19,241	54,200	28,785	143,078
Capital grants and contributions:					
Instruction:					
Regular	-	-	-	-	-
Vocational	-	-	-	-	-
Support services:					
Pupil transportation	-	-	-	18,364	48,266
Central	-	-	-	-	-
Operations and maintenance	142,790	530,000	440,110	-	-
Operation of non-instructional services:					
Other non-instructional services	-	-	-	-	-
Extracurricular activities	-	-	-	107,200	-
Total governmental program revenues	17,362,141	15,950,078	14,559,188	15,017,520	12,546,064
Net (Expense)/Revenue					
Governmental activities	(54,595,599)	(51,615,199)	(52,149,083)	(48,914,370)	(54,854,563)

2006	2005	2004	2003	2002
$ 504,724	$ 435,994	$ 509,081	$ 600,865	$ 354,595
-	-	-	-	55,533
-	-	-	-	14,814
-	-	-	-	29,006
-	-	-	-	-
23,031	22,764	25,413	-	-
6,103	-	-	-	-
31,583	36,234	56,190	26,144	-
1,853	40,739	13,809	59,533	19,481
1,167,613	1,115,521	1,111,397	1,143,462	1,140,197
243,028	224,315	186,547	252,401	215,105
1,189,563	924,400	918,509	695,927	1,414,333
2,483,275	2,571,207	2,124,975	1,999,072	1,386,837
-	-	4,949	275,412	32,011
-	-	-	-	94,583
86,205	85,377	161,869	611,351	100,168
1,953,205	1,239,356	989,676	1,044,045	692,945
317,262	285,052	279,937	106,734	243,264
16,952	16,946	17,568	10,670	24,739
1,126	53,875	47,566	-	-
7,711	13,926	3,683	-	3,650
266,704	258,820	124,201	151,810	110,676
671,103	732,407	726,918	635,275	742,935
1,303,190	1,389,461	1,189,780	1,045,963	986,069
33,298	44,861	68,353	-	142,398
-	-	134,475	27,368	156,123
-	-	-	405	7,796
-	-	-	-	75,144
-	-	-	-	8,700
-	-	-	-	-
-	-	-	-	52,877
-	-	-	-	-
10,307,529	9,491,255	8,694,896	8,686,437	8,103,979
(56,833,154)	(53,198,304)	(50,551,068)	(46,642,956)	(44,731,095)

- (Continued)

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS - (Continued)
(ACCRUAL BASIS OF ACCOUNTING)

General Revenues and Other Changes in Net Assets	**2011**	**2010 (1)**	**2009**	**2008**	**2007**
Governmental activities:					
Property taxes levied for:					
General purposes	$ 17,543,757	$ 19,590,287	$ 14,833,502	$ 15,244,558	$ 16,151,573
Debt service	3,841,620	4,704,334	4,429,725	4,432,573	4,520,108
Capital outlay	825,914	1,485,069	1,417,711	1,463,426	1,513,579
Facilities maintenance	412,881	-	-	-	-
School district income taxes	7,774,670	7,674,450	7,672,584	8,297,755	7,874,278
Revenue in lieu of taxes	7,884	-	-	-	-
Grants and entitlements not restricted to specific programs	26,576,387	26,714,548	25,173,592	23,464,963	24,336,251
Grants restricted for Ohio Schools Facilities Commission	-	-	73,546,948	-	-
Gain on sale of building and land	818,010	76,724	-	-	-
Investment earnings	93,035	215,269	534,004	1,911,762	3,351,578
Miscellaneous	383,565	434,997	472,314	551,039	110,902
Special Item:					
Gain on sale of building	-	-	-	-	-
Total governmental activities	58,277,723	60,895,678	128,080,380	55,366,076	57,858,269
Total primary government	58,277,723	60,895,678	128,080,380	55,366,076	57,858,269
Change in Net Assets					
Governmental activities	$ 3,682,124	$ 9,280,479	$ 75,931,297	$ 6,451,706	$ 3,003,706

Source: School District financial records.

(1) Operating grants and contributions offsetting special instruction and general revenues - grants and entitlements not restricted to specific programs have been restated to conform to 2011 presentation.

2006	2005	2004	2003	2002
$ 13,703,475	$ 13,508,764	$ 14,311,729	$ 14,055,686	$ 12,893,048
4,139,536	3,109,628	502,213	504,191	529,776
1,393,660	1,402,882	1,493,491	1,499,180	1,439,871
-	-	-	-	-
6,865,451	6,954,810	6,675,694	6,417,041	6,665,355
-	-	-	-	-
26,074,935	25,913,567	25,130,747	22,430,681	22,642,337
-	-	-	-	-
-	-	-	-	-
3,197,642	983,403	274,759	396,083	826,007
60,890	41,841	124,922	57,260	174,698
153,011	-	-	-	-
55,588,600	51,914,895	48,513,555	45,360,122	45,171,092
55,588,600	51,914,895	48,513,555	45,360,122	45,171,092
$ (1,244,554)	$ (1,283,409)	$ (2,037,513)	$ (1,282,834)	$ 439,997

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2011 (1)	2010	2009	2008	2007
General Fund:					
Nonspendable	$ 56,208	$ -	$ -	$ -	$ -
Restricted	-	-	-	-	-
Committed	953,261	-	-	-	-
Assigned	1,997,793	-	-	-	-
Unassigned	7,939,360	-	-	-	-
Reserved	-	6,561,735	2,637,082	2,379,915	1,629,693
Unreserved	-	4,767,201	3,691,856	3,532,692	1,511,007
Total general fund	$ 10,946,622	$ 11,328,936	$ 6,328,938	$ 5,912,607	$ 3,140,700
All Other Governmental Funds:					
Nonspendable	$ 26,689	$ -	$ -	$ -	$ -
Restricted	31,769,445	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(445,718)	-	-	-	-
Reserved	-	19,603,666	18,844,844	13,924,060	21,989,659
Unreserved, reported in:					
Special revenue funds	-	954,353	653,666	609,719	511,036
Capital projects funds	-	8,796,498	4,322,307	7,636,692	13,732,555
Total all other governmental funds	$ 31,350,416	$ 29,354,517	$ 23,820,817	$ 22,170,471	$ 36,233,250

Source: School District financial records.

(1) The District implemented GASB Statement 54 in fiscal year 2011.

2006	2005	2004	2003	2002
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,384,162	2,253,879	3,056,114	2,869,336	1,921,386
2,840,394	6,171,645	9,724,153	11,848,025	13,709,331
$ 4,224,556	$ 8,425,524	$ 12,780,267	$ 14,717,361	$ 15,630,717
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
40,587,089	8,113,911	1,438,404	1,038,802	1,487,588
322,777	1,112,823	442,626	549,320	1,026,623
25,765,669	45,356,433	757,890	892,703	866,111
$ 66,675,535	$ 54,583,167	$ 2,638,920	$ 2,480,825	$ 3,380,322

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2011	2010	2009	2008
Revenues				
From local sources:				
Taxes	$ 29,758,224	$ 32,246,871	$ 28,150,223	$ 29,329,331
Tuition	655,273	643,778	621,504	436,338
Transportation fees	102,270	94,614	106,068	121,473
Charges for services	570,499	565,092	1,067,671	1,135,897
Earnings on investments	94,901	240,642	609,101	2,189,194
Extracurricular	400,659	352,173	395,450	439,352
Classroom materials and fees	141,145	159,170	151,117	175,530
Other local revenues	838,295	1,269,631	1,143,373	776,815
Intergovernmental - intermediate	-	8,028	18,939	12,000
Intergovernmental - state	57,690,931	47,200,320	43,994,768	29,006,860
Intergovernmental - federal	10,809,399	9,957,222	6,116,682	6,705,536
Total revenues	101,061,596	92,737,541	82,374,896	70,328,326
Expenditures				
Current:				
Instruction:				
Regular	32,472,318	28,345,078	27,519,564	26,105,825
Special	8,247,873	8,659,439	7,837,702	7,333,687
Vocational	437,997	444,955	486,363	474,685
Other	651,737	537,611	585,723	409,965
Current:				
Pupil	3,440,477	3,164,110	3,242,632	3,142,179
Instructional staff	4,441,022	4,481,557	4,679,590	4,588,276
Board of education	241,079	209,247	257,859	314,946
Administration	3,589,025	3,486,223	3,609,586	3,533,891
Fiscal	1,164,936	1,152,005	1,157,436	1,163,325
Business	598,524	614,141	557,971	533,895
Operations and maintenance	6,100,182	5,528,513	5,397,553	5,185,527
Pupil transportation	2,360,184	2,323,704	1,705,601	1,822,635
Central	802,343	818,799	1,041,645	1,230,284
Operation of non-instructional services:				
Other non-instructional services	687,230	595,149	734,600	601,265
Food service operations	2,188,137	2,213,006	2,844,805	2,739,353
Extracurricular activities	848,253	855,746	873,551	878,700
Facilities acquisitions and construction	27,166,008	14,056,143	12,410,905	16,409,668
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	1,980,000	1,915,000	2,309,760	2,443,183
Interest and fiscal charges	2,910,597	2,974,338	3,054,946	3,139,360
Bond issue costs	-	-	-	-
Total expenditures	100,327,922	82,374,764	80,307,792	82,050,649
Excess (deficiency) of revenues over (under) expenditures	733,674	10,362,777	2,067,104	(11,722,323)

2007	2006 (1)	2005	2004	2003	2002
$ 29,572,014	$ 29,257,119	$ 24,950,728	$ 23,079,582	$ 22,360,732	$ 21,955,345
531,753	433,518	314,139	377,784	365,798	266,839
45,245	31,583	36,234	-	-	-
1,123,246	1,167,738	1,119,220	1,108,670	1,142,365	1,138,057
3,863,883	2,517,486	889,366	255,264	441,642	910,298
233,777	244,881	265,338	201,028	190,769	207,826
111,387	107,197	123,699	-	-	-
453,003	252,129	252,571	517,556	560,545	502,133
10,500	16,300	31,630	11,658	48,068	150,100
28,566,396	25,250,479	27,316,257	26,617,391	24,104,580	24,827,063
6,275,892	5,960,152	6,741,015	4,860,884	3,690,727	4,284,498
70,787,096	65,238,582	62,040,197	57,029,817	52,905,226	54,242,159
27,575,208	27,975,004	28,065,173	25,961,258	23,448,873	22,504,640
7,349,527	7,430,230	6,921,107	6,311,759	5,758,438	5,739,944
1,034,465	1,072,877	1,060,164	1,176,775	985,991	823,787
292,914	186,415	13,059	16,306	9,625	103,762
3,078,446	2,855,961	2,832,431	2,933,163	2,707,721	2,548,054
5,031,555	4,602,871	3,799,201	3,639,499	3,398,310	3,350,064
241,624	345,371	341,420	237,432	237,865	291,754
4,042,831	3,841,841	3,785,983	4,260,278	3,894,744	3,774,296
1,124,932	1,091,412	1,013,159	1,024,811	985,215	1,015,716
497,248	578,033	518,418	523,986	528,695	531,334
4,963,868	5,155,432	4,753,538	4,811,768	4,328,616	3,964,949
2,925,542	2,732,911	2,416,712	2,098,721	2,098,983	1,819,169
933,351	919,891	856,895	782,421	897,046	833,307
756,193	682,526	778,325	678,086	797,767	849,974
2,535,527	2,613,723	2,265,445	2,223,606	2,008,198	2,114,495
1,001,714	1,044,681	873,950	877,989	826,851	821,866
35,123,552	9,977,873	2,401,055	467,077	1,077,052	709,610
-	408,409	-	-	155,787	-
1,634,327	1,689,314	256,368	423,986	380,716	449,117
3,195,079	2,915,044	1,061,833	339,375	387,156	430,457
-	367,892	-	-	-	-
103,337,903	78,487,711	64,014,236	58,788,296	54,913,649	52,676,295
(32,550,807)	(13,249,129)	(1,974,039)	(1,758,479)	(2,008,423)	1,565,864

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (Continued)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2011	2010	2009	2008
Other Financing Sources (Uses)				
Transfers in	$ 78,975	$ 1,644,890	$ 475,881	$ 3,355,161
Transfers (out)	(78,975)	(1,644,890)	(475,881)	(3,355,161)
Sale of capital assets	885,419	170,782	-	398,000
Insurance proceeds	-	-	-	40,013
Capital lease transaction	-	-	-	-
Premium on bond issuance	-	-	-	-
Payment to refunded bond escrow	-	-	-	-
Issuance of notes/bonds	-	-	-	-
Total other financing sources (uses)	885,419	170,782	-	438,013
Net change in fund balances	$ 1,619,093	$ 10,533,559	$ 2,067,104	$ (11,284,310)
Debt service as a percentage of noncapital expenditures	6.67%	7.16%	7.90%	8.50%

Source: School District financial records.

(1) The special item previously reported in 2006 for the sale of a building has been reclassed to "sale of capital assets" for presentation in this schedule.

2007	2006 (1)	2005	2004	2003	2002
$ 50,000	$ 45,000	$ 61,429	$ 40,000	$ 71,613	$ -
(50,000)	(45,000)	(61,429)	(40,000)	(71,613)	-
17,820	267,545	10,700	-	4,233	16,312
-	-	-	-	-	-
-	408,409	-	-	155,787	-
-	657,621	461,824	-	-	-
-	(5,615,280)	-	-	-	-
990,000	25,414,998	50,000,000	-	-	-
1,007,820	21,133,293	50,472,524	-	160,020	16,312
$ (31,542,987)	$ 7,884,164	$ 48,498,485	$ (1,758,479)	$ (1,848,403)	$ 1,582,176
7.08%	7.30%	2.14%	1.31%	1.43%	1.69%

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

	Real Property (a)		Tangible Personal Property (b)		Public Utility (c)	
Collection Year	**Assessed Value**	**Estimated Actual Value**	**Assessed Value**	**Estimated Actual Value**	**Assessed Value**	**Estimated Actual Value**
2011	$ 774,335,070	$ 2,212,385,914	$ -	$ -	$ 27,847,810	$ 79,565,171
2010	771,814,960	2,205,185,600	-	-	27,196,780	77,705,086
2009	761,319,310	2,175,198,029	1,979,095	7,916,380	25,449,240	72,712,114
2008	757,658,990	2,164,739,971	17,277,260	69,109,040	23,901,120	68,288,914
2007	748,482,390	2,138,521,114	32,795,180	131,180,720	28,457,510	81,307,171
2006	739,828,180	2,113,794,800	60,520,190	242,080,760	28,310,940	80,888,400
2005	663,274,280	1,895,069,371	58,251,640	233,006,560	28,615,340	81,758,114
2004	652,575,730	1,864,502,086	66,104,880	264,419,520	27,644,720	78,984,914
2003	642,775,000	1,836,500,000	62,139,910	248,559,640	27,832,080	79,520,229
2002	582,130,530	1,663,230,086	65,222,500	260,890,000	26,908,730	76,882,086

Source: Licking County Auditor's Office

(a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the State Tax Commissioner.

(b) Tangible personal property and public utility tangible property are assessed at varying percentages of true value. As categories of tangible personal property have not been separated for this table, the maximum assessed rate of 25% of true value is assumed. Tangible personal property is being phased out, and was reduced to zero for fiscal year 2009, collection year 2010.

(c) Assumes public utilities are assessed at true value which is 35%.

Total Direct Tax Rate	Total Assessed Value	Total Estimated Actual Value	Total %
$ 43.90	$ 802,182,880	$ 2,291,951,085	35.00%
44.05	799,011,740	2,282,890,686	35.00%
36.64	788,747,645	2,255,826,523	34.96%
36.42	798,837,370	2,302,137,925	34.70%
36.42	809,735,080	2,351,009,005	34.44%
36.35	828,659,310	2,436,763,960	34.01%
37.02	750,141,260	2,209,834,045	33.95%
31.13	746,325,330	2,207,906,520	33.80%
31.14	732,746,990	2,164,579,869	33.85%
31.21	674,261,760	2,001,002,172	33.70%

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER $1,000 OF ASSESSED VALUE)
LAST TEN YEARS

	Overlapping Rates		Direct Rates					
			Voted					Licking County Joint Vocational School
Tax Year/ Collection Year	County	City	General	Bond	Permanent Improvement	Unvoted	Total	
2010/2011	$ 7.70	$ 3.70	30.76	6.14	2.90	4.10	43.90	2.52
2009/2010	7.40	3.70	30.90	6.15	2.90	4.10	44.05	2.50
2008/2009	7.10	3.70	23.40	6.24	2.90	4.10	36.64	2.50
2007/2008	7.40	3.70	23.40	6.02	2.90	4.10	36.42	3.00
2006/2007	7.40	3.70	23.40	6.02	2.90	4.10	36.42	3.00
2005/2006	7.40	3.70	23.40	5.95	2.90	4.10	36.35	3.00
2004/2005	7.20	3.70	23.40	6.62	2.90	4.10	37.02	3.00
2003/2004	7.20	3.70	23.40	0.73	2.90	4.10	31.13	2.80
2002/2003	7.20	3.70	23.40	0.74	2.90	4.10	31.14	3.00
2001/2002	7.20	3.70	23.40	0.81	2.90	4.10	31.21	2.00

Source: Licking County Auditor's Office

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

	December 31, 2010		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
Ohio Power	$ 23,867,540	1	2.98%
McMillen Woods LLC	4,641,470	2	0.58%
Sharonbrooke Inn Limited	2,846,870	3	0.35%
Owens Corning Fiberglas	2,545,320	4	0.32%
Meijer Stores Limited Partnership	2,271,220	5	0.28%
Ohio II TIC Et Al	2,268,420	6	0.28%
Newark Ambulatory Surgery Center	2,207,100	7	0.28%
State Farm Mtl Auto Insurance	2,197,730	8	0.27%
Health Care Property Investors Inc.	2,150,900	9	0.27%
L&C Lighting Group Inc.	1,787,700	10	0.22%
Total	$ 46,784,270		$ 802,182,880

	December 31, 2001		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
Owens Corning Fiberglas	$ 24,537,640	1	3.71%
Ohio Power	18,091,290	2	2.74%
Alltel Ohio, Inc	8,021,310	3	1.21%
Holophane Lighting, Inc.	5,949,880	4	0.90%
National Gas & Oil Company	5,768,050	5	0.87%
State Farm Mutual Auto Insurance	5,191,910	6	0.79%
Columbia Gas	3,146,470	7	0.48%
Thrifty Ohio, Inc.	3,136,640	8	0.47%
Southgate Company LLP	2,522,300	9	0.38%
Health Care Prop. Investors Inc.	2,266,430	10	0.34%
Total	$ 78,631,920		$ 660,622,400

Source: Licking County Auditor's Office

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2010/2011	(1)	(1)	(1)	(1)	(1)
2009/2010	$ 27,202,918	$ 1,661,047	$ 28,863,965	$ 26,457,416	97.26%
2008/2009	22,747,047	955,080	23,702,127	21,791,967	95.80%
2007/2008	22,883,262	1,506,842	24,390,104	22,103,989	96.59%
2006/2007	23,478,761	1,369,068	24,847,829	22,627,569	96.37%
2005/2006	23,531,790	1,181,979	24,713,769	22,594,745	96.02%
2004/2005	17,841,154	1,159,133	19,000,287	17,363,135	97.32%
2003/2004	17,991,082	1,148,299	19,139,381	17,153,105	95.34%
2002/2003	17,082,951	1,181,308	18,264,259	16,492,781	96.55%
2001/2002	16,803,018	1,490,888	18,293,906	16,203,429	96.43%

Note: "Delinquent Levy" indicates the portion collected that was delinquent.

Source: Licking County Auditor's Office

(1) Information not available from County at time of reporting.

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
(1)	(1)	(1)
$ 911,024	$ 27,368,440	94.82%
617,404	22,409,371	94.55%
701,356	22,805,345	93.50%
740,785	23,368,354	94.05%
640,753	23,235,498	94.02%
575,124	17,938,259	94.41%
618,793	17,771,898	92.86%
567,595	17,060,376	93.41%
910,882	17,114,311	93.55%

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities							
Fiscal Year	**General Obligation Bonds**	**Tax Anticipation Notes**	**Bond Anticipation Notes**	**Capital Leases**	**(a) Total Primary Government**	**(b) Per Capita**	**(b) Per ADM**	**(b) Percentage Personal Income**
2011	$ 66,009,206	$ -	$ -	$ -	$ 66,009,206	1,388	10,938	6.32%
2010	67,928,845	-	-	-	67,928,845	1,468	11,193	8.24%
2009	69,795,868	-	-	-	69,795,868	1,508	10,798	8.46%
2008	71,617,734	330,000	-	119,760	72,067,494	1,557	11,142	8.74%
2007	73,349,998	841,037	-	151,502	74,342,537	1,606	11,069	9.02%
2006	74,713,333	-	-	387,270	75,100,603	1,623	11,116	9.11%
2005	56,231,826	-	-	141,349	56,373,175	1,218	8,208	6.84%
2004	6,289,928	-	-	339,615	6,629,543	143	950	0.80%
2003	6,524,928	-	610,000	528,601	7,663,529	166	1,099	0.93%
2002	6,749,928	-	1,195,000	528,530	8,473,458	183	1,213	1.03%

Source: School District financial records

(a) See notes to the financial statements regarding the District's outstanding debt information.

(b) See schedule " Demographic and Economic Statistic, Last Ten Years" for personal income, population and enrollment information.

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds (1)	Fund Balances Restricted for Debt Service	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2011	$ 66,009,206	$ (3,460,064)	$ 62,549,142	2.73%	1,315
2010	67,928,845	(3,262,279)	64,666,566	2.83%	1,397
2009	69,795,868	(3,355,712)	66,440,156	2.95%	1,436
2008	71,617,734	(3,322,423)	68,295,311	2.97%	1,476
2007	73,349,998	(3,293,229)	70,056,769	2.98%	1,514
2006	74,713,333	(2,927,364)	71,785,969	2.95%	1,551
2005	56,231,826	(2,294,660)	53,937,166	2.44%	1,165
2004	6,289,928	(282,205)	6,007,723	0.27%	130
2003	6,524,928	(364,156)	6,160,772	0.28%	133
2002	6,749,928	(398,990)	6,350,938	0.32%	137

(1) Details regarding the District's outstanding debt can be found in the notes to the financial statements. Total includes accreted interest on capital appreciation bonds.

Source: School District financial records

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2011

Governmental Unit	Net General Tax Supported Debt	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Newark City School District	$ 66,009,206	100.00%	$ 66,009,206
Overlapping debt:			
City of Newark	26,869,663	92.84%	24,945,795
Licking County	7,805,000	21.62%	1,687,441
Licking County Joint Vocational School	29,889,991	20.94%	6,258,964
Total overlapping debt	64,564,654		32,892,200
Total direct and overlapping debt	$ 130,573,860		$ 98,901,406

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the District's taxable assessed value that is within the subdivision's boundaries and dividing it by the District's total taxable assessed value. Net general tax supported debt includes accreted interest on capital appreciation bonds but excludes unamortized bond premiums, discounts and deferred losses on refundings.

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit (1)	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2011	$ 72,196,459	$ 65,799,998	$ 3,460,064	$ 62,339,934	$ 9,856,525	86.35%
2010	71,896,470	67,779,998	3,970,159	63,809,839	8,086,631	88.75%
2009	70,791,123	69,694,998	3,619,912	66,075,086	4,716,037	93.34%
2008	70,318,435	71,554,998	3,556,523	67,998,475	2,319,960	96.70%
2007	69,401,367	70,056,769	3,545,229	66,511,540	2,889,827 (a)	N/A
2006	74,579,338	71,785,969	3,121,764	68,664,205	5,915,133	92.07%
2005	67,512,713	53,937,166	2,820,860	51,116,306	16,396,407	75.71%
2004	67,169,280	6,007,723	285,205	5,722,518	61,446,762	8.52%
2003	65,947,229	6,160,772	422,566	5,738,206	60,209,023	8.70%
2002	60,683,558	6,350,938	438,890	5,912,048	54,771,510	9.74%

Source: Licking County Auditor and School District financial records

(1) Total debt applicable to limit excludes accreted interest on capital appreciation bonds.

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.
House Bill 530 became effective on March 30, 2006, which excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

(a): On September 9, 2004, the District was determined to be a "special needs" district, meaning the District was permitted to exceed the voted debt limitation.

Voted Debt Margins are determined without reference to applicable monies in the District's debt service fund.

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Population (1)	Per Capita Personal Income (1)	Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rates (3)		
						Licking County	Ohio	United States
2011	47,573	$ 21,941	$ 1,043,799,193	38.5	6,035	7.8%	9.1%	9.1%
2010	46,279	17,819	824,645,501	35.9	6,069	9.8%	10.4%	9.6%
2009	46,279	17,819	824,645,501	35.9	6,464	10.3%	11.1%	9.5%
2008	46,279	17,819	824,645,501	35.9	6,468	6.1%	6.6%	5.5%
2007	46,279	17,819	824,645,501	35.9	6,716	5.5%	5.5%	4.7%
2006	46,279	17,819	824,645,501	35.9	6,756	3.4%	5.1%	4.4%
2005	46,279	17,819	824,645,501	35.9	6,868	5.8%	5.9%	5.0%
2004	46,279	17,819	824,645,501	35.9	6,978	5.9%	6.2%	5.1%
2003	46,279	17,819	824,645,501	35.9	6,973	6.0%	6.2%	5.7%
2002	46,279	17,819	824,645,501	35.9	6,985	5.1%	5.7%	6.0%

(1) U. S. Census Bureau information for the City of Newark
(2) School District records
(3) U.S. Bureau of Labor Statistics

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	December 31, 2010		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**
Licking Memorial Hospital	1,130	1	5.28%
Licking County Government	1,125	2	5.26%
State Farm Insurance	1,104	3	5.16%
Anomatic	963	4	4.50%
Newark City Schools	936	5	4.37%
OSUN/COTC	900	6	4.21%
Walmart	715	7	3.34%
Meijer, Inc.	701	8	3.28%
Owens Corning	560	9	2.62%
Longaberger Corp.	475	10	2.22%
Total	8,609		40.23%
Total Employment within the City	21,400		

	December 31, 2001		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**
State Farm Insurance	1,446	1	6.34%
Licking Memorial Hospital	1,338	2	5.87%
Owens Corning	1,335	3	5.86%
Newark City Schools	1,292	4	5.67%
Licking County Government	1,166	5	5.11%
Longaberger Corp.	1,146	6	5.03%
OSUN/COTC	1,000	7	4.39%
Anomatic	812	8	3.56%
Holophane	629	9	2.76%
City of Newark	542	10	2.38%
Total	10,706		46.96%
Total Employment within the City	22,800		

Source: City of Newark Auditor's Office

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY TYPE AND FUNCTION
LAST NINE FISCAL YEARS

Type	2011	2010	2009	2008	2007	2006	2005	2004	2003
Office - administrative	29.0	26.9	30.0	31.0	33.1	32.0	33.0	39.0	38.0
Professional - educational	430.5	429.8	438.0	429.9	484.2	480.2	506.4	520.4	499.0
Professional - other	27.8	23.7	26.3	25.1	24.7	22.2	23.8	20.8	20.8
Technical	32.4	28.0	32.7	29.9	40.4	38.8	35.8	22.9	22.3
Office - clerical	61.9	59.7	57.5	59.1	61.9	63.3	69.7	77.5	77.2
Craft & trade	9.3	9.3	10.0	10.0	11.0	11.0	12.0	12.0	12.0
Operative	24.5	30.2	22.1	21.6	33.5	35.1	33.8	30.8	32.8
Service worker/laborer	104.0	107.0	110.7	114.2	118.4	118.6	113.8	114.6	112.3
Total	719.4	714.6	727.4	720.8	807.2	801.2	828.3	838.0	814.4

Function	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction:									
Regular	315.4	317.9	315.6	310.2	334.3	333.9	369.7	357.9	356.5
Special	94.3	95.6	92.9	89.1	104.6	98.5	103.1	118.5	96.8
Vocational	5.6	5.5	4.6	5.6	13.0	13.0	15.0	15.0	16.0
Other	2.5	2.5	2.5	2.5	1.0	1.0	0.0	0.0	0.0
Support Services:									
Pupil	47.2	41.8	44.5	42.9	44.7	42.3	44.3	45.4	41.3
Instructional staff	74.6	72.6	76.3	77.6	88.9	88.4	78.3	75.7	76.9
Administration	42.7	42.9	45.9	44.9	52.8	52.8	54.8	56.9	57.8
Fiscal	7.0	6.2	8.0	8.0	8.1	8.0	8.1	9.0	9.0
Business	5.5	5.5	5.5	5.5	6.4	6.5	6.5	6.6	6.5
Operations and maintenance	54.4	55.2	56.5	59.0	59.4	59.8	60.7	61.2	63.1
Pupil transportation	32.1	29.4	28.2	28.4	46.4	46.4	41.1	38.6	40.1
Central	2.0	3.4	2.0	2.2	3.0	3.0	2.0	4.0	5.0
Other non-instructional services:									
Food service operations	30.6	30.9	39.4	39.5	37.4	40.0	37.3	37.6	37.5
Other non-instructional	3.6	3.2	3.4	3.4	5.2	5.5	4.7	8.9	5.2
Extracurricular activities	2.0	2.0	2.0	2.0	2.0	2.1	2.7	2.7	2.7
Total Governmental Activities	719.4	714.6	727.4	720.8	807.2	801.2	828.3	838.0	814.4

Source: School District records

Note: Information prior to 2003 was not available.

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction:										
Regular and Special										
Enrollment (students)	6,035	6,069	6,464	6,538	6,716	6,756	6,868	6,978	6,973	6,985
Graduates	316	291	317	284	364	343	342	379	358	389
Support services:										
Board of education										
Regular meetings per year	11	12	11	11	12	11	11	12	12	11
Special meetings per year	12	8	25	12	8	12	12	12	9	19
Administration										
Student attendance rate	94.80%	94.40%	94.30%	94.20%	94.60%	94.50%	94.30%	94.30%	94.10%	93.60%
Fiscal										
Nonpayroll checks issued	3,384	3,247	3,232	3,273	3,835	4,433	4,724	4,903	5,059	5,563
Operations and maintenance										
Square footage maintained	844,126	844,126	853,786	844,332	796,774	796,774	844,297	844,297	844,297	844,297
Pupil transportation										
Avg. students transported daily	1,851	1,448	1,527	1,565	3,256	3,207	3,661	3,553	3,864	3,545
Food service operations										
Meals served to students	658,822	668,186	779,974	781,780	750,181	718,825	687,158	648,920	620,651	592,566

Source: School District records

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

	2011	2010	2009	2008	2007
Land	$ 1,672,643	$ 1,705,643	$ 1,712,273	$ 1,712,273	$ 1,706,908
Land improvements	148,742	71,708	91,900	101,368	133,028
Buildings and improvements	54,649,612	3,905,946	4,410,773	4,793,956	4,632,149
Furniture, fixtures and equipment	921,553	940,765	1,288,726	1,397,594	1,584,682
Vehicles	1,339,398	1,274,370	1,306,073	1,546,279	1,758,447
Construction in progress	56,951,427	81,928,465	72,409,044	60,286,787	44,520,724
Total Governmental Activities Capital Assets, net	$ 115,683,375	$ 89,826,897	$ 81,218,789	$ 69,838,257	$ 54,335,938

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

(1) The 2003 Capital Asset balances were restated in the 2004 report due to changes made to the capital asset policy and corrections of errors and omissions in the prior years. The restated balance is presented.

2006	2005	2004	2003 (1)	2002
$ 1,706,908	$ 1,713,468	$ 774,622	$ 774,622	$ 801,394
134,111	176,670	176,968	158,795	140,394
5,348,085	5,798,231	5,691,531	6,305,152	6,858,984
1,589,540	1,203,641	1,591,234	1,753,042	3,464,335
1,601,981	1,327,627	1,246,020	1,184,183	1,215,216
9,494,295	382,680	12,084	6,748	-
$ 19,874,920	$ 10,602,317	$ 9,492,459	$ 10,182,542	$ 12,480,323

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2011	2010	2009	2008	2007	2006
Ben Franklin Elementary (1954)						
Square feet	62,169	62,169	38,632	38,632	38,632	38,632
Capacity (students)	350	350	309	309	309	309
Enrollment	324	312	385	332	297	296
Carson Elementary (2008)						
Square feet	61,073	61,073	61,073	61,073	(8)	(8)
Capacity (students)	500	500	500	500	(8)	(8)
Enrollment	497	527	469	446	(8)	(8)
Cherry Valley Elementary (2008)						
Square feet	61,073	61,073	61,073	61,073	30,160	30,160
Capacity (students)	500	500	500	500	241	241
Enrollment	474	436	466	446	346	370
Conrad Elementary (1905)						
Square feet	(3)	(3)	(3)	(3)	28,875	28,875
Capacity (students)	(3)	(3)	(3)	(3)	231	231
Enrollment	(3)	(3)	(3)	(3)	226	229
Hazelwood Elementary (1910)						
Square feet	(1)	(1)	(1)	(1)	(1)	(1)
Capacity (students)	(1)	(1)	(1)	(1)	(1)	(1)
Enrollment	(1)	(1)	(1)	(1)	(1)	(1)
Hillview Elementary (2008)						
Square feet	61,073	61,073	61,073	61,073	(8)	(8)
Capacity (students)	500	500	500	500	(8)	(8)
Enrollment	439	444	446	456	(8)	(8)
John Clem Elementary (1958)						
Square feet	28,152	28,152	28,152	28,152	28,152	28,152
Capacity (students)	225	225	225	225	225	225
Enrollment	479	473	374	413	359	341
Kettering Elementary (1958)						
Square feet	(3)	(3)	(3)	(3)	17,021	17,021
Capacity (students)	(3)	(3)	(3)	(3)	136	136
Enrollment	(3)	(3)	(3)	(3)	288	282
Legend Elementary (2007)						
Square feet	61,073	61,073	61,073	61,073	(5)	(5)
Capacity (students)	500	500	500	500	(5)	(5)
Enrollment	539	532	414	446	(5)	(5)
Maholm Elementary (1954)						
Square feet	(2)	(2)	(2)	(2)	(2)	(2)
Capacity (students)	(2)	(2)	(2)	(2)	(2)	(2)
Enrollment	(2)	(2)	(2)	(2)	(2)	(2)
McGuffey Elementary (1958)						
Square feet	32,562	32,562	32,562	32,562	32,562	32,562
Capacity (students)	260	260	260	260	260	260
Enrollment	452	454	371	378	328	367

2005	2004	2003	2002
38,632	38,632	38,632	38,632
309	309	309	309
265	272	274	255
(8)	(8)	(8)	(8)
(8)	(8)	(8)	(8)
(8)	(8)	(8)	(8)
30,160	30,160	30,160	30,160
241	241	241	241
293	287	286	302
28,875	28,875	28,875	28,875
231	231	231	231
214	198	204	226
23,036	23,036	23,036	23,036
184	184	184	184
223	233	231	230
(8)	(8)	(8)	(8)
(8)	(8)	(8)	(8)
(8)	(8)	(8)	(8)
28,152	28,152	28,152	28,152
225	225	225	225
352	336	336	318
17,021	17,021	17,021	17,021
136	136	136	136
279	277	261	280
(5)	(5)	(5)	(5)
(5)	(5)	(5)	(5)
(5)	(5)	(5)	(5)
24,487	24,487	24,487	24,487
195	195	195	195
159	174	176	163
32,562	32,562	32,562	32,562
260	260	260	260
290	300	299	288

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS - (Continued)

	2011	2010	2009	2008	2007	2006
Miller Elementary (1969)						
Square feet	(7)	(7)	33,197	33,197	33,197	33,197
Capacity (students)	(7)	(7)	265	265	265	265
Enrollment	(7)	(7)	354	368	394	396
North Elementary (1928)						
Square feet	(5)	(5)	(5)	(5)	36,784	36,784
Capacity (students)	(5)	(5)	(5)	(5)	294	294
Enrollment	(5)	(5)	(5)	(5)	407	394
West Main Intermediate (1925)						
Square feet	(3)	(3)	(3)	(3)	54,330	54,330
Capacity (students)	(3)	(3)	(3)	(3)	434	434
Enrollment	(3)	(3)	(3)	(3)	422	423
Central Intermediate (1940)						
Square feet	(3)	(3)	(3)	(3)	43,961	43,961
Capacity (students)	(3)	(3)	(3)	(3)	352	352
Enrollment	(3)	(3)	(3)	(3)	312	317
Heritage Middle School (2011)						
Square feet	72,905	56,959	56,959	56,959	56,959	56,959
Capacity (students)	500	455	455	455	455	455
Enrollment	429	415	429	417	370	362
Liberty Middle School (2008)						
Square feet	69,922	69,922	69,922	69,922	(8)	(8)
Capacity (students)	450	450	450	450	(8)	(8)
Enrollment	479	483	491	534	(8)	(8)
Roosevelt Middle School (1929)						
Square feet	(3)	(3)	(3)	(3)	58,453	58,453
Capacity (students)	(3)	(3)	(3)	(3)	387	387
Enrollment	(3)	(3)	(3)	(3)	317	341
Wilson Middle School (1929)						
Square feet	67,907	67,907	67,907	67,907	55,525	55,525
Capacity (students)	450	450	387	387	367	367
Enrollment	431	437	453	463	427	375
High School (1961)						
Square feet	241,763	241,763	241,763	241,763	241,763	241,763
Capacity (students)	1,447	1,447	1,447	1,447	1,447	1,447
Enrollment	1,492	1,556	1,685	1,630	1,732	1,712
Administrative Service Center						
Square feet	19,000	19,000	19,000	19,000	19,000	19,000
Transportation and warehouse						
Square feet	21,400	21,400	21,400	21,400	21,400	21,400

Source: School District records
Note: Year of original construction is in parentheses
(1) Hazelwood - closed end of 04-05 school year and sold November 2005
(2) Maholm - closed end of 04-05 school year and is leased to a sponsored community school during 05-06 school year
(3) Conrad, West Main, Central Intermediate, Roosevelt and Kettering closed at the end of the 2006-2007 year
Central was sold in July 2008. Conrad was sold in October 2008.
Kettering was demolished to make room for the new Heritage building.
(4) Cherry Valley moved into a new building in January 2008. The old Cherry Valley building (1916) was demolished
(5) North was renamed Legend and moved into a new building in January 2008.
(6) Lincoln was renamed Heritage beginning of 2007-2008 school year.
(7) Miller was closed during fiscal year 2010.
(8) Hillview, Liberty and Carson were opened in 2008.
(9) McGuffey students were moved into West Main Intermediate during 2010 until the renovations are completed.
(10) John Clem students were moved into Roosevelt Middle School during 2010 until the renovations are completed.
(11) Heritage moved to a new building in January 2011.
(12) High School renovations, demolition and additions started Summer 2010. This is a three year project.

2005	2004	2003	2002
33,197	33,197	33,197	33,197
265	265	265	265
377	391	397	378
36,784	36,784	36,784	36,784
294	294	294	294
391	401	379	378
54,330	54,330	54,330	54,330
434	434	434	434
424	387	406	411
43,961	43,961	43,961	43,961
352	352	352	352
372	382	370	358
56,959	56,959	56,959	56,959
455	455	455	455
230	264	257	260
(8)	(8)	(8)	(8)
(8)	(8)	(8)	(8)
(8)	(8)	(8)	(8)
58,453	58,453	58,453	58,453
387	387	387	387
349	326	357	368
55,525	55,525	55,525	55,525
367	367	367	367
395	390	410	431
241,763	241,763	241,763	241,763
1,447	1,447	1,447	1,447
1,731	1,826	1,815	1,827
19,000	19,000	19,000	19,000
21,400	21,400	21,400	21,400

NEWARK CITY SCHOOL DISTRICT
LICKING COUNTY, OHIO

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Funds		Governmental Activities		Enrollment	Percent Change
	Expenditures (1)	Cost per pupil	Expenses (2)	Cost per pupil (2)		
2011	$ 95,437,325	$ 15,814	$ 69,011,853	$ 11,435	6,035	(0.56) %
2010	77,485,426	12,767	64,568,170	10,639	6,069	(6.11) %
2009	74,943,086	11,594	63,644,236	9,846	6,464	(1.13) %
2008	76,468,106	11,696	60,797,798	9,299	6,538	(2.65) %
2007	98,508,497	14,668	64,208,245	9,560	6,716	(0.59) %
2006	73,515,461	10,882	64,069,619	9,483	6,756	(1.63) %
2005	62,696,035	9,129	61,547,420	8,961	6,868	(1.58) %
2004	58,024,935	8,315	58,908,927	8,442	6,978	0.07 %
2003	54,145,777	7,765	54,946,096	7,880	6,973	(0.17) %
2002	51,796,721	7,415	52,409,481	7,503	6,985	(3.28) %

Source: School District financial records

(1) Debt Service totals have been excluded, as the principal and interest payments are not applied toward per pupil expenditures.

(2) Interest and fiscal expenses have been excluded, as interest payments are not applied toward per pupil expenditures.
Expenses and cost per pupil of governmental activities for previous years have been restated to conform to this presentation.

Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
431	14.00	94.80%
430	14.11	94.40%
408	15.84	94.30%
389	16.81	94.20%
428	15.69	94.60%
443	15.25	94.50%
493	13.93	94.30%
417	16.73	94.30%
429	16.25	94.10%
439	15.91	93.60%

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Popular Annual Financial Report

For the year ending June 30, 2011

Newark City Schools • Newark, Ohio

Newark City School District

Administrative Service Center
85 E. Main Street
Newark, Ohio 43055

telephone (740) 670-7000
facsimile (740) 670-7047
www.newarkcityschools.org

December 21, 2011

To the Citizens of the Newark City Schools,

We are pleased to present the Newark City School District's Popular Annual Financial Report (PAFR) for the year ending June 30, 2011. This report makes our District's finances easier to understand, and communicates our financial situation in an open and accountable manner.

The PAFR summarizes the financial activities and operating results reported in the Newark City School District's audited Comprehensive Annual Financial Report (CAFR). The PAFR is unaudited and presented on a non-GAAP (Generally Accepted Accounting Principle) basis, which primarily deals with full disclosure and segregated funds. The statements presented on page 3 and the pie charts on page 4 consist of the General Fund of the District. General Fund is the largest fund from which most day-today programs and services are provided. For more detailed financial information, including a discussion of key changes in financial data from last fiscal year, our economic condition and outlook, initiatives and accomplishments, please refer to a copy of the Comprehensive Annual Financial Report, which is available at www.newarkcityschools.org.

The Newark City School District is proud of this report and the support offered by the Board of Education in its creation. Ultimately, we would like to thank our citizens for their encouragement in creating a report designed to more adequately address their needs as taxpayers, as well as for the opportunity to serve them. Questions, comments and feedback regarding this report are encouraged, so please do not hesitate to contact the Treasurer's office at (740) 670-7010 or at jaanderson@laca.org.

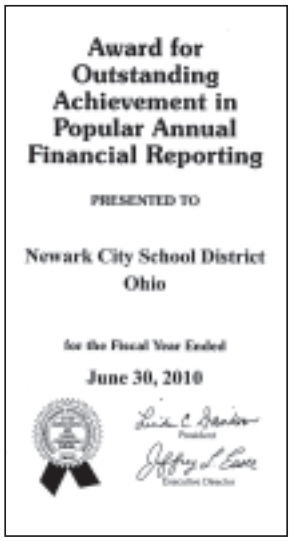
Respectfully submitted,

Jeffrey A. Anderson
Treasurer

Award for Outstanding Achievement Popular Annual Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Newark City Schools for its Popular Annual Financial Report for the fiscal year ended June 30, 2010. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

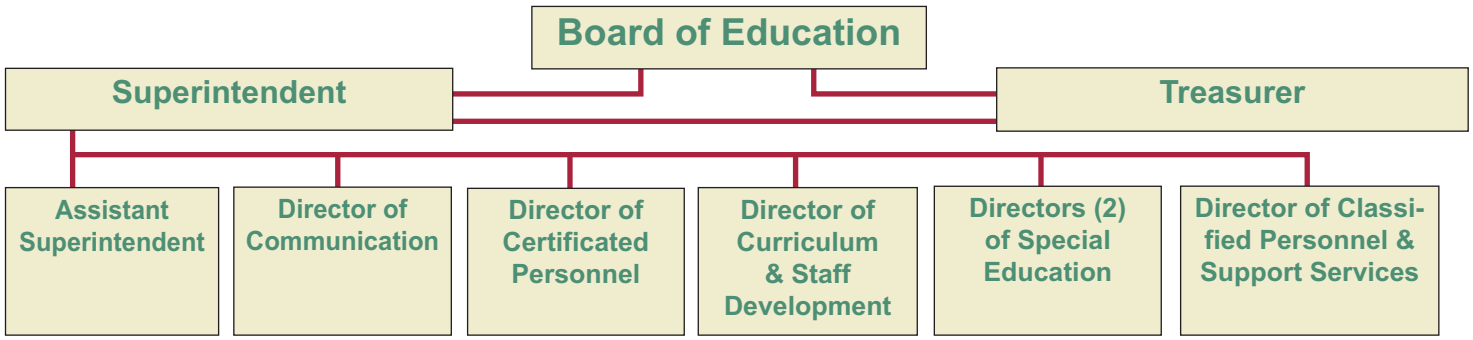

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

Newark City School District
Ohio

for the Fiscal Year Ended
June 30, 2010

Newark City Schools: Administrative Structure as of June 30, 2011



Summarized Financial Reports

Readers of the Financial Activity Statement and Financial Position Statement should keep in mind that the numbers in both reports are taken from the District's Comprehensive Annual Financial Report (CAFR), but are presented in a non-GAAP format.
The Comprehensive Annual Financial Report can be obtained from the Treasurer's office or www.newarkcityschools.org.

Benefits over Detriments

The Financial Position Statement, known in accounting terms as the balance sheet, reports the benefits (assets) available to provide services. Detriments (liabilities) are the amounts for which the District is obligated to pay in the future. The amount below represents the difference between the benefits of the District and the detriments which it must pay. The amount provides the net worth of the District.

Financial Benefits (shown in millions)	FY'11	FY'10	FY'09	FY'08
Cash and Investments	$14.21	$11.42	$7.86	$5.53
Receivables	$25.38	$24.40	$18.62	$19.43
Other Assets	$0.06	$0.35	$0.13	$0.05
Total Financial Benefits	$39.65	$36.16	$26.61	$25.02

Financial Detriments (shown in millions)	FY'11	FY'10	FY'09	FY'08
Amount Owed to Employees and Vendors	$8.07	$6.03	$6.10	$6.82
Other Liabilities	$20.63	$18.81	$14.60	$15.06
Total Financial Detriments	$28.71	$24.84	$20.70	$21.88
Benefits over Detriments	$10.95	$11.33	$5.91	$3.14

Revenues and Resources over Expenditures and Services

The Financial Activity Statement, known in accounting terms as the income statement, provides a summary of the resources (revenues) and services (expenditures) of the District.

Resources Taken In (shown in thousands)	FY'11	FY'10	FY'09	FY'08
Taxes	$24,752	$26,142	$22,366	$23,465
State and Federal Revenue	$28,413	$28,336	$26,722	$25,197
Investment Income	$45	$177	$347	$725
Tuition	$655	$644	$622	$436
Extracurricular†	$249	$207	$218	$223
Miscellaneous	$836	$807	$804	$940
TOTAL Revenues & Resources	$54,951	$56,312	$51,079	$50,986

† Pay to participate fees implemented in FY'08.

Services Provided (shown in thousands)	FY'11	FY'10	FY'09	FY'08
Instruction *	$35,752	$32,725	$31,697	$29,395
Pupil Support	$3,071	$2,839	$2,893	$2,819
Instructional support **	$2,145	$2,060	$2,682	$2,445
Administration/Fiscal	$4,570	$4,395	$4,624	$4,637
Business Support	$516	$527	$496	$531
Plant Operation	$5,805	$5,255	$5,084	$4,972
Transportation	$2,127	$2,103	$1,700	$1,767
Central Support	$794	$759	$747	$937
Extracurricular	$702	$659	$676	$650
TOTAL Expenditures & Service	$55,483	$51,322	$50,600	$48,154
Revenues & Resources Over Expenditures & Services	$(532)	$5,032	$479	$2,832

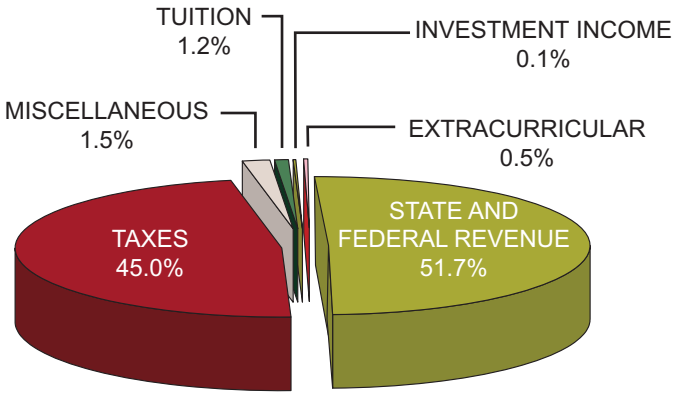
* Includes expenditures for teachers, teaching supplies and teaching equipment.
** Includes expenditures that help teachers such as library expenditures, literacy coordinators, mentor teachers and funds for teacher development.
^ $5.1 Million of cuts were implemented for the FY'08 school year due to a November 2006 levy failure.

Outstanding Debt at Year End — All Funds

The chart below captures the District's long-term debt obligations. As fiscal agent for the Newark Public Library, the District passed an .81 mill tax levy in FY98 for facility improvements to the public library. During fiscal year 2006, the District refunded a portion of the library bonds for $295,270 in tax savings. In 2004, the District passed a 5.9 mill tax levy for $70 million of debt for the District's share of the Ohio Schools Facilities Commission $131.5 million project. The debt was issued in two installments: $50 million and $20 million. In 2007, the District issued $990,000 in tax anticipation notes against Permanent Improvement Funds to renovate the Evans soccer/locker facilities. These were paid off in 2009.

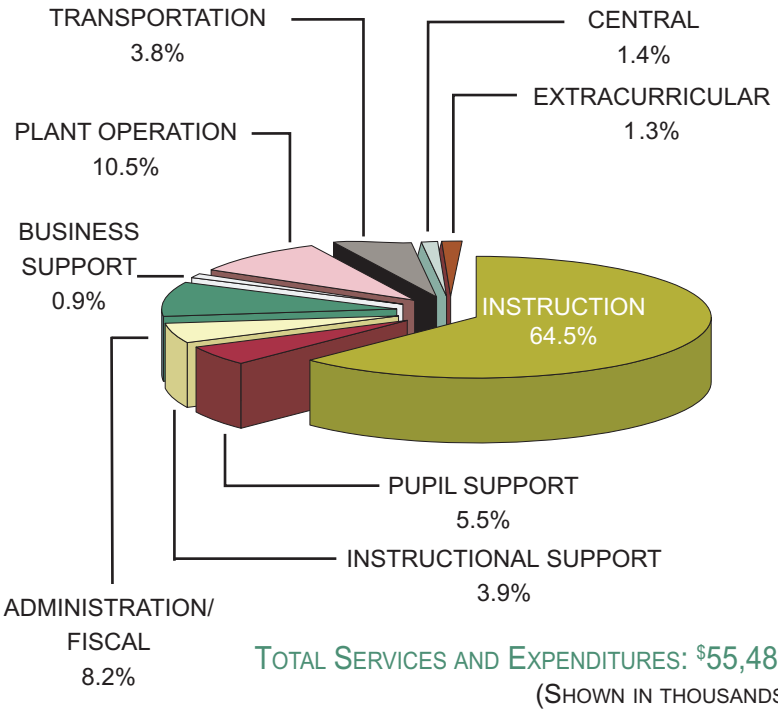
Outstanding Debt	FY'11	FY'10	FY'09	FY'08
General Obligation Bonds				
1998 Library Facility Bonds	$0	$0	$0	$270,000
2005 School Improvement Bonds	$42,900,000	$44,090,000	$45,245,000	$46,370,000
2005 School Improvement Bonds	$18,230,000	$18,695,000	$19,145,000	$19,580,000
2006 Library Facility Bond Refunded	$4,669,998	$4,994,998	$5,304,998	$5,334,998
Long-term Notes Payable				
2006 Tax Anticipation Notes	$0	$0	$0	$330,000
Total Outstanding	$65,799,998	$67,779,998	$69,694,998	$71,884,998

Our Revenues and Resources FY11:
Where the General Fund Money Comes from



Total Revenues: $54,951
(Shown in thousands)

Our Expenditures and Services FY11:
Where the Money Goes



Total Services and Expenditures: $55,483
(Shown in thousands)

Our Expenditures and Services:
Definitions

Instruction is the largest expenditure category and relates to the direct instruction of our students. Students are directly impacted by expenditures from this category.

Plant Operation expenditures relate to the safe and efficient environment of the school including building maintenance, grounds and custodial services.

Transportation expenditures relate to providing transportation (mostly by bus) to all students who live in the Newark City School District consistent with Board of Education policies and the laws of the State of Ohio. On average the bus fleet transports approximately 1,728 students to Newark City Schools and 123 students to non-public schools.

Board/Administration/Fiscal costs represent those of the administration and Board of Education's operation of the District. Also included in this category are school building secretarial support, financial services, such as payroll, accounts payable and receivable, auditing, budgeting and reporting, and fringe benefits administration.

Business Support costs include business services such as risk management, construction management, central warehousing, courier services, and copy expenditures.

Pupil Support areas comprise all guidance services, speech, hearing, occupational therapy, physical therapy, and psychological services.

Instructional Staff Support costs include library services, mentor teacher program, technology integration support, and literacy collaborative support.

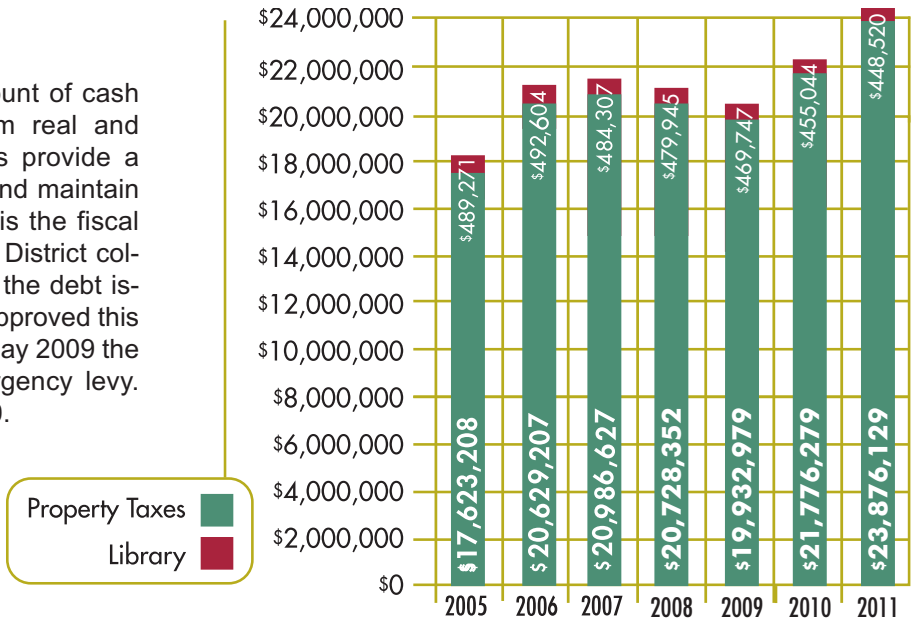
Central Support expenditures include community relations and technology maintenance staff, computer network maintenance contracts, district wide postage costs, and strategic planning type activities.

Extracurricular expenditures account for the salaries and benefits of club advisors and athletic coaches.

Sources of Funding: Where Does the Money Come From?

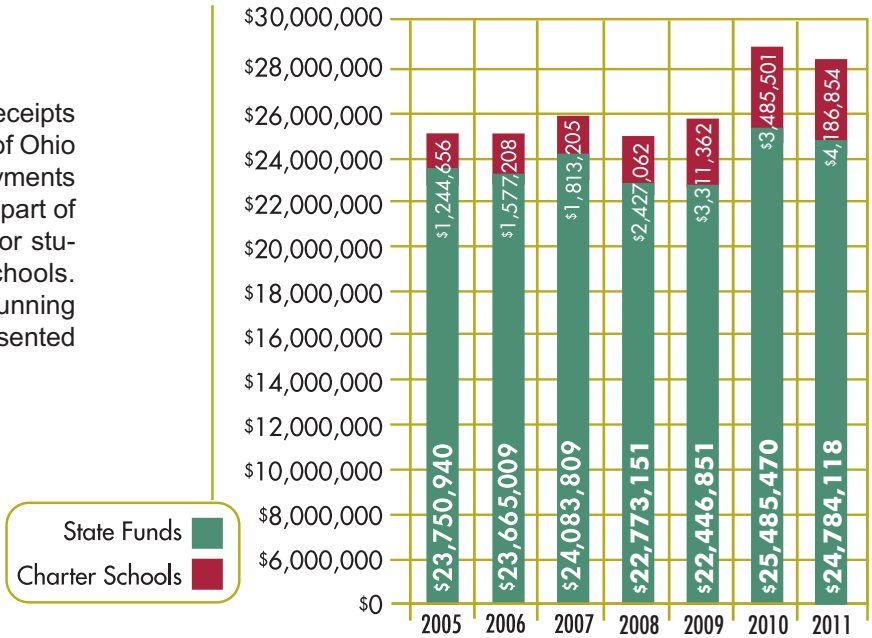
Property Taxes

To the right is a graph depicting the amount of cash collections received by the District from real and personal property taxes. Property taxes provide a majority of the local revenue to operate and maintain our schools. The School District by law is the fiscal agent for the Newark Public Library. The District collects the property taxes necessary to pay the debt issued to construct the new library. Voters approved this issue at the November 1997 election. In May 2009 the district passed a 7.5 mill five year emergency levy. Only half of this levy was collected in FY10.



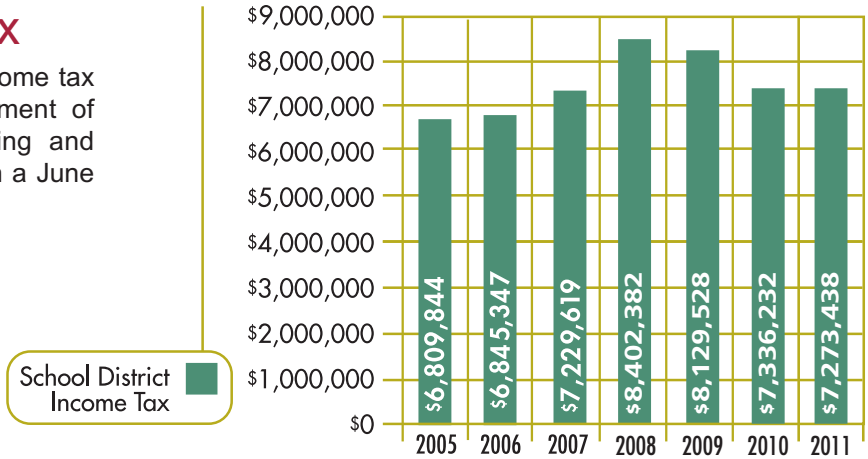
State Funding

The chart to the right depicts the actual cash receipts for the District's General Fund from the State of Ohio and the revenues deducted from our state payments and sent to charter schools. The state sends part of our state revenue to charter schools to pay for students from our district attending charter schools. Monies received from the state are critical in running a fiscally solvent school district. Years are presented on a June 30 Fiscal year-end basis.



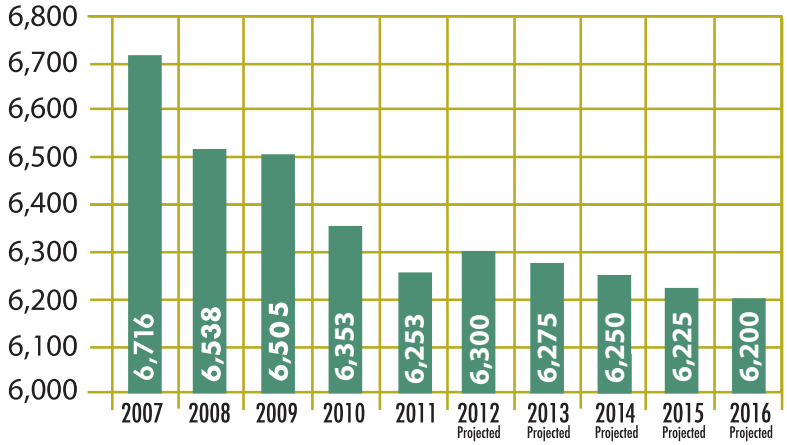
School District Income Tax

In May 2007, voters renewed a 1 percent income tax effective for five years. The Ohio Department of Taxation administers the monitoring, auditing and collecting of this tax. Years are presented on a June 30 fiscal year-end basis.



Enrollment – Current Trend and Most Likely Projection

Enrollment in the District has been steadily declining over the past decade. In 2007, DeJong-Healy, a firm specializing in education and educational facility planning, completed an enrollment projection for the District. This projection helped the District as it plans for its long-range facility needs. The data provided are projections not predictions.



Assessed Values of Real and Tangible Personal Property

* Tangible Personal has been phased out.

Collection Year	Residential/ Agricultural	Commercial/ Industrial	Public Utility	Tangible Personal	Total
2011	$579,518,300	$194,816,770	$27,847,810	$0*	$802,182,880
2010	$581,166,980	$190,647,880	$27,196,780	$0*	$799,011,640
2009	$579,360,550	$181,958,760	$25,449,240	$1,979,095	$788,747,645
2008	$572,786,120	$184,872,870	$23,901,120	$17,277,260	$798,837,370
2007	$568,666,960	$179,815,430	$28,457,510	$32,795,180	$809,735,080
2006	$559,844,700	$179,983,480	$28,310,940	$60,520,190	$828,659,310
2005	$512,647,420	$150,626,860	$28,615,340	$58,251,640	$750,141,260
2004	$503,846,080	$148,729,650	$27,644,720	$66,104,880	$746,325,330
2003	$498,325,540	$144,449,460	$27,832,080	$62,139,910	$732,746,990

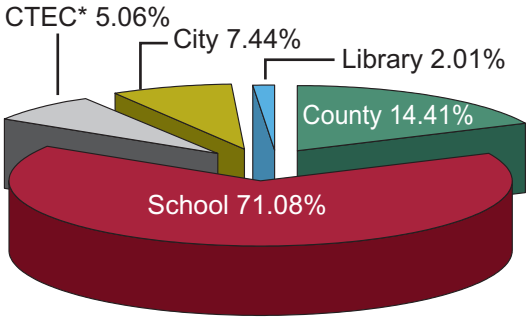
Unbundling the Tax Rate

Type	Gross Rate	Effective Rate	Year Approved	Length Approved
Inside-Operating*	4.10	4.10*	N/A	Permanent
Voted-Operating*	23.40	15.96*	Various	Permanent
Emergency Op.	7.36	7.36	2009	5 years
Permanent Improvement	2.90	1.80	2005	Permanent
Library Bond	0.66	0.66	1997	25 years
Building Bond	5.48	5.48	2004	28 years
TOTAL RATES	43.90	35.36	—	—

* Rates are for the 2010 tax year collected in the year 2011. The District's operating millage (denoted*) is at the minimum effective rate allowed by law and referred to as the "20 mill floor."

Where Does a Dollar of Your Real Estate Tax Money Go?

Shown to the right are the 2010 collection year amounts that would be charged to the owner of a $100,000 home in the largest tax district of the district. The graph represents the percentage of each dollar going to each entity. The total of $1,523.55 is the annual amount the owner of a $100,000 home would pay in taxes.



Annual Cost	
School	$1,082.94
County	$219.49
City	$113.31
CTEC*	$77.18
Licking County Library	$30.63
TOTAL	$1,523.55

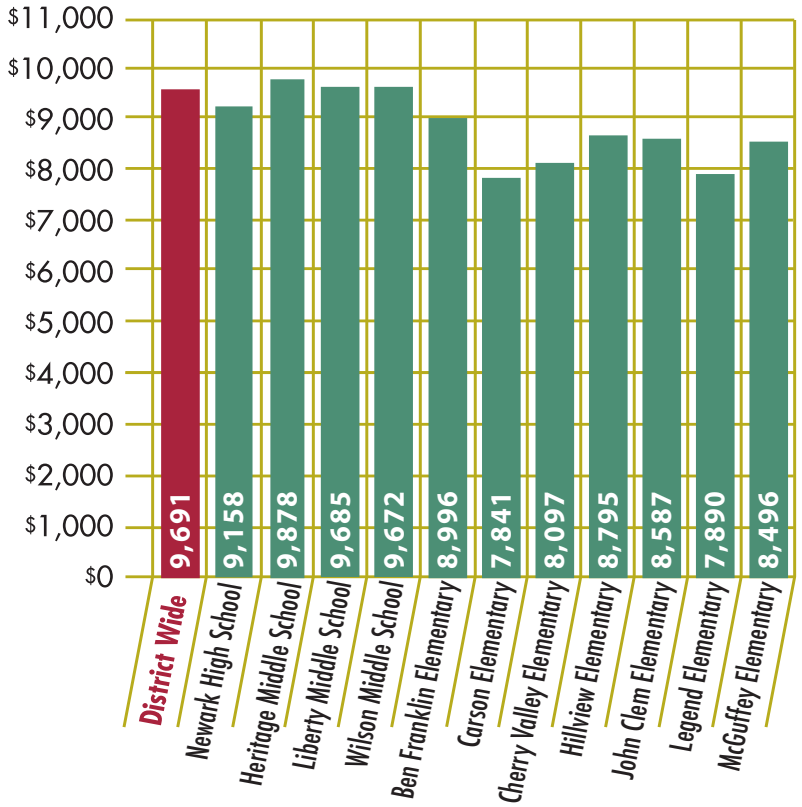
* Career and Technology Education Center of Licking County

Your Dollars Invested in Each of Our Students by Building

Listed to the right is the cost by student for every school in the Newark City School District for the year ending June 30, 2011, as compiled by the Ohio Department of Education. The Department of Education prepares these numbers based on cash based statements submitted to the state annually using a majority of all funds and expenditures of the District. The largest fund not included would be the food service operation fund. Also not included are expenditures related to capital outlays specific to building improvements. For information regarding academic accomplishments for 2011 and initiatives for 2012, please refer to page 7 of the Comprehensive Annual Financial Report.

*As extracted from reports issued by the Ohio Department of Education.

Per Pupil Spending, By School for the Fiscal Year 2011



2010-11 State-Issued Report Card

The State and Local Report Cards show the progress of districts and schools using four measures of performance (State Indicators, Performance Index, Value-Added Measure, and Adequate Yearly Progress). The combination of the four measures is the basis for assigning state designations to districts and buildings. For 2011, the District earned the designation of Excellent. For more detailed information, log on to the Ohio Department of Education's Web site at ode.state.oh.us.

Percentage of students at and above the proficient level in 2010-2011

State Indicators	Newark City	Similar Districts*	State
3rd Grade Achievement *(State requirement is 75%)*			
Reading	86.1%√	80.0%	79.9%
Mathematics	89.6%√	82.2%	82.0%
4th Grade Achievement *(State requirement is 75%)*			
Reading	88.0%√	83.3%	83.8%
Mathematics	79.5%√	76.7%	78.1%
5th Grade Achievement *(State requirement is 75%)*			
Reading	77.2%√	72.2%	74.1%
Mathematics	70.6%	63.0%	66.1%
Science	81.7%√	69.1%	71.1%
6th Grade Achievement *(State requirement is 75%)*			
Reading	88.7%√	83.5%	85.6%
Mathematics	84.1%√	76.4%	77.5%
7th Grade Achievement *(State requirement is 75%)*			
Reading	68.9%	75.6%	77.3%
Mathematics	75.8%√	74.2%	74.8%

State Indicators	Newark City	Similar Districts*	State
8th Grade Achievement *(State requirement is 75%)*			
Reading	85.4%√	83.6%	85.1%
Mathematics	80.4%√	74.6%	74.3%
Science	68.4%	64.3%	67.4%
10th Grade Ohio Graduation Test *(State requirement is 75%)*			
Reading	86.6%√	87.4%	87.2%
Mathematics	83.1%√	83.5%	82.6%
Writing	87.1%√	89.0%	89.5%
Science	66.1%	74.2%	74.7%
Social Studies	81.3%√	80.2%	80.1%
11th Grade Ohio Graduation Test** *(State requirement is 85%)*			
Reading	91.8%√	93.6%	92.4%
Mathematics	88.9%√	91.2%	89.1%
Writing	90.7%√	94.1%	93.4%
Science	81.2%	86.2%	84.2%
Social Studies	89.2%√	90.0%	88.0%
Attendance Rate *(State requirement is 93%)*			
All Grades	94.8%√	94.6%	94.5%
2009-2010 Graduation Rate *(State requirement is 90%)*			
District	72.4%	88.9%	84.3%

√ Results at or above the state standard

* Similar districts are based on comparing demographic, socioeconomic and geographic factors.

** Cumulative results for students who took tests as 10th or 11th graders.

Mission statement

The mission of Newark City Schools is to ensure
a quality education for all students
to become productive citizens in a global society.

Vision statement

To accomplish the mission of Newark City Schools, we
will provide superior resources, rigorous and relevant
programs, a safe and secure learning environment,
and a highly skilled and caring staff in partnership with
students, parents, and community members.

NEWARK CITY SCHOOL DISTRICT

ADMINISTRATIVE SERVICE CENTER
85 E. MAIN STREET, NEWARK, OHIO 43055
TELEPHONE (740) 670-7000 ~ FACSIMILE (740) 670-7047
www.newarkcityschools.org

Ohio | Department of Development

John R. Kasich, Governor Christiane Schmenk, Director

April 2, 2012

Jeffrey Anderson
Newark City Schools
85 East Main Street
Newark, Ohio 43055

RE: Application Cure Letter

Dear Jeffrey Anderson:

The Ohio Department of Development (Development) has received and is currently reviewing your application for Round 1 of Local Government Innovation Fund program. During this review Development has determined that additional information is needed for your application. The identified item(s) requiring your attention are listed on the attached page(s). Please respond only to the issues raised. Failure to fully address all the identified items could lead to a competitive score reduction or ineligibility for Round 1 of the Local Government Innovation Fund program. **A written response from the applicant to this completeness review is due to Development no later than 5:00 p.m. on *April 30, 2012*.** Please send the response in a single email to lgif@development.ohio.gov and include "Cure—Project Name" in the subject line.

While this cure letter represents the additional information needed for Development review, the Local Government Innovation Council continues to reserve the right to request additional information about your application.

Thank you once again for your participation in Local Government Innovation program. Please contact the Office of Redevelopment at lgif@development.ohio.gov or 614-995-2292 if you have further questions regarding your application or the information requested in this letter.

Sincerely,

Thea J. Walsh, AICP
Deputy Chief, Office of Redevelopment
Ohio Department of Development

Local Government Innovation Fund Completeness Review

Applicant: Newark City Schools

Project Name: Roosevelt Administrative Service Center

Request Type: Grant

Issues for Response

1. **Request**
   Please provide a funding request amount. Requests must conform to program guidelines with respect to funding limits and uses to be considered for funding. Grant requests are limited to $100,000 regardless of the number of collaborative partners. Loan requests are limited to $100,000 per applicant and collaborative partner, up to a maximum of $500,000. For example, one applicant with two collaborative partners is eligible for $300,000 because there are three partners.

2. **Budget**
   Please provide a line item budget that includes at minimum: 1) the sources of all funds being contributed to the project include **all** sources—cash, in-kind, etc.; 2) the uses of all funds (provide a line item for each use); 3) the total project costs (including the funding request **and** the local match. Please be sure that all uses of funds are eligible expenses as set forth in the program guidelines.

   Example:
   Collaboration Village's Project Budget

   Sources of Funds

LGIF Request	$100,000
Match Contribution (10%)	$ 11,111
Total	$111,111

   Uses of Funds

Consultant Fees for Study	$111,111
Total	$111,111

   Total Project Cost: $111,111

3. **Match**
   A minimum of 10% match is required for all projects. Matching funds must be 10% of the **total project cost** (not 10% of the funding request). Please document your 10% match and provide evidence of the contribution.

   For **in-kind contributions**, please provide documentation as outlined in section 2.06 of the Local Government Innovation Fund program policies. Certification of in-kind contributions may only be made for past investments. Anticipated in-kind contributions must be certified **after** the contribution is made.

4. **Financial Documentation**
   Financial history is required from all applicants. Please provide the most recent **three** years of financial history.

   Please provide financial projections for your funding request. For grant requests, applicants must at minimum, estimate the anticipated savings they are expecting to realize as a result of the study. For loan projects, please provide projections for at least three years to help demonstrate the savings achieved and the repayment source for the loan.

5. **Population Information and Documentation**
   Please provide documentation supporting population information provided using the 2010 U.S. Census. To access census information, you may visit the following website http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml.

6. **Self-Score Assessment**
   Please complete the interactive selection methodology available on the LGIF program website http://www.development.ohio.gov/Urban/LGIF.htm (select selection methodology) to score your project. Applicants do not need to complete the Council Preference or score validation sections when scoring their projects.

7. **Resolutions of Support**
   Resolutions of support must be provided by the governing body of the main applicant and each collaborative partner. If the collaborative partner is a private entity with no governing body, a letter of support **for the project** is required.

8. **Partnership Agreements**
   Partnership agreements must be signed by all parties listed as collaborative partners. Please provide a partnership agreement that at minimum: 1) lists all collaborative partners; 2) lists the nature of the partnership; and 3) is signed by all parties. Please note, partnership agreements must be specific to the project for which funding is requested.

Local Government Innovation Fund Completeness Review

Applicant: Newark City Schools

Project Name: Roosevelt Administrative Service Center

Request Type: Grant

Issues for Response On Following Pages

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REQUEST FOR GRANT MONEY:

Newark City Schools is requesting a $100,000 Grant to offset the design cost of combining the offices of the Newark City Schools Central Office, Licking Area Computer Association, and the Licking County Educational Service Center. The Architectural firm is JBA Architects. The fees for their services total $240,000. (Page two of this attachment shows their breakdown) The Newark City Schools will fund the remaining $140,000 from their "Construction Fund Account" .

The total cost of the project is estimated to be $3,463,500. (Design of $240,000 plus construction of $3,223,500).

Please award us a $100,000 grant to help cover the design cost. The project will be funded in full by Newark City Schools Construction Funds.

BUDGET

SOURCES OF FUNDS:

LGIF	$100,000
NEWARK CITY SCHOOLS LOCAL CONSTRUCTION FUND	$3,363,500
TOTAL	$3,463,500

USES OF FUNDS:

ARCHITECTURAL FEES	$240,000
GENERAL TRADES	$1,072,000
FIRE SUPPRESSION	$269,000
PLUMBING	$192,000
HVAC	$877,500
ELECTRIC	$813,000
TOTAL PROJECT COST	$3,463,500

February 1, 2012

JBA architects
PROFESSIONAL CORPORATION

ROOSEVELT: ADMINISTRATIVE SERVICE CENTER

SCHEDULE

Phase	Tentative Dates	Duration
• Programming/Design	February – March 2012	60d.
• Construction Documentation	April – July 2012	120d.
• Bid	August 2012	30d.
• Construction	September 2012 – July 2013	270 to 300d.

FEE INVOICING (Basic Services – Architectural & Engineering Fee)

• Programming/Design Phase	25%	$60,000
• Construction Documentation Phase	50%	$120,000
• Bidding/Contract Award	5%	$12,000
• Construction Administration	20%	$48,000
Basic Services Total Fee	100%	$240,000

Additional Services:	Surveying	TBD
	Site Civil	TBD
	Hazardous Mat'l Abatement	TBD
Reimbursable Expenses:	Plan Approval Fee	TBD
	Zoning Fee	TBD
	Printing, Advertising	TBD

Cost Projections

Roosevelt- Administrative Service Center – Preliminary Estimate

Lowest Cost

First Floor: 28,670 SF	With Fire Suppression	Without Fire Suppression
• Reception Area	$ 18,400	$ 18,400
• West Corridor (1985/86 Bldg.)	$ 2,800	$ 10,800 CR (1 Hr Rating)
• District Meeting Room (Old Lunch Room)	$ 19,400	$ 19,400
• District Server/Computer Room (Old Music)	$ 8,200	$ 8,200
• Small Meeting Rooms	$ 2,600	$ 2,600
• South Stair Enclosure (3 Floors)	$ 11,500 CR	$ 11,500 CR
• South Corridor (1929 Bldg.)	$ 15,000	$ 22,400 CR (1 Hr Rating)
• South Office Suites (Old Classrooms) 3 @ $12,100 EA	$ 36,300	$ 36,300
• Restroom	$ 9,300	$ 9,300
• Old Entry/Lobby	$ 2,000	$ 2,000
• Center Stair Enclosure (3 Floors)	$ 11,500 CR	$ 11,500 CR
• Elevator (3 Floors)	$ 122,000 CR	$ 122,000 CR(1 Hr Rating)
• North Corridor (1929 Bldg.)	$ 13,600	$ 20,000 CR (1 Hr Rating)
• North Office Suites (Classrooms) 5 @ $12,100 EA	$ 60,500	$ 60,500
• Restroom	$ 9,300	$ 9,300
• North Stair Enclosure (3 Floors)	$ 11,500 CR	$ 11,500
Total 1st Floor General Trades	$ 353,900	$375,500

Second Floor: 14.678 SF	With Fire Suppression	Without Fire Suppression
• South Corridor	$ 12,100	$ 20,400 CR (1 Hr Rated)
• South Office Suites 5 @ $12,100 EA	$ 60,500	$ 60,500
• Restroom	$ 9,300	$ 9,300
2nd Floor South Total	$ 81,900	$ 90,200
• North Corridor	$ 13,900	$ 22,300 CR (1 Hr Rated)
• North Office Suites 6 @ $12,100 EA	$ 72,600	$ 72,600
• Restroom	$ 9,300	$ 9,300
2nd Floor North Total	$ 95,800	$ 104,200
Total 2nd Floor General Trades	$ 177,700	$ 194,400

Third Floor: 13,712 SF	With Fire Suppression	Without Fire Suppression
• South Corridor	$ 12,100	$ 20,400
• South Office Suites 6 @ $12,100 EA	$ 72,600	$ 72,600
• Restroom	$ 9,300	$ 9,300
3rd Floor South Total	$ 99,000	$ 102,300
• North Corridor	$ 13,900	$ 22,300
• North Office Suites 7 @ $12,100 EA	$ 84,700	$ 84,700
• Restroom	$ 9,300	$ 9,300
3rd Floor North Total	$ 107,900	$ 116,300
Total 3rd Floor General Trades	$ 206,900	$ 218,600

Lowest Cost with Fire Suppression

General Trades – Interior		With Fire Suppression	Without Fire Suppression
• 1st Floor		$ 353,900	$ 375,700
• 2nd Floor		$ 177,700	$ 194,000
• 3rd Floor		$ 206,900	$ 218,600
	Interior Total	$ 738,500	$ 788,300

General Trades – Exterior

- Stairways (N&S) Roof Repair
  - Coping Jts/Flash $ 600 EA
  - Roof $ 1400 EA
  - Plaster Repair $ 400 EA

	$ 2,400 X 2	$4,800	$4,800
• New Parking – 80 Additional Spaces Inc. Drainage/Landscaping		$ 150,000	$ 150,000
	Sub Total	$ 893,300	$ 943,100
	Design Contingency 20%	$ 178,700	$ 188,600
		$1,072,000	$1,131,700

Recap Sheet

	With Fire Suppression	Without Fire Suppression
General Trades	**$ 1,072,000**	**$ 1,131,700**
Fire Suppression	**$ 269,000 ($200,000)**	**$ 22,800**
Plumbing	**$ 192,000**	**$ 192,000**
HVAC	**$ 877,500**	**$ 877,500**
Electric	**$ 813,000**	**$ 839,600**
	$ 3,223,500 ($3,154,500)	**$ 3,063,600**

NEWARK CITY SCHOOL DISTRICT - - LICKING COUNTY

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE FISCAL YEARS ENDED JUNE 30, 2009, 2010, AND 2011 ACTUAL; FORECASTED FISCAL YEARS ENDING JUNE 30, 2012 THROUGH 2016

		Actual			Forecasted				
		Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016
	Revenue:								
1.010	General Property Tax (Real Estate)	13,540,461	15,799,600	17,832,563	17,931,767	17,920,065	18,107,080	18,295,663	18,486,400
1.020	Tangible Personal Property Tax	1,745,024	886,162	1,024,212	492,519	0	0	0	0
1.030	Income Tax	6,120,382	7,273,488	7,273,438	7,528,008	7,791,489	8,064,191	8,346,437	8,638,553
1.035	Unrestricted Grants-in-Aid	22,874,356	24,886,412	24,836,783	24,122,841	25,414,268	25,172,116	25,217,121	25,217,121
1.040	Restricted Grants-in-Aid	2,170,053	1,896,242	2,162,027	2,162,027	2,004,890	2,005,000	2,007,000	2,009,000
1.050	Property Tax Allocation	215,886	4,141,895	3,649,251	3,649,261	3,613,408	3,576,664	3,662,687	3,666,847
1.060	All Other Revenues	2,217,482	2,344,938	1,944,240	1,944,240	2,017,484	2,057,484	2,117,484	2,117,484
1.070	Total Revenues	53,893,844	56,937,158	58,322,494	57,730,363	58,761,293	59,982,723	60,646,291	60,025,416
	Other Financing Sources:								
2.010	Proceeds from Sale of Notes	0	0	0	0	0	0	0	0
2.020	State Emergency Loans and Advancements	0	0	0	0	0	0	0	0
2.040	Operating Transfers-In	199,979	824,936	773,501	800,000	800,000	800,000	800,000	800,000
2.050	Advances-In	74,690	197,902	370,670	350,000	350,000	350,000	350,000	350,000
2.060	All Other Financing Sources	264,252	66,262	64,922	100,000	100,000	100,000	100,000	100,000
2.070	Total Other Financing Sources	538,921	1,089,100	1,208,093	950,000	950,000	950,000	950,000	950,000
2.080	Total Revenues and Other Financing Sources	54,432,765	57,986,258	59,530,587	58,680,363	59,711,293	60,932,723	61,596,291	60,975,416
	Expenditures:								
3.010	Personal Services	31,752,879	31,230,224	31,801,008	31,405,924	32,143,079	32,519,940	31,973,483	31,568,503
3.020	Employees' Retirement/Insurance Benefits	9,927,067	10,330,098	11,127,700	13,058,141	14,112,785	15,218,147	16,292,470	17,530,702
3.030	Purchased Services	6,793,907	8,767,733	9,255,017	9,529,956	10,427,562	11,414,928	12,501,031	13,695,744
3.040	Supplies and Materials	1,567,567	1,827,473	1,999,851	2,010,220	2,211,242	2,432,367	2,675,603	2,943,164
3.050	Capital Outlay	20,948	35,424	0	0	0	0	0	0
3.060	Intergovernmental	21,214	-48	-105	0	0	0	0	0
	Debt Service:								
4.010	Principal-All (History Only)	0	0						
4.020	Principal-Notes			0	0	0	0	0	0
4.030	Principal-State Loans			0	0	0	0	0	0
4.040	Principal-State Advancements			0	0	0	0	0	0
4.050	Principal-HB 264 Loans			0	0	0	0	0	0
4.055	Principal-Other			0	0	0	0	0	0
4.060	Interest and Fiscal Charges	0	0	0	0	0	0	0	0
4.300	Other Objects	830,380	1,019,226	910,394	910,394	919,498	928,693	937,980	947,360
4.500	Total Expenditures	50,913,962	53,210,130	55,093,865	56,914,636	59,814,167	62,514,075	64,380,567	66,685,472
	Other Financing Uses								
5.010	Operating Transfers-Out	199,979	749,586	1,002,476	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
5.020	Advances-Out	74,690	370,670	670,053	700,000	700,000	700,000	700,000	700,000
5.030	All Other Financing Uses	264,252	0	154,665	150,000	150,000	150,000	150,000	150,000
5.040	Total Other Financing Uses	538,921	1,120,256	1,827,194	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000
5.050	Total Expenditures and Other Financing Uses	51,452,883	54,330,386	56,921,059	58,764,636	61,664,167	64,364,075	66,230,567	68,535,472
	Excess of Rev & Other Financing Sources over								
6.010	(under) Expenditures and Other Financing Uses	2,244,345	3,635,879	2,609,528	-84,283	-1,952,874	-4,421,352	-5,734,276	-7,560,059
	Cash Balance July 1 - Excl Proposed Renewal/								
7.010	Replacement and New Levies	5,603,684	7,848,029	11,546,703	14,156,231	14,071,948	12,119,073	7,697,722	1,963,446
7.020	Cash Balance June 30	7,848,029	11,483,908	14,156,231	14,071,948	12,119,073	7,697,722	1,963,446	
8.010	Estimated Encumbrances June 30	831,049	998,798	700,000	700,000	700,000	700,000	700,000	700,000
	Reservation of Fund Balance								
9.010	Textbooks and Instructional Materials	0	0	0	0	0	0	0	0
9.020	Capital Improvements	0	0	0	0	0	0	0	0
9.030	Budget Reserve	934,406	934,406	934,406	934,406	934,406	934,406	934,406	934,406
9.040	DPIA	0	0	0	0	0	0	0	0
9.050	Debt Service	0	0	0	0	0	0	0	0
9.060	Property Tax Advances	0	0	0	0	0	0	0	0
9.070	Bus Purchases	0	0	0	0	0	0	0	0
9.080	Subtotal	934,406	934,406	934,406	934,406	934,406	934,406	934,406	934,406
	Fund Balance June 30 for Certification								
10.010	of Appropriations	6,082,574	9,550,704	12,521,825	12,437,542	10,484,667	6,063,316	329,040	-7,231,019
	Rev from Replacement/Renewal Levies								
11.010	Income Tax - Renewal				0	0	0	0	0
11.020	Property Tax - Renewal or Replacement				0	0	0	0	0
11.030	Cumulative Balance of Replacement/Renewal Levies	0	0	0	0	0	0	0	0
	Fund Balance June 30 for Certification								
12.011	of Contracts, Salary and Other Obligations	6,082,574	9,550,704	12,521,825	12,437,542	10,484,667	6,063,316	329,040	-7,231,019
	Revenue from New Levies								
13.010	Income Tax - New				0	0	0	0	0
13.020	Property Tax - New				0	0	0	0	0
13.030	Cumulative Balance of New Levies	0	0	0	0	0	0	0	0
14.010	Revenue from Future State Advancements								
15.010	**Unreserved Fund Balance June 30**	6,082,574	9,550,704	12,521,825	12,437,542	10,484,667	6,063,316	329,040	-7,231,019
	ADM Forecasts								
20.010	Kindergarten - October Count	562	555	575	600	625	650	675	700
20.015	Grades 1-12 - October Count	5,943	5,798	5,678	5,700	5,750	5,800	5,850	5,900
20.02	Kindergarten - February Count				0	0	0	0	0
20.025	Grades 1-12 - February Count				0	0	0	0	0

SAVINGS PROJECTIONS

YEAR	2013	2014	2015	2016	2017
LACA	$ 15,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
LESC	$ 15,000	$ 45,000	$ 45,000	$ 45,000	$ 45,000
NEWARK	$ 25,000	$ 120,000	$ 120,000	$ 120,000	$ 120,000
TOTALS	$ 55,000	$ 215,000	$ 215,000	$ 215,000	$ 215,000

State & County QuickFacts

Newark (city), Ohio

People QuickFacts	Newark	Ohio
Population, 2011 estimate	NA	11,544,951
Population, 2010	47,573	11,536,504
Population, percent change, 2000 to 2010	2.8%	1.6%
Population, 2000	46,279	11,353,140
Persons under 5 years, percent, 2010	7.4%	6.2%
Persons under 18 years, percent, 2010	24.0%	23.7%
Persons 65 years and over, percent, 2010	14.5%	14.1%
Female persons, percent, 2010	52.2%	51.2%
White persons, percent, 2010 (a)	92.8%	82.7%
Black persons, percent, 2010 (a)	3.3%	12.2%
American Indian and Alaska Native persons, percent, 2010 (a)	0.3%	0.2%
Asian persons, percent, 2010 (a)	0.6%	1.7%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	Z	0.0%
Persons reporting two or more races, percent, 2010	2.6%	2.1%
Persons of Hispanic or Latino origin, percent, 2010 (b)	1.2%	3.1%
White persons not Hispanic, percent, 2010	92.1%	81.1%
Living in same house 1 year & over, 2006-2010	78.4%	85.0%
Foreign born persons, percent, 2006-2010	1.1%	3.8%
Language other than English spoken at home, pct age 5+, 2006-2010	2.2%	6.3%
High school graduates, percent of persons age 25+, 2006-2010	84.3%	87.4%
Bachelor's degree or higher, pct of persons age 25+, 2006-2010	17.0%	24.1%
Mean travel time to work (minutes), workers age 16+, 2006 -2010	22.8	22.7
Housing units, 2010	21,976	5,127,508
Homeownership rate, 2006-2010	58.0%	69.2%
Housing units in multi-unit structures, percent, 2006-2010	31.2%	23.0%
Median value of owner-occupied housing units, 2006-2010	$117,600	$136,400
Households, 2006-2010	20,193	4,552,270
Persons per household, 2006-2010	2.32	2.46
Per capita money income in past 12 months (2010 dollars) 2006-2010	$21,786	$25,113
Median household income 2006-2010	$38,132	$47,358
Persons below poverty level, percent, 2006-2010	20.4%	14.2%

Business QuickFacts	Newark	Ohio
Total number of firms, 2007	3,035	897,939
Black-owned firms, percent, 2007	S	5.8%
American Indian- and Alaska Native-owned firms, percent, 2007	F	0.3%

Asian-owned firms, percent, 2007	S	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	S
Hispanic-owned firms, percent, 2007	S	1.1%
Women-owned firms, percent, 2007	21.7%	27.7%
Manufacturers shipments, 2007 ($1000)	926,967	295,890,890
Merchant wholesaler sales, 2007 ($1000)	495,064	135,575,279
Retail sales, 2007 ($1000)	496,330	138,816,008
Retail sales per capita, 2007	$10,531	$12,049
Accommodation and food services sales, 2007 ($1000)	84,215	17,779,905

Geography QuickFacts	Newark	Ohio
Land area in square miles, 2010	20.88	40,860.69
Persons per square mile, 2010	2,278.0	282.3
FIPS Code	54040	39
Counties		

Population estimates for counties will be available in April, 2012 and for cities in June, 2012.

(a) Includes persons reporting only one race.
(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information
F: Fewer than 100 firms
FN: Footnote on this item for this area in place of data
NA: Not available
S: Suppressed; does not meet publication standards
X: Not applicable
Z: Value greater than zero but less than half unit of measure shown

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, County Business Patterns, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report, Census of Governments
Last Revised: Tuesday, 31-Jan-2012 17:23:12 EST

Local Government Innovation Fund Program

Application Scoring

Lead Applicant	NEWARK CITY SCHOOLS
Project Name	ROOSEVELT ADMINISTRATIVE SERVICE CENTER

✓	**Grant Application**

or

	Loan Application

The Local Government Innovation Fund Council
77 South High Street
P.O. Box 1001
Columbus, Ohio 43216-1001
(614) 995-2292

Local Government Innovation Fund Project Scoring Sheet

Section 1: Financing Measures

Financing Measures	Description	Criteria	Max Points	Applicant Self Score	Validated Score
Financial Information	*Applicant includes financial information (i.e., service related operating budgets) for the most recent three years and the three year period following the project. The financial information must be directly related to the scope of the project and will be used as the cost basis for determining any savings resulting from the project.*	Applicant provides a thorough, detailed and complete financial information	5	◉	
		Applicant provided more than minimum requirements but did not provide additional justification or support	3	○	
		Applicant provided minimal financial information	1	○	
			Points	5	0
Repayment Structure (Loan Only)	*Applicant demonstrates a viable repayment source to support loan award. Secondary source can be in the form of a debt reserve, bank participation, a guarantee from a local entity, or other collateral (i.e.,emergency rainy day , or contingency fund, etc.).*	Applicant clearly demonstrates a secondary repayment source.	5	○	
		Applicant does not have a secondary repayment source.	0	○	
			Points	0	0
Local Match	*Percentage of local matching funds being contributed to the project. This may include in-kind contributions.*	70% or greater	5	◉	
		40-69.99%	3	○	
		10-39.99%	1	○	
			Points	5	0
			Total Section Points	10	0

Section 2: Collaborative Measures

Collaborative Measures	Description	Criteria	Max Points	Applicant Self Score	Validated Score
Population	*Applicant's population (or the population of the area(s) served) falls within one of the listed categories as determined by the U.S. Census Bureau. Population scoring will be determined by the **smallest** population listed in the application. Applications from (or collaborating with) small communities are preferred.*	Applicant (or collaborative partner) is not a county and has a population of less than 20,000 residents	5	○	
		Applicant (or collaborative partner) is a county but has less than 235,000	5	○	
		Applicant (or collaborative partner) is not a county but has a population 20,001 or greater.	3	◉	
		Applicant (or collaborative partner) is a county with a population of 235,001 residents or more	3	○	
			Points	3	0
Participating Entities	*Applicant has executed partnership agreements outlining all collaborative partners and participation agreements and has resolutions of support. (Note: Sole applicants only need to provide a resolution of support from its governing entity.)*	More than one applicant	5	○	
		Single applicant	1	◉	
			Points	1	0
			Total Section Points	4	0

Local Government Innovation Fund Project Scoring Sheet

Section 3: Success Measures

Success Measures	Description	Criteria	Points	Applicant Self Score	Validated Score
Expected Return	*Applicant demonstrates as a percentage of savings (i.e., actual savings, increased revenue, or cost avoidance) an expected return. The return must be derived from the applicant's cost basis. The expected return is ranked in one of the following percentage categories:*	75% or greater	30	●	
		25.01% to 74.99%	20	○	
		Less than 25%	10	○	
			Points	30	0
Past Success	*Applicant has successfully implemented, or is following project guidance from a shared services model, for an efficiency, shared service, coproduction or merger project in the past.*	Yes	5	○	
		No	0	●	
			Points	0	0
Scalable/Replicable Proposal	*Applicant's proposal can be replicated by other local governments or scaled for the inclusion of other local governments.*	The project is both scalable and replicable	10	●	
		The project is either scalable or replicable	5	○	
		Does not apply	0	○	
			Points	10	0
Probability of Success	*Applicant provides a documented need for the project and clearly outlines the likelihood of the need being met.*	Provided	5	●	
		Not Provided	0	○	
			Points	5	0
			Total Section Points	45	0

Section 4: Significance Measures

Significance Measures	Description	Criteria	Points Assigned	Applicant Self Score	Validated Score
Performance Audit Implementation /Cost Benchmarking	*The project implements a single recommendation from a performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code or is informed by cost benchmarking.*	Project implements a recommendation from an audit or is informed by benchmarking	5	●	
		Project does not implement a recommendation from an audit and is not informed by benchmarking	0	○	
			Points	5	0
Economic Impact	*Applicant demonstrates the project will a promote business environment (i.e., demonstrates a business relationship resulting from the project) and will provide for community attraction (i.e., cost avoidance with respect to taxes)*	Applicant clearly demonstrates economic impact	5	●	
		Applicant mentions but does not prove economic impact	3	○	
		Applicant does not demonstrate an economic impact	0	○	
			Points	5	0
Response to Economic Demand	*The project responds to current substantial changes in economic demand for local or regional government services.*	Yes	5	●	
		No	0	○	
			Points	5	0
			Total Section Points	15	0

Section 5: Council Measures

Council Measures	Description	Criteria	Points Assigned
Council Preference	*Council Ranking for Competitive Rounds*	**The Applicant Does Not Fill Out This Section**; This is for the Local Government Innovation Fund Council only. The points for this sectionis based on the applicant demonstrating innovation or inventiveness with the project	
		Total Section Points (10max)	

Scoring Summary

	Applicant Self Score	Validated Score
Section 1: Financing Measures	10	0
Section 2: Collaborative Measures	4	0
Section 3: Success Measures	45	0
Section 4: Significance Measures	15	0
Total Base Points:	74	0

Reviewer Comments

Section Numbers	Course	½ Year Fee
075, 076, 077	Introduction to Broadcasting, Television Media Arts, Advanced Television Media Arts	$7.50

Ayes: Mr. Christenberry, Mr. Bybee, Mr. Handelman, Mrs. Ingold, Mrs. Niccum
Nays: None
Absent: None
Motion Carried.

11-128 SUPERINTENDENT'S RECOMMENDATIONS 128

Mr. Handelman moved, and Mrs. Ingold seconded the motion to accept the following with gratitude:

GIFTS

Gift	From	Value
Monetary (Ben Franklin)	Meijer, Inc.	$ 500.00
Clothing (McGuffey Elementary Families for Christmas)	Christine & Don Wilkins	$1,400.00
Toys (McGuffey elementary Families for Christmas)	Christine & Don Wilkins	$ 900.00

Ayes: Mr. Handelman, Mrs. Ingold, Mr. Bybee, Mr. Christenberry, Mrs. Niccum
Nays: None
Absent: None
Motion Carried.

11-129 SUPERINTENDENT'S RECOMMENDATIONS 129

Mr. Christenberry moved, and Mrs. Ingold seconded the motion to approve the following:

Resolution of Support

Other

Approval of Resolution – Roosevelt School

DECLARING INTENT TO RENOVATE THE ROOSEVELT MIDDLE SCHOOL BUILDING FOR USE AS AN ADMINISTRATIVE SERVICE CENTER

WHEREAS, the Newark City School District Board of Education (the "District") is engaged in a capital improvements program in partnership with the Ohio School Facilities Commission through its Classroom Facilities Assistance Program, and the master facilities plan for the co-funded project includes the abatement and demolition of the Roosevelt Middle School building; and

WHEREAS, the Board has determined that the Roosevelt Middle School building will become an Administrative Service Center for the District and be used for whatever purposes are determined to be in the best interest of the District, following renovations using local share funds no longer needed for the co-funded project;

NOW, THEREFORE, BE IT RESOLVED by the Newark City School District Board of Education as follows:

1. The Roosevelt Middle School building will provide adequate and suitable space after renovations to serve as an Administrative Service Center for the District.

2. The Superintendent and Director of Support Services are authorized to engage in discussions with the Ohio School Facilities Commission Board to amend the master facilities plan for the co-funded project, through an amendment to the Project Agreement between the Board and the Commission, to remove the abatement and demolition of the Roosevelt Middle School building from the co-funded project scope and budget.

3. The Superintendent and Director of Support Services are authorized to engage in discussions with the Principals of Wilson, Liberty, and Heritage Middle Schools to determine the need and estimated cost of landscaping the surrounding grounds of each building so that these grounds may be used as multi-purpose fields suitable for football, softball, soccer, band and other purposes as deemed useful.

Ayes: Mr. Christenberry, Mrs. Ingold, Mr. Bybee, Mr. Handelman, Mrs. Niccum

Nays: None

Absent: None

Motion Carried.

Board Discussion

Superintendent Doug Ute, Treasurer Jeff Anderson, and the Board Members discussed various topics.

ADJOURNMENT

Mrs. Ingold moved, and Mr. Handelman seconded the motion to adjourn. Mrs. Niccum closed the meeting at 7:44 p.m.

Ayes: Mrs. Ingold, Mr. Handelman, Mr. Bybee, Mr. Christenberry, Mrs. Niccum
Nays: None
Absent: None
Motion Carried.

Beverly Niccum, President

Jeffrey A. Anderson, Treasurer

LEASES FOR THE LICKING AREA COMPUTER ASSOCIATION AND FOR THE LICKING EDUCATIONAL SERVICE CENTER ARE BEING REVIEWED BY THEIR ATTORNEYS.

UPON COMPLETION OF THEIR REVIEW AND APPROVAL, WE WILL BE MORE THAN HAPPY TO FORWARD THEM TO YOU FOR FURTHER PROOF OF THIS PARTNERSHIP.