

**LANCASTER CITY SCHOOL DISTRICT
FAIRFIELD COUNTY**

SINGLE AUDIT

FOR FISCAL YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**LANCASTER CITY SCHOOL DISTRICT
FAIRFIELD COUNTY**

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LANCASTER CITY SCHOOL DISTRICT
FAIRFIELD COUNTY
SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2000

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Distribution	03-PU-99/00	10.550	\$0	\$91,207	\$0	\$91,207
School Breakfast Program	05-PU-99/00	10.553	58,728	0	58,728	0
National School Lunch Program	04-PU-99/00	10.555	486,365	0	486,365	0
Total United States Department of Agriculture - Nutrition Cluster			545,093	91,207	545,093	91,207
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education-Grants to States	6B-SF-99/00P	84.027	265,734	0	274,807	0
Special Education -Preschool Grants	PG-S1-99P/00P	84.173	16,374	0	14,458	0
Total Special Education Cluster			282,108	0	289,265	0
Title I Grants to Local Educational Agencies	C1-S1-99/99C/00	84.010	1,490,490	0	1,100,009	0
Adult Education-State Grant Program	AB-S1-99/99C/00	84.002	66,263	0	60,362	0
Vocational Education-Basic Grants to States	20-C1	84.048	104,526	0	87,485	0
Safe and Drug-Free Schools and Communities - State Grants	DR-S1-99/99C/00	84.186	30,961	0	29,875	0
Eisenhower Professional Development State Grants	MS-S1-98C//99/99C/00	84.281	9,345	0	22,462	0
Innovative Education Program Strategies	C2-S1-99/99C/00	84.298	47,230	0	30,912	0
Family Literacy Initiative	FV-S1-00P	84.314	5,000	0	4,964	0
Class Size Reduction (B)	CR-S1-00	84.340	117,647	0	115,309	0
Total United States Department of Education			2,153,570	0	1,740,643	0
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>						
<i>Passed Through Ohio Department of Education:</i>						
Social Services Block Grant	044026000	93.667	93,333	0	93,333	0
Total United States Department of Health & Human Services			93,333	0	93,333	0
Total Federal Awards			\$2,791,996	\$91,207	\$2,379,069	\$91,207

The accompanying notes to this schedule are an integral part of this schedule.

**LANCASTER CITY SCHOOL DISTRICT
FAIRFIELD COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2000**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had no significant food commodities in inventory.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Board of Education
Lancaster City School District
Fairfield County
111 South Broad Street
Lancaster, Ohio 43130

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

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated November 22, 2000.

Board of Education
Lancaster City School District
Fairfield County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

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

A handwritten signature in black ink, appearing to read 'Jim Petro', with a large, stylized flourish at the end.

JIM PETRO
Auditor of State

November 22, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133 AND SCHEDULE
OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES**

Board of Education
Lancaster City School District
Fairfield County
111 South Broad Street
Lancaster, Ohio 43130

Compliance

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

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

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

Internal Control Over Compliance

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

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

Schedule of Federal Awards Receipts and Expenditures

We have audited the general-purpose financial statements of the District as of and for the year ended June 30, 2000, and have issued our report thereon dated November 22, 2000. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards receipts and expenditures is presented for purposes of additional analysis as required by *OMB Circular A-133* and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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



JIM PETRO
Auditor of State

November 22, 2000

**LANCASTER CITY SCHOOL DISTRICT
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2000**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster : Food Distribution - CFDA# 10.550 School Breakfast Program - CFDA# 10.553 National School Lunch - CFDA# 10.555
(d)(1)(viii)	Dollar Threshold: Type AIB Programs	Type A: >\$300,000 Type B: All others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None

**LANCASTER CITY SCHOOL DISTRICT
FAIRFIELD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected: Significantly different action taken; or Finding no longer valid; Explain:
1999-10623-001	Appropriations exceeded disbursements by \$160,513 in the Capital Project Computer Network Fund.	Yes.	Late disbursement by State for wiring buildings. Notice was received in the following year.

Lancaster City School District, Ohio



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2000

**Lancaster City
School District, Ohio**

**Comprehensive Annual
Financial Report**

For the Fiscal Year Ended
June 30, 2000



Issued by:
Treasurer's Office

C. R. Asher
Treasurer

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

Section





Lancaster Board of Education

111 South Broad Street Lancaster, Ohio 43130-4376

David S. Smith, President
Ron E. Burris, Vice-President
Amie G. Cohen
Robin L. Rhodes
Rudy A. Touvell
C. R. Asher, Treasurer

November 22, 2000

Board of Education Members and Citizens
Lancaster City School District

CITIZENS OF LANCASTER CITY SCHOOL DISTRICT, OHIO

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of Lancaster City School District. This CAFR includes an opinion from the State Auditor and conforms to Generally Accepted Accounting Principles (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, rests with the School District.

EXPLANATION OF CAFR SECTIONS

This report will provide the taxpayers of Lancaster City School District with comprehensive financial data in a format that enables them to gain a clearer understanding of the School District's finances. Copies will be made available to the Fairfield County Public Library, major taxpayers, financial rating services, and other interested parties. We are proud to be one of the first school districts in Fairfield County to issue a CAFR and intend to continue financial reporting improvements based on management experience and reader input. Comments on the report are respectfully requested.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section includes this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting, the School District's organization chart, and a list of principal officials.
2. The Financial Section begins with the Independent Auditor's Report and includes the General Purpose Financial Statements and Notes to the General Purpose Financial Statements that provide an overview of the School District's financial position and operating results, the combining, individual fund, and account group financial statements and schedules.
3. The Statistical Section presents selected social and economic data, financial trends, and the fiscal capacity of Lancaster City School District.

THE SCHOOL DISTRICT AND SERVICES PROVIDED

Lancaster City School District is located in the residential-commercial community of Lancaster, the county seat of Fairfield County, which is approximately thirty miles south of Columbus.

Lancaster was founded November 10, 1800, by Colonel Ebenezer Zane, a trail blazer who, in 1797, laid out "Zane's Trace," a trail through Ohio which stretches from Wheeling, West Virginia, to Limestone, Kentucky. His sons, Noah and John, laid out the original town from Pearl Street on the east to Front Street (now Memorial Drive) on the west and included Chestnut, Main, Wheeling, and Mulberry Streets running east and west between Pearl and Front Streets. The town was named New Lancaster at the request of the early German settlers from Lancaster, Pennsylvania, but was shortened to Lancaster in 1805.

General William Tecumseh Sherman was born in Lancaster, and his home on downtown Main Street is maintained by the State of Ohio as a Civil War Museum. Thomas Ewing, born in Lancaster in 1789, was one of the first graduates of Ohio University and later became a lawyer, a United States Senator, Secretary of the Treasury, and an advisor to President Lincoln.

Lancaster is home to the annual Lancaster Festival and the Zane Square Festival as well as the Heritage Tour, an annual tour of the beautiful and historic buildings and homes in Lancaster.

The Lancaster City School District was organized in the mid 1850's and continues to operate in the picturesque and historical setting of the Lancaster area. Over the years, in order to meet the needs of a growing community, the School District has expanded many times, and particularly in the mid 1950's and 1960's undertook initiatives to construct several new buildings as well as to modernize and enlarge several current buildings. The School District is now comprised of a modern high school (serving about 1500 students in grades 10-12) which houses an extensive physical education complex, a freshman school, two junior high schools (serving grades 7-8) appropriately named General Sherman Junior High and Thomas Ewing Junior High, and nine elementary schools. To date, the citizens of Lancaster have an investment of \$33,810,915 in School District land, buildings, furniture and equipment, vehicles, and books.

Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide education services authorized by charter, and further mandated by State and/or Federal agencies. The School District operates under a locally elected Board of Education which consists of five members. The Board controls the School District's thirteen instructional support facilities staffed by 290 non-certified employees, 422 certificated personnel, and 33 administrative employees who provide services to 6,421 students.

The School District provides a wide range of educational and support services as mandated by State statute or public desires. These include regular and vocational instruction, special instructional programs, student guidance services, and extracurricular activities. Enterprise fund services include bookstore sales (Uniform School Supplies) and food service operations.

THE REPORTING ENTITY

The School District's reporting entity is comprised of the primary government and other organizations which are included to ensure that the financial statements are not misleading. The reporting entity has been defined in accordance with the principles established by the Governmental Accounting Standards Board (GASB) in Statement Number 14, "The Financial Reporting Entity".

Component units are legally separate organizations for which the School District is financially accountable. Financial accountability exists if the School District appoints a voting majority of the component unit's governing board and (1) the School District is able to significantly influence the programs or services performed or provided; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated in some manner to finance the deficits of, or provide financial support to the organization, or the School District is obligated for the debt of the organization. The School District has no component units.

The School District participates in the following jointly governed organizations: Metropolitan Educational Council, Fairfield County Council for Educational Collaboration, Coalition of Rural and Appalachian Schools, Central Ohio Special Education Regional Resource Center, Fairfield County Family, Adult and Children First Council, Teenage Pregnancy Program Board, and the Fairfield County Multi-System Youth Committee. Disclosure of the jointly governed organizations is presented in Note 18 to the General Purpose Financial Statements.

The School District takes part in the Ohio School Boards Association Workers' Compensation Group Rating Plan which is considered an insurance purchasing pool. Information pertaining to the pool is presented in Note 19 to the General Purpose Financial Statements.

ECONOMIC CONDITION AND OUTLOOK

Located in the south-central portion of the State, Lancaster, and Fairfield County of which it is a part, borders or buffers the urban expansion of Columbus (the capitol city of Ohio) and the picturesque beauty of southeastern Ohio with its scenic attractions and rolling hills.

Lancaster has remained relatively stable for a number of years in population, but has grown more significantly within the past decade. In fact, the community has grown to approximately 38,983 which is 12-13% over the 1990 census. There are signs of increased growth activity, which if fully realized, could have a significant impact on the School District.

Signs of increased economical and numerical growth:

- 1) Development Housing activity in general remained strong in 1999. City Council accepted six plats totaling 186 lots for single residence homes. A total of 134 building permits for new home construction were issued in 1999. Two annexations totaling 12.65 acres were accepted in 1999. The Schultz annexation involved 11.51 acres and the Morris annexation involved 1.14 acres, both of which were from Pleasant Township.

The greatest activity remained in Dominion Homes' and Rockford Homes' River Valley Highlands subdivision lying adjacent to the US 33 Route Northwest Corridor. Eight of nine sections for this subdivision were either nearly complete or in a stage of construction. This developer had originally plated 755 homes and has constructed in excess of 500 homes. A preliminary plat for an additional 300 lots to the River Valley Highlands was under review at year's end. If approved, this development will total over 1,000 lots when built out.

Another organization was in the process of developing lots to provide housing to low-income families at year's end. Habitat for Humanity of Fairfield County is developing Habitat Valley Subdivision, which will create 21 lots for this not-for-profit organization to construct homes for needy families.

New homes being built are already beginning to have an effect on the School District.

- 2) Commercial Commercial development in the US Route 33 Northwest Corridor remained active in 1999. White Castle Systems, a national fast-food restaurant chain, opened in a new building at the southwest corner of Schorrrway and Hillcrest Drives. Hampton Inn, a national motel chain, opened a new 78-unit motel along Schorrrway Drive in the Overlook Plaza, building out that commercial development.

Also in the northwest corridor along the section of North Columbus Street annexed into Lancaster in 1992, a new business opened and two others relocated and expanded. Dodds added a self-serve car wash to their relocated pool supply and construction operation at Hubbard Drive and Columbus Street. Smalley and Associates, an environmental engineering firm, relocated to a vacated industrial supply building and were constructing an adjoining laboratory building at year's end. Lancaster Shell constructed a new filling station, drive-thru car wash, convenience store and additional retail space.

Community Bank, new to Lancaster, built and opened one facility and was well underway to opening a downtown rehabilitated retail building for its home operations. The White Cottage, a popular local sandwich shop relocated to the downtown area. Planning for senior citizen housing in the Kirn Building continued with work on the project known as Canal Place expected to begin in 2000. Two floors of the Shaw Building were renovated for office space for the County Prosecutor's office. Work on the architecturally significant Reese-Peters House in historic Block 13 of the Original Town plat began on its conversion to the Decorative Arts Center of Central Ohio.

The Family Y received a large gift from the Fox family to allow it to begin a major expansion of its West Sixth Avenue facility. A new natatorium with additional recreational space will allow it to better serve the area's growing population. The Fairfield Medical Center also began a major addition to the hospital on North Ewing Street. A 5,200 square-foot addition to the emergency room and renovations to the northeast corner of the hospital were to be constructed in 2000. Also, a 4,600 square-foot addition and renovation to the south side of the hospital is planned.

Health care facilities were also expanding at year's end. Construction of Altercare of Lancaster was underway at Monmouth and Chartwell Drives. It will have a 50-bed conventional nursing home, 20-bed Alzheimer care facility and a 42-unit assisted living facility. On Becks Knob Road, Phase 2 of the Carriage Court nursing home facility was nearing completion. Lutheran Social Services had one facility under construction and another in the planning stages to serve disadvantaged people.

- 3) Industrial In 1999, construction activity was underway in the Rock Mill Corporate Park on the City's far west side. Porta-Kleen is constructing an office and maintenance facility on Mill Park Drive to move its operations to the City. Across the street Dysart is constructing a fifth building of 160,000 square feet to further expand its operations. At the East End Industrial Park, Fabricated Packaging Materials set up operations in the closed Hordis Brothers facility on Quarry Road.

Preliminary planning for industrial sites on the City's far west side was underway in anticipation of the US Route 33 Lancaster Bypass. The Lancaster Area Community Improvement Corporation (CIC) was continuing efforts to expand the Rock Mill Corporate Park south to State Route 188.

- 4) An Air of Expectancy There seems to be an "air" of expectancy among the community in Lancaster. The growth in housing, in commerce, in industry, in hospital/nursing homes, and in the schools has (in a sense) awakened the community to change ... hopefully, a welcome change from the past.

The City of Lancaster's economic outlook continued to improve. During 1999, when the State and the nation experienced an unemployment rate of 4.2%, the City of Lancaster continued to experience an estimated average unemployment rate of 3.8%.

The School District The economics of the School District at the beginning of the fiscal 1999-2000 school year continued to improve. This fiscal year is the second full year in which the School District could feel the full impact of the additional 7.9 mill levy (raises about \$4,700,000 annually).

With those additional funds over the last couple of years, the School District has been able to recover some of the following:

1. Reinstall some cut positions
2. Replace some cut programs

And with those additional funds, the School District has been able to:

1. Replace needed textbooks and instructional materials. We are working heavily with staff to replace textbooks in every instructional area within the next five years.
2. Continue our development of computer technology (equipment plus training of staff).
3. Continue our renovation projects within the buildings (replacement of roofs, windows, etc. where needed). Continue to work on our communication systems such as telephones, master clocks, and public address systems.

Another feature of school finance which will assist in the improvement of the economics of the School District is the fact that the State of Ohio is restructuring its system of school allocations to each district in the State. That is helping some currently, and hopefully more as the State completes the process of restructuring how the State funds its public schools.

Summary While there are challenges in the operation of a community and in its schools, there are also some advantages. There is a spirit of cooperation between the City, the County, the schools, and the Ohio University branch to improve the quality of life in Lancaster. Other advantages are the location of Lancaster, favorable taxation rates, excellent city services, an excellent public school system, and the optimism of its leaders and its citizens.

MAJOR INITIATIVES

The setting and reaching of either individual or “corporate” goals is a common method of striving for excellence in the Lancaster City School District and occurs in all areas of our school community.

There has been a significant thrust within the last few years to restructure our curricular programs, to replace all of our textbooks, to bring the School District into the computer age with large portions of the appropriations going to new computer equipment and to the training of staff, and to acknowledge and prepare for the growth that is coming to the School District. This past year we saw continuations within all of those areas.

Growth! Growth! Growth! ...seems to be the by-word for the community of Lancaster these days. With this in mind, the School District has worked with MKC Associates, an architectural firm based in Mansfield Ohio, for the past couple of years. Every building in the School District has been evaluated as to the needs or renovations needed to bring it up to current standards and to where it can be truly functional for its purpose. Additions to buildings and possible replacement of buildings were also considered. All of this was discussed in open meetings within the School District, involving residents, parents, staff members, media, administrators, and the Board. Throughout the discussion and planning the enrollment projections that were developed by a consulting group a couple of years ago were considered. A carefully developed list of building renovations and additions have been worked out (involving every building) and will be presented to the community for passage as a Bond Issue totaling \$44,000,000.

There were a number of specific initiatives and accomplishments made during the fiscal year ended June 30, 2000. Some of those were as follows:

1. A new two year contract, July 1, 2000 through June 30, 2002, was successfully worked out with our non-teaching staff and their organization, the Lancaster School Support Association.
2. Elementary Science/Health Course of Study and Textbook Adoption. The Board adopted a revised elementary science/health course of study and the materials to implement it during the 1999-2000 school year. The adoption involves the continuation of a hands-on science curriculum that will not combine health topics and skills being integrated into the course of study. The Lancaster elementary science curriculum has been a model for schools throughout Ohio for many years.

3. The central office administrative staff has been re-structured. A Director of Educational Information and Technology Services was added in order to recognize and administer the exploding functions of technology and testing. A Director of Pupil Personnel Services has also been modified and re-structured to handle changing directions in that field.
4. A five-year instructional plan has been developed which will guide the School District for curricular, budgetary and staffing needs. The plan includes a listing of the many courses of study revisions that will take place over the next five years.
5. The Lancaster City Schools Office of Instructional Services, in conjunction with the State Department of Education and the Berne Union Local School District, planned and hosted a Community Conversation Forum. The forum was to discuss and to document thoughts and suggestions about the fourth grade reading guarantee, standards and testing, school accountability, school funding, professional development, and school safety. State Superintendent of Public Instruction, Dr. Susan T. Zelman, spoke and gathered information during the forum.
6. Developed a new Model Policy Plan for the identification of Gifted Children. It will allow the School District to identify gifted children, K-12, in superior cognitive, specific academic, creative thinking, and the visual and performing arts categories.

Along with the major initiatives listed above, all teachers and administrators have set goals for their classrooms and buildings or departments. All of the goals, whether individual or district-wide, have one common purpose---excellence in education for the students of the Lancaster City School District.

FINANCIAL INFORMATION

Fund Accounting

The School District's accounting system is organized on a "fund" basis. Each fund or account group is a distinct self-balancing accounting entity. Records of general governmental operations are reported on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Records of the proprietary operations are reported on the accrual basis in which revenues are recognized when earned and expenses recorded when the related liability is incurred.

Accounting System and Budgetary Control

In developing the School District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The School District utilizes a fully automated accounting system as well as an automated system of control for fixed assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

The Board of Education adopts the annual budget for the School District in early January. All disbursements and transfers of cash between funds require appropriation authority from the Board. All purchase order requests must be approved by the Treasurer; necessary appropriations are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional funds are secured. The School District's current accounting system provides interim financial reports which detail year-to-date expenditures and encumbrances versus appropriations and are available for review prior to authorizing additional purchases.

In addition to interim financial statements, each administrator is currently furnished with reports showing the status of the accounts for which they are responsible. The reports detail monthly revenue and expenditure transactions.

The basis of accounting and various funds and account groups the Lancaster City School District utilizes are fully described in Note 2 to the General Purpose Financial Statements. Additional information on the School District's budgetary accounting can also be found in Notes 2 and 4.

General Fund

The following schedules represent the amount of revenues by source and expenditures by function for the General Fund for the fiscal year ended June 30, 2000, with increases and (decreases) from the fiscal year ended June 30, 1999.

Revenues:	1999 Amount	2000 Amount	2000 % of Total	Change	Percent Change
Property Taxes	\$21,954,762	\$22,523,694	56.27%	\$568,932	2.59%
Intergovernmental	15,450,115	16,391,071	40.95	940,956	6.09
Interest	593,331	740,831	1.85	147,500	24.86
Tuition and Fees	75,846	136,531	.34	60,685	80.01
Rent	53,696	59,644	.15	5,948	11.08
Extracurricular					
Activities	130,573	136,831	.34	6,258	4.79
Gifts and Donations	59,000	2,100	.01	(56,900)	(96.44)
Miscellaneous	25,772	35,806	.09	10,034	38.93
Total	\$38,343,095	\$40,026,508	100.00%	\$1,683,413	4.39%

The revenue in the General Fund has grown by 4.39%. Most of this was represented by the growth in taxes, and the legislative increases in the State funds (\$1,509,888 of the \$1,683,413 total increase). Taxes and intergovernmental (Ohio school foundation funds and offsets on taxes) receipts are the major components of the School District's revenues, usually representing 96-98% of the total. The amounts received through taxes are based on the assessed valuations in the School District of all real and personal property. This year the assessed valuation of the School District for all categories increased from \$682,717,698 in 1999 to \$689,621,751 in 2000, or a total of 1.01%.

Intergovernmental revenues increased 6.09% primarily because funds from the State school foundation allocation were higher. Adjustments are being made across the State of Ohio for school districts in the way the State portion of school funds are being allocated and dispersed. The increase in revenue through interest was due to a positive fluctuation of interest rates, and the fact that we had a larger carry-over balance at the beginning of the year.

Tuition and fees, rent, and gifts and donations tend to fluctuate from year to year, plus all of them together usually make up 1-1.5% of total revenues. This past year we billed late for tuition receivable from other districts, so the amount received this fiscal year actually came from two years. Extracurricular revenue will vary from year to year because of the success of fund-raisers, or the sales of tickets, etc. The gifts and donations were lower this year because we received a large donation in the previous year for the construction of new tennis courts. Rent and Other (miscellaneous) are going to fluctuate each year, and because of their small amount, will often show large increases or decreases in percentage points.

<u>Expenditures:</u>	<u>1999 Amount</u>	<u>2000 Amount</u>	<u>2000 % of Total</u>	<u>Change</u>	<u>Percent Change</u>
Instruction:					
Regular	\$15,598,933	\$16,124,097	42.59%	\$525,164	3.37%
Special	3,544,519	3,877,485	10.24	332,966	9.39
Vocational	2,267,254	2,311,165	6.10	43,911	1.94
Adult/Continuing	55,469	58,628	.15	3,159	5.70
Other	263,732	110,471	.29	(153,261)	(58.11)
Support Services:					
Pupils	1,794,659	1,914,507	5.06	119,848	6.68
Instructional Staff	2,221,071	2,406,051	6.36	184,980	8.33
Board of Education	38,986	41,759	.11	2,773	7.11
Administration	2,938,618	3,475,062	9.18	536,444	18.25
Fiscal	868,931	845,760	2.23	(23,171)	(2.67)
Business	343,396	380,951	1.01	37,555	10.94
Operation and Maintenance of Plant	3,186,972	3,621,686	9.57	434,714	13.64
Pupil Transportation	1,357,535	1,646,420	4.35	288,885	21.28
Central	237,661	207,554	.55	(30,107)	(12.67)
Extracurricular					
Activities	410,362	420,013	1.11	9,651	2.35
Refund of Property Taxes	97,398	0	.00	(97,398)	(100.00)
Capital Outlay	798,387	208,157	.55	(590,230)	(73.93)
Debt Service					
Principal Retirement	96,923	184,945	.49	88,022	90.82
Interest and Fiscal Charges	<u>7,462</u>	<u>22,591</u>	<u>.06</u>	<u>15,129</u>	202.75
Total	<u>\$36,128,268</u>	<u>\$37,857,302</u>	<u>100.00%</u>	<u>\$1,729,034</u>	4.79%

The expenditures increased by \$1,729,034 in fiscal year 2000 over the previous year, or 4.79%, in the general fund of the School District. While that is smaller than the increase in the previous year (12.47%), perhaps we need to review some of the factors which caused those increases:

1. We were able to replace some cuts that had been made in staffing, and some cutbacks in programs, when our finances were being strained. Some of these replacements occurred over the last two years. There have also been some new programs and new positions added.

2. With the newly voted funds, 7.9 mills which amount to about \$4,700,000 a year for five years, we are attempting each year to appropriate the following:
 - a. \$600,000 for the replacement of textbooks.
 - b. \$600,000 for the addition/replacement of computers and related equipment.
 - c. \$600,000 for the replacement of other equipment/furniture.
 - d. \$600,000 for projects throughout the buildings such as roofs, windows, blacktop, etc.
 - e. \$400,000 per year for a State mandatory budget reserve.
3. Normal increases for staff, both certified and classified.

All of these; the increases in staff salaries and wages, the replacement of cuts, the replacement of cut positions and the addition of new positions, the extra efforts on textbooks and equipment, and the efforts at building restoration would be spread throughout the various functions under instruction and also support services.

Transportation continues to grow because we are in the process of replacing our bus fleet. We replaced five buses during the current fiscal year. Extracurricular activities grew because of replacing some cut positions, but also because our athletic programs are growing. The decrease in capital outlay represents projects that were in transition, roofing and blacktopping which were started but had not reached the billing stage as of the end of the year. Most of these projects have to be done during the months of June, July, and August. The debt retirement follows a pre-determined course for principal payment, generally the principal retirement increases and the interest decreases each year. In the current fiscal year there was no repayment of property taxes as a result of court suits being filed in Ohio, as there was in the previous year.

Financial Highlights - General Fund In May, 1997, the community showed their support for the School District by voting favorably on an additional tax levy of 7.9 mills for a period of five years. This additional revenue should assist the School District to fund operations on a current level. The fiscal year ended June 30, 2000, was the second year we received the full finances of the 7.9 mills.

In addition, the whole structure of how the State provides funds for each of its school districts is being studied due to a ruling through the Ohio State Supreme Court. While no school district knows yet what the complete re-structuring will do to its own individual funds, the belief is that it will considerably assist each school district.

The vote of the community, and the re-structuring by the State of its school foundation program, and the fact that the assessed valuation within the School District is growing, brightens considerably the financial outlook of the Lancaster City School District.

Financial Highlights - Proprietary Funds Food Service and Uniform School Supplies Funds are classified as enterprise operations since they resemble those activities in private industry. Management periodically desires to determine the amount of profit/loss resulting from operations that are significantly financed from user fees. Enterprise operations had a net loss of \$63,756 for the fiscal year ended June 30, 2000. The Food Service Enterprise Fund had retained earnings of \$43,951 at June 30, 2000. Lunch prices were increased for fiscal year 2000, and an effort to strengthen the Food Service Fund through scrutiny of expenses and numbers of staff continued through a district-wide commitment.

At the conclusion of 2000, the only internal service fund carried on the financial records related to self-insurance. This fund accounts for revenues and expenses for health care benefits provided to School District employees. The internal service fund had an operating loss of \$345,573 for the fiscal year ended June 30, 2000, and retained earnings at June 30, 2000, of (\$756,467). The third party administrator has determined that a 5 percent increase in premiums is necessary to maintain the fund in a sound financial condition.

Financial Highlights - Trust and Agency Funds The two trust funds carried on the financial records represent donations given for specific purposes. The agency funds represent money held by the School District for a variety of student groups.

General Fixed Assets The general fixed assets of the Lancaster City School District are used to conduct the main education and support function of the system and are not financial resources available for expenditures. The total general fixed assets at June 30, 2000, was \$33,810,915. Such assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets. For insurance purposes, it has been actuarially estimated that the replacement cost of these general fixed assets would be \$75,484,800.

DEBT ADMINISTRATION

At June 30, 2000, the Lancaster City School District had outstanding debt as listed below:

Note for Energy Management Program	<u>\$1,295,000</u>
------------------------------------	--------------------

The outstanding debt is repaid through general fund tax revenues allocated to the bond retirement debt service fund. The tax revenues allocated to the bond retirement debt service fund vary each year depending on the principal retirement needed for the current fiscal year.

CASH MANAGEMENT

The School District operates a cash management program designed to provide safety, liquidity, and yield. Funds are invested or deposited in Ohio State Treasurer's Investment Pool (STAR Ohio), daily repurchase agreements and demand deposit accounts. The total interest earned represents an annual interest yield of approximately 1.8 percent of the total fiscal year receipts. The cash management program is particularly successful because of access to daily balances which enables the School District to maintain minimum balance accounts and invest to the maximum extent.

A majority of the School District's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 110 percent of the public funds on deposit. The collateral is held by trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions. The School District regularly reviews the market value of the pool to insure that adequate collateral is being provided.

PENSION PLANS

All School District employees are covered by either of the state-wide systems, School Employees Retirement System of Ohio (SERS) or State Teachers Retirement System of Ohio (STRS). The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. The School District's contribution requirements for pension and health care benefits were \$2,982,398 paid as the employer portion to STRS and \$848,862 paid as the employer portion to SERS. See Note 10 and 11 to the General Purpose Financial Statements for complete details.

RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries; and natural disasters. The School District addressed these various types of risk by contracting with Nationwide Mutual Insurance Company for fleet, liability, and property and crime insurance.

General liability insurance is maintained in the amount of \$2,000,000 for each occurrence and \$5,000,000 in the aggregate. Other liability insurance includes \$2,000,000 for automotive liability with a \$500 deductible for collision and comprehensive, and \$2,000,000 for uninsured motorist liability with no deductible.

In addition, the School District maintains replacement cost insurance on buildings and contents in the amount of \$75,484,800 with a \$1,000 deductible. Musical instruments are insured for \$875,800 with a \$250 deductible.

The School District also maintains \$25,000 on premises crime insurance and \$25,000 on messenger crime insurance.

INDEPENDENT AUDIT

State statute requires the School District to submit to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, rendered an opinion on the School District's financial statements for fiscal year 2000. Pursuant to statute, the State prescribed a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for 1979.

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 Lancaster City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1999. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, with contents conforming to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Lancaster City School District has received a Certificate of Achievement for eight years out of the last nine years. The School District did not submit a CAFR for the fiscal year ended June 30, 1995. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

ACKNOWLEDGMENTS

The publication of this report is a major step toward the commitment to professionalizing the financial reporting of the Lancaster City School District and significantly increases the accountability of the School District to the taxpayers.

The accomplishment of this report would not have been possible without the assistance, support, and efforts of the staff of the Treasurer's office, and various administrators and employees of the School District. A special thank you is extended to State Auditor Jim Petro's office for assistance in planning, designing, preparing, and reviewing this financial report.

Finally, sincere appreciation is extended to the Superintendent and to the Board of Education, where the commitment to excellence begins. Without their support this CAFR would not have been possible.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "C. R. Asher". The signature is written in a cursive, flowing style.

C. R. Asher
Lancaster City School District Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lancaster City School
District, Ohio

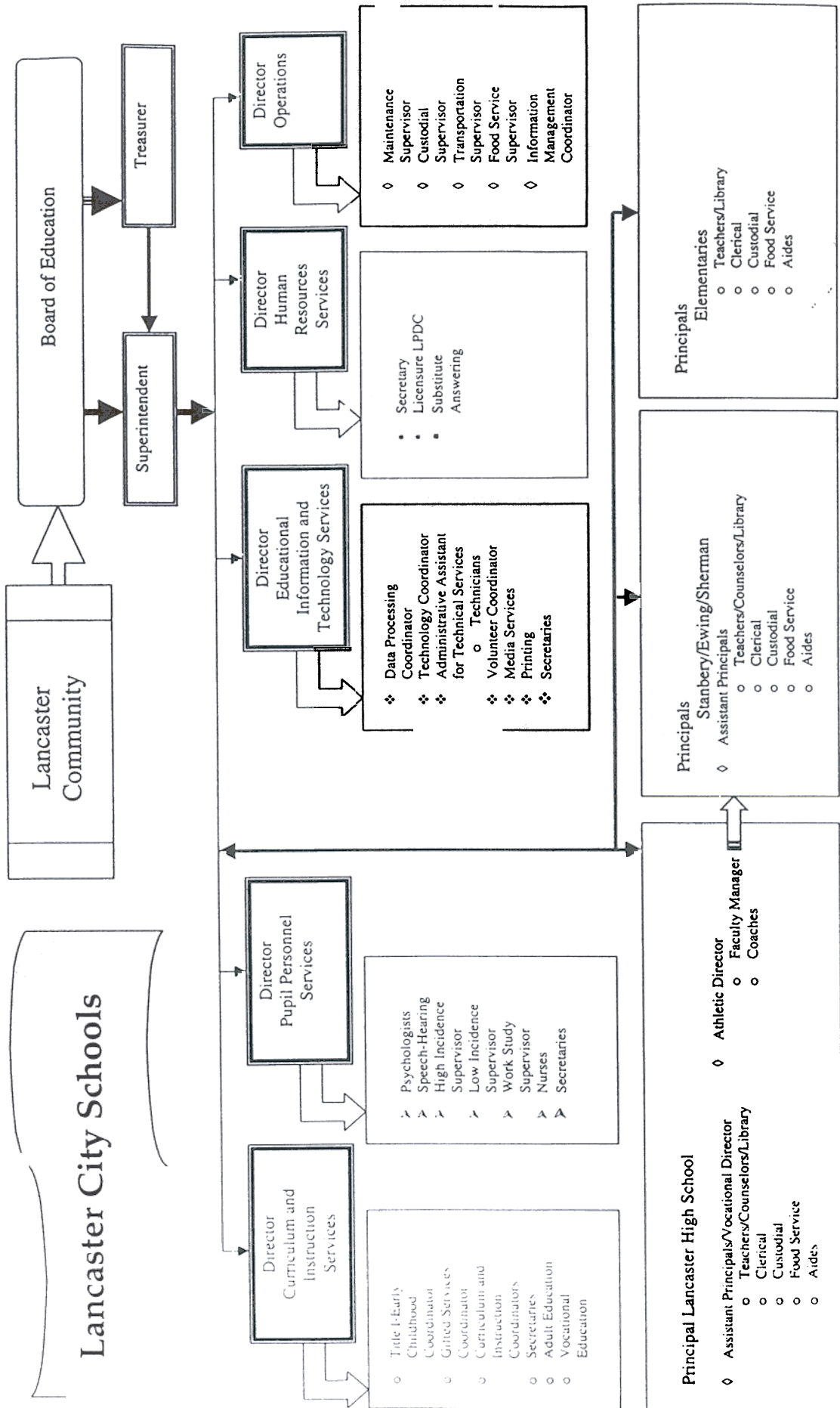
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

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



Cary Brueck
President

Jeffrey L. Essler
Executive Director



LANCASTER CITY SCHOOL DISTRICT, OHIO
ORGANIZATION CHART
(Continued)

CENTRAL OFFICE
ADMINISTRATORS

- Secretary
- Custodian

PRINCIPALS, ASSISTANT PRINCIPALS
VOCATIONAL DIRECTOR

- Teachers
- Guidance Counselors
- Librarians
- Tutors
- Secretaries
- Educational Assistants
- Custodians

TREASURER

- Assistant Treasurer
- Payroll Clerk
- Account Clerk
- Secretary

PUPIL PERSONNEL
DIRECTOR

- School Psychologists
- Supervisors, Special
Education
- Coordinators, Special
Education
- Occupational Therapist
- Physical Therapist
- Adaptive Physical
Education Teacher
- Nurses
- Secretaries
- Custodians

DIRECTORS, SUPERVISORS
COORDINATORS

- Secretary
- Custodian

FOOD SERVICE
SUPERVISOR

- Managing Cooks
- Cooks
- Cashiers
- Secretary
- Account Clerk

MAINTENANCE/CUSTODIAL SUPERVISOR

- Journeyman
- Maintenance II
- Maintenance I
- Secretary
- Security Personnel

TRANSPORTATION SUPERVISOR

- Bus Driver
- Mechanic
- Wash Rack Attendant
- Secretary

**LANCASTER CITY SCHOOL DISTRICT, OHIO
PRINCIPAL OFFICIALS
JUNE 30, 2000**

BOARD OF EDUCATION

Mr. David S. Smith President
Mr. Ron E. Burris Vice President
Mr. Rudy A. Touvell Member
Mrs. Amie Cohen Member
Dr. Robin L. Rhodes Member

Treasurer

C.R. Asher

Administration

Mr. Thomas B. Maher Superintendent
Mr. David Todd Director of Curriculum/ Instruction
Mrs. Linda Deeds Director of Human Resources
Dr. Jacalyn R. Osborne Director of Operations
Mr. Steven Clippinger Director of Educational Information and Technology
Mr. Stanley Krulia Director of Pupil Personnel

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Financial

Section



LANCASTER CITY SCHOOLS



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street
Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
Facsimile 614-728-7199
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Board of Education
Lancaster City School District
Fairfield County
111 South Broad Street
Lancaster, Ohio 43130

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2000 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

We did not audit the introductory and statistical sections as listed in the Table of Contents and therefore express no opinion thereon.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO
Auditor of State

November 22, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

The following general purpose financial statements, along with the notes to the general purpose financial statements, present an overview of the School District's financial position at June 30, 2000, and the results of operations and cash flows of its proprietary and similar trust funds for the year then ended.

Lancaster City School District, Ohio

Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits:</u>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$10,598,771	\$1,129,408	\$109	\$67,064
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0
<u>Receivables:</u>				
Taxes	21,907,286	0	356,984	0
Accounts	4,343	4,039	0	0
Intergovernmental	433,519	72,733	0	0
Interfund	608,096	0	0	0
Due from Other Funds	2,148	0	0	0
Materials and Supplies Inventory	225,244	7,402	0	0
Inventory Held for Resale	0	0	0	0
Prepaid Items	334,500	14,680	0	0
<u>Restricted Assets:</u>				
Cash and Cash Equivalents	626,441	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<u>Other Debits:</u>				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	<u>\$34,740,348</u>	<u>\$1,228,262</u>	<u>\$357,093</u>	<u>\$67,064</u>

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$135,034	\$623,016	\$132,547	\$0	\$0	\$12,685,949
0	183,392	0	0	0	183,392
0	52,525	0	0	0	52,525
0	0	0	0	0	22,264,270
835	26,234	0	0	0	35,451
69,232	0	0	0	0	575,484
0	0	0	0	0	608,096
197	0	3,781	0	0	6,126
8,150	0	0	0	0	240,796
57,898	0	0	0	0	57,898
11,467	15,997	0	0	0	376,644
0	0	0	0	0	626,441
112,482	0	0	33,810,915	0	33,923,397
0	0	0	0	13,379	13,379
0	0	0	0	5,035,425	5,035,425
<u>\$395,295</u>	<u>\$901,164</u>	<u>\$136,328</u>	<u>\$33,810,915</u>	<u>\$5,048,804</u>	<u>\$76,685,273</u>

(Continued)

Lancaster City School District, Ohio

Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2000
(Continued)

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>Liabilities, Fund Equity and Other Credits:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$233,454	\$79,579	\$0	\$200
Contracts Payable	155,818	0	0	0
Retainage Payable	11,273	0	0	0
Accrued Salaries and Benefits Payable	3,523,084	285,520	0	0
Intergovernmental Payable	725,294	64,996	0	0
Interfund Payable	0	8,000	0	0
Due to Other Funds	0	2,148	0	0
Due to Others	0	0	0	0
Due to Students	0	0	0	0
Deferred Revenue	21,530,632	0	343,714	0
Compensated Absences Payable	311,044	0	0	0
Claims Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
Energy Conservation Notes Payable	0	0	0	0
Total Liabilities	26,490,599	440,243	343,714	200
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved (Deficit)	0	0	0	0
Fund Balances:				
Reserved for Encumbrances	1,094,366	110,659	0	9,127
Reserved for Budget Stabilization	626,441	0	0	0
Reserved for Property Taxes	790,975	0	13,270	0
Reserved for Inventory	225,244	7,402	0	0
Reserved for Endowment	0	0	0	0
Unreserved:				
Designated	403,731	0	0	0
Undesignated	5,108,992	669,958	109	57,737
Total Fund Equity (Deficit) and Other Credits	8,249,749	788,019	13,379	66,864
Total Liabilities, Fund Equity and Other Credits	\$34,740,348	\$1,228,262	\$357,093	\$67,064

See accompanying notes to the general purpose financial statements

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$0	\$0	\$4,502	\$0	\$0	\$317,735
0	0	0	0	0	155,818
0	0	0	0	0	11,273
108,553	0	0	0	0	3,917,157
85,524	0	0	0	320,719	1,196,533
0	600,000	96	0	0	608,096
0	3,781	197	0	0	6,126
0	0	5,767	0	0	5,767
0	0	64,285	0	0	64,285
39,265	278,157	0	0	0	22,191,768
59,264	0	0	0	3,252,015	3,622,323
0	775,693	0	0	0	775,693
0	0	0	0	181,070	181,070
0	0	0	0	1,295,000	1,295,000
<u>292,606</u>	<u>1,657,631</u>	<u>74,847</u>	<u>0</u>	<u>5,048,804</u>	<u>34,348,644</u>
0	0	0	33,810,915	0	33,810,915
54,837	0	0	0	0	54,837
47,852	(756,467)	0	0	0	(708,615)
0	0	0	0	0	1,214,152
0	0	0	0	0	626,441
0	0	0	0	0	804,245
0	0	0	0	0	232,646
0	0	37,345	0	0	37,345
0	0	0	0	0	403,731
0	0	24,136	0	0	5,860,932
<u>102,689</u>	<u>(756,467)</u>	<u>61,481</u>	<u>33,810,915</u>	<u>0</u>	<u>42,336,629</u>
<u>\$395,295</u>	<u>\$901,164</u>	<u>\$136,328</u>	<u>\$33,810,915</u>	<u>\$5,048,804</u>	<u>\$76,685,273</u>

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

	Governmental Fund		
	General	Special Revenue	Debt Service
Revenues:			
Property Taxes	\$22,523,694	\$0	\$356,754
Intergovernmental	16,391,071	3,693,925	0
Interest	740,831	0	0
Tuition and Fees	136,531	20,255	0
Rent	59,644	85	0
Extracurricular Activities	136,831	345,113	0
Gifts and Donations	2,100	55,351	0
Miscellaneous	35,806	72	0
Total Revenues	40,026,508	4,114,801	356,754
Expenditures:			
Current:			
Instruction:			
Regular	16,124,097	430,159	0
Special	3,877,485	1,238,008	0
Vocational	2,311,165	47,868	0
Adult/Continuing	58,628	62,496	0
Other	110,471	0	0
Support Services:			
Pupils	1,914,507	246,543	0
Instructional Staff	2,406,051	654,422	0
Board of Education	41,759	0	0
Administration	3,475,062	135,770	0
Fiscal	845,760	19,744	0
Business	380,951	194	0
Operation and Maintenance of Plant	3,621,686	7,207	0
Pupil Transportation	1,646,420	23,433	0
Central	207,554	85,979	0
Operation of Non-Instructional Services	0	555,942	0
Extracurricular Activities	420,013	300,098	0
Capital Outlay	208,157	20,430	0
Debt Service:			
Principal Retirement	184,945	0	290,000
Interest and Fiscal Charges	22,591	0	65,520
Total Expenditures	37,857,302	3,828,293	355,520
Excess of Revenues Over (Under) Expenditures	2,169,206	286,508	1,234
Other Financing Sources:			
Proceeds from Sale of Fixed Assets	3,294	0	0
Inception of a Capital Lease	253,933	0	0
Total Other Financing Sources	257,227	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	2,426,433	286,508	1,234
Fund Balances at Beginning of Year	5,812,198	500,046	12,145
Increase in Reserve for Inventory	11,118	1,465	0
Fund Balances at End of Year	\$8,249,749	\$788,019	\$13,379

See accompanying notes to the general purpose financial statements

Types	Fiduciary Fund Type	Totals (Memorandum Only)
Capital Projects	Expendable Trust	
\$0	\$0	\$22,880,448
0	0	20,084,996
0	1,065	741,896
0	0	156,786
0	0	59,729
0	0	481,944
746	861	59,058
0	0	35,878
<u>746</u>	<u>1,926</u>	<u>44,500,735</u>
4,785	0	16,559,041
0	0	5,115,493
0	0	2,359,033
0	0	121,124
0	0	110,471
0	0	2,161,050
4,313	0	3,064,786
0	0	41,759
0	0	3,610,832
0	0	865,504
0	0	381,145
19,551	0	3,648,444
0	0	1,669,853
0	0	293,533
0	2,395	558,337
0	0	720,111
38,626	0	267,213
0	0	474,945
0	0	88,111
<u>67,275</u>	<u>2,395</u>	<u>42,110,785</u>
<u>(66,529)</u>	<u>(469)</u>	<u>2,389,950</u>
0	0	3,294
0	0	253,933
<u>0</u>	<u>0</u>	<u>257,227</u>
(66,529)	(469)	2,647,177
133,393	21,885	6,479,667
<u>0</u>	<u>0</u>	<u>12,583</u>
<u>\$66,864</u>	<u>\$21,416</u>	<u>\$9,139,427</u>

Lancaster City School District, Ohio
 Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual (Budget Basis)
 All Governmental Fund Types and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2000

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues:			
Property Taxes	\$21,362,038	\$22,472,916	\$1,110,878
Intergovernmental	16,078,608	16,374,570	295,962
Interest	350,000	740,831	390,831
Tuition and Fees	129,700	135,503	5,803
Rent	55,000	60,277	5,277
Extracurricular Activities	113,000	138,931	25,931
Gifts and Donations	3,000	2,100	(900)
Miscellaneous	16,300	36,301	20,001
Total Revenues	38,107,646	39,961,429	1,853,783
Expenditures:			
Current:			
Instruction:			
Regular	16,834,452	16,829,931	4,521
Special	3,847,683	3,845,417	2,266
Vocational	2,349,448	2,320,743	28,705
Adult/Continuing	59,600	58,741	859
Other	145,732	144,979	753
Support Services:			
Pupils	1,974,497	1,969,936	4,561
Instructional Staff	2,473,504	2,465,656	7,848
Board of Education	52,883	45,383	7,500
Administration	3,359,621	3,348,979	10,642
Fiscal	910,247	888,575	21,672
Business	392,558	382,391	10,167
Operation and Maintenance of Plant	3,924,375	3,908,690	15,685
Pupil Transportation	1,658,089	1,656,474	1,615
Central	223,084	219,491	3,593
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	422,681	419,329	3,352
Capital Outlay	217,160	216,771	389
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	38,845,614	38,721,486	124,128
Excess of Revenues Over (Under) Expenditures	(737,968)	1,239,943	1,977,911
Other Financing Sources (Uses):			
Proceeds from Sale of Fixed Assets	1,000	3,294	2,294
Advances In	50,000	128,760	78,760
Operating Transfer In	0	0	0
Advances Out	(308,000)	(308,000)	0
Total Other Financing Sources (Uses)	(257,000)	(175,946)	81,054
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(994,968)	1,063,997	2,058,965
Fund Balances at Beginning of Year	7,859,242	7,859,242	0
Prior Year Encumbrances Appropriated	823,270	823,270	0
Fund Balances at End of Year	\$7,687,544	\$9,746,509	\$2,058,965

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$355,520	\$355,520	\$0
4,123,415	3,960,817	(162,598)	0	0	0
0	0	0	0	0	0
17,600	21,038	3,438	0	0	0
2,100	85	(2,015)	0	0	0
539,120	342,221	(196,899)	0	0	0
66,192	55,351	(10,841)	0	0	0
0	72	72	0	0	0
<u>4,748,427</u>	<u>4,379,584</u>	<u>(368,843)</u>	<u>355,520</u>	<u>355,520</u>	<u>0</u>
639,235	457,045	182,190	0	0	0
1,533,519	1,230,302	303,217	0	0	0
76,449	72,803	3,646	0	0	0
80,958	62,026	18,932	0	0	0
0	0	0	0	0	0
304,415	249,586	54,829	0	0	0
810,914	658,675	152,239	0	0	0
0	0	0	0	0	0
260,935	149,886	111,049	0	0	0
42,685	19,744	22,941	0	0	0
200	194	6	0	0	0
9,523	7,276	2,247	0	0	0
24,933	23,433	1,500	0	0	0
152,957	80,248	72,709	0	0	0
696,796	575,792	121,004	0	0	0
541,713	316,439	225,274	0	0	0
22,425	22,238	187	0	0	0
0	0	0	290,000	290,000	0
0	0	0	65,520	65,520	0
<u>5,197,657</u>	<u>3,925,687</u>	<u>1,271,970</u>	<u>355,520</u>	<u>355,520</u>	<u>0</u>
(449,230)	453,897	903,127	0	0	0
0	0	0	0	0	0
0	8,000	8,000	0	0	0
11,500	0	(11,500)	0	0	0
(128,760)	(128,760)	0	0	0	0
<u>(117,260)</u>	<u>(120,760)</u>	<u>(3,500)</u>	<u>0</u>	<u>0</u>	<u>0</u>
(566,490)	333,137	899,627	0	0	0
453,318	453,318	0	109	109	0
138,172	138,172	0	0	0	0
<u>\$25,000</u>	<u>\$924,627</u>	<u>\$899,627</u>	<u>\$109</u>	<u>\$109</u>	<u>\$0</u>

(Continued)

Lancaster City School District, Ohio
 Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual (Budget Basis)
 All Governmental Fund Types and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2000
 (Continued)

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Property Taxes	\$0	\$0	\$0
Intergovernmental	0	0	0
Interest	0	0	0
Tuition and Fees	0	0	0
Rent	0	0	0
Extracurricular Activities	0	0	0
Gifts and Donations	10,000	746	(9,254)
Miscellaneous	0	0	0
Total Revenues	10,000	746	(9,254)
<u>Expenditures:</u>			
<u>Current:</u>			
<u>Instruction:</u>			
Regular	63,790	44,490	19,300
Special	0	0	0
Vocational	0	0	0
Adult/Continuing	0	0	0
Other	0	0	0
<u>Support Services:</u>			
Pupils	0	0	0
Instructional Staff	18,215	7,578	10,637
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Business	0	0	0
Operation and Maintenance of Plant	26,172	19,551	6,621
Pupil Transportation	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	12,471	0	12,471
Capital Outlay	27,773	9,811	17,962
<u>Debt Service:</u>			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	148,421	81,430	66,991
Excess of Revenues Over (Under) Expenditures	(138,421)	(80,684)	57,737
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	0	0	0
Advances In	0	0	0
Operating Transfer In	0	0	0
Advances Out	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(138,421)	(80,684)	57,737
Fund Balances at Beginning of Year	106,903	106,903	0
Prior Year Encumbrances Appropriated	31,518	31,518	0
Fund Balances at End of Year	\$0	\$57,737	\$57,737

See accompanying notes to the general purpose financial statements

Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$21,717,558	\$22,828,436	\$1,110,878
0	0	0	20,202,023	20,335,387	133,364
1,200	1,065	(135)	351,200	741,896	390,696
0	0	0	147,300	156,541	9,241
0	0	0	57,100	60,362	3,262
0	0	0	652,120	481,152	(170,968)
2,000	861	(1,139)	81,192	59,058	(22,134)
200	0	(200)	16,500	36,373	19,873
<u>3,400</u>	<u>1,926</u>	<u>(1,474)</u>	<u>43,224,993</u>	<u>44,699,205</u>	<u>1,474,212</u>
0	0	0	17,537,477	17,331,466	206,011
0	0	0	5,381,202	5,075,719	305,483
0	0	0	2,425,897	2,393,546	32,351
0	0	0	140,558	120,767	19,791
0	0	0	145,732	144,979	753
0	0	0	2,278,912	2,219,522	59,390
2,294	0	2,294	3,304,927	3,131,909	173,018
0	0	0	52,883	45,383	7,500
0	0	0	3,620,556	3,498,865	121,691
0	0	0	952,932	908,319	44,613
0	0	0	392,758	382,585	10,173
0	0	0	3,960,070	3,935,517	24,553
0	0	0	1,683,022	1,679,907	3,115
0	0	0	376,041	299,739	76,302
4,818	2,110	2,708	701,614	577,902	123,712
0	0	0	976,865	735,768	241,097
0	0	0	267,358	248,820	18,538
0	0	0	290,000	290,000	0
0	0	0	65,520	65,520	0
<u>7,112</u>	<u>2,110</u>	<u>5,002</u>	<u>44,554,324</u>	<u>43,086,233</u>	<u>1,468,091</u>
<u>(3,712)</u>	<u>(184)</u>	<u>3,528</u>	<u>(1,329,331)</u>	<u>1,612,972</u>	<u>2,942,303</u>
0	0	0	1,000	3,294	2,294
0	0	0	50,000	136,760	86,760
0	0	0	11,500	0	(11,500)
0	0	0	(436,760)	(436,760)	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(374,260)</u>	<u>(296,706)</u>	<u>77,554</u>
(3,712)	(184)	3,528	(1,703,591)	1,316,266	3,019,857
21,885	21,885	0	8,441,457	8,441,457	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>992,960</u>	<u>992,960</u>	<u>0</u>
<u>\$18,173</u>	<u>\$21,701</u>	<u>\$3,528</u>	<u>\$7,730,826</u>	<u>\$10,750,683</u>	<u>\$3,019,857</u>

Lancaster City School District, Ohio
 Combined Statement of Revenues,
 Expenses, and Changes in Fund Equity
 All Proprietary Fund Types and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2000

	Proprietary Fund Types		Fiduciary Fund Type	Totals
	Enterprise	Internal Service	Non-Expendable Trust	(Memorandum Only)
Operating Revenues:				
Sales	\$938,908	\$0	\$0	\$938,908
Charges for Services	0	3,453,155	0	3,453,155
Interest	0	0	2,175	2,175
Total Operating Revenues	938,908	3,453,155	2,175	4,394,238
Operating Expenses:				
Salaries	736,736	0	0	736,736
Fringe Benefits	198,751	0	0	198,751
Purchased Services	2,116	323,621	0	325,737
Claims	0	3,475,107	0	3,475,107
Materials and Supplies	59,956	0	0	59,956
Cost of Sales	644,533	0	0	644,533
Other Operating Expenses	3,316	0	500	3,816
Depreciation	16,930	0	0	16,930
Total Operating Expenses	1,662,338	3,798,728	500	5,461,566
Operating Income (Loss)	(723,430)	(345,573)	1,675	(1,067,328)
Non-Operating Revenues:				
Federal Donated Commodities	91,207	0	0	91,207
Operating Grants	561,365	0	0	561,365
Interest Income	2,815	0	0	2,815
Other Non-Operating Revenues	4,287	0	0	4,287
Total Non-Operating Revenues	659,674	0	0	659,674
Net Income (Loss)	(63,756)	(345,573)	1,675	(407,654)
Retained Earnings (Deficit)/Fund Balance at Beginning of Year	111,608	(410,894)	38,390	(260,896)
Retained Earnings (Deficit)/Fund Balance at End of Year	47,852	(756,467)	40,065	(668,550)
Contributions During the Year: Governmental Fund	54,837	0	0	54,837
Fund Equity at End of Year	\$102,689	(\$756,467)	\$40,065	(\$613,713)

See accompanying notes to the general purpose financial statements

Lancaster City School District, Ohio
 Combined Statement of Revenues, Expenses, and Changes in
 Fund Equity - Budget and Actual (Budget Basis)
 All Proprietary Fund Types and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2000

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$1,047,600	\$938,834	(\$108,766)
Charges for Services	0	0	0
Interest	0	2,815	2,815
Contributions and Donations	0	0	0
Operating Grants	581,000	579,346	(1,654)
Other Non-Operating Revenues	4,000	3,788	(212)
Total Revenues	1,632,600	1,524,783	(107,817)
<u>Expenses:</u>			
Salaries	819,882	676,209	143,673
Fringe Benefits	264,000	263,348	652
Purchased Services	9,350	2,176	7,174
Materials and Supplies	620,990	606,817	14,173
Other Operating Expenses	4,050	3,316	734
Capital Outlay	47,500	44,229	3,271
Total Expenses	1,765,772	1,596,095	169,677
Excess of Revenues Over (Under) Expenses	(133,172)	(71,312)	61,860
Advances In	0	0	0
Advances Out	0	0	0
Total Advances	0	0	0
Excess of Revenues Over (Under) Expenses and Advances	(133,172)	(71,312)	61,860
Fund Equity at Beginning of Year	203,234	203,234	0
Prior Year Encumbrances Appropriated	2,537	2,537	0
Fund Equity at End of Year	\$72,599	\$134,459	\$61,860

(Continued)

Lancaster City School District, Ohio
 Combined Statement of Revenues, Expenses, and Changes in
 Fund Equity - Budget and Actual (Budget Basis)
 All Proprietary Fund Types and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2000
 (Continued)

	Internal Service Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$0	\$0	\$0
Charges for Services	3,100,000	3,470,582	370,582
Interest	0	0	0
Contributions and Donations	0	0	0
Operating Grants	0	0	0
Other Non-Operating Revenues	0	0	0
Total Revenues	3,100,000	3,470,582	370,582
<u>Expenses:</u>			
Salaries	0	0	0
Fringe Benefits	0	0	0
Purchased Services	340,000	325,342	14,658
Materials and Supplies	0	0	0
Other Operating Expenses	3,268,376	3,237,089	31,287
Capital Outlay	0	0	0
Total Expenses	3,608,376	3,562,431	45,945
Excess of Revenues Over (Under) Expenses	(508,376)	(91,849)	416,527
Advances In	400,000	300,000	(100,000)
Advances Out	(175,000)	0	175,000
Total Advances	225,000	300,000	75,000
Excess of Revenues Over (Under) Expenses and Advances	(283,376)	208,151	491,527
Fund Equity at Beginning of Year	414,865	414,865	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Equity at End of Year	\$131,489	\$623,016	\$491,527

See accompanying notes to the general purpose financial statements

Non-Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$1,047,600	\$938,834	(\$108,766)
0	0	0	3,100,000	3,470,582	370,582
2,300	2,175	(125)	2,300	4,990	2,690
200	0	(200)	200	0	(200)
0	0	0	581,000	579,346	(1,654)
0	0	0	4,000	3,788	(212)
<u>2,500</u>	<u>2,175</u>	<u>(325)</u>	<u>4,735,100</u>	<u>4,997,540</u>	<u>262,440</u>
0	0	0	819,882	676,209	143,673
0	0	0	264,000	263,348	652
0	0	0	349,350	327,518	21,832
0	0	0	620,990	606,817	14,173
6,500	500	6,000	3,278,926	3,240,905	38,021
0	0	0	47,500	44,229	3,271
<u>6,500</u>	<u>500</u>	<u>6,000</u>	<u>5,380,648</u>	<u>5,159,026</u>	<u>221,622</u>
<u>(4,000)</u>	<u>1,675</u>	<u>5,675</u>	<u>(645,548)</u>	<u>(161,486)</u>	<u>484,062</u>
0	0	0	400,000	300,000	(100,000)
0	0	0	(175,000)	0	175,000
0	0	0	225,000	300,000	75,000
(4,000)	1,675	5,675	(420,548)	138,514	559,062
38,390	38,390	0	656,489	656,489	0
0	0	0	2,537	2,537	0
<u>\$34,390</u>	<u>\$40,065</u>	<u>\$5,675</u>	<u>\$238,478</u>	<u>\$797,540</u>	<u>\$559,062</u>

Lancaster City School District, Ohio
 Combined Statement of Cash Flows
 All Proprietary Fund Types and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2000

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non- Expendable Trust</u>	
Increase (Decrease) in <u>Cash and Cash Equivalents</u>				
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$938,834	\$0	\$0	\$938,834
Cash Received from Quasi-External Operating Transactions with Other Funds	0	3,470,582	0	3,470,582
Cash Payments for Employee Services and Benefits	(939,557)	0	0	(939,557)
Cash Payments for Goods and Services	(610,594)	(351,576)	0	(962,170)
Cash Payments for Claims	0	(3,216,177)	0	(3,216,177)
Other Non-Operating Revenues	3,788	0	0	3,788
Other Operating Expenses	(3,316)	0	(500)	(3,816)
Net Cash Used for Operating Activities	<u>(610,845)</u>	<u>(97,171)</u>	<u>(500)</u>	<u>(708,516)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition of Capital Assets	<u>(42,053)</u>	<u>0</u>	<u>0</u>	<u>(42,053)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Grants Received	579,346	0	0	579,346
Advances In	<u>0</u>	<u>300,000</u>	<u>0</u>	<u>300,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>579,346</u>	<u>300,000</u>	<u>0</u>	<u>879,346</u>
<u>Cash Flows from Investing Activities:</u>				
Interest	<u>2,815</u>	<u>0</u>	<u>2,175</u>	<u>4,990</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(70,737)	202,829	1,675	133,767
Cash and Cash Equivalents Beginning of Year	<u>205,771</u>	<u>656,104</u>	<u>38,390</u>	<u>900,265</u>
Cash and Cash Equivalents End of Year	<u>\$135,034</u>	<u>\$858,933</u>	<u>\$40,065</u>	<u>\$1,034,032</u>

(Continued)

Lancaster City School District, Ohio
 Combined Statement of Cash Flows
 All Proprietary Fund Types and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2000
 (Continued)

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Non- Expendable Trust	
Reconciliation of Operating Income (Loss) to Net Cash <u>Used for Operating Activities:</u>				
Operating Income (Loss)	(\$723,430)	(\$345,573)	\$1,675	(\$1,067,328)
Adjustments to Reconcile Operating Income (Loss) to Net <u>Cash Used for Operating Activities:</u>				
Other Non-Operating Revenues	3,788	0	0	3,788
Interest	0	0	(2,175)	(2,175)
Donated Commodities Used During the Year	91,207	0	0	91,207
Depreciation Expense	16,930	0	0	16,930
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	123	(25,307)	0	(25,184)
Increase in Due From Other Funds	(197)	0	0	(197)
Decrease in Materials and Supplies Inventory	763	0	0	763
Decrease in Inventory Held for Resale	4,041	0	0	4,041
(Increase) Decrease in Prepaids	836	(1,721)	0	(885)
Increase in Accrued Salaries and Benefits Payable	1,079	0	0	1,079
Decrease in Compensated Absences Payable	(9,586)	0	0	(9,586)
Increase in Due to Other Funds	0	3,781	0	3,781
Increase in Intergovernmental Payable	3,601	0	0	3,601
Increase in Deferred Revenue	0	12,719	0	12,719
Increase in Claims Payable	0	258,930	0	258,930
Net Cash Used for Operating Activities	<u>(\$610,845)</u>	<u>(\$97,171)</u>	<u>(\$500)</u>	<u>(\$708,516)</u>
Reconciliation of Non-Expendable Trust Fund Cash and Cash Equivalents				
Cash and Cash Equivalents - All Fiduciary Funds			\$132,547	
Cash and Cash Equivalents - Agency Funds and Expendable Trust Fund			<u>(92,482)</u>	
Cash and Cash Equivalents - Non-Expendable Trust Fund			<u>\$40,065</u>	

Noncash Capital Financing Activities:

The food service fund received computer equipment paid for by the general fund valued at \$54,837.

See accompanying notes to the general purpose financial statements

**NOTES TO THE
GENERAL PURPOSE FINANCIAL STATEMENTS**

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Lancaster City School District (the "School District"), created in the 1850's, is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and/or federal guidelines.

The Board controls the School District's thirteen instructional support facilities staffed by 290 non-certificated employees, 422 certificated personnel, and 33 administrative employees who provide services to 6,421 students and other community members.

Reporting Entity:

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

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

The following activities are included within the reporting entity:

Private Schools - William V. Fisher Catholic School, Saint Bernadette School, Faith Academy, Fairfield Community Christian School, Seventh Day Adventist School, and Saint Mary's School are private schools operated within the School District boundaries. Current State legislation provides funding to these private schools. These monies are received and disbursed on behalf of the private schools by the Treasurer of the School District, as directed by the private schools. This activity is presented in a special revenue fund.

The School District is associated with seven jointly governed organizations and one insurance purchasing pool. These organizations are the Metropolitan Educational Council, Fairfield County Council for Educational Collaboration, Coalition of Rural and Appalachian Schools, Central Ohio Special Education Regional Resource Center, Fairfield County Family, Adult and Children First Council, Teenage Pregnancy Program Board, Fairfield County Multi-System Youth Committee and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 18 and 19 to the general purpose financial statements.

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis Of Presentation - Fund Accounting

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

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

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

Governmental Fund Types:

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

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

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Proprietary Fund Types:

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

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

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

Fiduciary Fund Types:

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The following are the School District's fiduciary fund types:

Expendable Trust Fund - This fund is accounted for in essentially the same manner as governmental funds.

Non-Expendable Trust Fund - This fund is accounted for in essentially the same manner as proprietary funds; the principal of the trust must be preserved intact.

Agency Funds - These funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Account Groups:

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

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

B. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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 the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types and the non-expendable trust fund. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue. The internal service fund had deferred revenues for payments received prior to providing services.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each fund and function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Fairfield County Budget Commission for rate determination.

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2000.

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions, 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, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. The budget figures contain some appropriation modifications made without Board of Education approval by June 30, 2000; however, the differences are immaterial to the financial statements. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

Encumbrances:

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

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Lapsing of Appropriations:

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

D. Cash and Cash Equivalents

To improve cash management, cash received by the School District Treasurer is pooled. Monies for all funds, including enterprise funds and some internal service monies, are maintained in this pool. Individual fund integrity is maintained through School District's records. Each fund's interest in the pool is presented as "Cash and Cash Equivalents" on the balance sheet.

During fiscal year 2000, investments were limited to STAR Ohio and repurchase agreements.

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

Following Ohio statutes, 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 2000 amounted to \$740,831, which includes \$65,334 assigned from other School District funds.

The School District has a segregated bank account for the self insurance internal service fund held separate from the School District's central bank account. This depository account is presented in the combined balance sheet as "cash and cash equivalents in segregated accounts" since it is not required to be deposited into the School District treasury.

The School District's self insurance internal service fund has a balance on hand at the third party administrators of the medical and dental self insurance programs which is presented as "cash and cash equivalents with fiscal agents" on the balance sheet.

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

E. Receivables and Payables

Receivables and payables to be recorded on the School District's financial statements are recorded to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also, by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of payables, collectibility.

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

H. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by State statute to be set-aside to create a reserve for budget stabilization. See Note 20 for the calculation of the year end restricted asset balance and the corresponding fund balance reserve.

I. Fixed Assets and Depreciation

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

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

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the enterprise funds is computed using the straight-line method over an estimated useful life of ten years.

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

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

Entitlements

General Fund

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

Non-Reimbursable Grants

Special Revenue Funds

- Adult Basic Education
- Career Development
- Data Communications
- Gifted Education
- Reducing Class Size
- Auxiliary Services
- Education Management Information Systems
- Ohio Family Literacy
- Title III
 - Public School Preschool
 - Preschool Handicapped
 - Disadvantaged Pupil Impact Aid
 - Teacher Development
- Title I
- Title VI
 - Title VI-B
 - Drug Free Schools
 - Ohio Reads
 - Vocational Education
 - Consumer and Economic Education
 - Reading Improvement
 - Vocational Education Professional Development
 - School Improvement Models
 - SchoolNet Professional Development
 - Safe School Hotline

Capital Projects Funds

- SchoolNet
- SchoolNet Plus
- Textbooks and Instructional Materials

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Reimbursable Grants
 - General Fund
 - Driver Education
 - Vocational Education Travel/Salary
 - Community Alternative Funding System
- Special Revenue Funds
 - Telecommunications E-Rate
- Proprietary Funds
 - National School Lunch Program
 - National School Breakfast Program
 - Government Donated Commodities

Grants and entitlements received in governmental funds amounted to forty-five percent of governmental fund revenue during the 2000 fiscal year.

K. Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables".

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees with ten or more years of service.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than two months after fiscal year end are considered not to have used current available financial resources. Long-term notes and capital leases payable are reported as a liability of the general long-term obligations account group until due.

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

N. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventories of materials and supplies, property taxes, budget stabilization, and endowments.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures. The reserve for endowments signifies the legal restrictions on the use of principal.

P. Designated Fund Balance

The School District has a fund balance designation on the balance sheet for additional money set-aside for budget stabilization above the amount required by State statute.

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Contributed Capital

Contributed capital represents resources from other funds, other governments, and private sources provided to proprietary funds that is not subject to repayment. These assets are recorded at their fair market value on the date donated. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

Because the School District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1991, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings.

R. Estimates

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

S. Total Columns on General Purpose Financial Statements

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

NOTE 3 - ACCOUNTABILITY

A. Accountability

The following funds had a deficit fund balance/retained earnings as of June 30, 2000:

	Deficit Fund Balance/ <u>Retained Earnings</u>
<u>Special Revenue Funds:</u>	
Reducing Class Size	(\$18,726)
 <u>Internal Service Fund:</u>	
Employee Benefits Self-Insurance	(756,467)

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 3 - ACCOUNTABILITY (continued)

The deficits in the special revenue fund and internal service fund are the result of the recognition of payables in accordance with Generally Accepted Accounting Principles. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur. The School District is in the process of implementing an increase in premiums to the internal service fund.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Proceeds from and principal payments on bond anticipation notes are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

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

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (continued)

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
All Governmental Fund Types and Similar Trust Fund

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	\$2,426,433	\$286,508	\$1,234	(\$66,529)	(\$469)
Revenue Accruals	(65,079)	264,783	(1,234)	0	0
Expenditure Accruals	388,034	102,055	0	(4,828)	285
Prepaid Items	(27,448)	5,332	0	0	0
Advances In	128,760	8,000	0	0	0
Advances Out	(308,000)	(128,760)	0	0	0
Encumbrances	(1,478,703)	(204,781)	0	(9,327)	0
Budget Basis	<u>\$1,063,997</u>	<u>\$333,137</u>	<u>\$0</u>	<u>(\$80,684)</u>	<u>(\$184)</u>

Net Income (Loss)/Excess of Revenues Over (Under) Expenses and Advances
All Proprietary Fund Types and Similar Trust Fund

	Enterprise	Internal Service	Non- Expendable Trust
GAAP Basis	(\$63,756)	(\$345,573)	\$1,675
Revenue Accrual	17,408	17,427	0
Expense Accrual	(4,906)	232,696	0
Materials and Supplies Inventory	763	0	0
Inventory Held for Resale	4,041	0	0
Capital Outlay	(42,053)	0	0
Prepaid Items	836	(1,721)	0
Depreciation Expense	16,930	0	0
Advances In	0	300,000	0
Non-Budgeted Activity	0	5,322	0
Encumbrances	(575)	0	0
Budget Basis	<u>(\$71,312)</u>	<u>\$208,151</u>	<u>\$1,675</u>

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 5 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School 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 School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

Interim deposits are deposits of interim 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 pass book accounts.

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

Interim monies to 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;

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either the two highest rating classification by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School 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.

Cash On Hand: At year end, the School District had \$3,965 in undeposited cash on hand which is included on the balance sheet of the School District as part of "cash and cash equivalents".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits: At fiscal year end, the carrying amount of the School District's deposits was (\$300,720) and the bank balance was \$188,580. Of the bank balance, \$102,997 was covered by federal depository insurance and \$85,583 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments: The School District's investments are categorized below to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investment in STAR Ohio, an investment pool operated by the Ohio State Treasurer, is unclassified investments since it is not evidenced by securities that exist in physical or book entry form.

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 5 - DEPOSITS AND INVESTMENTS (continued)

	Category 3	Carrying and Fair Value
Repurchase Agreement	\$2,839,137	\$2,839,137
STAR Ohio		10,953,400
Totals		\$13,792,537

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classification of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$13,548,307	\$0
Investments of the Cash Management Pool:		
Cash on Hand	(3,965)	0
Cash with Fiscal Agent	(52,525)	0
Repurchase Agreements	(2,839,137)	2,839,137
STAR Ohio	(10,953,400)	10,953,400
GASB Statement 3	(\$300,720)	\$13,792,537

At June 30, 2000, the School District's internal service fund had a cash balance of \$52,525 with Medical Mutual of Ohio, a third party administrator (See Note 9). The money is held by the third party administrator in a pooled account which is representative of numerous entities and therefore cannot be classified by risk under GASB Statement 3. To obtain financial information about Medical Mutual of Ohio, write to Medical Mutual of Ohio, Eastern Region, P.O. Box 5900, Cleveland, Ohio 44101-0900.

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2000 for real and public utility property taxes represents collections of calendar 1999 taxes. Property tax payments received during calendar 2000 for tangible personal property (other than public utility property) is for calendar 2000 taxes.

2000 real property taxes are levied after April 1, 2000, on the assessed value as of January 1, 2000, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2000 public utility property taxes became a lien December 31, 1999, are levied after April 1, 2000 and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after April 1, 1999, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are twenty-five percent of true 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.

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

The assessed values upon which fiscal year 2000 taxes were collected are:

	<u>1999 Second-Half Collections</u>		<u>2000 First-Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$552,019,860	81%	\$565,619,400	82%
Public Utility	30,298,140	4	27,774,830	4
Tangible Personal Property	100,399,698	15	96,227,521	14
Total Assessed Value	<u>\$682,717,698</u>	<u>100%</u>	<u>\$689,621,751</u>	<u>100%</u>
Tax rate per \$1,000 of assessed valuation	\$64.60		\$64.60	

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 6 - PROPERTY TAXES (continued)

The School District receives property taxes from Fairfield County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000, was \$790,975 in the general fund and \$13,270 in the bond retirement debt service fund.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2000, consisted of property taxes, accounts (rent, billings for user charged services, and student fees), interfund, and intergovernmental grants. 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 fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
General Fund	
Excess Costs	\$414,321
Driver's Education Reimbursement	3,150
Staff Services Reimbursements	15,994
Miscellaneous Reimbursement	54
Total General Fund	433,519
Special Revenue Funds	
Public School Pre-School	40,295
Title VI-B	31,996
Miscellaneous Reimbursement	442
Total Special Revenue Funds	72,733
Enterprise Funds	
National School Lunch	69,232
Total Intergovernmental Receivables	\$575,484

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 8 - FIXED ASSETS

A summary of the enterprise fund's fixed assets at June 30, 2000, follows:

Furniture and Equipment	\$655,129
Less Accumulated Depreciation	<u>(542,647)</u>
Net Fixed Assets	<u><u>\$112,482</u></u>

A summary of the changes in general fixed assets during fiscal year 2000 follows:

<u>Asset Category</u>	<u>Balance at 6/30/99</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 6/30/00</u>
Land and Improvements	\$730,330	\$171,168	\$644	\$900,854
Buildings	13,884,244	0	0	13,884,244
Furniture and Equipment	12,313,629	686,291	428,207	12,571,713
Vehicles	1,530,583	291,076	173,674	1,647,985
Textbooks and Library Books	4,511,175	474,944	180,000	4,806,119
Construction in Progress	<u>107,674</u>	<u>0</u>	<u>107,674</u>	<u>0</u>
Totals	<u><u>\$33,077,635</u></u>	<u><u>\$1,623,479</u></u>	<u><u>\$890,199</u></u>	<u><u>\$33,810,915</u></u>

NOTE 9 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2000, the School District contracted with Nationwide Mutual Insurance Company for its insurance. Coverages provided by insurance are as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$75,484,800
Crime Insurance (\$100 deductible)-Premises	25,000
Crime Insurance (\$100 deductible)-Messenger	25,000
Automobile Liability (\$500 deductible for collision and Comprehensive)	2,000,000
Uninsured Motorists (No deductible)	2,000,000
General Liability Per Occurrence	2,000,000
General Liability Aggregate Limit	5,000,000
Musical Instruments (\$250 deductible)	875,800

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 9 - RISK MANAGEMENT (continued)

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

For fiscal year 2000, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

The School District provides a limited medical and dental insurance program for its employees. Premiums are paid directly to the third party administrator out of the School District's self-insurance internal service fund. Central Benefits, Inc. services all medical claims and Medical Mutual services all dental claims submitted by employees. The internal service fund presented in the financial statements reflects the premiums paid into the self-insurance internal service fund by the same funds that pay the employees' salaries. The School District pays monthly medical premiums of up to \$424 for certified and classified employees for family coverage and up to \$164 for certified and classified employees for single coverage. The School District pays monthly dental premiums of up to \$37.80 for family and single coverage for certified and classified employees. The premiums paid into the internal service fund are used for claims, claim reserves, and administrative costs. The School District has a stop loss coverage insurance policy which covers individual claims in excess of \$100,000 per employee per year for medical claims. The School District has no stop loss coverage for the dental claims.

The claims liability of \$775,693 reported in the internal service fund at June 30, 2000, is based on an estimate provided by the third party administrator. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two fiscal years are as follows:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
1999	\$433,150	\$3,517,876	\$3,434,263	\$516,763
2000	516,763	3,475,107	3,216,177	775,693

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$301,388, \$403,430 and \$436,984, respectively; 48 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$157,984 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2000, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$1,278,171, \$1,224,291 and \$1,960,219, respectively; 83 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$218,397 represents the unpaid contribution for fiscal year 2000 and is recorded as a liability within the respective funds.

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 11 - POSTEMPLOYMENT BENEFITS

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$1,704,227 for fiscal year 2000.

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

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.50 percent of covered payroll, an increase from 6.30 percent for fiscal year 1999. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2000 fiscal year equaled \$547,474.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1999 (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits.

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 12 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators who work less than 260 days per year do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave accumulation is unlimited. Upon retirement, payment is made for one-third of accrued, but unused sick leave credit to a maximum of 65 days for classified and certified employees. If a certified employee retires within one hundred days of their first year of eligible retirement, then the maximum retirement payment is 100 days.

B. Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Medical Mutual in an amount of \$25,000 to \$75,000 depending upon the employee's position.

C. Deferred Compensation

School District employees participate in a statewide deferred compensation plan that was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 13 - CONTRACT OBLIGATION

As of June 30, 2000, the School District had contractual purchase commitments for four projects. The amount for each project is as follows:

<u>Contract</u>	<u>Fund</u>	<u>Purchase Commitment</u>	<u>Amounts Paid as of 6/30/00</u>	<u>Amounts Remaining on Contract</u>
B and B Roofing	General	\$102,242	\$54,254	\$47,988
De Marco, Incorporated	General	261,290	86,649	174,641
Schorr and Associates	General	13,200	4,710	8,490
Ken Heiberger Paving, Incorporated	General	<u>71,578</u>	<u>0</u>	<u>71,578</u>
Totals		<u>\$448,310</u>	<u>\$145,613</u>	<u>\$302,697</u>

NOTE 14 - CAPITAL LEASES

The School District entered into capitalized leases for computers and cisco router equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the General Purpose Financial Statements for the governmental funds. The items acquired by lease have been capitalized in the general fixed assets account group in the amount of \$545,333, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in 2000 totaled \$184,945.

Future minimum lease payments through 2002 are as follows:

<u>Year</u>	<u>Amount</u>
2001	\$108,176
2002	<u>93,924</u>
Total	202,100
Less: Amount Representing Interest	<u>(21,030)</u>
Present Value of Net Minimum Lease Payments	<u>\$181,070</u>

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 15 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2000 were as follows:

	Outstanding 6/30/99	Additions	Deductions	Outstanding 6/30/00
Energy Conservation Note 1993 - 4.55%	\$1,585,000	\$0	\$290,000	\$1,295,000
Pension Obligation	277,776	320,719	277,776	320,719
Capital Leases	112,082	253,933	184,945	181,070
Compensated Absences	3,159,178	321,556	228,719	3,252,015
Total General Long-Term Obligations	<u>\$5,134,036</u>	<u>\$896,208</u>	<u>\$981,440</u>	<u>\$5,048,804</u>

Energy Conservation Long-Term Note - On July 15, 1993, Lancaster City School District issued \$2,850,000 in unvoted general obligation notes, at an interest rate of 4.55%, for the purpose of installing energy conservation improvements for the School District, under the authority of Ohio Revised Code sections 133.06(G) and 3313.372. The notes were issued for a ten year period with final maturity during fiscal year 2004. The debt will be retired through reductions in energy consumption and cost savings attributed to the installation of the energy conservation improvements. The general fund allocates tax revenues to the bond retirement debt service fund to meet current fiscal year obligations.

Compensated absences and the pension obligation, which represents the contractually required pension contribution paid outside the available period, will be paid from the fund from which the employees' salaries are paid. Capital lease obligations will be paid from the fund that maintains custody of the related asset.

The School District's overall legal debt margin was \$62,065,958 with an unvoted debt margin of \$689,622 at June 30, 2000.

Principal and interest requirements to retire the Energy Conservation Long-Term Note at June 30, 2000, are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total
2001	\$305,000	\$51,984	\$356,984
2002	315,000	37,879	352,879
2003	330,000	23,205	353,205
2004	345,000	7,849	352,849
Total	<u>\$1,295,000</u>	<u>\$120,917</u>	<u>\$1,415,917</u>

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 16 - INTERFUND ACTIVITY

As of June 30, 2000, receivables and payables that resulted from various interfund transactions were as follows:

Interfund Receivable/Payable

	<u>Receivable</u>	<u>Payable</u>
<u>General Fund</u>	<u>\$608,096</u>	<u>\$0</u>
<u>Special Revenue Funds:</u>		
Consumer and Economic Education	0	2,400
Special Education	0	3,000
Vocational Education	<u>0</u>	<u>2,600</u>
Total Special Revenue Funds	<u>0</u>	<u>8,000</u>
<u>Internal Service Fund:</u>		
Employee Benefits Self-Insurance	<u>0</u>	<u>600,000</u>
<u>Agency Fund:</u>		
Student Managed Activities	<u>0</u>	<u>96</u>
Total All Funds	<u><u>\$608,096</u></u>	<u><u>\$608,096</u></u>

Due from/Due to Other Funds

	<u>Receivable</u>	<u>Payable</u>
<u>General Fund</u>	<u>\$2,148</u>	<u>\$0</u>
<u>Special Revenue Fund:</u>		
Special Education	<u>0</u>	<u>2,148</u>
<u>Enterprise Fund:</u>		
Food Service	<u>197</u>	<u>0</u>
<u>Internal Service Fund:</u>		
Employee Benefits Self-Insurance	<u>0</u>	<u>3,781</u>
<u>Agency Funds:</u>		
Student Managed Activity	0	197
Employees Section 125 Payroll Plan	<u>3,781</u>	<u>0</u>
Total Agency Funds	<u>3,781</u>	<u>197</u>
Total All Funds	<u><u>\$6,126</u></u>	<u><u>\$6,126</u></u>

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 17 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects the more significant financial data relating to the enterprise funds of the Lancaster City School District as of and for the fiscal year ended June 30, 2000.

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total Enterprise Funds</u>
Operating Revenues	\$885,316	\$53,592	\$938,908
Depreciation Expense	16,930	0	16,930
Operating Loss	(717,869)	(5,561)	(723,430)
Donated Commodities	91,207	0	91,207
Operating Grants	561,365	0	561,365
Interest Income	2,815	0	2,815
Other Non-Operating Revenues	4,287	0	4,287
Net Loss	(58,195)	(5,561)	(63,756)
Current Contributed Capital	54,837	0	54,837
Fixed Asset Additions	96,890	0	96,890
Deletions from Fixed Assets	17,877	0	17,877
Net Working Capital	(9,267)	58,738	49,471
Total Assets	336,557	58,738	395,295
Long-Term Liabilities Paid from Fund Revenues	59,264	0	59,264
Total Equity	43,951	58,738	102,689
Encumbrances Outstanding at June 30, 2000	493	82	575

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS

A. Metropolitan Educational Council

The Metropolitan Educational Council (MEC) is a jointly governed organization. The organization is composed of over one hundred members which includes school districts, joint vocational schools, educational service centers, and libraries covering 24 counties in Central Ohio. The MEC helps its members purchase services, insurances, supplies, and other items at a discounted rate. MEC also provides a variety of services through its data processing center to thirty-one member districts ("C" sites) in the Ohio Counties of Fairfield, Franklin, Madison, Pickaway, and Union with the major emphasis being placed on fiscal services. MEC also provides services to the School District including pupil scheduling, attendance reporting, and grade reporting. The governing board of MEC is composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County (18 school districts), and one representative from each county. MEC is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for MEC. Financial statements for MEC can be obtained from the Metropolitan Educational Council, at 1600 Channingway Boulevard Suite 604, Columbus, Ohio 43232. The School District's payments to MEC in fiscal year 2000 were \$53,651.

B. Fairfield County Council for Educational Collaboration

Fairfield County Council of Educational Collaboration (FCCEC) is a jointly governed organization operated by a Board which consists of superintendents, or a designated representative, from nine boards of education and the Ohio University-Lancaster Campus within Fairfield County. The purpose of the FCCEC is to bring together the public school systems and the public institutions for higher education in Fairfield County so that they can collectively devise and provide for enhanced educational opportunities for the students and citizens of our community. The areas of interest that may be addressed by the Council include, but are not limited to, student programming, school management issues, and other collaborative projects deemed appropriate by the governing body of the Council. The Council is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Council. The School District made no contributions to FCCEC during fiscal year 2000.

C. Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization including over 100 hundred school districts in southeastern Ohio. The Coalition is operated by a Board which is composed of fourteen members. The board members are composed of one superintendent from each county elected by the school districts within that county. The Coalition provides various inservice for school district administrative personnel; gathers of data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent on the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Coalition. The School District paid a membership fee of \$300 in fiscal year 2000.

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS (continued)

D. Central Ohio Special Education Regional Resource Center

The Central Ohio Special Education Regional Resource Center (COSERRC) is a jointly governed organization operated by a Governing Board that is composed of superintendents of member school districts in Central Ohio (which comprise sixty percent of the Board), two parents of children with disabilities, one representative of a chartered nonpublic school, one representative of a county board of Mental Retardation and Developmental Disabilities, and representatives of universities. The School District participates in the following services of COSERRC: Identification and Program Development Project, Regional Educational Assessment Programming Project, Instructional Resource Center Project, Early Childhood Services Project, and the Ohio Resource Center for Low Incidence and Severely Handicapped Project. These services are to assist the School District in complying with mandates of Public Law 99-457 for educating children with disabilities. There is no financial commitment made by the districts involved in COSERRC. COSERRC is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for COSERRC. The School District made no contributions to COSERRC during fiscal year 2000.

E. Fairfield County Family, Adult and Children First Council

The Fairfield County Family, Adult and Children First Council is a jointly governed organization created under Ohio Revised Code Section 121.37. The Council is made up of the following members: Director of the Fairfield County Community Mental Health and Recovery Services Board, Health Commissioner of the Fairfield County Health Department, Health Commissioner of the City of Lancaster Health Department, Director of the Fairfield County Human Services, Director of the Children Services Department, Superintendent of the Fairfield County Mental Retardation and Development Disabilities, the Fairfield County Juvenile Court Judge, Superintendent of Lancaster City Schools, Superintendent of Fairfield County Board of Education, a representative of the City of Lancaster, Chair of the Fairfield County Commissioners, State Department of Youth Services Regional representative, representative from the County Head Start Agencies, a representative of the County's early intervention collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 1986", and a least three individuals representing the interests of families in the County. When possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership. In fiscal year 2000, the School District made no contributions to the Council. Continued existence of the Council is not dependent on the School District's continued participation, no equity interest exists, and no debt is outstanding.

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS (continued)

F. Teenage Pregnancy Program Board

The Teenage Pregnancy Program Board is a jointly governed organization created to plan and coordinate programming designed to reduce teen pregnancy in Fairfield County. The Board is composed of seventeen members. The Board consists of representatives from the following organizations: Fairfield County Juvenile Court, Fairfield County Children Services Board, Lancaster City Schools, Fairfield County Schools, Department of Human Services, Fairfield County Health Department, Fairfield County Community Action Program, four representatives from the Fairfield County Commissioners, four representatives from the nominating committee of the Teenage Pregnancy Program Board, and two young persons appointed by the Teen Advisory Board. In fiscal year 2000, the School District made no contributions to the Board. Continued existence of the Board is not dependent upon the School District's continued participation, no equity interest exists, and no debt is outstanding.

G. Fairfield County Multi-System Youth Committee

The Fairfield County Multi-System Youth Committee is a group of agencies that coordinate the provision of services to multi-need youth in the area. Members of the Committee include representatives of the Fairfield County Youth Services, Fairfield County Board of MR/DD, Fairfield County Mental Health and Recovery Services Board, Fairfield County Children Services, Fairfield County Health Department, New Horizons, the local office of the Rehabilitation Services Commission, Fairfield County Drug and Alcohol Recovery Services, the Lancaster City Health Department, and the Lancaster City Board of Education. The Committee received no additional monies during fiscal year 2000. Operations were paid from the previous existing balance that had accumulated from State and federal grants. No debt is currently outstanding. The Committee is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Committee.

NOTE 19 - INSURANCE PURCHASING POOL

Ohio School Boards Association Workers' Compensation Group Rating Plan

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 20 - SET-ASIDES

The School 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 year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. The School District is also required to set aside money for budget stabilization.

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

	Textbooks	Capital Acquisition	Budget Stabilization
Set-aside Cash Balance as of June 30, 1999	\$0	\$0	\$508,843
Current Year Set-aside Requirement	939,662	939,662	347,770
Current Year Offsets	0	0	(230,172)
Qualifying Disbursements	(1,361,010)	(1,658,756)	0
Totals	<u>(\$421,348)</u>	<u>(\$719,094)</u>	<u>\$626,441</u>
Balance Carried Forward to FY 2001	<u>(\$421,348)</u>	<u>(\$719,094)</u>	<u>\$626,441</u>
Cash balances to carry forward to FY 2001	<u>\$0</u>	<u>\$0</u>	<u>\$626,441</u>

The School District had qualifying disbursements and offsets during the fiscal year that reduced the textbook and capital improvements set-aside amounts below zero. These extra amounts may be used to reduce the set-aside requirements in future fiscal years. The total reserve balance for the three set-asides at the end of the fiscal year was \$626,441.

NOTE 21 - CONTINGENCIES

A. Grants

The School District 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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2000.

B. Litigation

The School District is currently not a party to any material legal proceedings.

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 22 - STATE FOUNDATION FUNDING

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to this School District. During the fiscal year ended June 30, 2000, the School District received \$13,472,899 of school foundation support for its general fund.

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

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

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

NOTE 23 - SUBSEQUENT EVENTS

On November 7, 2000, the residents of the Lancaster City School District failed to pass a 4.5 mill bond levy for the purpose of constructing a new elementary school, and renovating, improving, and constructing additions to existing school buildings and facilities.

Lancaster City School District, Ohio
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2000

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

GENERAL FUND

The General Fund accounts for governmental resources not accounted for in any other fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of the State of Ohio.

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Property Taxes	\$21,362,038	\$22,472,916	\$1,110,878
Intergovernmental	16,078,608	16,374,570	295,962
Interest	350,000	740,831	390,831
Tuition and Fees	129,700	135,503	5,803
Rent	55,000	60,277	5,277
Extracurricular Activities	113,000	138,931	25,931
Gifts and Donations	3,000	2,100	(900)
Miscellaneous	16,300	36,301	20,001
	<u>38,107,646</u>	<u>39,961,429</u>	<u>1,853,783</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	11,864,590	11,864,169	421
Fringe Benefits	2,994,350	2,994,258	92
Purchased Services	69,226	68,816	410
Materials and Supplies	1,399,833	1,398,238	1,595
Capital Outlay - New	137,387	137,050	337
Capital Outlay - Replacement	369,016	367,350	1,666
Other	50	50	0
	<u>16,834,452</u>	<u>16,829,931</u>	<u>4,521</u>
Special:			
Salaries and Wages	2,887,000	2,886,681	319
Fringe Benefits	878,600	878,567	33
Purchased Services	3,545	2,470	1,075
Materials and Supplies	59,515	59,238	277
Capital Outlay - New	11,906	11,344	562
Capital Outlay - Replacement	7,117	7,117	0
	<u>3,847,683</u>	<u>3,845,417</u>	<u>2,266</u>
Vocational:			
Salaries and Wages	1,788,000	1,787,504	496
Fringe Benefits	459,200	458,956	244
Purchased Services	15,002	14,077	925
Materials and Supplies	67,964	41,654	26,310
Capital Outlay - New	4,860	4,668	192
Capital Outlay - Replacement	14,422	13,884	538
	<u>\$2,349,448</u>	<u>\$2,320,743</u>	<u>\$28,705</u>

(Continued)

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2000
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Adult/Continuing:			
Salaries and Wages	\$49,595	\$49,351	\$244
Fringe Benefits	8,305	7,775	530
Materials and Supplies	1,700	1,615	85
	<u>59,600</u>	<u>58,741</u>	<u>859</u>
Total Adult/Continuing			
Other:			
Purchased Services	145,732	144,979	753
	<u>145,732</u>	<u>144,979</u>	<u>753</u>
Total Other			
Total Instruction	<u>23,236,915</u>	<u>23,199,811</u>	<u>37,104</u>
Support Services:			
Pupils:			
Salaries and Wages	1,141,000	1,139,337	1,663
Fringe Benefits	300,400	300,188	212
Purchased Services	448,358	447,825	533
Materials and Supplies	79,721	77,568	2,153
Capital Outlay - New	4,818	4,818	0
Capital Outlay - Replacement	200	200	0
	<u>1,974,497</u>	<u>1,969,936</u>	<u>4,561</u>
Total Pupils			
Instructional Staff:			
Salaries and Wages	1,483,081	1,482,877	204
Fringe Benefits	577,346	576,980	366
Purchased Services	130,316	127,249	3,067
Materials and Supplies	187,995	184,127	3,868
Capital Outlay - New	18,758	18,637	121
Capital Outlay - Replacement	74,000	73,921	79
Other	2,008	1,865	143
	<u>2,473,504</u>	<u>2,465,656</u>	<u>7,848</u>
Total Instructional Staff			
Board of Education:			
Salaries and Wages	5,100	4,900	200
Fringe Benefits	200	66	134
Materials and Supplies	1,038	550	488
Other	46,545	39,867	6,678
	<u>\$52,883</u>	<u>\$45,383</u>	<u>\$7,500</u>
Total Board of Education			

(Continued)

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2000
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Administration:			
Salaries and Wages	\$2,277,500	\$2,277,076	\$424
Fringe Benefits	617,950	616,883	1,067
Purchased Services	305,491	304,031	1,460
Materials and Supplies	24,368	18,863	5,505
Capital Outlay - New	106,285	105,579	706
Capital Outlay - Replacement	20,615	20,086	529
Other	7,412	6,461	951
	<u>3,359,621</u>	<u>3,348,979</u>	<u>10,642</u>
Total Administration			
Fiscal:			
Salaries and Wages	267,500	249,455	18,045
Fringe Benefits	78,400	76,821	1,579
Purchased Services	98,735	98,243	492
Materials and Supplies	4,417	4,015	402
Capital Outlay - Replacement	3,500	3,349	151
Other	457,695	456,692	1,003
	<u>910,247</u>	<u>888,575</u>	<u>21,672</u>
Total Fiscal			
Business:			
Salaries and Wages	80,500	78,702	1,798
Fringe Benefits	49,900	48,523	1,377
Purchased Services	223,842	219,110	4,732
Materials and Supplies	34,316	33,106	1,210
Other	4,000	2,950	1,050
	<u>392,558</u>	<u>382,391</u>	<u>10,167</u>
Total Business			
Operation and Maintenance of Plant:			
Salaries and Wages	1,541,000	1,540,583	417
Fringe Benefits	505,700	505,171	529
Purchased Services	1,476,114	1,467,200	8,914
Materials and Supplies	350,281	345,001	5,280
Capital Outlay - New	11,922	11,377	545
Capital Outlay - Replacement	39,358	39,358	0
	<u>\$3,924,375</u>	<u>\$3,908,690</u>	<u>\$15,685</u>
Total Operation and Maintenance of Plant			

(Continued)

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2000
(Continued)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Pupil Transportation:			
Salaries and Wages	\$813,000	\$812,626	\$374
Fringe Benefits	271,300	271,170	130
Purchased Services	87,071	86,600	471
Materials and Supplies	146,084	145,638	446
Capital Outlay - New	3,239	3,045	194
Capital Outlay - Replacement	337,395	337,395	0
	<u>1,658,089</u>	<u>1,656,474</u>	<u>1,615</u>
Total Pupil Transportation			
Central:			
Salaries and Wages	62,000	61,013	987
Fringe Benefits	28,140	28,039	101
Purchased Services	53,937	51,743	2,194
Materials and Supplies	20,465	20,456	9
Capital Outlay - New	41,190	40,917	273
Capital Outlay - Replacement	17,352	17,323	29
	<u>223,084</u>	<u>219,491</u>	<u>3,593</u>
Total Central			
Total Support Services	<u>14,968,858</u>	<u>14,885,575</u>	<u>83,283</u>
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	43,300	43,201	99
Fringe Benefits	7,000	6,686	314
Purchased Services	150	150	0
Materials and Supplies	305	305	0
Other	4,841	4,841	0
	<u>55,596</u>	<u>55,183</u>	<u>413</u>
Total Academic and Subject Oriented Activities			
Occupational Oriented Activities:			
Salaries and Wages	3,000	2,252	748
Fringe Benefits	700	336	364
	<u>3,700</u>	<u>2,588</u>	<u>1,112</u>
Total Occupational Oriented Activities			

(Continued)

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2000
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Sports Oriented Activities:			
Salaries and Wages	\$286,500	\$286,027	\$473
Fringe Benefits	43,500	42,693	807
	<u>330,000</u>	<u>328,720</u>	<u>1,280</u>
School and Public Service Co-Curricular Activities:			
Salaries and Wages	25,532	25,522	10
Fringe Benefits	3,600	3,178	422
Purchased Services	724	722	2
Materials and Supplies	3,529	3,416	113
	<u>33,385</u>	<u>32,838</u>	<u>547</u>
Total Extracurricular Activities	<u>422,681</u>	<u>419,329</u>	<u>3,352</u>
Capital Outlay:			
Other Facilities Acquisition and Construction Services:			
Capital Outlay - Replacement	217,160	216,771	389
	<u>217,160</u>	<u>216,771</u>	<u>389</u>
Total Capital Outlay	<u>217,160</u>	<u>216,771</u>	<u>389</u>
Total Expenditures	<u>38,845,614</u>	<u>38,721,486</u>	<u>124,128</u>
Excess of Revenues Over (Under) Expenditures	<u>(737,968)</u>	<u>1,239,943</u>	<u>1,977,911</u>
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	1,000	3,294	2,294
Advances In	50,000	128,760	78,760
Advances Out	(308,000)	(308,000)	0
	<u>(257,000)</u>	<u>(175,946)</u>	<u>81,054</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(\$994,968)</u>	<u>\$1,063,997</u>	<u>\$2,058,965</u>

(Continued)

Lancaster City School District, Ohio
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual (Budget Basis)
 General Fund
 For the Fiscal Year Ended June 30, 2000
 (Continued)

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Fund Balance at Beginning of Year	\$7,859,242	\$7,859,242	\$0
Prior Year Encumbrances Appropriated	<u>823,270</u>	<u>823,270</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$7,687,544</u></u>	<u><u>\$9,746,509</u></u>	<u><u>\$2,058,965</u></u>

SPECIAL REVENUE FUNDS

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

Public School Support

To account for specific local revenue sources (other than taxes) generated by individual school buildings. Expenditures include field trips, assemblies, materials and other items to supplement co-curricular and extra-curricular programs.

Community Grants

To account for grants received from a private foundation which provides funds for the development of teaching staff.

School Improvement Models

To account for State revenues awarded the School District for venture capital grants designed around a school improvement theme developed by the individual building staff.

District Managed Student Activity

To account for student activity programs which have student participation in the activity but do not have student management of programs.

Auxiliary Services

To account for funds which provide services and materials to pupils attending non-public schools within the School District.

Consumer and Economic Education

To account for State revenues awarded the School District to provide for consumer education projects.

Teacher Development

To account for State revenues awarded the School District for providing assistance in the development of in-service programs.

Gifted Education

To account for State revenues awarded the School District to provide assistance in developing research and demonstration projects for gifted programs.

(Continued)

SPECIAL REVENUE FUNDS
(continued)

Education Management Information Systems

To account for hardware and software development, or other costs associated with the requirements of the management information system.

SchoolNet Professional Development

To account for State funds awarded to the School District to provide for a limited number of staff professional development subsidies.

Data Communications

To account for State revenues awarded the School District to provide for data communication.

Ohio Reads

To account for funds awarded to school buildings with the School District from State revenues for the purpose of enhancing the improvement of reading.

Reading Improvement Grant

To account for funds awarded to the School District from State revenues for the purpose of promoting the improvement of reading.

Safe Schools Hotline

To account for funds awarded to the School District by the State to promote safety in the School District.

Adult Basic Education

To account for instructional programs for persons sixteen years of age and older who are not enrolled in school and who have less than a twelfth grade education or its equivalent.

Title III

To account for federal monies provided for strengthening instruction in science, mathematics, modern foreign languages, English, the arts, and computer learning.

Title VI

To account for federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service training, and staff development.

(Continued)

SPECIAL REVENUE FUNDS
(continued)

Drug Free Grant

To account for federal revenues which support the implementation of programs for drug abuse education and prevention.

Telecommunications E-Rate

To account for monies received from the Federal Government to the School District to offset services received and charged from the local telecommunication service provider.

Special Education

To account for monies which are provided for the improvement of the educational and cultural status of disadvantaged pupils and to meet the special needs of educationally deprived children. This fund is the consolidation of the following funds for GAAP reporting purposes : Title VI-B, Title I, and Disadvantaged Pupil Impact Aid.

Vocational Education

To account for funds for the development of vocational education career development programs and for adults to acquire adequate employment skills. This fund is the consolidation of the Career Development, Vocational Education Professional Development, and Vocational Education funds for GAAP reporting purposes.

Preschool

To account for federal and State revenues awarded to the School District for the improvement and expansion of services provided for preschool children and handicapped preschool children. This fund is the consolidation of the Public School Preschool and Preschool Handicapped funds for GAAP reporting purposes.

Library Automation

To account for funds awarded to the School District to support library automation products and services.

Reducing Class Size

To account for funds awarded to the School District by the Federal Government for the specific purpose of reducing class size at the primary level.

Ohio Family Literacy

To account for funds awarded to the School District by the State for the purpose of supporting and expanding literacy programs.

Lancaster City School District, Ohio

Combining Balance Sheet
All Special Revenue Funds
June 30, 2000

	Public School Support	Community Grants	School Improvement Models	District Managed Student Activity
<u>Assets:</u>				
Cash and Cash Equivalents	\$56,647	\$13,683	\$20,329	\$85,614
Receivables:				
Accounts	0	0	0	3,812
Intergovernmental	400	0	0	0
Materials and Supplies Inventory	7,402	0	0	0
Prepaid Items	0	0	0	0
Total Assets	\$64,449	\$13,683	\$20,329	\$89,426
<u>Liabilities:</u>				
Accounts Payable	\$1,783	\$0	\$1,535	\$899
Accrued Salaries and				
Benefits Payable	0	0	0	0
Intergovernmental Payable	0	86	0	0
Interfund Payable	0	0	0	0
Due to Other Funds	0	0	0	0
Total Liabilities	1,783	86	1,535	899
<u>Fund Equity:</u>				
Fund Balances:				
Reserved for Encumbrances	7,328	1,808	3,095	14,959
Reserved for Inventory	7,402	0	0	0
Unreserved:				
Undesignated (Deficits)	47,936	11,789	15,699	73,568
Total Fund Equity (Deficit)	62,666	13,597	18,794	88,527
Total Liabilities and Fund Equity	\$64,449	\$13,683	\$20,329	\$89,426

Auxiliary Services	Consumer and Economic Education	Teacher Development	Educational Management Information Systems	SchoolNet Professional Development	Data Communications
\$177,482	\$3,305	\$28,667	\$28,615	\$1,000	\$28,205
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
2,098	0	0	0	0	0
<u>\$179,580</u>	<u>\$3,305</u>	<u>\$28,667</u>	<u>\$28,615</u>	<u>\$1,000</u>	<u>\$28,205</u>
\$66,686	\$0	\$0	\$0	\$0	\$0
29,523	0	0	612	0	0
4,624	0	0	399	0	0
0	2,400	0	0	0	0
0	0	0	0	0	0
<u>100,833</u>	<u>2,400</u>	<u>0</u>	<u>1,011</u>	<u>0</u>	<u>0</u>
14,536	3,304	0	0	0	0
0	0	0	0	0	0
<u>64,211</u>	<u>(2,399)</u>	<u>28,667</u>	<u>27,604</u>	<u>1,000</u>	<u>28,205</u>
<u>78,747</u>	<u>905</u>	<u>28,667</u>	<u>27,604</u>	<u>1,000</u>	<u>28,205</u>
<u>\$179,580</u>	<u>\$3,305</u>	<u>\$28,667</u>	<u>\$28,615</u>	<u>\$1,000</u>	<u>\$28,205</u>

(Continued)

Lancaster City School District, Ohio

Combining Balance Sheet
All Special Revenue Funds
June 30, 2000
(Continued)

	Ohio Reads	Reading Improvement Grant	Safe Schools Hotline	Adult Basic Education
<u>Assets:</u>				
Cash and Cash Equivalents	\$26,057	\$26,470	\$221	\$13,424
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Prepaid Items	0	0	0	0
 Total Assets	 \$26,057	 \$26,470	 \$221	 \$13,424
 <u>Liabilities:</u>				
Accounts Payable	\$1,633	\$0	\$0	\$0
Accrued Salaries and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	1,785
Interfund Payable	0	0	0	0
Due to Other Funds	0	0	0	0
 Total Liabilities	 1,633	 0	 0	 1,785
 <u>Fund Equity:</u>				
Fund Balances:				
Reserved for Encumbrances	18,011	13,270	0	160
Reserved for Inventory	0	0	0	0
Unreserved:				
Undesignated (Deficits)	6,413	13,200	221	11,479
 Total Fund Equity (Deficit)	 24,424	 26,470	 221	 11,639
 Total Liabilities and Fund Equity	 \$26,057	 \$26,470	 \$221	 \$13,424

<u>Title III</u>	<u>Title VI</u>	<u>Drug Free Grant</u>	<u>Telecom- munications E-Rate</u>	<u>Special Education</u>	<u>Vocational Education</u>	<u>Preschool</u>
\$14,283	\$16,659	\$4,314	\$85,018	\$375,611	\$41,923	\$79,507
0	0	0	0	0	0	227
0	0	0	0	32,038	0	40,295
0	0	0	0	0	0	0
0	0	0	0	9,260	0	2,074
<u>\$14,283</u>	<u>\$16,659</u>	<u>\$4,314</u>	<u>\$85,018</u>	<u>\$416,909</u>	<u>\$41,923</u>	<u>\$122,103</u>
\$0	\$0	\$0	\$0	\$2,922	\$2,515	\$1,570
0	0	0	0	208,199	6,312	21,592
0	0	0	0	50,298	1,620	3,154
0	0	0	0	3,000	2,600	0
0	0	0	0	2,148	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>266,567</u>	<u>13,047</u>	<u>26,316</u>
0	44	1,952	0	14,623	12,334	5,235
0	0	0	0	0	0	0
<u>14,283</u>	<u>16,615</u>	<u>2,362</u>	<u>85,018</u>	<u>135,719</u>	<u>16,542</u>	<u>90,552</u>
<u>14,283</u>	<u>16,659</u>	<u>4,314</u>	<u>85,018</u>	<u>150,342</u>	<u>28,876</u>	<u>95,787</u>
<u>\$14,283</u>	<u>\$16,659</u>	<u>\$4,314</u>	<u>\$85,018</u>	<u>\$416,909</u>	<u>\$41,923</u>	<u>\$122,103</u>

(Continued)

Lancaster City School District, Ohio

Combining Balance Sheet

All Special Revenue Funds

June 30, 2000

(Continued)

	Reducing Class Size	Ohio Family Literacy	Totals
<u>Assets:</u>			
Cash and Cash Equivalents	\$2,338	\$36	\$1,129,408
Receivables:			
Accounts	0	0	4,039
Intergovernmental	0	0	72,733
Materials and Supplies Inventory	0	0	7,402
Prepaid Items	1,248	0	14,680
 Total Assets	 \$3,586	 \$36	 \$1,228,262
<u>Liabilities:</u>			
Accounts Payable	\$0	\$36	\$79,579
Accrued Salaries and Benefits Payable	19,282	0	285,520
Intergovernmental Payable	3,030	0	64,996
Interfund Payable	0	0	8,000
Due to Other Funds	0	0	2,148
 Total Liabilities	 22,312	 36	 440,243
<u>Fund Equity:</u>			
Fund Balances:			
Reserved for Encumbrances	0	0	110,659
Reserved for Inventory	0	0	7,402
Unreserved:			
Undesignated (Deficits)	(18,726)	0	669,958
 Total Fund Equity (Deficit)	 (18,726)	 0	 788,019
 Total Liabilities and Fund Equity	 \$3,586	 \$36	 \$1,228,262

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

	Public School Support	Community Grants	School Improvement Models	District Managed Student Activity	Auxiliary Services
Revenues:					
Intergovernmental	\$0	\$0	\$100,000	\$0	\$557,096
Tuition and Fees	0	0	0	0	0
Rent	85	0	0	0	0
Extracurricular Activities	56,727	0	0	288,386	0
Gifts and Donations	5,099	50,252	0	0	0
Miscellaneous	0	0	0	72	0
Total Revenues	61,911	50,252	100,000	288,458	557,096
Expenditures:					
Current:					
Instruction:					
Regular	38,781	18,579	38,340	0	0
Special	0	0	0	0	0
Vocational	0	0	0	0	0
Adult/Continuing	0	3,788	0	0	0
Support Services:					
Pupils	1,717	0	0	0	0
Instructional Staff	20	1,736	72,351	0	0
Administration	14,335	0	0	0	0
Fiscal	0	0	0	0	0
Business	194	0	0	0	0
Operation and Maintenance of Plant	338	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	8,715	0	0	0	512,363
Extracurricular Activities	616	0	0	299,482	0
Capital Outlay	0	20,430	0	0	0
Total Expenditures	64,716	44,533	110,691	299,482	512,363
Excess of Revenues Over (Under) Expenditures	(2,805)	5,719	(10,691)	(11,024)	44,733
Fund Balances (Deficits) at Beginning of Year	64,006	7,878	29,485	99,551	34,014
Increase in Reserve for Inventory	1,465	0	0	0	0
Fund Balances (Deficit) at End of Year	\$62,666	\$13,597	\$18,794	\$88,527	\$78,747

(Continued)

Lancaster City School District, Ohio
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2000
(Continued)

	Consumer and Economic Education	Teacher Development	Gifted Education	Educational Management Information Systems
<u>Revenues:</u>				
Intergovernmental	\$10,830	\$36,912	\$0	\$18,326
Tuition and Fees	0	0	0	0
Rent	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenues	10,830	36,912	0	18,326
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	1,612	0
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	0	0	247	0
Instructional Staff	9,208	15,676	0	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	17,419
Operation of Non-Instructional Services				
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	9,208	15,676	1,859	17,419
Excess of Revenues Over (Under) Expenditures	1,622	21,236	(1,859)	907
Fund Balances (Deficits) at Beginning of Year	(717)	7,431	1,859	26,697
Increase in Reserve for Inventory	0	0	0	0
Fund Balances (Deficit) at End of Year	\$905	\$28,667	\$0	\$27,604

SchoolNet Professional Development	Data Communications	Ohio Reads	Reading Improvement Grant	Safe Schools Hotline	Adult Basic Education	Title III
\$1,000	\$28,205	\$194,000	\$25,000	\$6,204	\$114,787	\$9,345
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,000	28,205	194,000	25,000	6,204	114,787	9,345
0	0	88,124	9,849	0	0	18,101
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	58,708	0
0	0	0	0	0	9,101	0
0	0	81,452	0	0	34,999	1,280
0	0	0	0	0	5,115	0
0	0	0	0	0	1,254	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	42,450	0	0	5,983	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	42,450	169,576	9,849	5,983	109,177	19,381
1,000	(14,245)	24,424	15,151	221	5,610	(10,036)
0	42,450	0	11,319	0	6,029	24,319
0	0	0	0	0	0	0
<u>\$1,000</u>	<u>\$28,205</u>	<u>\$24,424</u>	<u>\$26,470</u>	<u>\$221</u>	<u>\$11,639</u>	<u>\$14,283</u>

(Continued)

Lancaster City School District, Ohio
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2000
(Continued)

	Title VI	Drug Free Grant	Telecom- munications E-Rate	Special Education
<u>Revenues:</u>				
Intergovernmental	\$47,230	\$30,962	\$57,894	\$1,939,380
Tuition and Fees	0	0	0	0
Rent	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenues	47,230	30,962	57,894	1,939,380
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	0	0	0
Special	5,208	0	0	1,230,422
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	20,050	27,202	0	126,620
Instructional Staff	0	0	0	357,678
Administration	0	0	4,022	91,048
Fiscal	0	0	0	18,303
Business	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	5,653	1,349	0	27,862
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	30,911	28,551	4,022	1,851,933
Excess of Revenues Over (Under) Expenditures	16,319	2,411	53,872	87,447
Fund Balances (Deficits) at Beginning of Year	340	1,903	31,146	62,895
Increase in Reserve for Inventory	0	0	0	0
Fund Balances (Deficit) at End of Year	<u>\$16,659</u>	<u>\$4,314</u>	<u>\$85,018</u>	<u>\$150,342</u>

Vocational Education	Preschool	Library Automation	Reducing Class Size	Ohio Family Literacy	Totals
\$168,699	\$225,408	\$0	\$117,647	\$5,000	\$3,693,925
0	20,255	0	0	0	20,255
0	0	0	0	0	85
0	0	0	0	0	345,113
0	0	0	0	0	55,351
0	0	0	0	0	72
<u>168,699</u>	<u>245,663</u>	<u>0</u>	<u>117,647</u>	<u>5,000</u>	<u>4,114,801</u>
0	79,662	0	136,373	2,350	430,159
0	766	0	0	0	1,238,008
47,868	0	0	0	0	47,868
0	0	0	0	0	62,496
32,886	28,720	0	0	0	246,543
30,854	46,511	7	0	2,650	654,422
5,601	15,649	0	0	0	135,770
0	187	0	0	0	19,744
0	0	0	0	0	194
0	6,869	0	0	0	7,207
0	23,433	0	0	0	23,433
19,681	446	0	0	0	85,979
0	0	0	0	0	555,942
0	0	0	0	0	300,098
0	0	0	0	0	20,430
<u>136,890</u>	<u>202,243</u>	<u>7</u>	<u>136,373</u>	<u>5,000</u>	<u>3,828,293</u>
31,809	43,420	(7)	(18,726)	0	286,508
(2,933)	52,367	7	0	0	500,046
0	0	0	0	0	1,465
<u>\$28,876</u>	<u>\$95,787</u>	<u>\$0</u>	<u>(\$18,726)</u>	<u>\$0</u>	<u>\$788,019</u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Public School Support Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Tuition and Fees	\$5,600	\$0	(\$5,600)
Rent	2,100	85	(2,015)
Extracurricular Activities	110,520	56,327	(54,193)
Gifts and Donations	17,000	5,099	(11,901)
Total Revenues	135,220	61,511	(73,709)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased Services	26,700	16,200	10,500
Materials and Supplies	81,929	25,341	56,588
Capital Outlay - New	7,598	2,142	5,456
Capital Outlay - Replacement	3,500	0	3,500
Other	850	650	200
Total Regular	120,577	44,333	76,244
Support Services:			
Pupils:			
Purchased Services	5,400	1,717	3,683
Materials and Supplies	100	0	100
Capital Outlay - Replacement	1,000	0	1,000
Total Pupils	6,500	1,717	4,783
Instructional Staff:			
Purchased Services	400	0	400
Materials and Supplies	1,905	20	1,885
Total Instructional Staff	2,305	20	2,285
Administration:			
Purchased Services	9,599	5,398	4,201
Materials and Supplies	8,568	3,550	5,018
Capital Outlay - New	4,600	0	4,600
Capital Outlay - Replacement	1,700	0	1,700
Other	12,483	5,484	6,999
Total Administration	36,950	14,432	22,518
Business:			
Purchased Services	200	194	6
Total Business	\$200	\$194	\$6

(Continued)

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Public School Support Fund
For the Fiscal Year Ended June 30, 2000
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation and Maintenance of Plant:			
Purchased Services	\$1,600	\$407	\$1,193
Capital Outlay - Replacement	1,000	0	1,000
Total Operation and Maintenance of Plant	2,600	407	2,193
 Total Support Services	 48,555	 16,770	 31,785
Operation of Non-Instructional Services:			
Food Service Operations:			
Purchased Services	200	0	200
Materials and Supplies	23,360	9,511	13,849
Total Food Service Operations	23,560	9,511	14,049
Community Services:			
Materials and Supplies	379	61	318
Total Community Services	379	61	318
Total Operation of Non-Instructional Services	23,939	9,572	14,367
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Materials and Supplies	1,200	0	1,200
Total Academic and Subject Oriented Activities	1,200	0	1,200
School and Public Service Co-Curricular Activities:			
Other	900	616	284
Total School and Public Service Co-Curricular Activities	900	616	284
Total Extracurricular Activities	2,100	616	1,484
Capital Outlay:			
Other Facilities Acquisition and Construction Services:			
Materials and Supplies	\$148	\$0	\$148

(Continued)

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Public School Support Fund
For the Fiscal Year Ended June 30, 2000
(Continued)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total Other Facilities Acquisition and Construction Services	<u>\$148</u>	<u>\$0</u>	<u>\$148</u>
Total Capital Outlay	<u>148</u>	<u>0</u>	<u>148</u>
Total Expenditures	<u>195,319</u>	<u>71,291</u>	<u>124,028</u>
Excess of Revenues Under Expenditures	(60,099)	(9,780)	50,319
<u>Other Financing Sources:</u>			
Operating Transfer In	<u>1,000</u>	<u>0</u>	<u>(1,000)</u>
Excess of Revenues and Other Financing Sources Under Expenditures	(59,099)	(9,780)	49,319
Fund Balance at Beginning of Year	44,901	44,901	0
Prior Year Encumbrances Appropriated	<u>14,198</u>	<u>14,198</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$49,319</u></u>	<u><u>\$49,319</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Community Grants Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Gifts and Donations	<u>\$49,192</u>	<u>\$50,252</u>	<u>\$1,060</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	9,270	8,394	876
Fringe Benefits	1,662	1,297	365
Purchased Services	278	278	0
Materials and Supplies	16,159	8,449	7,710
Other	<u>161</u>	<u>161</u>	<u>0</u>
Total Regular	<u>27,530</u>	<u>18,579</u>	<u>8,951</u>
Adult/Continuing:			
Salaries and Wages	4,320	3,112	1,208
Fringe Benefits	<u>713</u>	<u>590</u>	<u>123</u>
Total Adult/Continuing	<u>5,033</u>	<u>3,702</u>	<u>1,331</u>
Total Instruction	<u>32,563</u>	<u>22,281</u>	<u>10,282</u>
Support Services:			
Instructional Staff:			
Purchased Services	1,730	1,702	28
Materials and Supplies	<u>500</u>	<u>34</u>	<u>466</u>
Total Instructional Staff	<u>2,230</u>	<u>1,736</u>	<u>494</u>
Capital Outlay:			
Site Improvement Services:			
Capital Outlay - New	<u>20,000</u>	<u>20,000</u>	<u>0</u>
Total Site Improvement Services:	<u>20,000</u>	<u>20,000</u>	<u>0</u>
Architecture and Engineering Services:			
Purchased Services	<u>\$2,277</u>	<u>\$2,238</u>	<u>\$39</u>

(Continued)

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Community Grants Fund
For the Fiscal Year Ended June 30, 2000
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Total Architecture and Engineering Services	<u>\$2,277</u>	<u>\$2,238</u>	<u>\$39</u>
Total Capital Outlay	<u>22,277</u>	<u>22,238</u>	<u>39</u>
Total Expenditures	<u>57,070</u>	<u>46,255</u>	<u>10,815</u>
Excess of Revenues Over (Under) Expenditures	(7,878)	3,997	11,875
Fund Balance at Beginning of Year	7,606	7,606	0
Prior Year Encumbrances Appropriated	<u>272</u>	<u>272</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$11,875</u></u>	<u><u>\$11,875</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
School Improvement Models Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$100,000	\$100,000	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	36,852	36,705	147
Capital Outlay - New	2,362	2,362	0
Total Regular	39,214	39,067	147
Support Services:			
Instructional Staff:			
Salaries and Wages	18,240	9,431	8,809
Fringe Benefits	2,535	1,412	1,123
Purchased Services	44,098	38,905	5,193
Materials and Supplies	20,902	20,475	427
Capital Outlay - New	5,892	5,892	0
Total Instructional Staff	91,667	76,115	15,552
Total Expenditures	130,881	115,182	15,699
Excess of Revenues Under Expenditures	(30,881)	(15,182)	15,699
Fund Balance at Beginning of Year	25,561	25,561	0
Prior Year Encumbrances Appropriated	5,320	5,320	0
Fund Balance at End of Year	\$0	\$15,699	\$15,699

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
District Managed Student Activity Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Extracurricular Activities	\$428,600	\$285,894	(\$142,706)
Miscellaneous	0	72	72
	<u>428,600</u>	<u>285,966</u>	<u>(142,634)</u>
Total Revenues			
<u>Expenditures:</u>			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Purchased Services	124,858	8,639	116,219
Materials and Supplies	41,145	17,923	23,222
Capital Outlay - New	19,420	2,115	17,305
Capital Outlay - Replacement	16,914	0	16,914
Other	22,693	9,573	13,120
	<u>225,030</u>	<u>38,250</u>	<u>186,780</u>
Total Academic and Subject Oriented Activities			
Sports Oriented Activities:			
Salaries and Wages	19,661	15,613	4,048
Purchased Services	71,559	59,620	11,939
Materials and Supplies	144,853	136,708	8,145
Capital Outlay - Replacement	36,699	36,199	500
Other	20,108	17,682	2,426
	<u>292,880</u>	<u>265,822</u>	<u>27,058</u>
Total Sports Oriented Activities			
School and Public Service Co-Curricular Activities:			
Purchased Services	8,800	7,488	1,312
Materials and Supplies	10,903	4,263	6,640
Other	2,000	0	2,000
	<u>21,703</u>	<u>11,751</u>	<u>9,952</u>
Total School and Public Service Co-Curricular Activities			
Total Extracurricular Activities	<u>\$539,613</u>	<u>\$315,823</u>	<u>\$223,790</u>

(Continued)

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
District Managed Student Activity Fund
For the Fiscal Year Ended June 30, 2000
(Continued)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total Expenditures	<u>\$539,613</u>	<u>\$315,823</u>	<u>\$223,790</u>
Excess of Revenues Under Expenditures	(111,013)	(29,857)	81,156
<u>Other Financing Sources:</u>			
Operating Transfer In	<u>10,500</u>	<u>0</u>	<u>(10,500)</u>
Excess of Revenues and Other Financing Sources Under Expenditures	(100,513)	(29,857)	70,656
Fund Balance at Beginning of Year	95,109	95,109	0
Prior Year Encumbrances Appropriated	<u>5,404</u>	<u>5,404</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$70,656</u></u>	<u><u>\$70,656</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$557,096</u>	<u>\$557,096</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	197,673	170,398	27,275
Fringe Benefits	52,997	47,649	5,348
Purchased Services	41,394	34,449	6,945
Materials and Supplies	285,523	228,924	56,599
Capital Outlay - New	4,886	4,792	94
Other	<u>42,180</u>	<u>42,180</u>	<u>0</u>
Total Community Services	<u>624,653</u>	<u>528,392</u>	<u>96,261</u>
Total Expenditures	<u>624,653</u>	<u>528,392</u>	<u>96,261</u>
Excess of Revenues Over (Under) Expenditures	(67,557)	28,704	96,261
Fund Balance at Beginning of Year	47,589	47,589	0
Prior Year Encumbrances Appropriated	<u>19,968</u>	<u>19,968</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$96,261</u></u>	<u><u>\$96,261</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Consumer and Economic Education Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$13,230</u>	<u>\$10,830</u>	<u>(\$2,400)</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	234	234	0
Materials and Supplies	<u>12,279</u>	<u>12,279</u>	<u>0</u>
Total Instructional Staff	<u>12,513</u>	<u>12,513</u>	<u>0</u>
Total Expenditures	<u>12,513</u>	<u>12,513</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>717</u>	<u>(1,683)</u>	<u>(2,400)</u>
<u>Other Financing Sources (Uses):</u>			
Advances In	0	2,400	2,400
Advances Out	<u>(1,500)</u>	<u>(1,500)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(1,500)</u>	<u>900</u>	<u>2,400</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(783)	(783)	0
Fund Balance at Beginning of Year	40	40	0
Prior Year Encumbrances Appropriated	<u>743</u>	<u>743</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Teacher Development Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$36,912</u>	<u>\$36,912</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	20,283	11,098	9,185
Materials and Supplies	6,162	2,840	3,322
Capital Outlay - New	<u>16,738</u>	<u>1,738</u>	<u>15,000</u>
Total Instructional Staff	<u>43,183</u>	<u>15,676</u>	<u>27,507</u>
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	1,135	0	1,135
Other	<u>25</u>	<u>0</u>	<u>25</u>
Total Community Services	<u>1,160</u>	<u>0</u>	<u>1,160</u>
Total Expenditures	<u>44,343</u>	<u>15,676</u>	<u>28,667</u>
Excess of Revenues Over (Under) Expenditures	(7,431)	21,236	28,667
Fund Balance at Beginning of Year	<u>7,431</u>	<u>7,431</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$28,667</u></u>	<u><u>\$28,667</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Gifted Education Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Materials and Supplies	1,509	1,509	0
Other	963	963	0
Total Special	2,472	2,472	0
Support Services:			
Pupils			
Materials and Supplies	247	247	0
Total Pupils	247	247	0
Total Expenditures	2,719	2,719	0
Excess of Revenues Under Expenditures	(2,719)	(2,719)	0
Fund Balance at Beginning of Year	70	70	0
Prior Year Encumbrances Appropriated	2,649	2,649	0
Fund Balance at End of Year	\$0	\$0	\$0

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Educational Management Information Systems Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$18,112	\$18,326	\$214
<u>Expenditures:</u>			
Current:			
Support Services:			
Central:			
Salaries and Wages	19,064	15,829	3,235
Purchased Services	8,719	0	8,719
Materials and Supplies	8,591	0	8,591
Capital Outlay - New	8,780	924	7,856
Total Central	45,154	16,753	28,401
Total Expenditures	45,154	16,753	28,401
Excess of Revenues Over (Under) Expenditures	(27,042)	1,573	28,615
Fund Balance at Beginning of Year	27,042	27,042	0
Fund Balance at End of Year	\$0	\$28,615	\$28,615

Lancaster City School District, Ohio
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual (Budget Basis)
 SchoolNet Professional Development Fund
 For the Fiscal Year Ended June 30, 20000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$0	\$1,000	\$1,000
<u>Expenditures:</u>			
Total Expenditures	0	0	0
Excess of Revenues Over Expenditures	0	1,000	1,000
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$1,000	\$1,000

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Data Communications Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$28,205</u>	<u>\$28,205</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Central:			
Purchased Services	<u>65,590</u>	<u>37,385</u>	<u>28,205</u>
Total Central	<u>65,590</u>	<u>37,385</u>	<u>28,205</u>
Total Expenditures	<u>65,590</u>	<u>37,385</u>	<u>28,205</u>
Excess of Revenues Under Expenditures	(37,385)	(9,180)	28,205
Fund Balance at Beginning of Year	<u>37,385</u>	<u>37,385</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$28,205</u></u>	<u><u>\$28,205</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Ohio Reads Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$194,000</u>	<u>\$194,000</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased Services	42,319	42,319	0
Materials and Supplies	62,274	62,256	18
Other	<u>400</u>	<u>400</u>	<u>0</u>
Total Regular	<u>104,993</u>	<u>104,975</u>	<u>18</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	7,048	5,238	1,810
Purchased Services	80,240	75,655	4,585
Capital Outlay - New	<u>1,719</u>	<u>1,719</u>	<u>0</u>
Total Instructional Staff	<u>89,007</u>	<u>82,612</u>	<u>6,395</u>
Total Expenditures	<u>194,000</u>	<u>187,587</u>	<u>6,413</u>
Excess of Revenues Over Expenditures	0	6,413	6,413
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$6,413</u></u>	<u><u>\$6,413</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Reading Improvement Grant Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$25,000	\$25,000	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	31,214	29,764	1,450
Capital Outlay - New	20	0	20
Total Regular	31,234	29,764	1,470
Total Expenditures	31,234	29,764	1,470
Excess of Revenues Under Expenditures	(6,234)	(4,764)	1,470
Fund Balance at Beginning of Year	480	480	0
Prior Year Encumbrances Appropriated	30,754	30,754	0
Fund Balance at End of Year	\$25,000	\$26,470	\$1,470

Lancaster City School District, Ohio
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual (Budget Basis)
 Safe Schools Hotline Fund
 For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$6,204	\$6,204	\$0
<u>Expenditures:</u>			
Current:			
Support Services:			
Central:			
Purchased Services	6,204	5,983	221
Total Central	6,204	5,983	221
Total Expenditures	6,204	5,983	221
Excess of Revenues Over Expenditures	0	221	221
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$221	\$221

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Adult Basic Education Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$131,433</u>	<u>\$114,787</u>	<u>(\$16,646)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Adult/Continuing:			
Salaries and Wages	56,448	43,351	13,097
Fringe Benefits	9,218	6,628	2,590
Materials and Supplies	<u>10,259</u>	<u>8,345</u>	<u>1,914</u>
Total Adult/Continuing	<u>75,925</u>	<u>58,324</u>	<u>17,601</u>
Support Services:			
Pupils:			
Salaries and Wages	6,983	6,504	479
Fringe Benefits	1,082	922	160
Purchased Services	1,739	1,694	45
Other	<u>250</u>	<u>249</u>	<u>1</u>
Total Pupils	<u>10,054</u>	<u>9,369</u>	<u>685</u>
Instructional Staff:			
Salaries and Wages	30,014	24,933	5,081
Fringe Benefits	4,942	3,765	1,177
Purchased Services	4,988	4,824	164
Materials and Supplies	1,042	886	156
Capital Outlay - New	600	391	209
Other	<u>250</u>	<u>185</u>	<u>65</u>
Total Instructional Staff	<u>41,836</u>	<u>34,984</u>	<u>6,852</u>
Administration:			
Purchased Services	400	400	0
Materials and Supplies	500	418	82
Capital Outlay - New	<u>4,300</u>	<u>4,297</u>	<u>3</u>
Total Administration	<u>5,200</u>	<u>5,115</u>	<u>85</u>
Fiscal:			
Other	<u>\$5,942</u>	<u>\$1,254</u>	<u>\$4,688</u>
			(Continued)

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Adult Basic Education Fund
For the Fiscal Year Ended June 30, 2000
(Continued)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total Fiscal	<u>\$5,942</u>	<u>\$1,254</u>	<u>\$4,688</u>
Total Support Services	<u>63,032</u>	<u>50,722</u>	<u>12,310</u>
Total Expenditures	<u>138,957</u>	<u>109,046</u>	<u>29,911</u>
Excess of Revenues Over (Under) Expenditures	(7,524)	5,741	13,265
Fund Balance at Beginning of Year	5,483	5,483	0
Prior Year Encumbrances Appropriated	<u>2,041</u>	<u>2,041</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$13,265</u></u>	<u><u>\$13,265</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Title III Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$0</u>	<u>\$9,345</u>	<u>\$9,345</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased Services	4,500	2,036	2,464
Materials and Supplies	4,707	2,233	2,474
Capital Outlay - New	<u>16,913</u>	<u>16,913</u>	<u>0</u>
Total Regular Instruction	<u>26,120</u>	<u>21,182</u>	<u>4,938</u>
Support Services:			
Instructional Staff:			
Purchased Services	918	918	0
Materials and Supplies	<u>362</u>	<u>362</u>	<u>0</u>
Total Instructional Staff	<u>1,280</u>	<u>1,280</u>	<u>0</u>
Total Expenditures	<u>27,400</u>	<u>22,462</u>	<u>4,938</u>
Excess of Revenues Under Expenditures	(27,400)	(13,117)	14,283
Fund Balance at Beginning of Year	22,563	22,563	0
Prior Year Encumbrances Appropriated	<u>4,837</u>	<u>4,837</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$14,283</u></u>	<u><u>\$14,283</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Title VI Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$47,230</u>	<u>\$47,230</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and Wages	<u>5,208</u>	<u>5,208</u>	<u>0</u>
Total Instruction	<u>5,208</u>	<u>5,208</u>	<u>0</u>
Support Services:			
Pupils:			
Salaries and Wages	<u>36,277</u>	<u>20,050</u>	<u>16,227</u>
Total Support Services	<u>36,277</u>	<u>20,050</u>	<u>16,227</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	344	300	44
Materials and Supplies	<u>5,742</u>	<u>5,397</u>	<u>345</u>
Total Community Services	<u>6,086</u>	<u>5,697</u>	<u>389</u>
Total Expenditures	<u>47,571</u>	<u>30,955</u>	<u>16,616</u>
Excess of Revenues Over (Under) Expenditures	(341)	16,275	16,616
Fund Balance at Beginning of Year	41	41	0
Prior Year Encumbrances Appropriated	<u>300</u>	<u>300</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$16,616</u>	<u>\$16,616</u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Drug Free Grant Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$30,962</u>	<u>\$30,962</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Pupils:			
Purchased Services	27,200	27,200	0
Other	<u>2</u>	<u>2</u>	<u>0</u>
Total Pupils	<u>27,202</u>	<u>27,202</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	1,277	0	1,277
Materials and Supplies	<u>5,711</u>	<u>4,634</u>	<u>1,077</u>
Total Community Services	<u>6,988</u>	<u>4,634</u>	<u>2,354</u>
Total Expenditures	<u>34,190</u>	<u>31,836</u>	<u>2,354</u>
Excess of Revenues Under Expenditures	(3,228)	(874)	2,354
Fund Balance at Beginning of Year	916	916	0
Prior Year Encumbrances Appropriated	<u>2,312</u>	<u>2,312</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$2,354</u></u>	<u><u>\$2,354</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Telecommunications E-Rate Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$60,333</u>	<u>\$60,878</u>	<u>\$545</u>
 <u>Expenditures:</u>			
Current:			
Support Services:			
Administration:			
Purchased Services	<u>88,495</u>	<u>4,022</u>	<u>84,473</u>
Total Administration	<u>88,495</u>	<u>4,022</u>	<u>84,473</u>
Total Expenditures	<u>88,495</u>	<u>4,022</u>	<u>84,473</u>
Excess of Revenues Over (Under) Expenditures	(28,162)	56,856	85,018
Fund Balance at Beginning of Year	<u>28,162</u>	<u>28,162</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$85,018</u></u>	<u><u>\$85,018</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Title VI-B Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	<u>\$297,731</u>	<u>\$265,734</u>	<u>(\$31,997)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Materials and Supplies	<u>684</u>	<u>684</u>	<u>0</u>
Total Special	<u>684</u>	<u>684</u>	<u>0</u>
Support Services:			
Pupils:			
Salaries and Wages	11,873	11,873	0
Fringe Benefits	1,950	1,950	0
Purchased Services	114,879	102,967	11,912
Materials and Supplies	5,655	3,954	1,701
Capital Outlay - New	<u>10,908</u>	<u>9,474</u>	<u>1,434</u>
Total Pupils	<u>145,265</u>	<u>130,218</u>	<u>15,047</u>
Instructional Staff:			
Salaries and Wages	40,850	33,034	7,816
Fringe Benefits	<u>24,920</u>	<u>24,064</u>	<u>856</u>
Total Instructional Staff	<u>65,770</u>	<u>57,098</u>	<u>8,672</u>
Administration:			
Salaries and Wages	11,790	10,209	1,581
Fringe Benefits	4,859	4,506	353
Purchased Services	<u>78,208</u>	<u>78,208</u>	<u>0</u>
Total Administration	<u>94,857</u>	<u>92,923</u>	<u>1,934</u>
Fiscal:			
Other	<u>400</u>	<u>400</u>	<u>0</u>
Total Fiscal	<u>400</u>	<u>400</u>	<u>0</u>
Total Support Services	<u>\$306,292</u>	<u>\$280,639</u>	<u>\$25,653</u>

(Continued)

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Title VI-B Fund
For the Fiscal Year Ended June 30, 2000
(Continued)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	\$18,826	\$16,009	\$2,817
Fringe Benefits	171	171	0
Purchased Services	<u>2,000</u>	<u>1,374</u>	<u>626</u>
Total Community Services	<u>20,997</u>	<u>17,554</u>	<u>3,443</u>
Total Expenditures	<u>327,973</u>	<u>298,877</u>	<u>29,096</u>
Excess of Revenues Under Expenditures	(30,242)	(33,143)	(2,901)
<u>Other Financing Sources:</u>			
Advances In	<u>0</u>	<u>3,000</u>	<u>3,000</u>
Excess of Revenues and Other Financing Sources Under Expenditures	(30,242)	(30,143)	99
Fund Balance at Beginning of Year	63	63	0
Prior Year Encumbrances Appropriated	<u>30,179</u>	<u>30,179</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$99</u></u>	<u><u>\$99</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Title I Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$1,507,342	\$1,490,489	(\$16,853)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and Wages	780,291	563,636	216,655
Fringe Benefits	156,968	139,996	16,972
Purchased Services	13,062	12,206	856
Materials and Supplies	48,497	47,881	616
Capital Outlay - New	14,964	14,851	113
Total Special	1,013,782	778,570	235,212
Support Services:			
Instructional Staff:			
Salaries and Wages	242,207	191,221	50,986
Fringe Benefits	72,909	67,686	5,223
Purchased Services	15,258	8,238	7,020
Materials and Supplies	32,684	25,650	7,034
Capital Outlay - New	8,725	3,525	5,200
Total Instructional Staff	371,783	296,320	75,463
Administration:			
Salaries and Wages	9,861	9,861	0
Fringe Benefits	2,080	2,080	0
Purchased Services	145	145	0
Total Administration	12,086	12,086	0
Fiscal:			
Other	30,903	17,903	13,000
Total Fiscal	30,903	17,903	13,000
Total Support Services	\$414,772	\$326,309	\$88,463

(Continued)

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Title I Fund
For the Fiscal Year Ended June 30, 2000
(Continued)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	\$8,148	\$5,413	\$2,735
Fringe Benefits	2,897	2,612	285
Purchased Services	75	75	0
Materials and Supplies	1,854	1,843	11
Total Community Services	<u>12,974</u>	<u>9,943</u>	<u>3,031</u>
Total Expenditures	<u>1,441,528</u>	<u>1,114,822</u>	<u>326,706</u>
Excess of Revenues Over Expenditures	65,814	375,667	309,853
<u>Other Financing Uses:</u>			
Advances Out	<u>(90,000)</u>	<u>(90,000)</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	(24,186)	285,667	309,853
Fund Balance at Beginning of Year	23,249	23,249	0
Prior Year Encumbrances Appropriated	<u>937</u>	<u>937</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$309,853</u></u>	<u><u>\$309,853</u></u>

Lancaster City School District, Ohio
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual (Budget Basis)
 Disadvantaged Pupil Impact Aid Fund
 For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$508,237</u>	<u>\$471,160</u>	<u>(\$37,077)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and Wages	447,872	388,256	59,616
Fringe Benefits	<u>62,703</u>	<u>54,346</u>	<u>8,357</u>
Total Special	<u>510,575</u>	<u>442,602</u>	<u>67,973</u>
Total Expenditures	<u>510,575</u>	<u>442,602</u>	<u>67,973</u>
Excess of Revenues Over (Under) Expenditures	(2,338)	28,558	30,896
Fund Balance at Beginning of Year	<u>2,338</u>	<u>2,338</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$30,896</u></u>	<u><u>\$30,896</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Career Development Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$31,462</u>	<u>\$27,215</u>	<u>(\$4,247)</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	2,554	854	1,700
Fringe Benefits	119	119	0
Purchased Services	1,510	1,492	18
Materials and Supplies	<u>26,093</u>	<u>26,089</u>	<u>4</u>
Total Instructional Staff	<u>30,276</u>	<u>28,554</u>	<u>1,722</u>
Total Expenditures	<u>30,276</u>	<u>28,554</u>	<u>1,722</u>
Excess of Revenues Over (Under) Expenditures	<u>1,186</u>	<u>(1,339)</u>	<u>(2,525)</u>
<u>Other Financing Sources (Uses):</u>			
Advances In	0	2,600	2,600
Advances Out	<u>(4,105)</u>	<u>(4,105)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(4,105)</u>	<u>(1,505)</u>	<u>2,600</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(2,919)	(2,844)	75
Fund Balance at Beginning of Year	1,929	1,929	0
Prior Year Encumbrances Appropriated	<u>990</u>	<u>990</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$75</u>	<u>\$75</u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Vocational Education Professional Development Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$53,155	\$53,155	\$0
<u>Expenditures:</u>			
Current:			
Instrution:			
Vocational:			
Materials and Supplies	13,325	11,790	1,535
Capital Outlay - New	12,922	12,910	12
Capital Outlay - Replacement	3,753	3,710	43
Total Vocational	30,000	28,410	1,590
Total Expenditures	30,000	28,410	1,590
Excess of Revenues Over Expenditures	23,155	24,745	1,590
<u>Other Financing Uses:</u>			
Advances Out	(23,155)	(23,155)	0
Excess of Revenues Over Expenditures and Other Financing Uses	0	1,590	1,590
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$1,590	\$1,590

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Vocational Education Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$121,166	\$104,526	(\$16,640)
<u>Expenditures:</u>			
Current:			
Instruction:			
Vocational:			
Salaries and Wages	12,000	11,681	319
Fringe Benefits	2,000	1,805	195
Materials and Supplies	6,611	5,880	731
Capital Outlay - New	25,838	25,027	811
Total Vocational	46,449	44,393	2,056
Support Services:			
Pupils:			
Salaries and Wages	32,946	26,571	6,375
Materials and Supplies	2,982	982	2,000
Capital Outlay - New	389	389	0
Total Pupils	36,317	27,942	8,375
Instructional Staff:			
Purchased Services	5,800	3,258	2,542
Total Instructional Staff	5,800	3,258	2,542
Administration:			
Salaries and Wages	4,489	4,489	0
Fringe Benefits	1,112	1,112	0
Total Administration	5,601	5,601	0
Central:			
Purchased Services	30,598	16,747	13,851
Materials and Supplies	4,887	2,934	1,953
Total Central	35,485	19,681	15,804
Total Support Services	\$83,203	\$56,482	\$26,721

(Continued)

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Vocational Education Fund
For the Fiscal Year Ended June 30, 2000
(Continued)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total Expenditures	<u>\$129,652</u>	<u>\$100,875</u>	<u>\$28,777</u>
Excess of Revenues Over (Under) Expenditures	(8,486)	3,651	12,137
<u>Other Financing Uses:</u>			
Advances Out	<u>(10,000)</u>	<u>(10,000)</u>	<u>0</u>
Excess of Revenues Under Expenditures and Other Financing Uses	(18,486)	(6,349)	12,137
Fund Balance at Beginning of Year	7,652	7,652	0
Prior Year Encumbrances Appropriated	<u>10,834</u>	<u>10,834</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$12,137</u></u>	<u><u>\$12,137</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Public School Preschool Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$167,648	\$167,648	\$0
Tuition and Fees	12,000	21,038	9,038
Total Revenues	179,648	188,686	9,038
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	71,019	54,054	16,965
Fringe Benefits	18,382	17,862	520
Purchased Services	5,898	1,898	4,000
Materials and Supplies	3,349	3,247	102
Capital Outlay - New	28,044	4,425	23,619
Total Regular	126,692	81,486	45,206
Support Services:			
Pupils:			
Salaries and Wages	4,695	4,082	613
Fringe Benefits	1,532	1,367	165
Purchased Services	4,791	3,994	797
Materials and Supplies	6,676	6,676	0
Capital Outlay - New	5,279	5,279	0
Total Pupils	22,973	21,398	1,575
Instructional Staff:			
Salaries and Wages	30,174	26,252	3,922
Fringe Benefits	16,953	16,444	509
Total Instructional Staff	47,127	42,696	4,431
Administration:			
Salaries and Wages	12,123	10,543	1,580
Fringe Benefits	5,031	4,572	459
Materials and Supplies	576	576	0
Capital Outlay - New	16	16	0
Total Administration	\$17,746	\$15,707	\$2,039

(Continued)

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Public School Preschool Fund
For the Fiscal Year Ended June 30, 2000
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation and Maintenance of Plant:			
Purchased Services	\$6,923	\$6,869	\$54
Total Operation and Maintenance of Plant	6,923	6,869	54
Pupil Transportation:			
Purchased Services	24,933	23,433	1,500
Total Pupil Transportation	24,933	23,433	1,500
Central:			
Purchased Services	273	273	0
Materials and Supplies	250	173	77
Total Central	523	446	77
Total Support Services	120,225	110,549	9,676
Total Expenditures	246,917	192,035	54,882
Excess of Revenues Under Expenditures	(67,269)	(3,349)	63,920
Fund Balance at Beginning of Year	60,835	60,835	0
Prior Year Encumbrances Appropriated	6,434	6,434	0
Fund Balance at End of Year	\$0	\$63,920	\$63,920

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Preschool Handicapped Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$17,468</u>	<u>\$17,468</u>	<u>\$0</u>
 <u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Materials and Supplies	300	300	0
Capital Outlay - New	<u>498</u>	<u>466</u>	<u>32</u>
Total Special	<u>798</u>	<u>766</u>	<u>32</u>
Total Instruction	<u>798</u>	<u>766</u>	<u>32</u>
Support Services:			
Pupils			
Salaries and Wages	11,375	6,238	5,137
Purchased Services	5,835	2,835	3,000
Materials and Supplies	95	95	0
Capital Outlay - New	1,181	1,181	0
Other	<u>1,094</u>	<u>1,094</u>	<u>0</u>
Total Pupils	<u>19,580</u>	<u>11,443</u>	<u>8,137</u>
Instructional Staff:			
Salaries and Wages	3,265	2,941	324
Materials and Supplies	<u>215</u>	<u>215</u>	<u>0</u>
Total Instructional Staff	<u>3,480</u>	<u>3,156</u>	<u>324</u>
Fiscal:			
Other	<u>476</u>	<u>187</u>	<u>289</u>
Total Fiscal	<u>476</u>	<u>187</u>	<u>289</u>
Total Support Services	<u>23,536</u>	<u>14,786</u>	<u>8,750</u>
Total Expenditures	<u>\$24,334</u>	<u>\$15,552</u>	<u>\$8,782</u> (Continued)

Lancaster City School District, Ohio
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual (Budget Basis)
 Preschool Handicapped Fund
 For the Fiscal Year Ended June 30, 2000
 (Continued)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess of Revenues Over (Under) Expenditures	(\$6,866)	\$1,916	\$8,782
Fund Balance at Beginning of Year	<u>6,866</u>	<u>6,866</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$8,782</u></u>	<u><u>\$8,782</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Library Automation Fund
For the Fiscal Year Ended June 30, 2000

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff:			
Capital Outlay - New	7	7	0
Total Instructional Staff	7	7	0
Total Expenditures	7	7	0
Excess of Revenues Under Expenditures	(7)	(7)	0
Fund Balance at Beginning of Year	7	7	0
Fund Balance at End of Year	\$0	\$0	\$0

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Reducing Class Size Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$165,489</u>	<u>\$117,647</u>	<u>(\$47,842)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	109,117	92,329	16,788
Fringe Benefits	26,583	22,980	3,603
Purchased Services	<u>24,825</u>	<u>0</u>	<u>24,825</u>
Total Regular	<u>160,525</u>	<u>115,309</u>	<u>45,216</u>
Fiscal:			
Other	<u>4,964</u>	<u>0</u>	<u>4,964</u>
Total Fiscal	<u>4,964</u>	<u>0</u>	<u>4,964</u>
Total Support Services	<u>4,964</u>	<u>0</u>	<u>4,964</u>
Total Expenditures	<u>165,489</u>	<u>115,309</u>	<u>50,180</u>
Excess of Revenues Over Expenditures	0	2,338	2,338
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$2,338</u></u>	<u><u>\$2,338</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Ohio Family Literacy Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	<u>2,350</u>	<u>2,350</u>	<u>0</u>
Total Regular	<u>2,350</u>	<u>2,350</u>	<u>0</u>
Support Services:			
Instructional Staff:			
Purchased Services	402	402	0
Materials and Supplies	<u>2,248</u>	<u>2,248</u>	<u>0</u>
Total Instructional Staff	<u>2,650</u>	<u>2,650</u>	<u>0</u>
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Excess of Revenues Over Expenditures	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

DEBT SERVICE FUND

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

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

CAPITAL PROJECTS FUNDS

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

Permanent Improvement

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

Computer Network

To account for State revenues awarded the School District from SchoolNet and SchoolNet Plus for the implementation of computer hardware throughout the district.

Textbooks and Instructional Materials

To account for State revenues awarded the School District to provide assistance in purchasing textbooks, instructional software, and other instructional materials.

Lancaster City School District, Ohio

Combining Balance Sheet

All Capital Projects Funds

June 30, 2000

	<u>Permanent Improvement</u>	<u>Computer Network</u>	<u>Textbooks and Instructional Materials</u>	<u>Totals</u>
<u>Assets:</u>				
Cash and Cash Equivalents	<u>\$21,179</u>	<u>\$21,406</u>	<u>\$24,479</u>	<u>\$67,064</u>
Total Assets	<u><u>\$21,179</u></u>	<u><u>\$21,406</u></u>	<u><u>\$24,479</u></u>	<u><u>\$67,064</u></u>
<u>Liabilities:</u>				
Accounts Payable	<u>\$0</u>	<u>\$0</u>	<u>\$200</u>	<u>\$200</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>200</u>	<u>200</u>
<u>Fund Equity:</u>				
Fund Balances:				
Reserved for Encumbrances	0	500	8,627	9,127
Unreserved:				
Undesignated	<u>21,179</u>	<u>20,906</u>	<u>15,652</u>	<u>57,737</u>
Total Fund Equity	<u>21,179</u>	<u>21,406</u>	<u>24,279</u>	<u>66,864</u>
Total Liabilities and Fund Equity	<u><u>\$21,179</u></u>	<u><u>\$21,406</u></u>	<u><u>\$24,479</u></u>	<u><u>\$67,064</u></u>

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

	<u>Permanent Improvement</u>	<u>Computer Network</u>	<u>Textbooks and Instructional Materials</u>	<u>Totals</u>
<u>Revenues:</u>				
Gifts and Donations	\$746	\$0	\$0	\$746
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	4,585	200	4,785
Support Services:				
Instructional Staff	0	4,313	0	4,313
Operation and Maintenance of Plant	0	19,551	0	19,551
Capital Outlay	6,436	2,100	30,090	38,626
Total Expenditures	6,436	30,549	30,290	67,275
Excess of Revenues Under Expenditures	(5,690)	(30,549)	(30,290)	(66,529)
Fund Balances at Beginning of Year	26,869	51,955	54,569	133,393
Fund Balances at End of Year	\$21,179	\$21,406	\$24,279	\$66,864

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Gifts and Donations	<u>\$10,000</u>	<u>\$746</u>	<u>(\$9,254)</u>
<u>Expenditures:</u>			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Capital Outlay - New	<u>12,471</u>	<u>0</u>	<u>12,471</u>
Total Sports Oriented Activities	<u>12,471</u>	<u>0</u>	<u>12,471</u>
Capital Outlay:			
Building Acquisition and Construction Services:			
Capital Outlay - New	<u>27,773</u>	<u>9,811</u>	<u>17,962</u>
Total Building Acquisition and Construction Services	<u>27,773</u>	<u>9,811</u>	<u>17,962</u>
Total Expenditures	<u>40,244</u>	<u>9,811</u>	<u>30,433</u>
Excess of Revenues Under Expenditures	(30,244)	(9,065)	21,179
Fund Balance at Beginning of Year	25,553	25,553	0
Prior Year Encumbrances Appropriated	<u>4,691</u>	<u>4,691</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$21,179</u></u>	<u><u>\$21,179</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Computer Network Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	4,033	4,033	0
Capital Outlay - New	<u>4,200</u>	<u>552</u>	<u>3,648</u>
Total Regular	<u>8,233</u>	<u>4,585</u>	<u>3,648</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	5,919	798	5,121
Purchased Services	7,054	2,035	5,019
Materials and Supplies	2,476	1,979	497
Capital Outlay - New	<u>2,766</u>	<u>2,766</u>	<u>0</u>
Total Instructional Staff	<u>18,215</u>	<u>7,578</u>	<u>10,637</u>
Operation and Maintenance of Plant:			
Purchased Services	25,473	18,852	6,621
Materials and Supplies	<u>699</u>	<u>699</u>	<u>0</u>
Total Operation and Maintenance of Plant	<u>26,172</u>	<u>19,551</u>	<u>6,621</u>
Total Support Services	<u>44,387</u>	<u>27,129</u>	<u>17,258</u>
Total Expenditures	<u>52,620</u>	<u>31,714</u>	<u>20,906</u>
Excess of Revenues Under Expenditures	(52,620)	(31,714)	20,906
Fund Balance at Beginning of Year	34,538	34,538	0
Prior Year Encumbrances Appropriated	<u>18,082</u>	<u>18,082</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$20,906</u></u>	<u><u>\$20,906</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
Textbooks and Instructional Materials Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	34,189	24,887	9,302
Capital Outlay - New	<u>21,368</u>	<u>15,018</u>	<u>6,350</u>
Total Regular	<u>55,557</u>	<u>39,905</u>	<u>15,652</u>
Total Expenditures	<u>55,557</u>	<u>39,905</u>	<u>15,652</u>
Excess of Revenues Under Expenditures	(55,557)	(39,905)	15,652
Fund Balance at Beginning of Year	46,812	46,812	0
Prior Year Encumbrances Appropriated	<u>8,745</u>	<u>8,745</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$15,652</u></u>	<u><u>\$15,652</u></u>

ENTERPRISE FUNDS

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

Food Service

To account for all revenues and expenses related to the provision of food service for the School District.

Uniform School Supplies

To account for the purchase by students of necessary supplies, materials or other school related items in addition to those items provided for general instruction.

Lancaster City School District, Ohio

Combining Balance Sheet

All Enterprise Funds

June 30, 2000

	Food Service	Uniform School Supplies	Totals
<u>Assets:</u>			
Current Assets:			
Cash and Cash Equivalents	\$79,147	\$55,887	\$135,034
Accounts Receivable	499	336	835
Intergovernmental Receivable	69,232	0	69,232
Due from Other Funds	197	0	197
Materials and Supplies Inventory	8,150	0	8,150
Inventory Held for Resale	55,383	2,515	57,898
Prepaid Items	11,467	0	11,467
	<u>224,075</u>	<u>58,738</u>	<u>282,813</u>
Total Current Assets			
Furniture and Equipment	655,129	0	655,129
Less: Accumulated Depreciation	(542,647)	0	(542,647)
	<u>112,482</u>	<u>0</u>	<u>112,482</u>
Total Furniture and Equipment			
Total Assets	<u>\$336,557</u>	<u>\$58,738</u>	<u>\$395,295</u>
<u>Liabilities:</u>			
Current Liabilities:			
Accrued Salaries and Benefits Payable	\$108,553	\$0	\$108,553
Intergovernmental Payable	85,524	0	85,524
Deferred Revenue	39,265	0	39,265
	<u>233,342</u>	<u>0</u>	<u>233,342</u>
Total Current Liabilities			
Long-Term Liabilities:			
Compensated Absences Payable	59,264	0	59,264
	<u>59,264</u>	<u>0</u>	<u>59,264</u>
Total Long-Term Liabilities			
Total Liabilities	<u>292,606</u>	<u>0</u>	<u>292,606</u>
<u>Fund Equity:</u>			
Contributed Capital	54,837	0	54,837
Retained Earnings:			
Unreserved (Deficit)	(10,886)	58,738	47,852
	<u>43,951</u>	<u>58,738</u>	<u>102,689</u>
Total Fund Equity			
Total Liabilities and Fund Equity	<u>\$336,557</u>	<u>\$58,738</u>	<u>\$395,295</u>

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

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total</u>
<u>Revenues:</u>			
Sales	<u>\$885,316</u>	<u>\$53,592</u>	<u>\$938,908</u>
<u>Expenses:</u>			
Salaries	736,736	0	736,736
Fringe Benefits	198,751	0	198,751
Purchased Services	2,116	0	2,116
Materials and Supplies	59,956	0	59,956
Cost of Sales	585,380	59,153	644,533
Other	3,316	0	3,316
Depreciation	<u>16,930</u>	<u>0</u>	<u>16,930</u>
Total Expenses	<u>1,603,185</u>	<u>59,153</u>	<u>1,662,338</u>
Operating Loss	<u>(717,869)</u>	<u>(5,561)</u>	<u>(723,430)</u>
<u>Non-Operating Revenues:</u>			
Federal Donated Commodities	91,207	0	91,207
Operating Grants	561,365	0	561,365
Interest Income	2,815	0	2,815
Other Non-Operating Revenues	<u>4,287</u>	<u>0</u>	<u>4,287</u>
Total Non-Operating Revenues	<u>659,674</u>	<u>0</u>	<u>659,674</u>
Net Loss	(58,195)	(5,561)	(63,756)
Retained Earnings at Beginning of Year	<u>47,309</u>	<u>64,299</u>	<u>111,608</u>
Retained Earnings at End of Year	(10,886)	58,738	47,852
Contributions During the Year:			
Governmental Fund	<u>54,837</u>	<u>0</u>	<u>54,837</u>
Retained Earnings at End of Year	<u>\$43,951</u>	<u>\$58,738</u>	<u>\$102,689</u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenses, and Changes
in Fund Equity - Budget and Actual (Budget Basis)
Food Service Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Sales	\$965,000	\$885,322	(\$79,678)
Interest	0	2,815	2,815
Operating Grants	581,000	579,346	(1,654)
Other Non-Operating Revenues	<u>4,000</u>	<u>3,788</u>	<u>(212)</u>
Total Revenues	<u>1,550,000</u>	<u>1,471,271</u>	<u>(78,729)</u>
<u>Expenses:</u>			
<u>Salaries:</u>			
Food Service Operations	<u>819,882</u>	<u>676,209</u>	<u>143,673</u>
Total Salaries	<u>819,882</u>	<u>676,209</u>	<u>143,673</u>
<u>Fringe Benefits:</u>			
Food Service Operations	<u>264,000</u>	<u>263,348</u>	<u>652</u>
Total Fringe Benefits	<u>264,000</u>	<u>263,348</u>	<u>652</u>
<u>Purchased Services:</u>			
Operation and Maintenance of Plant	7,000	0	7,000
Food Service Operations	<u>2,350</u>	<u>2,176</u>	<u>174</u>
Total Purchased Services	<u>9,350</u>	<u>2,176</u>	<u>7,174</u>
<u>Materials and Supplies:</u>			
Food Service Operations	<u>550,770</u>	<u>548,892</u>	<u>1,878</u>
Total Materials and Supplies	<u>550,770</u>	<u>548,892</u>	<u>1,878</u>
<u>Capital Outlay - New:</u>			
Food Service Operations	<u>43,000</u>	<u>42,869</u>	<u>131</u>
Total Capital Outlay - New	<u>43,000</u>	<u>42,869</u>	<u>131</u>
<u>Capital Outlay - Replacement:</u>			
Food Service Operations	<u>4,500</u>	<u>1,360</u>	<u>3,140</u>
Total Capital Outlay - Replacement	<u>\$4,500</u>	<u>\$1,360</u>	<u>\$3,140</u>

(Continued)

Lancaster City School District, Ohio
Schedule of Revenues, Expenses, and Changes
in Fund Equity - Budget and Actual (Budget Basis)
Food Service Fund
For the Fiscal Year Ended June 30, 2000
(Continued)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Other:			
Food Service Operations	<u>\$4,050</u>	<u>\$3,316</u>	<u>\$734</u>
Total Other	<u>4,050</u>	<u>3,316</u>	<u>734</u>
Total Expenses	<u>1,695,552</u>	<u>1,538,170</u>	<u>157,382</u>
Excess of Revenues Under Expenses	(145,552)	(66,899)	78,653
Fund Equity at Beginning of Year	143,881	143,881	0
Prior Year Encumbrances Appropriated	<u>1,671</u>	<u>1,671</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$0</u></u>	<u><u>\$78,653</u></u>	<u><u>\$78,653</u></u>

Lancaster City School District, Ohio
Schedule of Revenues, Expenses, and Changes
in Fund Equity - Budget and Actual (Budget Basis)
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	<u>\$82,600</u>	<u>\$53,512</u>	<u>(\$29,088)</u>
<u>Expenses:</u>			
Materials and Supplies:			
Regular Instruction	41,950	35,923	6,027
Vocational Instruction	<u>28,270</u>	<u>22,002</u>	<u>6,268</u>
Total Materials and Supplies	<u>70,220</u>	<u>57,925</u>	<u>12,295</u>
Total Expenses	<u>70,220</u>	<u>57,925</u>	<u>12,295</u>
Excess of Revenues Over (Under) Expenditures	12,380	(4,413)	(16,793)
Fund Equity at Beginning of Year	59,353	59,353	0
Prior Year Encumbrances Appropriated	<u>866</u>	<u>866</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$72,599</u></u>	<u><u>\$55,806</u></u>	<u><u>(\$16,793)</u></u>

Lancaster City School District, Ohio

Combining Statement of Cash Flows

All Enterprise Funds

For the Fiscal Year Ended June 30, 2000

	Food Service	Uniform School Supplies	Totals
Increase (Decrease) in <u>Cash and Cash Equivalents</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$885,322	\$53,512	\$938,834
Cash Payments for Employee Services and Benefits	(939,557)	0	(939,557)
Cash Payments for Goods and Services	(552,751)	(57,843)	(610,594)
Other Non-Operating Revenues	3,788	0	3,788
Other Operating Expenses	(3,316)	0	(3,316)
Net Cash Used for Operating Activities	(606,514)	(4,331)	(610,845)
 <u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition of Capital Assets	(42,053)	0	(42,053)
 <u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	579,346	0	579,346
 <u>Cash Flows from Investing Activities:</u>			
Interest	2,815	0	2,815
Net Decrease in Cash and Cash Equivalents	(66,406)	(4,331)	(70,737)
 Cash and Cash Equivalents at Beginning of Year	145,553	60,218	205,771
 Cash and Cash Equivalents at End of Year	\$79,147	\$55,887	\$135,034

(Continued)

Lancaster City School District, Ohio

Combining Statement of Cash Flows

All Enterprise Funds

For the Fiscal Year Ended June 30, 2000

(Continued)

	Food Service	Uniform School Supplies	Totals
Reconciliation of Operating Loss to Net Cash Used <u>for Operating Activities:</u>			
Operating Loss	(\$717,869)	(\$5,561)	(\$723,430)
Adjustments to Reconcile Operating Loss to Net Cash <u>Used for Operating Activities:</u>			
Other Non-Operating Revenues	3,788	0	3,788
Donated Commodities Used During the Year	91,207	0	91,207
Depreciation Expense	16,930	0	16,930
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	203	(80)	123
Increase in Due From Other Funds	(197)	0	(197)
Decrease in Materials and Supplies Inventory	763	0	763
Decrease in Inventory Held for Resale	2,731	1,310	4,041
Decrease in Prepays	836	0	836
Increase in Accrued Salaries and Benefits Payable	1,079	0	1,079
Decrease in Compensated Absences Payable	(9,586)	0	(9,586)
Increase in Intergovernmental Payable	3,601	0	3,601
Net Cash Used for Operating Activities	(\$606,514)	(\$4,331)	(\$610,845)

The food service fund received computer equipment paid for by the general fund valued at \$54,537.

INTERNAL SERVICE FUND

The Internal Service Fund accounts for the financing of services provided by one department or agency to another department or agency of the School District on a cost-reimbursement basis. The Employee Benefits Self-Insurance Fund accounts for monies received from other funds as payment for providing health and dental insurance. The Employee Benefits Self-Insurance Fund reimburses employees who have paid providers, and makes payments for claims and administration.

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

FIDUCIARY FUNDS

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

Expendable Trust Fund

Scholarship Memorial

To account for monies held by the School District in a trustee capacity for individuals, private organizations and/or other funds which are designated for specific purposes.

Non-Expendable Trust Fund

Endowment

To account for monies which have been set aside by individuals for specific purposes in a trust capacity.

Agency Funds

Student Managed Activity

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

Employees Section 125 Payroll Plan

To account for monies received from Employee Benefits Section 125 Payroll Plans which allows for pre-taxed benefits for premium deductions and other set-asides for insurance purposes.

Payroll

To account for the accumulation of monies used to pay employee salaries.

Lancaster City School District, Ohio

Combining Balance Sheet
All Trust and Agency Funds
June 30, 2000

	Expendable Trust Scholarship Memorial	Non- Expendable Trust Endowment	All Agency Funds	Totals
<u>Assets:</u>				
Cash and Cash Equivalents	\$21,701	\$40,065	\$70,781	\$132,547
Due from Other Funds	0	0	3,781	3,781
 Total Assets	 \$21,701	 \$40,065	 \$74,562	 \$136,328
<u>Liabilities:</u>				
Accounts Payable	\$285	\$0	\$4,217	\$4,502
Interfund Payable	0	0	96	96
Due to Other Funds	0	0	197	197
Due to Others	0	0	5,767	5,767
Due to Students	0	0	64,285	64,285
 Total Liabilities	 285	 0	 74,562	 74,847
<u>Fund Equity:</u>				
Fund Balance:				
Reserved for Endowment	0	37,345	0	37,345
Unreserved:				
Undesignated	21,416	2,720	0	24,136
 Total Fund Equity	 21,416	 40,065	 0	 61,481
 Total Liabilities and Fund Equity	 \$21,701	 \$40,065	 \$74,562	 \$136,328

Lancaster City School District, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2000

	Balance 7/1/99	Additions	Reductions	Balance 6/30/00
<u>Student Managed Activity</u>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$71,967	\$115,520	\$122,799	\$64,688
Accounts Receivable	277	0	277	0
Total Assets	\$72,244	\$115,520	\$123,076	\$64,688
<u>Liabilities:</u>				
Accounts Payable	\$581	\$110	\$581	\$110
Interfund Payable	96	0	0	96
Due to Other Funds	2,100	197	2,100	197
Due to Students	69,467	115,213	120,395	64,285
Total Liabilities	\$72,244	\$115,520	\$123,076	\$64,688
<u>Employees Section</u>				
<u>125 Payroll Plan</u>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$9,211	\$41,723	\$44,841	\$6,093
Due from Other Funds	0	3,781	0	3,781
Total Assets	\$9,211	\$45,504	\$44,841	\$9,874
<u>Liabilities:</u>				
Accounts Payable	\$0	\$4,107	\$0	\$4,107
Due to Others	9,211	41,397	44,841	5,767
Total Liabilities	\$9,211	\$45,504	\$44,841	\$9,874
<u>Payroll</u>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$0	\$27,022,477	\$27,022,477	\$0
Total Assets	\$0	\$27,022,477	\$27,022,477	\$0
<u>Liabilities:</u>				
Due to Others	\$0	\$27,022,477	\$27,022,477	\$0
Total Liabilities	\$0	\$27,022,477	\$27,022,477	\$0

(Continued)

Lancaster City School District, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2000
(Continued)

	Balance 7/1/99	Additions	Reductions	Balance 6/30/00
<u>Total - All Agency Funds</u>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$81,178	\$27,179,720	\$27,190,117	\$70,781
Accounts Receivable	277	0	277	0
Due from Other Funds	0	3,781	0	3,781
Total Assets	<u>\$81,455</u>	<u>\$27,183,501</u>	<u>\$27,190,394</u>	<u>\$74,562</u>
<u>Liabilities:</u>				
Accounts Payable	\$581	\$4,217	\$581	\$4,217
Interfund Payable	96	0	0	96
Due to Other Funds	2,100	197	2,100	197
Due to Others	9,211	27,063,874	27,067,318	5,767
Due to Students	69,467	115,213	120,395	64,285
Total Liabilities	<u>\$81,455</u>	<u>\$27,183,501</u>	<u>\$27,190,394</u>	<u>\$74,562</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

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

	General Fixed Assets 7/1/99	Additions	Deductions	General Fixed Assets 6/30/00
Instruction	\$22,651,330	\$1,151,197	\$676,306	\$23,126,221
Support Services:				
Pupils	101,004	0	0	101,004
Instructional Staff	2,621,463	87,953	0	2,709,416
Administration	1,714,770	71,382	2,905	1,783,247
Operation and Maintenance of Plant	3,197,753	33,117	37,314	3,193,556
Pupil Transportation	1,602,151	279,830	173,674	1,708,307
Central	93,474	0	0	93,474
Capital Outlay:				
Building Acquisition & Construction	1,095,690	0	0	1,095,690
Total General Fixed Assets	<u>\$33,077,635</u>	<u>\$1,623,479</u>	<u>\$890,199</u>	<u>\$33,810,915</u>

Lancaster City School District, Ohio
Schedule of General Fixed Assets by Function
June 30, 2000

	Total	Land and Improvements	Buildings	Furniture and Equipment	Vehicles	Textbooks and Library Books
Instruction	\$23,126,221	\$613,693	\$10,203,983	\$9,877,469	\$0	\$2,431,076
Support Services:						
Pupils	101,004	0	60,000	39,033	1,971	0
Instructional Staff	2,709,416	0	118,000	216,373	0	2,375,043
Administration	1,783,247	105,170	164,400	1,513,677	0	0
Operation of Maintenance of Plant	3,193,556	147,780	2,192,971	783,184	69,621	0
Pupil Transportation	1,708,307	34,211	49,200	48,503	1,576,393	0
Central	93,474	0	0	93,474	0	0
Capital Outlay:						
Building Acquisition & Construction	1,095,690	0	1,095,690	0	0	0
Total General Fixed Assets	\$33,810,915	\$900,854	\$13,884,244	\$12,571,713	\$1,647,985	\$4,806,119

Lancaster City School District, Ohio

Schedule of General Fixed Assets by Source

June 30, 2000

General Fixed Assets:	
Land and Improvements	\$900,854
Buildings	13,884,244
Furniture and Equipment	12,571,713
Vehicles	1,647,985
Textbooks and Library Books	<u>4,806,119</u>
Total	<u><u>\$33,810,915</u></u>
Investments in General Fixed Assets from:	
General Fund	\$10,622,967
Special Revenue Funds	867,536
Capital Projects Funds	1,812,850
Expendable Trust Fund	2,070
Donations	247,893
Acquisitions Prior to July 1, 1990	<u>20,257,599</u>
Total	<u><u>\$33,810,915</u></u>

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Statistical Section



LANCASTER CITY SCHOOLS

TABLE 1

Lancaster City School District, Ohio
 General Fund Expenditures by Function
 Last Ten Fiscal Years

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Current:										
Instruction:										
Regular	\$16,124,097	\$15,598,933	\$14,341,958	\$13,360,808	\$15,170,934	\$14,913,783	\$14,128,759	\$13,627,979	\$13,065,406	\$11,977,576
Special	3,877,485	3,544,519	3,191,336	3,050,528	3,074,511	2,871,651	2,658,398	2,494,376	2,248,898	1,892,522
Vocational	2,311,165	2,267,254	2,147,313	2,067,348	2,089,360	2,115,463	1,963,243	1,840,374	1,737,125	1,706,113
Adult/Continuing	58,628	55,469	58,899	51,409	41,587	41,317	31,468	28,461	28,096	0
Other	110,471	263,732	152,632	124,455	143,685	93,622	115,846	125,807	108,788	67,662
Support Services:										
Pupil	1,914,507	1,794,659	1,462,295	1,453,073	1,456,155	1,430,948	1,288,926	1,198,308	1,180,686	1,088,300
Instructional Staff	2,406,051	2,221,071	1,569,884	1,509,075	1,600,755	1,659,275	1,827,514	1,650,227	1,522,011	1,395,987
Board of Education	41,759	38,986	36,180	30,943	47,498	60,821	49,412	49,384	40,910	36,887
Administration	3,475,062	2,938,618	2,766,342	2,651,472	3,085,059	2,916,580	2,573,741	2,353,919	2,221,468	2,110,372
Fiscal	845,760	868,931	848,768	705,532	758,055	743,373	731,796	692,176	647,566	541,850
Business	380,951	343,396	363,777	298,072	284,098	299,988	166,544	194,686	161,644	130,781
Operation & Maintenance										
of Plant	3,621,686	3,186,972	3,054,801	2,963,566	3,137,718	3,290,558	3,548,311	3,057,046	2,998,830	2,613,752
Pupil Transportation	1,646,420	1,357,535	1,314,338	1,014,336	947,826	1,198,153	1,051,646	949,361	898,692	912,781
Central	207,554	237,661	262,999	92,722	96,679	259,165	188,556	187,610	128,244	113,613
Non-Instructional Services	0	0	0	0	0	0	0	0	0	1,824
Extracurricular Activities	420,013	410,362	360,083	96,475	366,580	399,985	342,915	299,809	265,812	209,950
Refund of Taxes	0	97,398	97,399	57,856	0	0	0	0	0	0
Capital Outlay	208,157	798,387	0	0	12,879	365,794	354,498	651,772	565,194	161,381
Intergovernmental	0	0	0	0	278	0	20	0	1,830	57
Debt Service	207,536	104,385	93,823	1,472,437	0	0	0	0	0	3,641
Total	\$37,857,302	\$36,128,268	\$32,122,827	\$31,000,107	\$32,313,657	\$32,660,476	\$31,021,593	\$29,401,295	\$27,821,200	\$24,965,049

Source: School District Financial Records

TABLE 2

Lancaster City School District, Ohio
 General Fund Revenues by Source
 Last Ten Fiscal Years

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Property Taxes	\$22,523,694	\$21,954,762	\$19,368,690	\$16,692,804	\$16,267,569	\$15,548,740	\$15,338,028	\$15,518,266	14,930,135	\$12,503,141
Intergovernmental (1)	16,391,071	15,450,115	14,194,594	14,681,452	14,915,965	13,249,422	13,346,742	13,695,677	13,527,665	13,558,287
Interest	740,831	593,331	523,478	398,022	331,021	393,124	356,797	340,064	449,362	466,369
Tuition and Fees	136,531	75,846	309,057	443,335	274,330	584,022	272,852	274,775	245,740	187,631
Rent (2)	59,644	53,696	40,217	53,954	48,821	0	0	0	0	0
Extracurricular Activities	136,831	130,573	110,087	10,228	9,638	0	42,410	53,617	26,664	18,203
Gifts and Donations (3)	2,100	59,000	5,130	5,975	0	0	0	0	0	0
Miscellaneous	35,806	25,772	284,198	23,540	32,399	18,948	16,550	63,521	37,703	4,271
Total	\$40,026,508	\$38,343,095	\$34,835,451	\$32,309,310	\$31,879,743	\$29,794,256	\$29,373,379	\$29,945,920	\$29,217,269	\$26,737,902

Source: School District Financial Records

(1) Includes revenues from State Foundation Programs and State portion of taxes through rollback and homestead program.

(2) Prior to 1996, rent revenues were posted to miscellaneous revenues.

(3) Prior to 1997, gifts and donations were posted to miscellaneous revenues.

TABLE 3

Lancaster City School District, Ohio
Property Tax Levies and Collections
Last Ten Years (1)

Year	Current Tax Levy	Current Tax Collections	Percent Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections to Current Tax Levies	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Current Tax Levy
1999	\$16,073,213	\$15,549,586	96.7%	\$367,752	\$15,917,338	99.0%	\$888,749	5.5%
1998	15,468,012	14,993,066	96.9%	275,746	15,268,812	98.7%	661,207	4.3%
1997	11,749,971	11,106,187	94.5%	261,706	11,367,893	96.7%	508,011	4.3%
1996	11,843,909	11,540,805	97.4%	235,696	11,776,501	99.4%	432,252	3.6%
1995	11,146,743	10,789,029	96.8%	278,112	11,067,141	99.3%	411,815	3.7%
1994	11,036,660	10,799,381	97.9%	292,317	11,091,698	100.5%	412,045	3.7%
1993	11,006,072	10,591,323	96.2%	418,810	11,010,133	100.0%	562,673	5.1%
1992	10,794,553	10,473,145	97.0%	344,741	10,817,886	100.2%	493,324	4.6%
1991	10,591,722	10,227,263	96.6%	204,899	10,432,162	98.5%	482,244	4.6%
1990	11,869,101	11,340,939	95.6%	195,964	11,536,903	97.2%	586,512	4.9%

Source: Fairfield County Auditor

(1) Presented on calendar year basis because that is the manner that information is maintained by the County Auditor.

TABLE 4

Lancaster City School District, Ohio
Assessed and Estimated Actual Values of Taxable Property
Last Ten Years

Year	Agricultural, Residential, Commercial and Industrial Real Estate		Public Utility Real and Personal		Tangible Personal		Total		Ratio
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	
2000	\$565,619,400	\$1,616,055,429	\$27,774,830	\$31,562,307	\$96,227,521	\$384,910,084	\$689,621,751	\$2,032,562,096	34%
1999	552,019,860	1,577,199,600	30,298,140	34,429,700	100,399,698	401,598,700	682,717,698	2,013,228,000	34%
1998	489,202,190	1,397,720,542	30,177,900	34,298,068	101,329,802	405,319,208	620,709,892	1,837,332,818	34%
1997	478,148,440	1,331,138,400	30,794,250	35,048,101	95,374,490	381,497,960	604,317,180	1,752,684,501	34%
1996	467,615,310	1,336,043,700	31,464,720	35,880,500	85,449,242	341,796,900	584,529,272	1,713,721,100	34%
1995	358,421,040	1,024,060,114	32,161,080	36,671,800	83,869,025	335,476,100	474,451,145	1,396,208,014	34%
1994	355,815,480	1,016,615,657	31,396,410	35,842,589	82,028,471	328,113,884	469,240,361	1,380,572,130	34%
1993	351,448,260	1,003,880,142	31,268,490	35,687,606	80,087,148	320,348,592	462,803,898	1,359,916,340	34%
1992	338,088,070	965,965,914	31,421,390	35,862,116	78,658,768	302,533,723	448,168,228	1,304,361,753	34%
1991	334,739,890	956,399,690	29,210,780	33,339,084	80,343,718	286,941,850	444,294,388	1,276,680,624	35%

Source: Fairfield County Auditor

(1) This amount is calculated based on the following percentages:

Real Estate is assessed at 35 percent of actual value.

Public Utility real is assessed at 35 percent of actual value.

Public Utility personal is assessed at 88 percent of actual value.

Tangible personal is assessed at 25 percent of actual value since 1994.

TABLE 5

Lancaster City School District, Ohio
Property Tax Rates - Direct and Overlapping Governments
(per \$1,000 of Assessed Valuation)
Last Ten Years

Year	Lancaster City School District			Berne Twp Levy (1)	Greenfield Twp Levy (1)	Hocking Twp Levy (1)	Pleasant Twp Levy (1)	Lancaster City Levy	Fairfield County Levy	Total Levy (2)
	General Operation	Bonded Indebtedness	Total School							
2000	\$64.60 (3)	\$0.00	\$64.60	\$7.70	\$8.20	\$4.20	\$6.60	\$3.40	\$7.05	\$75.05
1999	64.60	0.00	64.60	7.70	8.20	4.20	6.60	3.40	7.05	75.05
1998	64.60	0.00	64.60	7.70	8.20	4.20	6.60	3.40	7.05	75.05
1997	56.70	0.00	56.70	7.70	8.20	4.20	6.60	3.40	7.05	67.15
1996	56.70	0.00	56.70	7.70	8.20	4.20	5.10	3.40	7.05	67.15
1995	56.70	0.00	56.70	7.70	8.20	4.20	5.10	3.40	7.05	67.15
1994	56.70	0.00	56.70	7.70	6.20	4.20	4.60	3.40	8.55	68.65
1993	56.70	0.00	56.70	7.70	6.20	4.20	4.60	3.40	8.55	68.65
1992	56.70	0.00	56.70	7.70	6.20	4.20	4.60	3.40	8.55	68.65
1991	56.70	0.00	56.70	7.70	6.20	4.20	4.60	3.40	8.55	68.65

Source: Fairfield County Auditor

- (1) Included in the Lancaster City School District attendance areas are portions of Berne, Greenfield, Hocking, and Pleasant Townships.
- (2) Based on the School District, City, and County Levies. Those living in the portions of the townships included in the city school district would have a total rate slightly different.
- (3) Due to specific Ohio Legislation, the "effective" rate of tax for the School District is 27.112 mills for agricultural/residential property and 32.692 mills for industrial/commercial property for 2000.

TABLE 6

Lancaster City School District, Ohio
 Ratio of Net General Obligation Bonded Debt to
 Assessed Value and Net General Obligation Bonded Debt Per Capita
 Last Ten Years

<u>Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value (2)</u>	<u>Population (3)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2000	\$0	\$689,621,751	38,983	N/A	\$0.00
1999	0	682,717,698	38,983	N/A	0.00
1998	0	620,709,892	38,254	N/A	0.00
1997	0	604,317,180	36,900	N/A	0.00
1996	0	584,529,272	36,900	N/A	0.00
1995	0	474,451,145	36,900	N/A	0.00
1994	0	469,240,361	35,570	N/A	0.00
1993	0	462,803,898	35,570	N/A	0.00
1992	0	448,168,228	35,015	N/A	0.00
1991	0	444,294,388	34,710	N/A	0.00

(1) Includes all general obligation bonded debt.

(2) Source: Fairfield County Auditor

(3) Source: U.S. Bureau of Census
 Lancaster City Chamber of Commerce

TABLE 7

Lancaster City School District, Ohio
 Computation of Direct and Overlapping General Obligation Bonded Debt
 December 31, 1999

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
School District	\$0	N/A	\$0
City of Lancaster	2,192,081	100.00%	2,192,081
Fairfield County	2,515,000	28.73%	722,560

Source: Fairfield County Auditor

(1) Overlapping percentage was calculated by dividing each overlapping subdivision's assessed valuation within the School District by the subdivision's total assessed valuation.

TABLE 8

Lancaster City School District, Ohio
 Computation of Legal Debt Margin (1)
 June 30, 2000

Assessed Value	<u>\$689,621,751</u>
Debt Limit - 9% of Assessed Value	\$62,065,958
Amount of Debt Applicable to Debt Limit: Net Bonded Debt (2)	<u>0</u>
Overall Debt Margin	<u>\$62,065,958</u>
Bonded Debt Limit - .10% of Assessed Value	\$689,622
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u>\$689,622</u>
Additional Limit for Unvoted Energy Conservation Long-Term Notes:	
Debt Limit - .9% of Assessed Value	\$6,206,596
Energy Conservation Long-Term Notes	<u>(1,295,000)</u>
Additional Unvoted Debt Margin	<u>\$4,911,596</u>

Source: Fairfield County Auditor and School District Financial Records.

- (1) Ohio Bond Law sets a limit of 9% for all debt and 1/10 of 1% for unvoted debt.
- (2) An Energy Management Program debt was entered into during the 1993-1994 fiscal year, but those amounts do not apply to the bonded debt limit based on Ohio law.

TABLE 9

Lancaster City School District, Ohio
 Ratio of Annual Debt Service Expenditures For
 General Obligation Bonded Debt to Total General Fund Expenditures
 Last Ten Fiscal Years

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentage)
2000	\$0	\$0	\$0	\$37,857,302	N/A
1999	0	0	0	36,128,268	N/A
1998	0	0	0	32,122,827	N/A
1997	0	0	0	31,000,107	N/A
1996	0	0	0	32,313,657	N/A
1995	0	0	0	32,660,476	N/A
1994	0	0	0	31,021,593	N/A
1993	0	0	0	29,401,295	N/A
1992	0	0	0	27,821,200	N/A
1991	0	0	0	24,965,049	N/A

Source: School District Financial Records

TABLE 10

Lancaster City School District, Ohio
 Demographic Statistics
 Last Ten Years

Year	Population Lancaster City		Per Capital Income Fairfield County	Median Age Fairfield County	Unemployment Rate Fairfield County %
1999	38,983	(1)	\$27,816	35.98	3.0%
1998	38,254	(1)	27,260	35.21	3.0
1997	36,900	(1)	25,415	34.97	3.2
1996	36,900	(1)	23,709	34.71	4.1
1995	36,900	(1)	22,130	34.40	3.8
1994	35,570	(1)	20,681	34.08	5.3
1993	35,570	(1)	19,361	33.79	6.0
1992	35,015	(1)	18,149	34.35	6.6
1991	34,710	(1)	16,877	34.08	6.3
1990	34,507		15,697	32.95	6.1

Sources: Ohio Bureau of Employment Services
 Lancaster-Fairfield Chamber of Commerce

(1) Population from 1991-1999 is estimated.

TABLE 11

Lancaster City School District, Ohio
Property Value, Construction, and Bank Deposits (4)
Last Ten Years

Year	Assessed Property Value (1)	Residential Construction (2)		Commercial Construction (2)		Average Monthly Bank Deposits (3) In Thousands
		Number of Units	Construction Value	Number of Units	Construction Value	
2000	\$689,621,751	134	\$18,635,408	63	\$25,723,471	N/A
1999	682,717,698	176	23,901,412	3	1,290,000	\$247,807
1998	620,709,892	165	20,187,790	54	6,004,000	190,113
1997	604,317,180	117	14,114,049	47	18,869,600	172,771
1996	584,529,272	97	11,161,223	14	4,916,116	163,183
1995	474,451,145	52	4,831,339	17	16,973,867	149,434
1994	469,240,361	362	10,673,730	61	2,701,956	108,995
1993	462,803,898	18	1,554,000	20	4,430,685	114,237
1992	448,168,228	19	1,300,700	20	17,819,000	85,960
1991	444,294,388	38	1,776,529	14	6,280,486	90,208

(1) Source: Fairfield County Auditor
Assessed Property Values shown for Lancaster City School District

(2) Source: City of Lancaster Engineering Department

(3) Figures reflect totals for Fairfield County.
Source: Department of Data Services, Federal Reserve Bank of Cleveland

(4) Bank Deposits are maintained on a calendar year basis.

TABLE 12

Lancaster City School District, Ohio
Principal Taxpayers
Real Estate Tax (Including Public Utility, Personal, and Real)
December 31, 1999

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value	Nature of Business
Glimcher Holdings	\$24,022,100	4.05%	Property
Ohio Power Company	12,201,300	2.06	Electric
Ohio Bell Telephone	7,122,020	1.20	Telephone
Anchor Hocking Glass Corporation	5,794,710	0.98	Glass
Mt. Carmel Health System	4,186,680	0.71	Medical
Lancaster Phase One Group	3,383,510	0.57	Property
Venture Properties I, Inc.	3,165,200	0.53	Property
Fairfield Medical Center	2,684,110	0.45	Medical
Ralston Foods, Inc.	2,599,910	0.44	Food
Glimcher Centers LTD Partnership	2,367,360	0.40	Retail

Source: Fairfield County Auditor

(1) Assessed values are for the 2000 collection year (\$593,394,230).

TABLE 13

Lancaster City School District, Ohio
Principal Taxpayers
Tangible Personal Property Tax (Excluding Public Utility)
December 31, 1999

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value	Nature of Business
Anchor Hocking Glass Corporation	\$15,736,716	16.35%	Glass
RalCorp Holdings Inc. (Ralston)	6,136,210	6.38	Foods
McDermott, Inc.	5,602,690	5.82	Electronics
Cyril Scott Company	3,933,770	4.09	Paper
International Paper Company	2,520,180	2.62	Paper
Scotts Miracle Gro	2,409,490	2.50	Horticulture
Anchor Hocking Packaging	2,217,460	2.30	Glass
Lancaster Glass Corporation	1,990,920	2.07	Glass
Anchor Hocking Corporation	1,598,525	1.66	Glass
Lowes Home Centers	1,502,720	1.56	Retail Home Improvement

Source: Fairfield County Auditor

(1) Assessed values are for the 2000 collection year (\$96,227,521).

TABLE 14

Lancaster City School District, Ohio
Enrollment Statistics
Last Ten Fiscal Years

Year	General Fund Expenditures	Average Daily Membership	Per Pupil Cost
2000	\$37,857,302	6421	\$5,896
1999	36,128,268	6562	5,506
1998	32,122,827	6542	4,910
1997	31,000,107	6532	4,746
1996	32,313,657	6615	4,885
1995	32,660,476	6530	5,002
1994	31,021,593	6551	4,735
1993	29,401,295	6561	4,481
1992	27,821,200	6574	4,232
1991	24,965,049	6402	3,900

Source: School District Financial Records

TABLE 15

Lancaster City School District, Ohio
 Teacher Education and Experience
 June 30, 2000

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	59	13.98%
Bachelor + 15	11	2.61%
Bachelor + 30 (150 hours)	138	32.70%
Master's Degree	99	23.46%
Master's + 15	30	7.11%
Master's +30	67	15.88%
Master's + 45	18	4.26%
Total	<u>422 *</u>	<u>100.00%</u>

<u>Years of Experience in District</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0-5	93	22.04%
6-10	70	16.59%
11 and over	259	61.37%
Total	<u>422 *</u>	<u>100.00%</u>

* Full-time equivalent teaching staff

Source: Lancaster City School District Personnel Records

TABLE 16

Lancaster City School District, Ohio
Average A.C.T. Scores
Last Five Fiscal Years

Year	English	Math	Reading	Science	Composite
A.C.T. - Lancaster High School (Juniors and Seniors)					
1996	20.7	21.9	22.1	21.6	21.7
1997	20.9	22.0	22.1	21.7	21.8
1998	20.6	22.1	22.4	22.1	21.9
1999	20.4	21.9	21.6	21.6	21.5
2000	20.3	21.7	21.6	22.0	21.5
A.C.T. - Ohio (Graduating Class)					
1996	20.8	20.7	21.9	21.5	21.3
1997	20.6	21.0	21.8	21.4	21.3
1998	20.7	21.2	21.8	21.5	21.4
1999	20.8	21.1	21.9	21.4	21.4
2000	20.7	21.2	21.9	21.4	21.4
A.C.T. - U.S.A. (Graduating Class)					
1996	20.3	20.2	21.3	21.1	20.9
1997	20.3	20.6	21.3	21.1	21.0
1998	20.4	20.8	21.4	21.1	21.0
1999	20.5	20.7	21.4	21.0	21.0
2000	20.5	20.7	21.4	21.0	21.0

Note: The A.C.T. Standard Score Scale Range from 1 to 36.

(Continued)

TABLE 16
(continued)

Lancaster City School District, Ohio
Average S.A.T. Scores
Last Five Fiscal Years

	Year	Verb Mean	Math Mean
S.A.T. - Lancaster High School			
	1996	536	559
	1997	526	551
	1998	524	547
	1999	524	559
	2000	525	554
S.A.T. - Ohio			
	1996	536	535
	1997	535	536
	1998	536	540
	1999	534	538
	2000	533	539
S.A.T. - U.S.A.			
	1996	505	508
	1997	505	511
	1998	505	512
	1999	505	511
	2000	505	514

Note: The S.A.T. Scores Range from 200-800

TABLE 17

Lancaster City School District, Ohio
 A Return to the Community
 Fiscal Year 2000

Local Tax Receipts (cash basis)

Residential/Agricultural	\$10,082,866
Commercial/Industrial	5,093,654
Public Utility	1,790,046
Tangible Personal	<u>5,861,870</u>
Total Local Tax Receipts	\$22,828,436

Local Payroll

Total Payroll Fiscal 2000	\$27,002,477
Total Staff (Including Part-time)	739
Staff Living Locally (in Fairfield County)	645
Percentage of Staff Living Locally	87.3%
Local Payroll (27,002,477 x 87.3%)	23,573,162

Locally Purchased Supplies/Services

The Lancaster City Schools Purchased
 Supplies and Services from Approximately 229 Local
 Individuals and Businesses during Fiscal 2000

Amount Spent Locally for Purchase of Supplies and Services	<u>1,688,803</u>
Total Expenditures of Funds Locally	<u>\$25,261,965</u>

Total Expenditures of ALL Governmental Funds	<u>\$42,108,390</u>
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Source: School District Records

Lancaster City School District, Ohio
Fiscal 2000 Highlights

1. An Administrative Mentoring/Training Program was undertaken through the Department of Human Services. With the possible retirement of a number of administrators within the next five years, the School District faces the challenge of finding experienced leaders to fill these anticipated vacancies. As a means of addressing this concern, the School District has implemented a program of identifying and training current employees who express an interest in educational administration.
2. Our Cradle School program was selected by the Statewide Family Literacy Initiative Personnel as a Family Literacy Demonstration Site (one of only four in Ohio).
3. Purchase and installation of Café Terminal, Point-of-Sale in each of our cafeterias. The goal of the Café Terminal was to increase participation in free and reduced student meals. Since the installation, participation has more than tripled at Lancaster High School alone.
4. This year 24 Volunteer Building Coordinators at 13 schools helped recruit more than 800 volunteers who donated more than 35,000 hours to the lives of Lancaster City School students. Some of the areas in which volunteers assist staff and students are classroom, clerical, library and computer assistants, in-school and after-school tutors.
5. Marci Bates and Tim Bradford (second grade teachers) of our Medill Elementary School were selected to present a social studies unit at the National Core Knowledge Conference in March. Medill Elementary is recognized nationally as a Core Knowledge School.
6. The North Playground Committee completed a three year Playground Project by erecting a new \$62,000 playground. This new playground has served us not only at recess, but has become a magnet for the community attracting children after school, during the evenings and on weekends.
7. The Artists in Residence at South Elementary provided by a special grant were Tamara Loewenthal, a dancer and Jamie Gans, a fiddler. All students were able to spend time with the artists during the two-week residency. The students did a community performance to conclude the residency.
8. The Chamber of Commerce Education Award recognized the West After School Tutoring Program, which began in November 1998. The program has grown steadily, currently serving 40 students each day involving nearly 150 volunteers working for an hour each week with a student.
9. Student Today-Leader Tomorrow Luncheons — Our Thomas Ewing Junior High School has a partnership with the Chamber of Commerce. Three or Four chamber members tell about their positions and educational backgrounds. The students have an opportunity to ask questions about careers.
10. Nicole Kendrick, a senior at Lancaster High School this year, achieved success in track during her junior year. Kendrick placed first in the shot put at the State Track Meet and fourth place in the nation at the Foot Locker Outdoor Track and Field Championship. She also placed eighth in the nation in the discus.

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OFFICE OF THE AUDITOR

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LANCASTER CITY SCHOOL DISTRICT
FAIRFIELD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 26, 2000**