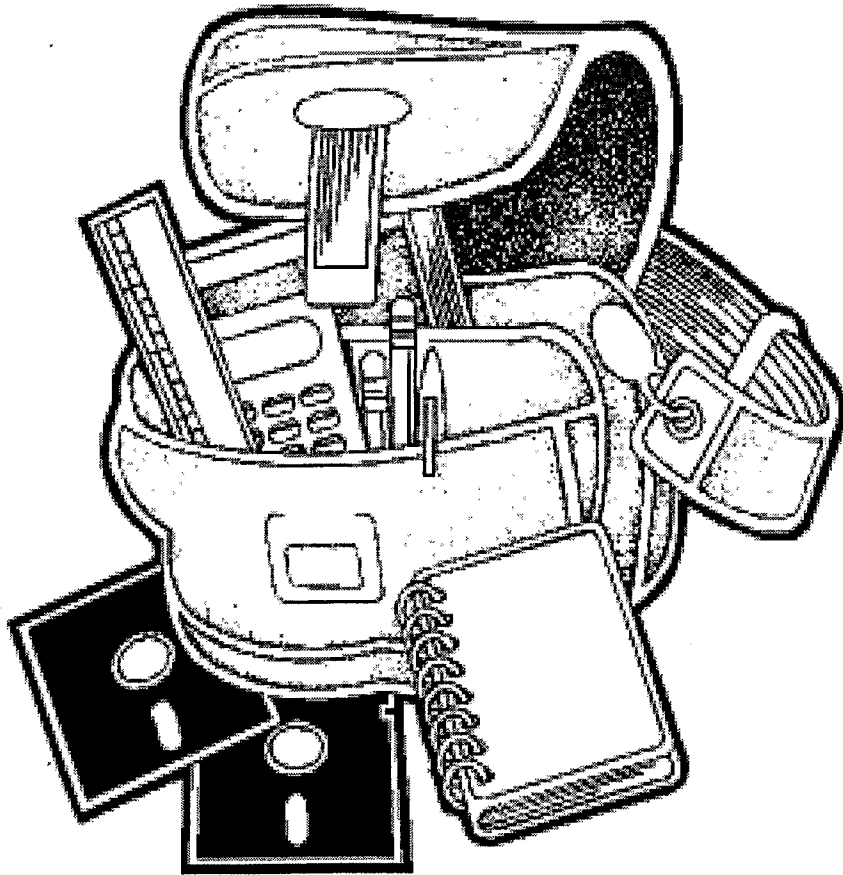


*Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2001*



*Princeton City School District
Cincinnati, Ohio*



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
Columbus, Ohio 43215
Telephone 614-466-4514
800-282-0370
Facsimile 614-728-7398
www.auditor.state.oh.us

Princeton City School District
26 West Sharon Avenue
Cincinnati, Ohio 45246

We have reviewed the Independent Auditor's Report of the Princeton City School District, Hamilton County, prepared by VonLehman & Company Inc., for the audit period July 1, 2000 through June 30, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Princeton City School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

February 7, 2002

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**PRINCETON CITY SCHOOL DISTRICT
CINCINNATI, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

PREPARED BY: OFFICE OF THE TREASURER

**LARRY A. MCDONOUGH
TREASURER**

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INTRODUCTORY SECTION

Mission Statement

The Mission of the Princeton City School District is to assure that all students thrive as productive life-long learners and citizens of integrity by providing a superior educational environment.

PRINCETON CITY SCHOOL DISTRICT, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2001

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Princeton City School District
25 West Sharon Avenue
Cincinnati, Ohio 45246

Office of the Treasurer

Phone: (513) 771-8560

Fax: (513) 771-0328

December 21, 2001

TO THE CITIZENS AND BOARD OF EDUCATION OF THE PRINCETON CITY SCHOOL DISTRICT:

We are pleased to present the fifth Comprehensive Annual Financial Report (CAFR) of the Princeton City School District for the fiscal year ended June 30, 2001. This report was prepared by the Treasurer's Office, and contains financial statements, supplemental statements, and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2000-01 fiscal year.

Responsibility for the accuracy, completeness, and fairness of the report rests with the District. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report was prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB).

This report has been divided into three sections:

- The Introductory Section includes this transmittal letter, the list of principal officials, and the District's organizational chart.
- The Financial Section includes the unqualified opinion of our independent auditors, VonLehman and Company, Inc., the general purpose financial statements, and the combining and individual fund and account group statements and schedules.
- The Statistical Section includes selective financial, economic, and demographic information, generally presented on a multi-year basis for comparative purposes.

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

In addition to providing these general activities, the District receives pass-through grants from the State and distributes these grants to parochial/private schools located within the District. This activity is included in the entity as a Special Revenue fund because of the District's administrative involvement in the program. The parochial/private schools served are: Cincinnati Hills Christian Academy, Lincoln Heights Christian Academy, Hillcrest Training Academy, Herman Turner Academy, Bethany School, St. Gabriel School, St. Michael School and St. Rita School for the Deaf. While these organizations share operational and service similarity with the District, each is a legally separate and distinct entity. Because of their independent nature, none of these organizations are included in this report.

DESCRIPTION OF THE DISTRICT

The District serves an area of 36 square miles in the north central part of Hamilton County, encompassing the villages of Glendale, Evendale, Woodlawn and Lincoln Heights, and, the cities of Springdale and Sharonville. It also encompasses a small portion of Butler and Warren Counties. The total District population has decreased slightly from 36,873 in 1990 to 36,733 in 2001, according to information provided by the municipalities. The tax base of the District is comprised of a unique blend of residential, commercial, and industrial property, with approximately 69.4% of the tax revenue of the District paid by business and industry.

During the 2000-01 school year, the District served 6,139 students enrolled in nine elementary schools, one junior high school and one high school. The District's enrollment remains relatively stable with no significant increase projected due to the lack of available land for new residential development.

The student enrollment of the District is a reflection of the diversity of the communities it serves. For the 2000-01 school year, 37% of the students enrolled were participating in the free lunch program; 106 students were enrolled in a full time trade program through vocational education; 712 students received instruction through a variety of special education programs; and over 1,600 students were served in the district's advanced academic programs. The District also offers a comprehensive adult education program to the community to help adults obtain a high school diploma.

ORGANIZATION OF THE DISTRICT

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

The members of the Board, their current terms, and total years served on the Board as of June 30, 2001, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mr. Gary Bryson	Jan. 2000 - Dec. 2004	1 - 1/2
Mr. George Keyser	Jan. 2000 - Dec. 2004	1 - 1/2
Mr. Mark Lemen	Jan. 1998 - Dec. 2001	5
Mrs. Jenny Pansing	Jan. 1998 - Dec. 2001	3 - 1/2
Mrs. Tawana Keels Simons	Jan. 2000 - Dec. 2004	5 - 1/2

The Superintendent is the Chief Executive Officer of the District and is directly responsible to the Board for all operations of the District. Dr. Dennis Peterson served as Superintendent beginning in January, 1996, and had 32 years experience as a school superintendent. On July 1, 2001, Dr. Peterson resigned to accept a position in another school district. The Board has appointed Mr. Donald Daby as interim superintendent pending completion of the search process.

The Treasurer is the Chief Financial Officer of the District and is directly responsible to the Board for all financial operations, investments, and serves as Secretary to the Board. Mr. Larry McDonough has served as Treasurer since January, 1987, and has 17 1/2 years experience as a school treasurer in Ohio. At its regular meeting in October, 2000, the board approved a four-year contract extension which will expire in January, 2005.

ECONOMIC CONDITION AND OUTLOOK

The District is located in southwestern Ohio, just north of Cincinnati in the north central area of Hamilton County. The eastern boundary of the District is along Interstate 71, and, Interstate 75, which runs from Canada to Florida, directly dissects the District; the two interstate highways make the District a desirable location for many businesses who require easy access to the nation's interstate system.

The District's tax base is comprised of approximately 30.6% residential and agricultural properties and approximately 69.4% of a wide range of manufacturing, commercial, and other business properties. The following table shows how the composition of the District's tax base has gradually shifted to more reliance on the residential and agricultural properties since 1990.

<u>Year</u>	<u>Percent Residential/Agricultural</u>	<u>Percent Business</u>
1990	23.7%	76.3%
1991	24.6%	75.4%
1992	25.1%	74.9%
1993	25.1%	74.9%
1994	26.8%	73.2%
1995	27.3%	72.7%
1996	27.9%	72.1%
1997	29.5%	70.5%
1998	30.0%	70.0%
1999	30.0%	70.0%
2000	30.6%	69.4%
2001 (est.)	30.6%	69.4%

An integral part of the business valuation is the revenue generated by the tangible personal tax. Since 1991, as a percent of general revenue, the contribution from the tangible tax has dropped from a high of 43% to a current 30% rate. Information from the Ohio Department of Education shows that this still places the District in the top 2 percentile in Ohio in terms of reliance on this type of property tax.

As 2001-02 begins, deregulation of utilities will result in the state set assessment rate on utility personal property generation equipment being reduced from 88% of true value to 25% of true value. The state will hold districts harmless from this loss of revenue for a period of five (5) years, after which the district will lose approximately \$420,000 per year from this revenue source. Additionally, in June, 1999, the state assembly passed legislation reducing the assessment on property held in inventory from 25% of value to 0% of value over a 25-year period, beginning in 2002. The annual 1% reduction will reduce revenue by an estimated \$370,000 per year.

Further, in the spring of 1996, the Ohio Supreme Court rendered a far-reaching decision that declared the State's funding mechanism for schools to be unconstitutional, particularly the reliance on property taxes to fund education in Ohio. The District is concerned with these initiatives and is a charter member of Educational Tax Policy Institute which is contributing to the dialogue on any state tax changes that may occur in the future. Because the funding issue still remains unresolved, the Supreme Court has ordered a settlement conference between the state and the grieving party to create a funding mechanism that passes the constitutionality test.

The expectation is that tangible property values will continue to decline slightly and that the assessment rate reductions on inventory values will be accelerated by action of the state legislature. The District will have to replace these revenues by asking voters to increase the voted tax rate.

As a hedge against valuation declines and legislative and judicial initiatives, the District asked its voters to approve a 6.5 mill levy in November, 1998. That levy request was defeated. The District then made \$4 million in budget reductions from its proposed fiscal year 2000 budget. With these reductions, the District asked its voters to approve a 3.95 mill levy in August 1999 which passed.

EMPLOYEE RELATIONS

As of June 30, 2001, the Board employed 1,026 full-time employees. Of the Board's current employees, 591 were certificated by the Ohio Department of Education serving as classroom teachers, education specialists, and administrators, all of whom have at least a bachelor's degree.

Certificated teachers and education specialists are represented by the Princeton Association of Classroom Educators (PACE) which is a labor organization affiliated with the Ohio Education Association. As of June 30, 2001, the District and the association completed the first year of a three (3) year contract.

Operational personnel are represented by the Princeton Operational Employees Association (POEA) which is affiliated with the Ohio Association of Public School Employees, Chapter 174 (OAPSE) which is a labor organization affiliated with the American Federation of State, County and Municipal Employees (AFSCME). As of June 30, 2001, the District and the association completed the first year of a three (3) year contract.

MAJOR INITIATIVES FOR THE YEAR

A strategic planning process which began during the 1997-98 school year has driven the district's initiatives. The process involved a broad-based planning team that represented the staff, administration and all sectors of the community. The board of education was presented with and approved plans generated by ten action teams. At the foundation of this activity was the district's mission statement. Developed at the beginning of the process, it reads:

The mission of the Princeton City School District is to assure that all students thrive as productive life-long learners and citizens of integrity by providing a superior educational environment.

Using the mission statement as a constant barometer, the action teams developed ten strategies to focus activities in their respective areas. They included:

Strategy 1: Upgrade the district's aging and inadequate facilities to more effectively support and attract students, staff and parents.

Strategy 2: To increase the number of minority teachers to reflect the demographics of the student population.

Strategy 3: To significantly improve the public's perception of the Princeton City School District.

Strategy 4: To significantly improve students' academic achievement levels as reflected through daily performance and test score results.

Strategy 5: To create an atmosphere conducive to learning that will discourage disruptive behavior and encourage student success.

Strategy 6: To provide an environment which recognizes and values individual differences.

Strategy 7: To create a safe and secure school environment for students, staff and visitors.

Strategy 8: Assure a funding level sufficient to support the goals of the Strategic Plan.

Strategy 9: To create a "family friendly" school district.

Strategy 10: Incorporate Character Education Values into our daily operation and instruction.

As part of this process, the board of education has adopted priorities for the district. These priorities are intended to deliver progress against the district's strategic plan. Priority choices were made as part of the annual review process considering the current actual position versus established goals.

The priorities were broken down into three categories:

- **Priorities:** The few items where the improvement need is great, the solution is not always readily apparent, the need links to the strategic plan and where the intention is to deliver with excellence. All of the focus is on delivery of critical priorities. It is part of daily thoughts, planning and focus.
- **Continuous Improvement:** This is an area within daily management where added focus is warranted and incremental improvement is needed.
- **Daily Maintenance:** In this category, we are performing at an acceptable level but effort is required to insure that the performance and results continue.

Activities within the district were and continue to be driven by the adopted mission statement and Action Plans. Annual updates of the strategic plan have been enacted. This year, update activities are scheduled for January with continued implementation to follow. As part of the update, emphasis will be placed on the following Priority Items:

Priority Items

- District Test Scores
- Financial Management
- Contract Negotiations (Alternative Compensation Plans)
- Technology Plan
- Facilities Plan
- Legislation Affecting District

Continuous Improvement Areas

- Community Relations
- District Morale (Pride In Princeton)
- Administrative Evaluations
- Communications

Daily Maintenance Items

- Safety and Security
- Training

FINANCIAL INFORMATION

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

Internal Controls

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

Single Audit Act

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

As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2001, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function and object of expenditure within an individual fund. The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriation balances are reviewed prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Accountability and Compliance

State statute requires that all funds have expenditures within approved limits. In Note 3 (Page 19), several funds are listed that have expenditures in excess of appropriations. This excess is measured against the district's initial appropriation resolution approved at the beginning of the fiscal year. Adjustments are made at the fund level only at the end of the year to ensure the total fund expenditures are within appropriate limits.

Governmental Funds

The following table presents the amount of revenues by source for the General Fund for the fiscal year ended June 30, 2001, and the percentage of increases and decreases in relation to prior year revenues.

REVENUES BY SOURCE

	<u>2000</u>	<u>2001</u>	<u>Percent of Total</u>	<u>Difference from 2000</u>	<u>Percent of Change</u>
Taxes	51,180,443	56,161,246	83.38%	4,980,803	9.73%
Intergovernmental	8,471,588	8,647,343	12.84%	175,755	2.07%
Interest	1,314,483	1,675,316	2.49%	360,833	27.45%
Tuition	260,682	331,893	0.49%	71,211	27.32%
Other local revenues	341,768	539,463	0.80%	197,695	57.84%
Intermediate sources	14,835	0	0.00%	(14,835)	(100.00%)
Claims and judgments	<u>43,000</u>	<u>150,000</u>	<u>0.22%</u>	<u>107,000</u>	<u>248.84%</u>
	<u>\$61,626,799</u>	<u>\$67,505,261</u>	<u>100.00%</u>	<u>\$5,878,462</u>	<u>9.54%</u>

Fiscal year 2001 represented the first full year of new tax collections from the District's August 1999 levy passage. This resulted in a 9.73% increase in tax revenue which is the primary factor in the District's overall increase in revenue. Interest is up due to the increase in investable funds.

The following table presents the amount of expenditures by function for the General Fund for the fiscal year ended June 30, 2001, and the percentage of increases and decreases in relation to prior year expenditures.

EXPENDITURES BY FUNCTION

	<u>2000</u>	<u>2001</u>	<u>Percent of Total</u>	<u>Difference from 2000</u>	<u>Percent of Change</u>
Instruction:					
Regular	23,982,792	25,317,906	41.64%	1,335,116	5.57%
Special	4,504,864	5,344,811	8.79%	839,947	18.65%
Vocational	366,785	454,756	0.75%	87,971	23.98%
Other	416,838	428,952	0.71%	12,114	2.91%
Support Services:					
Pupil	3,227,116	3,380,618	5.56%	153,502	4.76%
Instr.. Staff	4,534,725	4,973,889	8.18%	439,164	9.68%
Board of Education	201,641	193,441	0.32%	(8,200)	-4.07%
Administration	4,204,972	4,710,527	7.74%	505,555	12.02%
Fiscal	1,458,969	1,689,609	2.78%	230,640	15.81%
Business	584,361	361,022	0.59%	(223,339)	-38.22%
Operations and					
Maintenance	7,109,535	8,012,885	13.17%	903,350	12.71%
Pupil Trans.	2,782,554	3,106,502	5.11%	323,948	11.64%
Central	1,005,214	974,043	1.60%	(31,171)	-3.10%
Community Services	210,518	339,971	0.56%	129,453	61.49%
Extracurricular	743,735	846,236	1.39%	132,351	17.80%
Capital Outlay	1,407,278	238,658	0.39%	(1,168,620)	-83.04%
Debt Service	<u>297,952</u>	<u>435,089</u>	<u>0.72%</u>	<u>137,137</u>	<u>46.03%</u>
	<u>\$57,039,849</u>	<u>\$60,808,915</u>	<u>100.00%</u>	<u>\$3,798,918</u>	<u>6.66%</u>

The District's 6.61% increase in expenditures is the result of salary increases averaging 5% and the cost of medical benefits increasing by 17%. Operations and Maintenance increased as projects delayed in the prior year were initiated and completed this year.

Special Revenue Funds

Special Revenue Funds account for funds that derive revenue primarily from grants and entitlements restricted by law to expenditures for specific purposes. The fund balance for all Special Revenue Funds increased \$302,482 during the 2001 fiscal year.

Capital Projects Funds

Capital Projects Funds account for the purchase of equipment and the financing of major improvement projects. The Capital Projects Funds ended the 2001 fiscal year with a fund balance of \$1,061,504.

Enterprise Funds

The District's three Enterprise Funds are the Food Service Fund, Early Childhood Program, and the Uniform School Supplies Fund. These funds are similar in nature to profit-making activities found in the private sector and are managed accordingly. The District's Enterprise Funds operated in 2001 with \$2,104,919 in total revenues and a recorded net income of \$339,489.

Internal Service Funds

The District has one Internal Service Fund. In fiscal year 2001, the Rotary Fund recorded net income of \$12,264.

Debt Administration

The District has three debt issues outstanding at June 30, 2001.

The first issue is \$4,220,130 of energy conservation bonds held by Fifth Third Bank for HVAC work done throughout the District. The bonds were issued on July 12, 1996, at an interest rate of 5.72%. The amount of outstanding bonds at June 30, 2001, is \$1,361,863. The issue will be retired on July 12, 2003.

The second issue was the result of change orders in the second issue energy conservation project. The additional \$392,099 was issued on October 30, 1997, at a rate of 5.40%. The amount outstanding at June 30, 2001, was \$155,751. The issue will be retired on April 12, 2003.

The third issue is \$728,500 of energy conservation bonds held by Fifth Third Bank for HVAC work done at Robert E. Lucas Intermediate School. The bonds were issued on June 7, 2000, at an interest rate of 5.90%. The amount of outstanding bonds at June 30, 2001, is \$585,446. The issue will be retired on May 7, 2005.

Cash Management

The District operates a cash management program designed to provide safety, liquidity, and yield, in that order. Funds are invested in overnight savings accounts, certificates of deposit, in the Ohio State Treasurer's Investment Pool (Star Ohio), or in United States Government bills or notes. The amount of investment income in fiscal year 2001 for all District funds was \$1,835,260. A more detailed description of the District's investment functions is provided in Note 4 to the financial statements.

Risk Management

The District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, property loss, and boiler and machinery coverage are purchased from insurance companies licensed to do business in the State of Ohio. The maximum deductible amount for these coverages is \$1,000 per loss incurred.

OTHER INFORMATION

Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. VonLehman and Company, Inc., conducted the District's audit for fiscal year 2001. The Auditor's report on the District's general purpose financial statements, combining and individual fund statements and schedules is included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Princeton City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2000. This was the third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

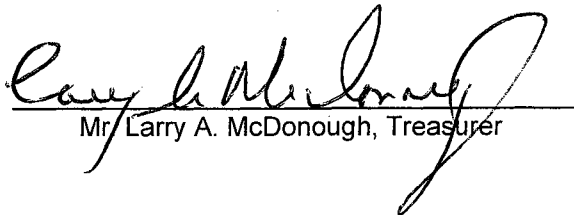
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

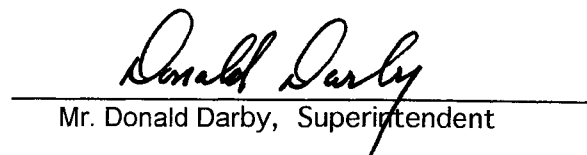
The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence on Financial Reporting for the fiscal year ended June 30, 2000, to the District. The award was the fourth for the District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2000, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after extensive review of the report by an expert panel of certified public accountants and practicing school business officials. The District believes our current report conforms to the ASBO's principles and standards, and we are submitting it to ASBO to determine its eligibility for a certificate.

Acknowledgments

The preparation and publication of the 2001 Comprehensive Annual Financial Report of the Princeton City School District was made possible by the combined efforts of the entire Treasurer's office staff. Sincere appreciation is extended to Mr. Art Precht for his exceptional individual efforts in preparing this report. Finally, this report would not have been possible without the support, commitment, and leadership of the Board of Education to continue the pursuit of excellence in financial reporting.

Sincerely,


Mr. Larry A. McDonough, Treasurer


Mr. Donald Darby, Superintendent

PRINCETON CITY SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
June 30, 2001

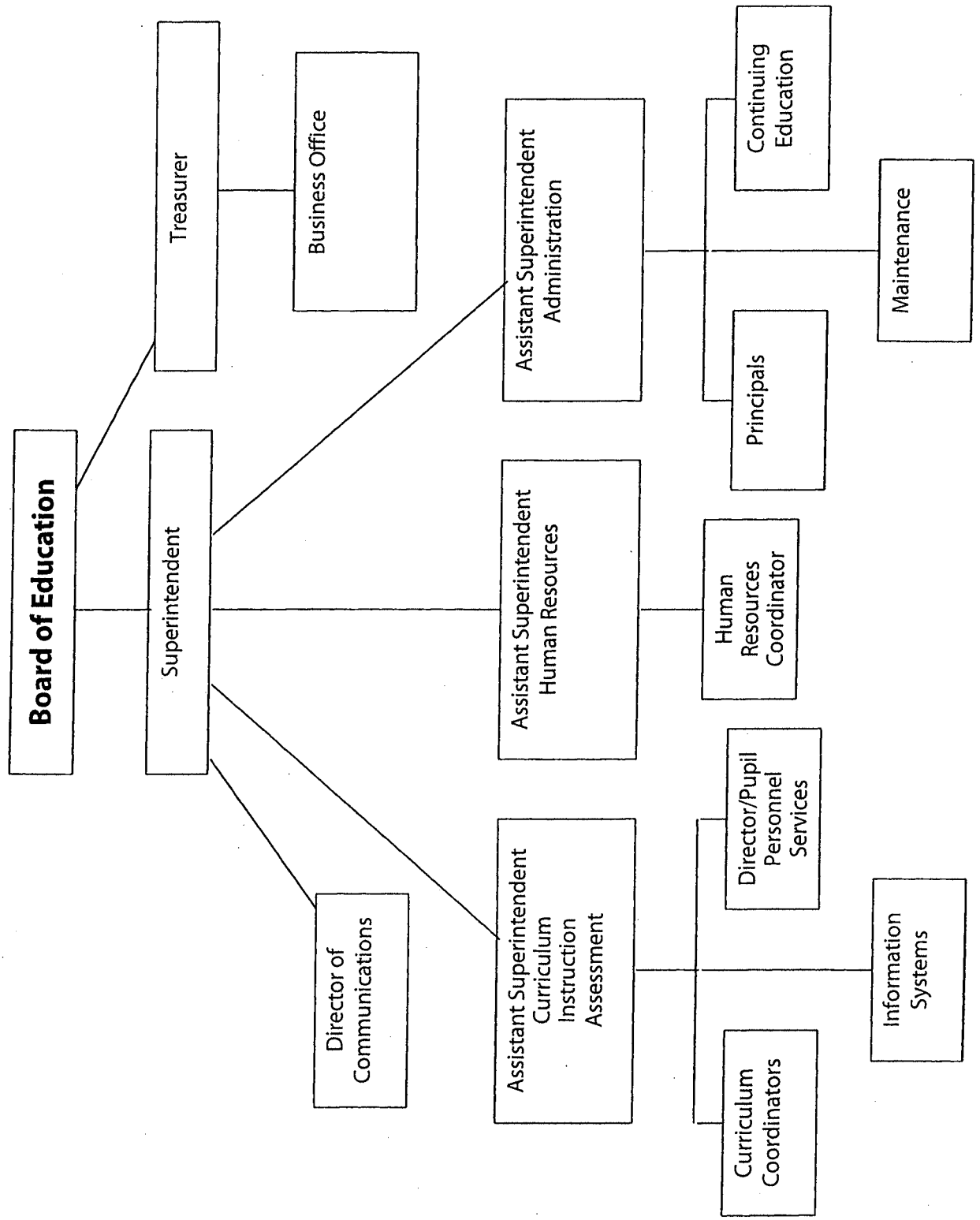
Elected Officials

President, Board of Education Jenny Pansing
Vice-President, Board of Education George Keyser
Board Member..... Gary Bryson
Board Member..... Mark M. Lemen
Board Member..... Tawana Keels Simons

Administrative Officials

Superintendent..... Dr. Dennis L. Peterson
Treasurer..... Larry A. McDonough
Assistant Superintendent, Administration..... Dr. Shelley J. Hamler
Assistant Superintendent, Instr. Programs..... Ann M. Boyle
Assistant Superintendent, Personnel..... Dr. Michelle Means-Walker

Organizational Chart of the Princeton City School District





Certificate of Achievement for Excellence in Financial Reporting

Presented to

Princeton City
School District,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

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



Imelda Arce
President

Jeffrey L. Esser
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

PRINCETON CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2000

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

Linda White
President

Don A. Hargis
Executive Director

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FINANCIAL SECTION

CHARACTER EDUCATION VALUES

Trustworthiness--Be honest, dependable, and sincere to self and others.

Respect--Demonstrate courtesy and civility. Be good to self and others.

Responsibility--Be accountable for the results of your actions.

Honor--Stand by your word. Exhibit ethical conduct.

Compassion--Treat others and self with kindness.

Service--Give back to the community. Help others.



INDEPENDENT AUDITORS' REPORT

Princeton City School District
Cincinnati, OH

We have audited the accompanying general purpose financial statements of the Princeton City School District as of and for the year ended June 30, 2001, as listed in the table of contents. These financial statements are the responsibility of the Princeton City School 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 U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Princeton City School District as of June 30, 2001, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 4, 2001 on our consideration of the Princeton City School 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 Governmental Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Princeton City School District
Page Two

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

VonLehman & Company Inc.

Ft. Mitchell, KY
December 4, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

The general purpose financial statements of the District include the basic combined financial statements, presented by fund type and account group, and notes to the financial statements that are essential to the fair presentation of financial position and results of operations and cash flows of its proprietary and non-expendable trust funds for the year ended June 30, 2001.

PRINCETON CITY SCHOOL DISTRICT
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 AS OF JUNE 30, 2001

	GOVERNMENTAL FUND TYPES		
	General Fund	Special Revenue	Capital Projects
ASSETS AND OTHER DEBITS:			
Assets:			
Equity in pooled cash and cash equivalents	\$ 18,688,147	\$ 1,590,898	\$ 1,305,753
Receivables			
Taxes - current	22,747,743	-	-
Taxes - delinquent	1,167,101	-	-
Accounts	47,868	10,076	-
Accrued interest	177,949	-	-
Intergovernmental - federal	-	-	-
Interfund loan receivable	697,046	-	-
Restricted assets:			
Cash and cash equivalents	592,611	-	-
Materials and supplies inventory	169,653	-	-
Property, plant and equipment (net of accumulated depreciation, where applicable)	-	-	-
Other debits:			
Amount to be provided for retirement of General Long-term Obligations	-	-	-
Total assets and other debits	\$ 44,288,118	\$ 1,600,974	\$ 1,305,753
LIABILITIES, EQUITY AND OTHER CREDITS:			
Liabilities:			
Accounts payable	\$ 219,259	\$ 212,903	\$ 9,225
Accrued wages and benefits	6,155,460	205,856	-
Compensated absences payable	193,942	10,652	-
Interfund loans payable	-	303,488	235,024
Due to students	-	-	-
Deferred revenue	8,664,796	-	-
General obligation bonds payable	-	-	-
Obligation under capital leases	-	-	-
Total liabilities	15,233,457	732,899	244,249
Equity and other credits:			
Investment in general fixed assets	-	-	-
Retained earnings:			
Unreserved	-	-	-
Fund Balances:			
Reserved for trusts	-	-	-
Reserved for encumbrances	206,371	205,301	706,750
Reserved for property taxes	15,250,048	-	-
Reserved for budget stabilization	592,611	-	-
Reserved for supplies inventory	169,653	-	-
Unreserved:			
Undesignated	12,835,978	662,774	354,754
Total equity and other credits	29,054,661	868,075	1,061,504
Total liabilities, equity and other credits	\$ 44,288,118	\$ 1,600,974	\$ 1,305,753

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

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 837,203	\$ 57,519	\$ 388,266	\$ -	\$ -	\$ 22,867,786
-	-	-	-	-	22,747,743
-	-	-	-	-	1,167,101
16,488	1,052	7,584	-	-	83,068
-	-	-	-	-	177,949
94,099	-	-	-	-	94,099
-	-	-	-	-	697,046
-	-	-	-	-	592,611
132,228	-	-	-	-	301,881
62,711	-	-	63,214,772	-	63,277,483
-	-	-	-	4,370,509	4,370,509
<u>\$ 1,142,729</u>	<u>\$ 58,571</u>	<u>\$ 395,850</u>	<u>\$ 63,214,772</u>	<u>\$ 4,370,509</u>	<u>\$ 116,377,276</u>
\$ 17,034	\$ 1,014	\$ 3,699	\$ -	\$ -	\$ 463,134
211,902	45	61	-	-	6,573,324
10,922	-	-	-	1,108,095	1,323,611
150,000	-	8,534	-	-	697,046
-	-	22,327	-	-	22,327
106,008	-	-	-	-	8,770,804
-	-	-	-	2,103,060	2,103,060
-	-	-	-	1,159,354	1,159,354
495,866	1,059	34,621	-	4,370,509	21,112,660
-	-	-	63,214,772	-	63,214,772
646,863	57,512	-	-	-	704,375
-	-	285,379	-	-	285,379
-	-	50	-	-	1,118,472
-	-	-	-	-	15,250,048
-	-	-	-	-	592,611
-	-	-	-	-	169,653
-	-	75,800	-	-	13,929,306
<u>646,863</u>	<u>57,512</u>	<u>361,229</u>	<u>63,214,772</u>	<u>-</u>	<u>95,264,616</u>
<u>\$ 1,142,729</u>	<u>\$ 58,571</u>	<u>\$ 395,850</u>	<u>\$ 63,214,772</u>	<u>\$ 4,370,509</u>	<u>\$ 116,377,276</u>

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PRINCETON CITY SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 FOR YEAR ENDED JUNE 30, 2001

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	Totals (Memorandum Only)
	General Fund	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
From local sources:						
Taxes	\$ 56,161,246	\$ -	\$ -	\$ -	\$ -	\$ 56,161,246
Tuition	331,893	-	-	-	-	331,893
Earnings on investments	1,675,316	27,385	-	104,902	-	1,807,603
Other local revenues	539,463	265,421	-	-	21,541	826,425
Extracurricular revenue	-	126,236	-	-	-	126,236
Intermediate sources	-	25,809	-	-	-	25,809
Intergovernmental - state	8,575,181	1,578,796	-	38,500	-	10,192,477
Intergovernmental - federal	72,162	2,275,847	-	-	-	2,348,009
Claims and judgments	150,000	-	-	-	-	150,000
Total revenues	67,505,261	4,299,494	-	143,402	21,541	71,969,698
Expenditures:						
Current:						
Instruction:						
Regular	25,317,906	719,960	-	310,277	4,851	26,352,994
Special	5,344,811	738,533	-	-	-	6,083,344
Vocational	454,756	-	-	-	-	454,756
Other	428,952	11,342	-	-	4,431	444,725
Support services:						
Pupil	3,380,618	113,390	-	24,189	7,573	3,525,770
Instructional staff	4,973,889	1,095,029	-	33,057	180	6,102,155
Board of Education	193,441	-	-	-	-	193,441
School administration	4,710,527	60,539	-	8,796	-	4,779,862
Fiscal	1,689,609	1,217	-	-	-	1,690,826
Business	361,022	-	-	2,548	-	363,570
Operations and maintenance	8,012,885	2,152	-	763,350	-	8,778,387
Pupil transportation	3,106,502	37	-	2,199	-	3,108,738
Central	974,043	27,451	-	-	-	1,001,494
Community services	339,971	1,141,084	-	-	-	1,481,055
Extracurricular activities	846,236	447,929	-	2,199	-	1,296,364
Capital outlay	238,658	-	-	23,666	-	262,324
Debt service:						
Principal retirement	312,313	-	944,444	-	-	1,256,757
Interest and fiscal charges	122,776	-	151,163	-	-	273,939
Total expenditures	60,808,915	4,358,663	1,095,607	1,170,281	17,035	67,450,501
Excess (deficiency) of revenues over (under) expenditures	6,696,346	(59,169)	(1,095,607)	(1,026,879)	4,506	4,519,197
Other financing sources (uses):						
Proceeds of cap. lease trans.	160,005	-	-	-	-	160,005
Operating transfers in	-	361,651	1,095,607	-	-	1,457,258
Operating transfers (out)	(1,845,178)	-	-	-	-	(1,845,178)
Proceeds of sale of fixed assets	31,590	-	-	-	-	31,590
Total other financing sources (uses)	(1,653,583)	361,651	1,095,607	-	-	(196,325)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	5,042,763	302,482	-	(1,026,879)	4,506	4,322,872
Fund balance, July 1	24,011,898	565,593	-	2,088,383	71,344	26,737,218
Fund balance, June 30	\$ 29,054,661	\$ 868,075	\$ -	\$ 1,061,504	\$ 75,850	\$ 31,060,090

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

PRINCETON CITY SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES
 FOR YEAR ENDED JUNE 30, 2001

	General Fund			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
From local sources:						
Taxes	\$ 54,491,657	\$ 54,491,657	\$ -	\$ -	\$ -	\$ -
Tuition	111,016	353,343	242,327	-	-	-
Earnings on investments	1,663,639	1,663,639	-	27,384	27,385	1
Other local revenues	796,237	441,246	(354,991)	248,213	169,851	(78,362)
Extracurricular revenue	-	-	-	127,325	125,055	(2,270)
Intermediate sources	-	-	-	25,809	25,809	-
Intergovernmental - state	8,585,783	8,585,781	(2)	1,470,796	1,503,796	33,000
Intergovernmental - federal	72,162	72,162	-	2,375,849	2,375,847	(2)
Total revenues	65,720,494	65,607,828	(112,666)	4,275,376	4,227,743	(47,633)
Expenditures:						
Current:						
Instruction:						
Regular	24,907,931	25,476,090	(568,159)	832,318	686,210	146,108
Special	4,770,297	5,254,050	(483,753)	1,317,065	733,945	583,120
Vocational	367,534	450,230	(82,696)	-	-	-
Other	394,343	436,709	(42,366)	-	-	-
Support services:						
Pupil	3,388,566	3,381,895	6,671	182,722	109,102	73,620
Instructional staff	4,718,406	4,947,398	(228,992)	1,354,388	1,161,090	193,298
Board of Education	211,142	201,885	9,257	-	-	-
School administration	4,387,343	4,592,120	(204,777)	100,272	60,840	39,432
Fiscal	1,500,100	1,734,129	(234,029)	6,594	1,374	5,220
Business	416,034	374,738	41,296	3,897	-	3,897
Operations and maintenance	7,725,484	8,542,048	(816,564)	1,480	2,152	(672)
Pupil transportation	2,894,155	3,065,374	(171,219)	341	-	341
Central	1,031,475	974,484	56,991	124,646	22,698	101,948
Community services	198,548	321,942	(123,394)	859,135	1,216,221	(357,086)
Extracurricular activities	731,287	831,476	(100,189)	341,921	448,354	(106,433)
Capital outlay	115,340	78,653	36,687	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Total expenditures	57,757,985	60,663,221	(2,905,236)	5,124,779	4,441,986	682,793
Excess (deficiency) of revenues over (under) expenditures	7,962,509	4,944,607	(3,017,902)	(849,403)	(214,243)	635,160
Other financing sources (uses):						
Operating transfers in	-	-	-	361,650	361,651	1
Operating transfers (out)	(1,518,630)	(1,845,178)	(326,548)	-	-	-
Advances in	861,861	861,861	-	303,218	303,488	270
Advances (out)	(870,480)	(697,046)	173,434	(86,952)	(536,321)	(449,369)
Proceeds of sale of fixed assets	-	35,412	35,412	-	-	-
Refund of prior years expense	-	77,254	77,254	-	994	994
Refund of prior year receipts	(2,931)	(16,773)	(13,842)	(315)	(11,342)	(11,027)
Total other financing sources (uses)	(1,530,180)	(1,584,470)	(54,290)	577,601	118,470	(459,131)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	6,432,329	3,360,137	(3,072,192)	(271,802)	(95,773)	176,029
Fund balance, July 1	15,012,621	15,012,621	-	912,064	912,064	-
Prior year encumbrances appropriated	648,092	648,092	-	316,957	316,957	-
Fund balance, June 30	\$ 22,093,042	\$ 19,020,850	\$ (3,072,192)	\$ 957,219	\$ 1,133,248	\$ 176,029

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

Debt Service			Capital Projects			Totals (Memorandum only)		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,491,657	\$ 54,491,657	\$ -
-	-	-	-	-	-	111,016	353,343	242,327
3,207	3,207	-	104,902	104,902	-	1,799,132	1,799,133	1
-	-	-	2,900	-	(2,900)	1,047,350	611,097	(436,253)
-	-	-	-	-	-	127,325	125,055	(2,270)
-	-	-	-	-	-	25,809	25,809	-
-	-	-	71,500	38,500	(33,000)	10,128,079	10,128,077	(2)
-	-	-	-	-	-	2,448,011	2,448,009	(2)
3,207	3,207	-	179,302	143,402	(35,900)	70,178,379	69,982,180	(196,199)
-	-	-	-	310,277	(310,277)	25,740,249	26,472,577	(732,328)
-	-	-	-	-	-	6,087,362	5,987,995	99,367
-	-	-	-	-	-	367,534	450,230	(82,696)
-	-	-	-	-	-	394,343	436,709	(42,366)
-	-	-	-	24,189	(24,189)	3,571,288	3,515,186	56,102
-	-	-	-	33,057	(33,057)	6,072,794	6,141,545	(68,751)
-	-	-	-	-	-	211,142	201,885	9,257
-	-	-	-	8,796	(8,796)	4,487,615	4,661,756	(174,141)
-	-	-	-	-	-	1,506,694	1,735,503	(228,809)
-	-	-	-	2,548	(2,548)	419,931	377,286	42,645
-	-	-	721,047	1,082,862	(361,815)	8,448,011	9,627,062	(1,179,051)
-	-	-	-	382,179	(382,179)	2,894,496	3,447,553	(553,057)
-	-	-	-	-	-	1,156,121	997,182	158,939
-	-	-	-	-	-	1,057,683	1,538,163	(480,480)
-	-	-	-	2,199	(2,199)	1,073,208	1,282,029	(208,821)
-	-	-	20,543	27,699	(7,156)	135,883	106,352	29,531
1,024,216	1,098,814	(74,598)	-	-	-	1,024,216	1,098,814	(74,598)
1,024,216	1,098,814	(74,598)	741,590	1,873,806	(1,132,216)	64,648,570	68,077,827	(3,429,257)
(1,021,009)	(1,095,607)	(74,598)	(562,288)	(1,730,404)	(1,168,116)	5,529,809	1,904,353	(3,625,456)
1,095,608	1,095,607	(1)	-	-	-	1,457,258	1,457,258	-
-	-	-	-	-	-	(1,518,630)	(1,845,178)	(326,548)
-	-	-	235,024	235,024	-	1,400,103	1,400,373	270
-	-	-	-	-	-	(957,432)	(1,233,367)	(275,935)
-	-	-	-	-	-	-	35,412	35,412
-	-	-	-	2,900	2,900	-	81,148	81,148
-	-	-	-	-	-	(3,246)	(28,115)	(24,869)
1,095,608	1,095,607	(1)	235,024	237,924	2,900	378,053	(132,469)	(510,522)
74,599	0	(74,599)	(327,264)	(1,492,480)	(1,165,216)	5,907,862	1,771,884	(4,135,978)
-	-	-	1,619,510	1,619,510	-	17,544,195	17,544,195	-
-	-	-	465,972	465,972	-	1,431,021	1,431,021	-
\$ 74,599	\$ -	\$ (74,599)	\$ 1,758,218	\$ 593,002	\$ (1,165,216)	\$ 24,883,078	\$ 20,747,100	\$ (4,135,978)

PRINCETON CITY SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
 FOR YEAR ENDED JUNE 30, 2001

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	Totals (Memorandum only)
	Enterprise	Internal Service	Non-Expendable Trust	
Operating revenues:				
Tuition and fees	\$ 1,025,320	\$ 62,858	\$ -	\$ 1,088,178
Sales	1,075,054	480	-	1,075,534
Other operating revenues	4,545	73,652	871	79,068
Total operating revenues	2,104,919	136,990	871	2,242,780
Operating expenses:				
Salaries and wages	1,541,447	1,075	-	1,542,522
Fringe benefits	426,507	207	-	426,714
Contract services	60,556	5,063	-	65,619
Materials and supplies	1,135,321	24,870	223	1,160,414
Depreciation	24,255	-	-	24,255
Other operating expenses	5,016	93,511	6,550	105,077
Total operating expenses	3,193,102	124,726	6,773	3,324,601
Operating income (loss)	(1,088,183)	12,264	(5,902)	(1,081,821)
Nonoperating revenues (expenses):				
Interest revenue	18,218	-	17,910	36,128
Grants - state	54,717	-	-	54,717
Grants - federal	890,046	-	-	890,046
Grants - commodities	106,621	-	-	106,621
Total nonoperating revenues (expenses)	1,069,602	-	17,910	1,087,512
Net income (loss) before operating transfers	(18,581)	12,264	12,008	5,691
Operating transfers in	358,070	-	-	358,070
Net income (loss)	339,489	12,264	12,008	363,761
Retained earnings/ fund balance at July 1	307,374	45,248	273,371	625,993
Retained earnings/ fund balance at June 30	\$ 646,863	\$ 57,512	\$ 285,379	\$ 989,754

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

PRINCETON CITY SCHOOL DISTRICT
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
 FOR YEAR ENDED JUNE 30, 2001

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	Totals
	Enterprise	Internal Service	Non-Expendable Trust	(Memorandum only)
Cash flows from operating activities:				
Cash received from tuition and fees	\$ 1,019,170	\$ 62,806	\$ -	\$ 1,081,976
Cash received from sales/charges for services	1,075,475	-	-	1,075,475
Cash received from other operations	4,545	73,143	871	78,559
Cash payments for personal services	(1,986,006)	(1,237)	-	(1,987,243)
Cash payments for contract services	(52,691)	(5,063)	-	(57,754)
Cash payments for supplies and materials	(1,018,635)	(24,870)	(223)	(1,043,728)
Cash payments for other expenses	(3,280)	(94,596)	(6,550)	(104,426)
Net cash provided by (used for) operating activities	(961,422)	10,183	(5,902)	(957,141)
Cash flows from noncapital financing activities:				
Cash received from grants (state)	54,717	-	-	54,717
Cash received from grants (federal)	917,466	-	-	917,466
Transfers in(out) from(to) other funds	358,070	-	-	358,070
Advances in(out) from(to) other funds	(175,540)	-	-	(175,540)
Refund of prior year transaction	(110)	30	-	(80)
Net cash provided by (used for) noncapital financing activities	1,154,603	30	-	1,154,633
Cash flows from capital and related financing activities:				
Acquisition/Disposition of capital assets	(79,042)	-	-	(79,042)
Net cash used for capital and related financing activities	(79,042)	-	-	(79,042)
Cash flows from investing activities:				
Interest on cash equivalents	18,218	-	17,910	36,128
Net cash provided by investing activities	18,218	-	17,910	36,128
Net increase (decrease) in cash and cash equivalents	132,357	10,213	12,008	154,578
Cash and cash equivalents at beginning of year	704,846	47,306	273,371	1,025,523
Cash and cash equivalents at end of year	\$ 837,203	\$ 57,519	\$ 285,379	\$ 1,180,101
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	(1,088,183)	12,264	(5,902)	(1,081,821)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation	24,255	-	-	24,255
Adjustments to capital outlay	17,814	-	-	17,814
Other adjustments to non-operating income	106,731	(30)	-	106,701
Changes in assets and liabilities:				
Supplies inventory	(6,027)	-	-	(6,027)
Accounts receivable/Due from other governments	(4,750)	(1,011)	-	(5,761)
Accounts payable	420	(1,085)	-	(665)
Accrued wages and benefits	1,759	45	-	1,804
Compensated absences payable	(19,811)	-	-	(19,811)
Deferred revenue	6,370	-	-	6,370
Net cash provided by (used for) operating activities	\$ (961,422)	\$ 10,183	\$ (5,902)	\$ (957,141)
Reconciliation of non-expendable trust funds to balance sheet:				
Cash and cash equivalents - all fiduciary funds			\$ 388,266	
Cash and cash equivalents - expendable trust and agency funds			(102,887)	
Cash and cash equivalents - non-expendable trust funds			\$ 285,379	

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 1 - DESCRIPTION OF THE DISTRICT

The District is a consolidation of nine school districts originally chartered by the Ohio State Legislature. In 1853, State laws were enacted to create local Boards of Education. Eight districts -- Woodlawn, Glendale, Springdale, Crescentville, Sharonville, Runyan, Stewart, and Evendale -- were consolidated in April, 1955. The ninth -- Lincoln Heights -- was added in February, 1970. Today, the District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code.

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

The District is the 45th largest in the State of Ohio (among 613 Districts) in terms of enrollment and the 5th largest in Hamilton County. It currently operates 9 elementary schools, 1 junior high school (grades 7-8), and 1 comprehensive high school (grades 9-12).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the 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 District's significant accounting policies are described below.

A. The Reporting Entity

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization.

Components units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes.

PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation - Fund Accounting

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

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, 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 District are grouped into the following general 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 District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (except for those accounted for in proprietary funds) are accounted for through governmental funds. The following are the District's governmental fund types:

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

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

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

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

Proprietary Fund Types

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Enterprise Funds are used to account for 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 Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the District or to other governments on a cost reimbursement basis.

Fiduciary Fund Types

Fiduciary funds are used to account for the assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include expendable trust, nonexpendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

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

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

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

C. Measurement Focus and Basis of Accounting

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All proprietary funds and nonexpendable trust funds 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 nonexpendable 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 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: taxpayer-assessed income taxes, interest, tuition, grants, and student fees.

The 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, 2001, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2002 operations, have been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year, and the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. 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 nonexpendable 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.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the District applies all GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles, Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

D. Budgetary Data

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 are legally required to be budgeted and appropriated except for the Agency Fund and the Miscellaneous State Grants Special Revenue Fund. The District does not adopt an annual budget for the Agency Fund and the Miscellaneous State Grants Special Revenue Fund. The primary level of budgetary control is at the object level within each function within each fund. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Advances in and Advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

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 Hamilton County Budget Commission for rate determination.

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2001.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures.

Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. 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. 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.

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.

E. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

During fiscal year 2001, investments were limited to obligations of the U.S. Treasury, certificate of deposits, commercial paper, and STAROhio. Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to auxiliary services, certain trust funds, and permanent improvement which are individually authorized by Board resolution.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

The Princeton City School District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2001. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2001.

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 2001 amounted to \$1,675,316 which excludes \$168,415 assigned to other District funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments. For fiscal year 2001, carrying value approximates fair market value of all investments.

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 purchased food and school supplies held for resale and are expensed when used. Unused commodities at June 30, 2001, are reported as deferred revenue until the commodities are used.

G. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. 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 District maintains a capitalization threshold of five hundred dollars. The 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 proprietary 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 fund is computed using the straight-line method over an estimated useful life of five to twenty years.

I. 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 District currently participates in several State and Federal programs, categorized as follows:

Entitlements

General Fund

State Foundation Program
State Property Tax Relief
Medical Assistance Program - CAFS

Non-Reimbursable Grants

Special Revenue Funds

Venture Capital
Auxiliary Services
Career Development
Teacher Development
Education Management Information System
Disadvantaged Pupil Impact Aid
Data Communications
School Net Professional Development
Ohio Reads
Alternative Schools

PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Conflict Management
Title II
Title VI-B
Vocational Education
Title I
Title VI
Emergency Immigrant Education Assistance Grant
Title IV
Preschool Grant
Continuous Improvement Implementation Grant
Reducing Class Size
After School Learning Centers
Bilingual Education
Reading Excellence Act
Alternative Education Opportunities Grant
Capital Projects Funds
School Net
Reimbursable Grants
General Fund
Driver Education
Proprietary Funds
National School Lunch Program
National School Breakfast Program
Government Donated Commodities

Grants and entitlements amounted to approximately eighteen percent of the District's operating revenue during the 2001 fiscal year.

J. 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." Long-term interfund loans are classified as "advances to/from other funds" and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

K. Compensated Absences

In accordance with GASB 16, the liability for compensated absences also includes an accrual for salary-related payments which are directly and incrementally associated with payments made for compensated absences on termination.

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The District's policies regarding compensated absences are determined by negotiating agreements and/or state laws. In summary, the policies are as follows:

	<u>Vacation</u>		
	<u>Certificated</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How Earned	Not Eligible	20 days at start of each contract year	10-20 days for each service year depending on length of service.
Maximum Accumulation	Not Applicable	40 days unless otherwise stated in contract	40 days
Vested	Not Applicable	As Earned	As Earned
Termination Entitlement	Not Applicable	Paid upon Termination	Paid upon Termination

	<u>Sick Leave</u>		
	<u>Certificated</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How Earned	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)
Maximum Accumulation	255 days (according to bargaining agreements)	279 days	265 days (according to bargaining agreements)
Vested	As Earned	As Earned	As Earned
Termination Entitlement	Per Contract	Per Contract	Per Contract

For governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the respective governmental fund. Amounts that are not expected to be liquidated with expendable available resources are reported in the General Long-Term Obligations Account Group. Compensated absences of proprietary funds are recorded as an expense and liability of the respective proprietary fund.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long term obligations account group. Long-term liabilities expected to be financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

M. Fund Balance Reserves

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available 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 are established for encumbrances, inventories of supplies and materials, and debt services that must be kept intact. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The reserve for budget stabilization represents funds set aside as required by State statute and be used only with the approval of the State.

N. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, 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.

O. Estimates

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

The following special revenue funds had a deficit fund balance due to the timing of the reimbursement check from the federal agency or the state athletic association:

<u>Fund Type/Fund</u>	<u>Fund Balance</u>
Special Revenue Funds:	
Venture Capital	\$ 2,149
Athletic Fund	18,394
DPIA	8,790
Title I	30,696
Emergency Immigrant Ed. Assistance	606
After School Learning Centers	13,864
Bilingual Education	20,519

B. Compliance

The following funds had appropriations in excess of estimated resources plus available balances for the fiscal year ended June 30, 2001.

<u>Fund Type/Fund</u>	<u>Excess</u>
Debt Service Fund	\$ 2,364

State statute requires all funds to have expenditures within approved appropriation limits. The following funds had an excess of expenditures plus encumbrances over appropriations for the fiscal year ended June 30, 2001.

<u>Fund</u>	<u>Excess</u>
General Fund	
Instruction:	
Regular:	
Fringe benefits	129,749
Purchased services	454,464
Materials and supplies	449,404
Special:	
Salaries and wages	394,954
Fringe benefits	131,405
Materials and supplies	15,378
Capital outlay - new	1,154

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE (continued)

Capital outlay - replacement	4,746
Other expenditures	73
Vocational:	
Salaries and wages	64,789
Fringe benefits	20,399
Other:	
Salaries and wages	4,872
Fringe benefits	836
Purchased services	36,792
Support services:	
Pupil:	
Fringe benefits	12,320
Purchased services	42,247
Other expenditures	216
Instructional staff:	
Salaries and wages	266,492
Fringe benefits	83,062
Materials and supplies	81,101
Capital outlay - new	62,327
Capital outlay - replacement	18,798
Board of Education:	
Salaries and wages	6,372
Fringe benefits	488
School administration:	
Salaries and wages	177,400
Fringe benefits	52,524
Purchased services	29,140
Capital outlay - new	5,336
Fiscal:	
Salaries and wages	37,544
Fringe benefits	67,450
Purchased services	20,297
Capital outlay - new	778
Other expenditures	119,028
Operations and maintenance:	
Salaries and wages	144,820
Fringe benefits	25,430
Purchased services	188,735
Materials and supplies	439,852
Capital outlay -new	19,427
Other expenditures	578
Pupil transportation:	
Salaries and wages	68,232
Fringe benefits	27,634
Purchased services	29,792
Materials and supplies	62,994
Other expenditures	362

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE (continued)

Central:	
Fringe benefits	1,230
Purchased services	16,290
Materials and supplies	1,475
Other expenditures	3,222
Community services:	
Salaries and wages	12,197
Fringe benefits	2,896
Purchased services	168
Capital outlay - new	120,669
Extracurricular activities:	
Academic and subject oriented activities:	
Salaries and wages	3,123
Fringe benefits	416
Other expenditures	82
Sports oriented activities:	
Salaries and wages	82,170
Fringe benefits	14,604
Other expenditures	8,724
School and public service:	
Salaries and wages	3,636
Fringe benefits	562
Materials and supplies	216
Other expenditures	11
Capital Outlay:	
Architecture and engineering services:	
Purchased services	13,093
Special Revenue Funds	
Public School Support	
Instruction:	
Regular:	
Other Expenditures	141
Support Services:	
Pupil:	
Materials and Supplies	847
Instructional Staff:	
Other Expenditures	641
School administration:	
Other expenditures	237
Operations and maintenance:	
Other expenditures	2,152
Central:	
Materials and Supplies	920
Community Services:	
Materials and Supplies	2,829

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE (continued)

Extracurricular Activities:	
Academic and Subject Oriented Activities:	
Materials and supplies	3,506
Sports oriented activities:	
Materials and supplies	299
Other Grants	
Instruction:	
Regular:	
Purchased services	400
Materials and supplies	505
Support Services:	
Instructional Staff:	
Salaries and wages	3,539
Fringe Benefits	530
Purchased Services	23,886
Central:	
Materials and Supplies	607
Other Expenditures	1,440
Venture Capital	
Instruction:	
Regular:	
Materials and Supplies	4,530
Support Services:	
Instructional Staff:	
Salaries and Wages	3,573
Fringe Benefits	552
Athletic Fund	
Instruction:	
Regular:	
Salaries and Wages	14
Fringe Benefits	35
Support Services:	
Instructional staff:	
Salaries and wages	390
Fringe benefits	57
School administration:	
Purchased services	708
Community services:	
Materials and supplies	2,772
Extracurricular Activities:	
Academic and Subject Oriented Activities:	
Fringe Benefits	154
Purchased services	700
Other expenditures	35,606

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE (continued)

Sports Oriented Activities:	
Salaries and Wages	18,414
Fringe Benefits	4,270
Capital Outlay - new	24,590
Other Expenditures	36,356
Auxiliary Services	
Community Services:	
Salaries and wages	5,175
Fringe Benefits	2,123
Materials and supplies	303,073
Capital Outlay - New	69,722
Career Development	
Support Services:	
Pupil:	
Purchased Services	125
Instructional Staff:	
Purchased Services	1,556
Teacher Development	
Instruction:	
Regular:	
Materials and supplies	179
Support services:	
Instructional staff:	
Fringe benefits	558
Purchased services	10,104
SchoolNet Professional Development	
Support services:	
Instructional Staff:	
Salaries and wages	2,115
Fringe benefits	315
Ohio Reads	
Instruction:	
Regular:	
Salaries and wages	23,469
Fringe benefits	5,471
Special:	
Purchased services	17,279
Instructional staff:	
Salaries and wages	9,781
Alternative Schools	
Instruction:	
Regular:	
Purchased services	1,200
Materials and supplies	3,287
Special:	
Purchased services	909

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE (continued)

Instructional staff:		
Salaries and wages		685
Fringe benefits		96
Purchased services		185,004
Conflict Management		
Support services:		
Instructional staff:		
Materials and supplies		364
Title VI-B		
Instruction:		
Special:		
Materials and supplies		11,430
Support services:		
Pupil:		
Salaries and wages		929
Fringe benefits		188
Instructional staff:		
Materials and supplies		535
Community services:		
Materials and supplies		14,041
Vocational Education		
Instruction:		
Regular:		
Purchased services		389
Support services:		
Instructional staff:		
Salaries and wages		400
Fringe benefits		62
Title I		
Instruction:		
Regular:		
Purchased services		1,341
Materials and supplies		5,118
Support services:		
Pupil:		
Purchased services		642
Title VI		
Instruction:		
Regular:		
Materials and supplies		400
Emergency Immigrant Education Assistance		
Support services:		
Instructional staff:		
Salaries and wages		8,129
Fringe benefits		18
Purchased services		125

PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE (continued)

Title IV		
Instruction:		
Regular:		
Other expenditures		1,700
Preschool Grant		
Instruction:		
Special:		
Materials and supplies		1,048
Continuous Improvement Implementation		
Instruction:		
Regular:		
Purchased services		7,864
Capital outlay - new		19,225
After School Learning Centers		
Instruction:		
Regular:		
Purchased services		30,950
Materials and supplies		13,744
Support services:		
Instructional staff:		
Salaries and wages		720
Fringe benefits		101
Bilingual Education		
Instruction:		
Regular:		
Purchased services		3,630
Materials and supplies		5,992
Capital outlay - new		1,453
Special:		
Salaries and wages		64,489
Fringe benefits		13,544
Support services:		
Pupil:		
Salaries and wages		9,323
Fringe benefits		4,901
Instructional staff:		
Salaries and wages		17,388
Fringe benefits		7,541
Purchased services		7,384
Reading Excellence Act		
Instruction:		
Regular:		
Salaries and wages		46,194
Fringe benefits		9,382
Purchased services		29,524
Materials and supplies		40,362
Capital outlay - new		2,479

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE (continued)

Support services:		
Instructional staff:		
Salaries and wages		12,798
Fringe benefits		2,823
Purchased services		36,781
Materials and supplies		142,742
Capital outlay - new		2,608
Family and School Partnership Grant		
Instruction:		
Regular:		
Materials and supplies		1,753
Capital Projects Funds		
Building		
Support services:		
Pupil transportation:		
Capital outlay - new		12,180
Capital outlay - replacement		367,800
Permanent Improvement		
Instruction:		
Regular:		
Capital outlay - new		101,303
Capital outlay - replacement		208,974
Support services:		
Pupil:		
Capital outlay - replacement		24,189
Instructional staff:		
Capital outlay - new		13,245
Capital outlay - replacement		19,812
School administration:		
Purchased services		8,796
Business:		
Capital outlay - replacement		2,548
Operations and maintenance:		
Capital outlay - new		181,276
Capital outlay - replacement		144,539
Pupil transportation:		
Capital outlay - replacement		2,199
Extracurricular activities:		
Capital outlay - replacement		2,199
Architecture and engineering services:		
Purchased services		27,699
School Net Plus		
Support services:		
Operations and maintenance:		
Capital outlay - new		30,000
Capital outlay - replacement		6,000

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

Inactive deposits are public deposits 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 accounts, including passbook accounts.

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

Interim monies may be invested in the following obligations. In general, investments must mature or be redeemable within two years from the date of purchase:

1. Bonds, notes or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in 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 (STAROhio); and

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

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

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

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

Deposits: At year end, the government's carrying amount of deposits was \$3,064,421 and the bank balance was \$4,344,009. Of the bank balance, \$100,000 was covered by federal depository insurance or by collateral held by the government's agent in the government's name. Of the remaining balance, \$4,244,009 was collateralized with securities held by the pledging financial institution's trust department or agent in the government's name.

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

	<u>Category 1</u>	<u>Category 2</u>	<u>Fair Value</u>
U.S. Government Securities		\$6,251,960	\$6,251,960
Certificate of Deposit	\$10,000,000		10,000,000
STAROhio	_____	_____ -0-	_____ 4,144,016
Totals	<u>\$ 10,000,000</u>	<u>\$6,251,960</u>	<u>\$20,395,976</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

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 investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

GASB Statement 9:	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
Unrestricted Cash and Cash Equivalents	\$ 22,867,786	\$ -0-
Restricted Cash and Cash Equivalents	592,611	-0-
Certificate of Deposit	(10,000,000)	10,000,000
Investments:		
U.S. Government Securities	(6,251,960)	6,251,960
STAROhio	<u>(4,144,016)</u>	<u>4,144,016</u>
GASB Statement 3	\$ <u>3,064,421</u>	\$ <u>20,395,976</u>

NOTE 5 - SET-ASIDES

The set-aside requirements created by H.B. 412 and revised by H.B. 282 have been calculated as of June 30, 2001. Although the District had off-sets and qualifying disbursements during the year that reduced the set-aside amounts below zero, these extra amounts may not be used to reduce the set-aside requirements of future years. Negative amounts are, therefore, not presented as being carried forward to the next fiscal year.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 5 - SET-ASIDES (continued)

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-aside Cash Balance as of 6/30/00	-0-	-0-	592,611	592,611
Current Year Set-aside Requirement	1,751,163	1,751,163	-0-	3,502,326
Current Year Offsets	-0-	-0-	-0-	-0-
Qualifying Disbursements	<u>2,156,701</u>	<u>3,549,449</u>	<u>-0-</u>	<u>5,706,150</u>
Total	<u>(405,538)</u>	<u>(1,798,286)</u>	<u>592,611</u>	<u>(1,611,213)</u>
Cash Balance Carried Forward to FY 2001	<u>(169,080)</u>	<u>-0-</u>	<u>592,611</u>	
Amount Restricted for Budget Stabilization				<u>592,611</u>
Total Restricted Assets				<u>592,611</u>

NOTE 6 - INTERFUND RECEIVABLES/PAYABLES

Interfund balances at June 30, 2001, consisted of the following individual fund receivables and payables.

Short term interfund loans:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$697,046	
Special Revenue Funds		
Title VI-B		\$75,000
Title I		70,526
Title VI		37,546
Continuous Improvement Implementation Grant		120,416
Total Special Revenue		<u>303,488</u>
Capital Projects Funds		
Building		235,024
Enterprise Funds		
Early Childhood Programs Agency Fund		150,000 <u>8,534</u>
Total All Funds	<u>\$697,046</u>	<u>\$697,046</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 7 - TRANSFERS

Reconciliation of transfers is as follows:

Transfers out	1,845,178
Less Enterprise Fund transfers in	358,070
Less Agency Fund transfers in	<u>29,850</u>
	<u>\$1,457,258</u>

NOTE 8 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) is due January 20th with the remainder payable on June 20th.

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

The District receives property taxes from Hamilton County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2001, are available to finance fiscal year 2001 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, 2001. 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 amount available as an advance at June 30, 2001, was \$15,250,048.

The assessed values upon which fiscal year 2001 taxes were collected are:

PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001

NOTE 8 - PROPERTY TAXES (continued)

	<u>2000 Second- Half Collections</u>		<u>2001 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$1,251,889,320	70.19%	\$1,267,991,720	69.78%
Public Utility	69,523,700	3.90%	78,471,720	4.32%
Tangible Personal Property	<u>462,169,619</u>	<u>25.91%</u>	<u>470,530,636</u>	<u>25.90%</u>
Total Assessed Value	<u>\$1,783,582,639</u>	100.00%	<u>\$1,816,994,076</u>	100.00%
Tax Rate Per \$1,000 of Assessed Valuation	\$46.19		\$46.19	

NOTE 9 - RECEIVABLES

Significant receivables at June 30, 2001, consisted of taxes, accounts receivables, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose of the nonpayment of taxes, the stable condition of State Programs, and the current year guarantee of Federal Funds.

A summary of the principal items of receivables follows:

<u>Fund</u>	<u>Type of Receivable</u>	<u>Amount</u>
General Fund	Taxes	\$23,914,844
Enterprise Funds	Due from other Governments	\$ 94,099

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 10 - FIXED ASSETS

A summary of the changes in the General Fixed Assets Account Group during the fiscal year 2001 follows:

	<u>July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2001</u>
Land/Improvements	\$1,003,909	\$ -0-	\$ -0-	\$1,003,909
Building and Building Improvements	37,458,294	498,612	234,000	37,722,906
Furniture/Equipment	<u>22,840,348</u>	<u>1,771,316</u>	<u>123,707</u>	<u>24,487,957</u>
Total	<u>\$61,302,551</u>	<u>\$2,269,928</u>	<u>\$357,707</u>	<u>\$63,214,772</u>

A summary of the Enterprise Fund fixed assets at June 30, 2001, follows:

Furniture and Equipment	\$620,273
Less Accumulated Depreciation	(557,562)
Net Fixed Assets - Proprietary Fund	<u>\$ 62,711</u>

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS

A. School Employees Retirement System

The Princeton City 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 state statute per Chapter 3309 of the Ohio Revised Code. The School Employees Retirement System issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634 or by calling (614)222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the Princeton City School District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The school district's contributions to SERS for the years ended June 30, 2001, 2000, and 1999 were \$1,659,375, \$1,542,751, and \$1,543,673, respectively, equal to the required contributions for each year. \$883,750, representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the general long-term obligations account group.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 11 - EMPLOYEE RETIREMENT SYSTEMS (continued)

B. State Teachers Retirement System

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the Princeton City School District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$4,223,126, \$3,962,405, and \$4,038,274 respectively; 81 percent has been contributed for fiscal year 2001 and 100 percent for the fiscal years 2000 and 1999. \$806,553 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2001, all members of the Board of Education have elected social security. The Board's liability is 6.2 percent of wages paid.

NOTE 12 - POST EMPLOYMENT BENEFITS

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

The State Teachers Retirement board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. Through June 30, 2000, the Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$2,413,215 during fiscal year 2001.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 12 - POST EMPLOYMENT BENEFITS (continued)

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3,419 million at June 30, 2000. For the year ended June 30, 2000, net health care costs paid by STRS were \$343,500,000 and STRS had 80,718 eligible benefit recipients.

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium.

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. At June 30, 2000, the allocation rate is 8.45%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, prorated for partial service credit. For fiscal 2000, the minimum pay has been established as \$12,400. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care of June 30, 2000, were \$140,969,340 and the target level was \$211.0 million. At June 30, 2000, the Retirement System's net assets available for payment of health care benefits was \$252.3 million. The number of benefit recipients currently receiving health care benefits is approximately 50,000. For the school district, the portion of employer contributions that were used to fund postemployment benefits equaled \$1,067,118 during the 2001 fiscal year.

NOTE 13 - CAPITALIZED LEASES - LESSEE DISCLOSURE

The District has entered into capitalized leases for the acquisition of copiers. 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 at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service in the combined financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2001.

	June 2002	404,192
	June 2003	383,382
	June 2004	370,326
	June 2005	<u>197,016</u>
Total Payments		\$ 1,354,916
Less: Amounts Representing Interest		<u>(195,562)</u>
Present Value of Minimum Lease Payments		\$ <u>1,159,354</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 14 - BONDS

Bonds outstanding were issued to provide funds for energy conservation and the purchasing of school buses and are general obligations of the District for which the full faith and credit of the District are pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the general long-term obligations account group. Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund.

A. The following is a description of the District's bonds outstanding at June 30, 2001.

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Matur-ity Date</u>	<u>Balance June 30, 2000</u>	<u>New Issues in 2001</u>	<u>Retired in 2001</u>	<u>Balance June 30, 2001</u>
Energy Conservation	4.25	10/11/95	10/11/01	118,471	-0-	118,471	-0-
Energy Conservation	5.72	7/12/96	7/12/03	1,986,933	-0-	625,070	1,361,863
Energy Conservation	5.40	10/30/97	4/12/03	227,581	-0-	71,830	155,751
Energy Conservation	5.90	6/7/00	5/7/05	714,519	-0-	129,073	585,446

B. The following is a summary of the District's future annual debt service requirements to maturity for general obligation bonds.

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	874,284	101,647	975,931
2003	925,422	50,509	975,931
2004	153,999	13,778	167,777
2005	<u>149,355</u>	<u>4,442</u>	<u>153,797</u>
	<u>\$2,103,060</u>	<u>\$170,306</u>	<u>\$2,273,436</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 15 - GENERAL LONG TERM OBLIGATIONS ACCOUNT GROUP

During the year ended June 30, 2001, the following changes occurred in liabilities reported in the General Long Term Obligations Account Group. Compensated absences will be paid from the fund from which the employee is paid.

	<u>Balance 6/30/00</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/01</u>
Compensated Absences:				
Sick Leave and Vacation Leave	\$1,112,046	\$211,565	\$215,516	\$1,108,095
General Obligation Debt:				
Bonds	3,047,504	-0-	944,444	2,103,060
Capital Leases	<u>1,311,662</u>	<u>160,005</u>	<u>312,313</u>	<u>1,159,354</u>
Total	<u>\$5,471,212</u>	<u>\$371,570</u>	<u>\$1,472,273</u>	<u>\$4,370,509</u>

NOTE 16 - LEGAL DEBT MARGIN

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

The effects of these debt limitations at June 30, 2001, are a voted debt margin of \$163,529,467 and an unvoted debt margin of \$1,816,994.

NOTE 17 - SEGMENT INFORMATION

The District maintains three enterprise funds to account for the operations of food services, uniform school supply sales, and early childhood programs. The table below reflects, in a summarized format, the more significant financial data relating to the enterprise funds of the District as of and for the year ended June 30, 2001.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 17 - SEGMENT INFORMATION (continued)

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Early Childhood Programs</u>	<u>Total</u>
Operating Revenues	\$1,076,352	\$33,604	\$994,963	\$2,104,919
Operating expenses before depreciation	2,032,881	19,614	1,116,352	3,168,847
Depreciation	23,714	-0-	541	24,255
Operating Income (Loss)	(980,243)	13,990	(121,930)	(1,088,183)
Interest Revenue	18,218	-0-	-0-	18,218
Operating Grants	944,763	-0-	-0-	944,763
Donated Commodities	106,621	-0-	-0-	106,621
Net Income (Loss)	89,359	13,990	(121,930)	(18,581)
Net Working Capital	377,908	76,400	140,766	595,074
Total Assets	653,137	76,400	413,192	1,142,729
Total Liabilities	213,784	-0-	282,082	495,866
Total Equity (Deficit)	439,353	76,400	131,110	646,863

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance/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 and disbursements. A reconciliation of the nature and amounts of the adjustments necessary to convert the GAAP financial statements to the budgetary basis follows:

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 18 - BUDGETARY BASIS OF ACCOUNTING (continued)

Reconciliation of Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses From GAAP
Basis to Budgetary Basis

Governmental Fund Types

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>
GAAP Basis	\$5,042,763	\$302,482	\$-0-	\$(1,026,879)
Net Adjustment for Revenue Accruals	(1,897,433)	3,249	3,207	-0-
Net Adjustment for Expendi- ture Accruals	395,281	262,172	(3,207)	9,225
Net Adjustment for Other Sources	69,113	(243,181)	-0-	237,924
Net Adjustment for Encumbrances	(249,587)	(374,938)	-0-	(712,750)
Budgetary Basis	3,360,137	(50,216)	-0-	(1,492,480)
Adjustment for Unbudgeted State Special Revenue Funds		(45,557)		
Adjusted Budgetary Basis		(95,773)		

NOTE 19 - CONTINGENT LIABILITIES

A. Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2001.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE 20 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial general liability insurance against these risks and all other risks of loss, including workers' compensation and employee health and accident insurance. There were no settlements that exceeded insurance coverage for the past three years.

NOTE 21 - STATE FUNDING CHANGES

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

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

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

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of November 7, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

As of the date of these financial statements, the school district is unable to determine what effect, if any, this decision and the reconsideration will have on its future state funding and on its financial operations.

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COMBINING, INDIVIDUAL FUND
AND
ACCOUNT GROUP FINANCIAL STATEMENTS
AND SCHEDULES

GENERAL FUND

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

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$ 54,491,657	\$ 54,491,657	\$ -
Tuition	111,016	353,343	242,327
Earnings on investments	1,663,639	1,663,639	-
Other revenues	796,237	441,246	(354,991)
Intergovernmental - state	8,585,783	8,585,781	(2)
Intergovernmental - federal	72,162	72,162	-
Total revenues	65,720,494	65,607,828	(112,666)
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	19,254,269	18,919,524	334,745
Fringe benefits	4,203,517	4,333,266	(129,749)
Purchased services	75,318	529,782	(454,464)
Materials and supplies	950,120	1,399,524	(449,404)
Capital outlay - new	249,925	197,445	52,480
Capital outlay - replacement	150,912	77,252	73,660
Other expenditures	23,870	19,297	4,573
Total regular instruction	24,907,931	25,476,090	(568,159)
Special:			
Salaries and wages	3,175,122	3,570,076	(394,954)
Fringe benefits	685,367	816,772	(131,405)
Purchased services	866,224	802,267	63,957
Materials and supplies	42,847	58,225	(15,378)
Capital outlay - new	-	1,154	(1,154)
Capital outlay - replacement	-	4,746	(4,746)
Other expenditures	737	810	(73)
Total special instruction	4,770,297	5,254,050	(483,753)
Vocational:			
Salaries and wages	299,117	363,906	(64,789)
Fringe benefits	65,033	85,432	(20,399)
Purchased services	956	892	64
Materials and supplies	438	-	438
Capital outlay - replacement	1,990	-	1,990
Total vocational instruction	367,534	450,230	(82,696)
Other:			
Salaries and wages	78,190	83,062	(4,872)
Fringe benefits	17,360	18,196	(836)
Purchased services	295,793	332,585	(36,792)
Materials and supplies	3,000	2,866	134
Total other instruction	394,343	436,709	(42,366)

Continued

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund (Continued)
For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Support services:			
Pupil:			
Salaries and wages	2,541,958	2,506,080	35,878
Fringe benefits	556,788	569,108	(12,320)
Purchased services	110,991	153,238	(42,247)
Materials and supplies	151,259	146,141	5,118
Capital outlay - new	68	-	68
Capital outlay - replacement	27,158	6,768	20,390
Other expenditures	344	560	(216)
Total pupil	<u>3,388,566</u>	<u>3,381,895</u>	<u>6,671</u>
Instructional staff:			
Salaries and wages	3,108,544	3,375,036	(266,492)
Fringe benefits	943,650	1,026,712	(83,062)
Purchased services	483,473	206,647	276,826
Materials and supplies	99,877	180,978	(81,101)
Capital outlay - new	48,554	110,881	(62,327)
Capital outlay - replacement	24,699	43,497	(18,798)
Other expenditures	9,609	3,647	5,962
Total instructional staff	<u>4,718,406</u>	<u>4,947,398</u>	<u>(228,992)</u>
Board of Education:			
Salaries and wages	2,828	9,200	(6,372)
Fringe benefits	216	704	(488)
Purchased services	140,375	129,667	10,708
Materials and supplies	1,179	807	372
Other expenditures	66,544	61,507	5,037
Total board of education	<u>211,142</u>	<u>201,885</u>	<u>9,257</u>
School administration:			
Salaries and wages	3,278,394	3,455,794	(177,400)
Fringe benefits	766,639	819,163	(52,524)
Purchased services	195,995	225,135	(29,140)
Materials and supplies	67,837	65,905	1,932
Capital outlay - new	4,542	9,878	(5,336)
Capital outlay - replacement	65,894	11,194	54,700
Other expenditures	8,042	5,051	2,991
Total school administration	<u>4,387,343</u>	<u>4,592,120</u>	<u>(204,777)</u>
Fiscal:			
Salaries and wages	384,647	422,191	(37,544)
Fringe benefits	90,657	158,107	(67,450)
Purchased services	130,680	150,977	(20,297)
Materials and supplies	8,057	5,842	2,215
Capital outlay - new	30,823	31,601	(778)
Capital outlay - replacement	11,175	2,322	8,853
Other expenditures	844,061	963,089	(119,028)
Total fiscal	<u>1,500,100</u>	<u>1,734,129</u>	<u>(234,029)</u>

Continued

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund (Continued)
For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Business:			
Salaries and wages	299,382	245,017	54,365
Fringe benefits	60,122	56,547	3,575
Purchased services	62,286	55,864	6,422
Materials and supplies	(28,793)	14,481	
Capital outlay - new	17,989	2,095	15,894
Capital outlay - replacement	4,195	464	3,731
Other expenditures	853	270	583
Total business	416,034	374,738	41,296
Operations and maintenance:			
Salaries and wages	2,873,611	3,018,431	(144,820)
Fringe benefits	764,619	790,049	(25,430)
Purchased services	3,297,615	3,486,350	(188,735)
Materials and supplies	423,033	862,885	(439,852)
Capital outlay - new	56,415	75,842	(19,427)
Capital outlay - replacement	307,905	305,627	2,278
Other expenditures	2,286	2,864	(578)
Total operations and maintenance	7,725,484	8,542,048	(816,564)
Pupil transportation:			
Salaries and wages	1,838,135	1,906,367	(68,232)
Fringe benefits	538,847	566,481	(27,634)
Purchased services	97,931	127,723	(29,792)
Materials and supplies	345,589	408,583	(62,994)
Capital outlay - new	10,385	9,166	1,219
Capital outlay - replacement	62,755	46,179	16,576
Other expenditures	513	875	(362)
Total pupil transportation	2,894,155	3,065,374	(171,219)
Central:			
Salaries and wages	538,576	491,680	46,896
Fringe benefits	156,411	157,641	(1,230)
Purchased services	146,274	162,564	(16,290)
Materials and supplies	146,805	148,280	(1,475)
Capital outlay - new	18,011	2,526	15,485
Capital outlay - replacement	24,567	7,740	16,827
Other expenditures	831	4,053	(3,222)
Total central	1,031,475	974,484	56,991
Community services:			
Salaries and wages	153,233	165,430	(12,197)
Fringe benefits	28,192	31,088	(2,896)
Purchased services	1,835	2,003	(168)
Materials and supplies	7,690	553	7,137
Capital outlay - new	-	120,669	(120,669)
Capital outlay - replacement	7,193	2,199	4,994
Other expenditures	405	-	405
Total community services	198,548	321,942	(123,394)

Continued

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund (Continued)
For Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	Variance: Favorable (Unfavorable)
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	22,314	25,437	(3,123)
Fringe benefits	3,437	3,853	(416)
Other expenditures	-	82	(82)
Total academic and subject oriented activities	<u>25,751</u>	<u>29,372</u>	<u>(3,621)</u>
Sports oriented activities:			
Salaries and wages	560,215	642,385	(82,170)
Fringe benefits	99,740	114,344	(14,604)
Purchased services	4,565	2,683	1,882
Materials and supplies	2,456	1,170	1,286
Capital outlay - new	7,337	-	7,337
Other expenditures	14,384	23,108	(8,724)
Total sports oriented activities	<u>688,697</u>	<u>783,690</u>	<u>(94,993)</u>
School and public service:			
Salaries and wages	11,609	15,245	(3,636)
Fringe benefits	1,790	2,352	(562)
Purchased services	2,939	89	2,850
Materials and supplies	-	216	(216)
Other expenditures	501	512	(11)
Total school and public service	<u>16,839</u>	<u>18,414</u>	<u>(1,575)</u>
Total extracurricular activities	<u>731,287</u>	<u>831,476</u>	<u>(100,189)</u>
Capital outlay:			
Site Improvement Services:			
Capital outlay - replacement	27,420	-	27,420
Total site improvement services	<u>27,420</u>	<u>-</u>	<u>27,420</u>
Architecture and engineering services:			
Purchased services	65,560	78,653	(13,093)
Total architecture and engineering services	<u>65,560</u>	<u>78,653</u>	<u>(13,093)</u>
Educational specifications development:			
Purchased services	22,360	-	22,360
Total educational spec. development	<u>22,360</u>	<u>-</u>	<u>22,360</u>
Total capital outlay	<u>115,340</u>	<u>78,653</u>	<u>36,687</u>
Total expenditures	<u>57,757,985</u>	<u>60,663,221</u>	<u>(2,905,236)</u>

Continued

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund (Concluded)
 For Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,962,509</u>	<u>4,944,607</u>	<u>(3,017,902)</u>
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers (out)	(1,518,630)	(1,845,178)	(326,548)
Advances in	861,861	861,861	-
Advances (out)	(870,480)	(697,046)	173,434
Proceeds of sale of fixed assets	-	35,412	35,412
Refund of prior year expenditures	-	77,254	77,254
Refund of prior year receipts	(2,931)	(16,773)	(13,842)
Total other financing sources (uses)	<u>(1,530,180)</u>	<u>(1,584,470)</u>	<u>(54,290)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	6,432,329	3,360,137	(3,072,192)
Fund balance, July 1	15,012,621	15,012,621	-
Prior year encumbrances appropriated	<u>648,092</u>	<u>648,092</u>	<u>-</u>
Fund balance, June 30	<u>\$ 22,093,042</u>	<u>\$ 19,020,850</u>	<u>\$ (3,072,192)</u>

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SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trust) 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 (i.e. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

OTHER GRANTS: To account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

VENTURE CAPITAL: To account for unrestricted grants provided by the State Department of Education to individual schools within the District to improve classroom practices, assessment, and professional development.

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

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

CAREER DEVELOPMENT: To account for state and federal funds which are provided to introduce various career opportunities to students.

TEACHER DEVELOPMENT: To account for state funded receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs.

EDUCATION MANAGEMENT INFORMATION SYSTEMS: To account for state funds which are provided to assist the District in implementing a staff, student, and financial system as mandated by the Omnibus Education Reform Act of 1989.

DISADVANTAGED PUPIL IMPACT AID: To account for the provision of state funds to economically deprived pupils. The funds are grants designed to help level out the economic differences between students.

DATA COMMUNICATIONS: To account for state funds appropriated for Ohio Educational Computer Network Connections.

SCHOOL NET PROFESSIONAL DEVELOPMENT: To account for state funds to be used for a limited number of professional development subsidy grants.

OHIO READS: To account for state funds to improve reading outcomes, especially on the fourth grade reading proficiency test and to pay for operating expenses associated with administering the program.

ALTERNATIVE SCHOOLS: To account for state funds used for alternative educational programs for existing and new at-risk and delinquent youth.

CONFLICT MANAGEMENT: To account for state school conflict grant transactions.

MISCELLANEOUS STATE GRANTS: To account for state funds that were originally legally restricted to expenditures for specified purposes. The residual balances are not legally required to be appropriated and, therefore, were not.

TITLE II: To account for federal funds used to expand the awareness of elementary grade teachers in the area of science and math education through inservice training.

TITLE VI-B: To account for federal funds received for the purpose of assisting in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternate service patterns, and provision of full educational opportunities to handicapped children at preschool.

VOCATIONAL EDUCATION: To account for federal funds used in the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, cooperative education, advisory committees, and work-study projects.

TITLE I: To account for federal funds used to meet special educational needs of educationally deprived children.

TITLE VI: To account for federal funds used to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; and programs to enhance personal excellence of students and student achievement.

EMERGENCY IMMIGRANT EDUCATION ASSISTANCE: To account for federal funds used to assist state educational agencies for educational services and costs for eligible immigrant children enrolled in elementary and secondary public and nonprofit private schools.

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

PRESCHOOL GRANT: To account for federal funds to be used to improve and expand the services to handicapped children ages three through five.

CONTINUOUS IMPROVEMENT IMPLEMENTATION GRANT: To account for federal funds used to support a broad range of education improvement goals.

REDUCING CLASS SIZE: To account for federal funds used to hire additional classroom teachers in Grades 1 through 3, so that the number of students per teacher will be reduced.

AFTERSCHOOL LEARNING CENTERS: To account for federal funds used to provide activities and assistance to the youth of the Lincoln Heights community.

BILINGUAL EDUCATION: To account for federal funds to assist students with Limited English Proficiency and to increase bilingual opportunities to students and staff.

READING EXCELLENCE ACT: To account for federal funds used to support local literacy initiatives based on the Ohio Literacy Framework.

ALTERNATIVE EDUCATION OPPORTUNITIES GRANT: To account for federal funds used to support alternative education centers for at risk students.

FAMILY AND SCHOOL PARTNERSHIP GRANT: To account for federal funds used to strengthen family and school partnerships that will lead to improved student performance.

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Princeton City School District, Ohio

Combining Balance Sheet

All Special Revenue Funds

As of June 30, 2001

	Public School Support	Other Grants	Venture Capital
Assets:			
Equity in pooled cash and cash equivalents	\$ 194,445	\$ 36,533	\$ (1,827)
Receivables:			
Accounts	<u>4,447</u>	<u>-</u>	<u>-</u>
Total assets	<u>198,892</u>	<u>36,533</u>	<u>(1,827)</u>
Liabilities:			
Accounts payable	170	13,487	-
Accrued wages and benefits	-	131	322
Compensated absences payable	-	-	-
Interfund loans payable	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>170</u>	<u>13,618</u>	<u>322</u>
Fund balances:			
Reserved for encumbrances	22	12,579	-
Undesignated	<u>198,700</u>	<u>10,336</u>	<u>(2,149)</u>
Total fund equity (deficit)	<u>198,722</u>	<u>22,915</u>	<u>(2,149)</u>
Total liabilities and fund equity	<u>\$ 198,892</u>	<u>\$ 36,533</u>	<u>\$ (1,827)</u>

Athletic Fund	Auxiliary Services	Career Development	Teacher Development	Education Management Information Systems	Disadvantaged Pupil Impact Aid
\$ (1,068)	\$ 267,656	\$ 25,722	\$ 28,906	\$ 40,587	\$ -
<u>2,138</u>	<u>2,318</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,070</u>	<u>269,974</u>	<u>25,722</u>	<u>28,906</u>	<u>40,587</u>	<u>-</u>
14,930	95,116	-	11,119	-	-
4,534	5,579	-	304	-	8,790
-	-	-	-	-	-
-	-	-	-	-	-
<u>19,464</u>	<u>100,695</u>	<u>-</u>	<u>11,423</u>	<u>-</u>	<u>8,790</u>
13,206	133,802	600	-	-	-
<u>(31,600)</u>	<u>35,477</u>	<u>25,122</u>	<u>17,483</u>	<u>40,587</u>	<u>(8,790)</u>
<u>(18,394)</u>	<u>169,279</u>	<u>25,722</u>	<u>17,483</u>	<u>40,587</u>	<u>(8,790)</u>
<u>\$ 1,070</u>	<u>\$ 269,974</u>	<u>\$ 25,722</u>	<u>\$ 28,906</u>	<u>\$ 40,587</u>	<u>\$ -</u>

Continued

Princeton City School District, Ohio

Combining Balance Sheet

All Special Revenue Funds (Continued)

As of June 30, 2001

	<u>Data</u>	<u>School Net Professional Development</u>	<u>Ohio Reads</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 33,000	\$ 5,970	\$ 47,559
Receivables:			
Accounts	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>33,000</u>	<u>5,970</u>	<u>47,559</u>
Liabilities:			
Accounts payable	-	-	15,867
Accrued wages and benefits	-	59	5,213
Compensated absences payable	-	-	-
Interfund loans payable	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>59</u>	<u>21,080</u>
Fund balances:			
Reserved for encumbrances	-	-	2,234
Undesignated	<u>33,000</u>	<u>5,911</u>	<u>24,245</u>
Total fund equity (deficit)	<u>33,000</u>	<u>5,911</u>	<u>26,479</u>
Total liabilities and fund equity	<u>\$ 33,000</u>	<u>\$ 5,970</u>	<u>\$ 47,559</u>

Alternative Schools	Conflict Management	Misc. State Grants	Title II	Title VI-B	Vocational Education
\$ 15,858	\$ 93,975	\$ 82,703	\$ 16,061	\$ 173,387	\$ 8,638
-	-	-	-	-	-
<u>15,858</u>	<u>93,975</u>	<u>82,703</u>	<u>16,061</u>	<u>173,387</u>	<u>8,638</u>
682	22	-	10,805	79	37
18	21	-	-	39,970	11
-	-	-	-	-	-
-	-	-	-	75,000	-
<u>700</u>	<u>43</u>	<u>-</u>	<u>10,805</u>	<u>115,049</u>	<u>48</u>
1,357	5,970	-	2,360	-	1,268
<u>13,801</u>	<u>87,962</u>	<u>82,703</u>	<u>2,896</u>	<u>58,338</u>	<u>7,322</u>
<u>15,158</u>	<u>93,932</u>	<u>82,703</u>	<u>5,256</u>	<u>58,338</u>	<u>8,590</u>
<u>\$ 15,858</u>	<u>\$ 93,975</u>	<u>\$ 82,703</u>	<u>\$ 16,061</u>	<u>\$ 173,387</u>	<u>\$ 8,638</u>

Continued

Princeton City School District, Ohio
 Combining Balance Sheet
 All Special Revenue Funds (Continued)
 As of June 30, 2001

	Title I	Title VI	Emergency Immigrant Education Assistance
Assets:			
Equity in pooled cash and cash equivalents	\$ 141,820	\$ 44,092	\$ -
Receivables:			
Accounts	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>141,820</u>	<u>44,092</u>	<u>-</u>
Liabilities:			
Accounts payable	4,473	1,809	-
Accrued wages and benefits	86,865	-	606
Compensated absences payable	10,652	-	-
Interfund loans payable	<u>70,526</u>	<u>37,546</u>	<u>-</u>
Total liabilities	<u>172,516</u>	<u>39,355</u>	<u>606</u>
Fund balances:			
Reserved for encumbrances	22,610	2,497	-
Undesignated	<u>(53,306)</u>	<u>2,240</u>	<u>(606)</u>
Total fund equity (deficit)	<u>(30,696)</u>	<u>4,737</u>	<u>(606)</u>
Total liabilities and fund equity	<u>\$ 141,820</u>	<u>\$ 44,092</u>	<u>\$ -</u>

Title IV	Preschool Grant	Continuous Improvement Grant	Reducing Class Size	After School Learning Centers	Bilingual Education
\$ 25,997	\$ 1,637	\$ 165,887	\$ 28,336	\$ (1)	\$ 38
-	-	-	-	-	1
<u>25,997</u>	<u>1,637</u>	<u>165,887</u>	<u>28,336</u>	<u>(1)</u>	<u>39</u>
106	-	7,957	-	13,863	-
274	-	-	22,903	-	20,558
-	-	-	-	-	-
-	-	120,416	-	-	-
<u>380</u>	<u>-</u>	<u>128,373</u>	<u>22,903</u>	<u>13,863</u>	<u>20,558</u>
32	-	200	-	-	3,124
<u>25,585</u>	<u>1,637</u>	<u>37,314</u>	<u>5,433</u>	<u>(13,864)</u>	<u>(23,643)</u>
<u>25,617</u>	<u>1,637</u>	<u>37,514</u>	<u>5,433</u>	<u>(13,864)</u>	<u>(20,519)</u>
<u>\$ 25,997</u>	<u>\$ 1,637</u>	<u>\$ 165,887</u>	<u>\$ 28,336</u>	<u>\$ (1)</u>	<u>\$ 39</u>

Continued

Princeton City School District, Ohio

Combining Balance Sheet

All Special Revenue Funds (Concluded)

As of June 30, 2001

	Reading Excellence Act	Alternative Education Opportunities Grant	Family and School Partnership Grant	Totals
Assets:				
Equity in pooled cash and cash equivalents	\$ 112,198	\$ -	\$ 2,789	\$ 1,590,898
Receivables:				
Accounts	<u>1,172</u>	<u>-</u>	<u>-</u>	<u>10,076</u>
Total assets	<u>113,370</u>	<u>-</u>	<u>2,789</u>	<u>1,600,974</u>
Liabilities:				
Accounts payable	22,381	-	-	212,903
Accrued wages and benefits	9,698	-	-	205,856
Compensated absences payable	-	-	-	10,652
Interfund loans payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,488</u>
Total liabilities	<u>32,079</u>	<u>-</u>	<u>-</u>	<u>732,899</u>
Fund balances:				
Reserved for encumbrances	3,440	-	-	205,301
Undesignated	<u>77,851</u>	<u>-</u>	<u>2,789</u>	<u>662,774</u>
Total fund equity (deficit)	<u>81,291</u>	<u>-</u>	<u>2,789</u>	<u>868,075</u>
Total liabilities and fund equity	<u>\$ 113,370</u>	<u>\$ -</u>	<u>\$ 2,789</u>	<u>\$ 1,600,974</u>

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Princeton City School District, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
All Special Revenue Funds
For Year Ended June 30, 2001

	Public School Support	Other Grants	Venture Capital
Revenues:			
Earnings on investments	\$ -	\$ -	\$ -
Other local revenues	192,354	62,025	-
Extracurricular revenue	-	-	-
Intermediate sources	-	-	-
Intergovernmental - state	-	-	25,000
Intergovernmental - federal	-	-	-
	<u>192,354</u>	<u>62,025</u>	<u>25,000</u>
Total revenues	<u>192,354</u>	<u>62,025</u>	<u>25,000</u>
Expenditures:			
Current:			
Instruction:			
Regular	2,251	1,007	5,457
Special	-	-	-
Other	-	-	-
Support services:			
Pupil	2,964	-	-
Instructional staff	691	73,189	27,952
School administration	17,835	-	-
Fiscal	1,217	-	-
Operations and maintenance	2,152	-	-
Pupil transportation	-	-	-
Central	1,020	3,451	-
Community services	5,995	-	-
Extracurricular activities	6,168	-	-
	<u>40,293</u>	<u>77,647</u>	<u>33,409</u>
Total expenditures	<u>40,293</u>	<u>77,647</u>	<u>33,409</u>
Excess of revenues over (under) expenditures	<u>152,061</u>	<u>(15,622)</u>	<u>(8,409)</u>
Other financing sources:			
Operating transfers in	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	152,061	(15,622)	(8,409)
Fund balance, July 1	<u>46,661</u>	<u>38,537</u>	<u>6,260</u>
Fund balance, June 30	<u>\$ 198,722</u>	<u>\$ 22,915</u>	<u>\$ (2,149)</u>

Athletic Fund	Auxiliary Services	Career Development	Teacher Development	Education Management Information Systems	Disadvantaged Pupil Impact Aid
\$ -	\$ 27,385	\$ -	\$ -	\$ -	\$ -
7,037	2,664	3	-	-	-
126,236	-	-	-	-	-
-	-	11,820	-	-	-
-	875,642	-	46,850	25,935	255,272
-	-	-	-	-	-
<u>133,273</u>	<u>905,691</u>	<u>11,823</u>	<u>46,850</u>	<u>25,935</u>	<u>255,272</u>
119	-	91	1,179	-	189,871
-	-	-	-	-	261
-	-	-	-	-	-
-	-	125	-	-	-
457	-	9,210	39,051	-	48,305
1,006	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	11,865	5,666	-
2,772	1,115,447	-	-	-	-
441,761	-	-	-	-	-
<u>446,115</u>	<u>1,115,447</u>	<u>9,426</u>	<u>52,095</u>	<u>5,666</u>	<u>238,437</u>
<u>(312,842)</u>	<u>(209,756)</u>	<u>2,397</u>	<u>(5,245)</u>	<u>20,269</u>	<u>16,835</u>
<u>212,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>212,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(99,877)	(209,756)	2,397	(5,245)	20,269	16,835
81,483	379,035	23,325	22,728	20,318	(25,625)
<u>\$ (18,394)</u>	<u>\$ 169,279</u>	<u>\$ 25,722</u>	<u>\$ 17,483</u>	<u>\$ 40,587</u>	<u>\$ (8,790)</u>

Continued

Princeton City School District, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
All Special Revenue Funds (Continued)
For Year Ended June 30, 2001

	Data Communications	School Net Professional Development	Ohio Reads
Revenues:			
Earnings on investments	\$ -	\$ -	\$ -
Other local revenues	-	-	-
Extracurricular revenue	-	-	-
Intermediate sources	-	-	-
Intergovernmental - state	33,000	9,000	81,363
Intergovernmental - federal	-	-	-
Total revenues	<u>33,000</u>	<u>9,000</u>	<u>81,363</u>
Expenditures:			
Current:			
Instruction:			
Regular	-	-	63,561
Special	-	-	15,867
Other	-	-	-
Support services:			
Pupil	-	-	-
Instructional staff	-	4,089	10,234
School administration	-	-	-
Fiscal	-	-	-
Operations and maintenance	-	-	-
Pupil transportation	-	-	-
Central	-	-	-
Community services	-	-	-
Extracurricular activities	-	-	-
Total expenditures	<u>-</u>	<u>4,089</u>	<u>89,662</u>
Excess of revenues over (under) expenditures	<u>33,000</u>	<u>4,911</u>	<u>(8,299)</u>
Other financing sources:			
Operating transfers in	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>33,000</u>	<u>4,911</u>	<u>(8,299)</u>
Fund balance, July 1	<u>-</u>	<u>1,000</u>	<u>34,778</u>
Fund balance, June 30	<u>\$ 33,000</u>	<u>\$ 5,911</u>	<u>\$ 26,479</u>

Alternative Schools	Conflict Management	Misc. State Grants	Title II	Title VI-B	Vocational Education
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	35	-	-	-	3
-	-	-	-	-	-
-	-	-	-	-	13,989
102,500	49,234	75,000	-	-	-
-	-	-	49,809	415,562	-
<u>102,500</u>	<u>49,269</u>	<u>75,000</u>	<u>49,809</u>	<u>415,562</u>	<u>13,992</u>
3,130	-	-	-	-	3,953
909	-	24,000	-	23,473	-
-	-	-	1,527	-	-
-	-	-	-	91,619	-
185,803	20,680	-	27,193	256,377	7,621
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	37
-	-	5,449	-	-	-
-	-	-	159	14,038	-
-	-	-	-	-	-
<u>189,842</u>	<u>20,680</u>	<u>29,449</u>	<u>28,879</u>	<u>385,507</u>	<u>11,611</u>
<u>(87,342)</u>	<u>28,589</u>	<u>45,551</u>	<u>20,930</u>	<u>30,055</u>	<u>2,381</u>
-	-	-	9,396	128,859	-
-	-	-	9,396	128,859	-
(87,342)	28,589	45,551	30,326	158,914	2,381
102,500	65,343	37,152	(25,070)	(100,576)	6,209
<u>\$ 15,158</u>	<u>\$ 93,932</u>	<u>\$ 82,703</u>	<u>\$ 5,256</u>	<u>\$ 58,338</u>	<u>\$ 8,590</u>

Continued

Princeton City School District, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
All Special Revenue Funds (Continued)
For Year Ended June 30, 2001

	Title I	Title VI	Emergency Immigrant Education Assistance
Revenues:			
Earnings on investments	\$ -	\$ -	\$ -
Other local revenues	-	127	-
Extracurricular revenue	-	-	-
Intermediate sources	-	-	-
Intergovernmental - state	-	-	-
Intergovernmental - federal	764,946	82,227	5,000
Total revenues	764,946	82,354	5,000
Expenditures:			
Current:			
Instruction:			
Regular	23,917	400	-
Special	559,242	-	-
Other	-	7,276	-
Support services:			
Pupil	477	-	-
Instructional staff	39,157	43,254	8,878
School administration	41,698	-	-
Fiscal	-	-	-
Operations and maintenance	-	-	-
Pupil transportation	-	-	-
Central	-	-	-
Community services	-	-	-
Extracurricular activities	-	-	-
Total expenditures	664,491	50,930	8,878
Excess of revenues over (under) expenditures	100,455	31,424	(3,878)
Other financing sources:			
Operating transfers in	-	-	-
Total other financing sources	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	100,455	31,424	(3,878)
Fund balance, July 1	(131,151)	(26,687)	3,272
Fund balance, June 30	<u>\$ (30,696)</u>	<u>\$ 4,737</u>	<u>\$ (606)</u>

Title IV	Preschool Grant	Continuous Improvement Grant	Reducing Class Size	After School Learning Centers	Bilingual Education
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	1
-	-	-	-	-	-
-	-	-	-	-	-
65,493	18,038	54,999	238,781	45,063	134,276
65,493	18,038	54,999	238,781	45,063	134,277
12,511	-	54,579	146,190	58,106	9,670
-	22,774	-	-	-	92,007
-	1,461	-	-	-	-
-	-	-	-	-	18,205
16,481	-	18,127	-	821	34,914
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,673	-	-	-	-	-
-	-	-	-	-	-
31,665	24,235	72,706	146,190	58,927	154,796
33,828	(6,197)	(17,707)	92,591	(13,864)	(20,519)
-	10,431	-	-	-	-
-	10,431	-	-	-	-
33,828	4,234	(17,707)	92,591	(13,864)	(20,519)
(8,211)	(2,597)	55,221	(87,158)	-	-
\$ 25,617	\$ 1,637	\$ 37,514	\$ 5,433	\$ (13,864)	\$ (20,519)

Continued

Princeton City School District, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
All Special Revenue Funds (Concluded)
For Year Ended June 30, 2001

	Reading Excellence Act	Alternative Education Opportunities Grant	Family and School Partnership Grant	Totals
Revenues:				
Earnings on investments	\$ -	\$ -	\$ -	\$ 27,385
Other local revenues	1,172	-	-	265,421
Extracurricular revenue	-	-	-	126,236
Intermediate sources	-	-	-	25,809
Intergovernmental - state	-	-	-	1,578,796
Intergovernmental - federal	376,153	25,500	-	2,275,847
Total revenues	<u>377,325</u>	<u>25,500</u>	<u>-</u>	<u>4,299,494</u>
Expenditures:				
Current:				
Instruction:				
Regular	141,703	-	2,265	719,960
Special	-	-	-	738,533
Other	-	-	1,078	11,342
Support services:				
Pupil	-	-	-	113,390
Instructional staff	197,045	25,500	-	1,095,029
School administration	-	-	-	60,539
Fiscal	-	-	-	1,217
Operations and maintenance	-	-	-	2,152
Pupil transportation	-	-	-	37
Central	-	-	-	27,451
Community services	-	-	-	1,141,084
Extracurricular activities	-	-	-	447,929
Total expenditures	<u>338,748</u>	<u>25,500</u>	<u>3,343</u>	<u>4,358,663</u>
Excess of revenues over (under) expenditures	<u>38,577</u>	<u>-</u>	<u>(3,343)</u>	<u>(59,169)</u>
Other financing sources:				
Operating transfers in	-	-	-	361,651
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>361,651</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	38,577	-	(3,343)	302,482
Fund balance, July 1	<u>42,714</u>	<u>-</u>	<u>6,132</u>	<u>565,593</u>
Fund balance, June 30	<u>\$ 81,291</u>	<u>\$ -</u>	<u>\$ 2,789</u>	<u>\$ 868,075</u>

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Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Public School Support Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other local revenues	\$ 180,547	\$ 187,942	\$ 7,395
Total revenues	<u>180,547</u>	<u>187,942</u>	<u>7,395</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	525	525	-
Materials and supplies	1,050	300	750
Capital outlay - new	1,617	1,100	517
Other expenditures	340	481	(141)
Total regular instruction	<u>3,532</u>	<u>2,406</u>	<u>1,126</u>
Support services:			
Pupil:			
Materials and supplies	2,117	2,964	(847)
Total pupil	<u>2,117</u>	<u>2,964</u>	<u>(847)</u>
Instructional staff:			
Purchased services	150	-	150
Materials and supplies	982	-	982
Other expenditures	50	691	(641)
Total instructional staff	<u>1,182</u>	<u>691</u>	<u>491</u>
School administration:			
Purchased services	443	335	108
Materials and supplies	2,429	435	1,994
Other expenditures	17,336	17,573	(237)
Total school administration	<u>20,208</u>	<u>18,343</u>	<u>1,865</u>
Fiscal:			
Materials and supplies	1,398	1,374	24
Total fiscal	<u>1,398</u>	<u>1,374</u>	<u>24</u>
Operations and maintenance:			
Other expenditures	-	2,152	(2,152)
Total operations and maintenance	<u>-</u>	<u>2,152</u>	<u>(2,152)</u>
Central:			
Purchased services	795	-	795
Materials and supplies	100	1,020	(920)
Total central	<u>895</u>	<u>1,020</u>	<u>(125)</u>
Community services:			
Materials and supplies	3,192	6,021	(2,829)
Total community services	<u>3,192</u>	<u>6,021</u>	<u>(2,829)</u>

Continued

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Public School Support Special Revenue Fund (Concluded)
 For Year Ended June 30, 2001

	Budget	Actual	Favorable (Unfavorable)
Extracurricular activities:			
Academic and subject oriented activities:			
Materials and supplies	980	4,486	(3,506)
Other expenditures	59	-	59
Total academic and subject oriented activities	<u>1,039</u>	<u>4,486</u>	<u>(3,447)</u>
Sports oriented activities:			
Materials and supplies	-	299	(299)
Total sports oriented activities	<u>-</u>	<u>299</u>	<u>(299)</u>
School and public service:			
Other expenditures	2,004	1,383	621
Total school and public service	<u>2,004</u>	<u>1,383</u>	<u>621</u>
Total extracurricular activities	<u>3,043</u>	<u>6,168</u>	<u>(3,125)</u>
Total expenditures	<u>35,567</u>	<u>41,139</u>	<u>(5,572)</u>
Excess of revenues over (under) expenditures	144,980	146,803	1,823
Fund balance, July 1	45,778	45,778	-
Prior year encumbrances appropriated	<u>1,671</u>	<u>1,671</u>	<u>-</u>
Fund balance, June 30	<u>\$ 192,429</u>	<u>\$ 194,252</u>	<u>\$ 1,823</u>

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Other Grants Fund
For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other local revenues	\$ 62,038	\$ 62,025	\$ (13)
Total revenues	<u>62,038</u>	<u>62,025</u>	<u>(13)</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	-	400	(400)
Materials and supplies	-	505	(505)
Capital outlay - new	1,300	110	1,190
Other expenditures	207	-	207
Total regular instruction	<u>1,507</u>	<u>1,015</u>	<u>492</u>
Support services:			
Instructional staff:			
Salaries and wages	1,340	4,879	(3,539)
Fringe benefits	193	723	(530)
Purchased services	56,553	80,439	(23,886)
Materials and supplies	7,993	157	7,836
Other expenditures	6,200	-	6,200
Total instructional staff	<u>72,279</u>	<u>86,198</u>	<u>(13,919)</u>
Central:			
Materials and supplies	1,004	1,611	(607)
Other expenditures	800	2,240	(1,440)
Total central	<u>1,804</u>	<u>3,851</u>	<u>(2,047)</u>
Total expenditures	<u>75,590</u>	<u>91,064</u>	<u>(15,474)</u>
Excess of revenues over (under) expenditures	(13,552)	(29,039)	(15,487)
Other financing sources (uses):			
Refund of prior year expenditures	-	13	13
Total other financing sources (uses)	<u>-</u>	<u>13</u>	<u>13</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(13,552)	(29,026)	(15,474)
Fund balance, July 1	10,112	10,112	-
Prior year encumbrances appropriated	<u>29,380</u>	<u>29,380</u>	<u>-</u>
Fund balance, June 30	<u>\$ 25,940</u>	<u>\$ 10,466</u>	<u>\$ (15,474)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Venture Capital Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - state	\$ 25,000	\$ 25,000	\$ -
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and supplies	927	5,457	(4,530)
Total regular instruction	<u>927</u>	<u>5,457</u>	<u>(4,530)</u>
Support services:			
Instructional staff:			
Salaries and wages	7,931	11,504	(3,573)
Fringe benefits	1,167	1,719	(552)
Purchased services	23,843	14,728	9,115
Materials and supplies	6,018	-	6,018
Total instructional staff	<u>38,959</u>	<u>27,951</u>	<u>11,008</u>
Total expenditures	<u>39,886</u>	<u>33,408</u>	<u>6,478</u>
Excess of revenues over (under) expenditures	(14,886)	(8,408)	6,478
Fund balance, July 1	4,929	4,929	-
Prior year encumbrances appropriated	<u>1,652</u>	<u>1,652</u>	<u>-</u>
Fund balance, June 30	<u>\$ (8,305)</u>	<u>\$ (1,827)</u>	<u>\$ 6,478</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Athletic Fund Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other local revenues	\$ 5,096	\$ 7,263	\$ 2,167
Extracurricular activities	<u>127,325</u>	<u>125,055</u>	<u>(2,270)</u>
Total revenues	<u>132,421</u>	<u>132,318</u>	<u>(103)</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	60	74	(14)
Fringe benefits	9	44	(35)
Total regular instruction	<u>69</u>	<u>118</u>	<u>(49)</u>
Support services:			
Instructional staff:			
Salaries and wages	-	390	(390)
Fringe benefits	-	57	(57)
Total instructional staff	<u>-</u>	<u>447</u>	<u>(447)</u>
School administration:			
Purchased services	298	1,006	(708)
Total school administration	<u>298</u>	<u>1,006</u>	<u>(708)</u>
Community services:			
Materials and supplies	-	2,772	(2,772)
Total community services	<u>-</u>	<u>2,772</u>	<u>(2,772)</u>
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	5,932	4,939	993
Fringe benefits	828	982	(154)
Purchased services	-	700	(700)
Materials and supplies	9,537	5,301	4,236
Other expenditures	13,581	49,187	(35,606)
Total academic and subject oriented activities	<u>29,878</u>	<u>61,109</u>	<u>(31,231)</u>
Sports oriented activities:			
Salaries and wages	42,998	61,412	(18,414)
Fringe benefits	6,523	10,793	(4,270)
Purchased services	53,789	48,659	5,130
Materials and supplies	99,045	92,622	6,423
Capital outlay - new	1,973	26,563	(24,590)
Capital outlay - replacement	11,000	11,000	-
Other expenditures	93,672	130,028	(36,356)
Total sports oriented activities	<u>309,000</u>	<u>381,077</u>	<u>(72,077)</u>
Total extracurricular activities	<u>338,878</u>	<u>442,186</u>	<u>(103,308)</u>
Total expenditures	<u>339,245</u>	<u>446,529</u>	<u>(107,284)</u>

Continued

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Athletic Fund Special Revenue Fund (Concluded)
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Excess of revenues over (under) expenditures	(206,824)	(314,211)	(107,387)
Other financing sources (uses):			
Transfers in	212,965	212,965	-
Refund of prior year expenditures	-	103	103
Total other financing sources (uses)	<u>212,965</u>	<u>213,068</u>	<u>103</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	6,141	(101,143)	(107,284)
Fund balance, July 1	64,582	64,582	-
Prior year encumbrances appropriated	<u>20,596</u>	<u>20,596</u>	<u>-</u>
Fund balance, June 30	<u>\$ 91,319</u>	<u>\$ (15,965)</u>	<u>\$ (107,284)</u>

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Auxiliary Services Special Revenue Fund
For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Earnings on investments	\$ 27,384	\$ 27,385	\$ 1
Other local revenues	-	(85,779)	(85,779)
Intergovernmental - state	<u>875,642</u>	<u>875,642</u>	<u>-</u>
Total revenues	<u>903,026</u>	<u>817,248</u>	<u>(85,778)</u>
Expenditures:			
Current:			
Community services:			
Salaries and wages	31,647	36,822	(5,175)
Fringe benefits	10,311	12,434	(2,123)
Purchased services	384,474	350,050	34,424
Materials and supplies	417,422	720,495	(303,073)
Capital outlay - new	100	69,822	(69,722)
Other expenditures	<u>8</u>	<u>-</u>	<u>8</u>
Total community services	<u>843,962</u>	<u>1,189,623</u>	<u>(345,661)</u>
Total expenditures	<u>843,962</u>	<u>1,189,623</u>	<u>(345,661)</u>
Excess of revenues over (under) expenditures	59,064	(372,375)	(431,439)
Other financing sources (uses):			
Refund of prior year expenditures	<u>-</u>	<u>346</u>	<u>346</u>
Total other financing sources (uses)	<u>-</u>	<u>346</u>	<u>346</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	59,064	(372,029)	(431,093)
Fund balance, July 1	321,978	321,978	-
Prior year encumbrances appropriated	<u>88,791</u>	<u>88,791</u>	<u>-</u>
Fund balance, June 30	<u>\$ 469,833</u>	<u>\$ 38,740</u>	<u>\$ (431,093)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Career Development Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intermediate sources	\$ 11,820	\$ 11,820	\$ -
Total revenues	<u>11,820</u>	<u>11,820</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	80	-	80
Materials and supplies	738	246	492
Total regular instruction	<u>818</u>	<u>246</u>	<u>572</u>
Support services:			
Pupil:			
Purchased services	-	125	(125)
Total pupil	<u>-</u>	<u>125</u>	<u>(125)</u>
Instructional staff:			
Purchased services	2,278	3,834	(1,556)
Materials and supplies	7,769	5,977	1,792
Total instructional staff	<u>10,047</u>	<u>9,811</u>	<u>236</u>
School administration:			
Salaries and wages	150	-	150
Fringe benefits	34	-	34
Total school administration	<u>184</u>	<u>-</u>	<u>184</u>
Total expenditures	<u>11,049</u>	<u>10,182</u>	<u>867</u>
Excess of revenues over (under) expenditures	771	1,638	867
Fund balance, July 1	21,808	21,808	-
Prior year encumbrances appropriated	<u>1,675</u>	<u>1,675</u>	<u>-</u>
Fund balance, June 30	<u>\$ 24,254</u>	<u>\$ 25,121</u>	<u>\$ 867</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Teacher Development Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other local revenues	\$ 399	\$ -	\$ (399)
Intergovernmental - state	46,850	46,850	-
Total revenues	<u>47,249</u>	<u>46,850</u>	<u>(399)</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	1,000	1,000	-
Materials and supplies	-	179	(179)
Total regular instruction	<u>1,000</u>	<u>1,179</u>	<u>(179)</u>
Support services:			
Instructional staff:			
Salaries and wages	29,988	10,846	19,142
Fringe benefits	1,537	2,095	(558)
Purchased services	17,068	27,172	(10,104)
Materials and supplies	14,542	875	13,667
Other expenditures	95	-	95
Total instructional staff	<u>63,230</u>	<u>40,988</u>	<u>22,242</u>
School administration:			
Purchased services	430	-	430
Total school administration	<u>430</u>	<u>-</u>	<u>430</u>
Central:			
Purchased services	7,270	3,284	3,986
Materials and supplies	18,016	8,877	9,139
Total central	<u>25,286</u>	<u>12,161</u>	<u>13,125</u>
Community services:			
Purchased services	3,350	-	3,350
Total community services	<u>3,350</u>	<u>-</u>	<u>3,350</u>
Total expenditures	<u>93,296</u>	<u>54,328</u>	<u>38,968</u>

Continued

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Teacher Development Special Revenue Fund (Concluded)
 For Year Ended June 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Excess of revenues over (under) expenditures	(46,047)	(7,478)	38,569
Other financing sources (uses):			
Refund of prior year expenditures	<u>-</u>	<u>399</u>	<u>399</u>
Total other financing sources (uses)	<u>-</u>	<u>399</u>	<u>399</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(46,047)	(7,079)	38,968
Fund balance, July 1	11,962	11,962	-
Prior year encumbrances appropriated	<u>12,928</u>	<u>12,928</u>	<u>-</u>
Fund balance, June 30	<u>\$ (21,157)</u>	<u>\$ 17,811</u>	<u>\$ 38,968</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Education Management Information Systems Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - state	\$ 25,935	\$ 25,935	\$ -
Total revenues	<u>25,935</u>	<u>25,935</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Fiscal:			
Capital outlay - replacement	5,196	-	5,196
Total fiscal	<u>5,196</u>	<u>-</u>	<u>5,196</u>
Business:			
Capital outlay - replacement	3,897	-	3,897
Total business	<u>3,897</u>	<u>-</u>	<u>3,897</u>
Central:			
Materials and supplies	88,493	5,666	82,827
Capital outlay - replacement	6,495	-	6,495
Total central	<u>94,988</u>	<u>5,666</u>	<u>89,322</u>
Total expenditures	<u>104,081</u>	<u>5,666</u>	<u>98,415</u>
Excess of revenues over (under) expenditures	(78,146)	20,269	98,415
Fund balance, July 1	-	-	-
Prior year encumbrances appropriated	<u>20,318</u>	<u>20,318</u>	<u>-</u>
Fund balance, June 30	<u>\$ (57,828)</u>	<u>\$ 40,587</u>	<u>\$ 98,415</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Disadvantaged Pupil Impact Aid Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - state	\$ 255,272	\$ 255,272	\$ -
Total revenues	<u>255,272</u>	<u>255,272</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	494,484	189,870	304,614
Total regular instruction	<u>494,484</u>	<u>189,870</u>	<u>304,614</u>
Special:			
Salaries and wages	138,418	11,378	127,040
Fringe benefits	37,878	3,305	34,573
Total special instruction	<u>176,296</u>	<u>14,683</u>	<u>161,613</u>
Support services:			
Instructional staff:			
Salaries and wages	107,142	36,568	70,574
Fringe benefits	39,561	13,838	25,723
Total instructional staff	<u>146,703</u>	<u>50,406</u>	<u>96,297</u>
Total expenditures	<u>817,483</u>	<u>254,959</u>	<u>562,524</u>
Excess of revenues over (under) expenditures	(562,211)	313	562,524
Fund balance, July 1	(312)	(312)	-
Fund balance, June 30	<u>\$ (562,523)</u>	<u>\$ 1</u>	<u>\$ 562,524</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Data Communications Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - state	\$ -	\$ 33,000	\$ 33,000
Total revenues	<u>-</u>	<u>33,000</u>	<u>33,000</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	-	33,000	33,000
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 33,000</u>	<u>\$ 33,000</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Schoolnet Professional Development Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other local revenues	\$ -	\$ (1,600)	\$ (1,600)
Intergovernmental - state	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Total revenues	<u>9,000</u>	<u>7,400</u>	<u>(1,600)</u>
Expenditures:			
Current:			
Support services:			
Instructional staff:			
Salaries and wages	-	2,115	(2,115)
Fringe benefits	<u>-</u>	<u>315</u>	<u>(315)</u>
Total instructional staff	<u>-</u>	<u>2,430</u>	<u>(2,430)</u>
Total expenditures	-	2,430	(2,430)
Excess of revenues over (under) expenditures	9,000	4,970	(4,030)
Fund balance, July 1	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Fund balance, June 30	<u>\$ 10,000</u>	<u>\$ 5,970</u>	<u>\$ (4,030)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Ohio Reads Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - state	\$ 81,363	\$ 81,363	\$ -
Total revenues	<u>81,363</u>	<u>81,363</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	-	23,469	(23,469)
Fringe benefits	-	5,471	(5,471)
Materials and supplies	39,317	35,483	3,834
Total regular instruction	<u>39,317</u>	<u>64,423</u>	<u>(25,106)</u>
Special:			
Purchased services	-	17,279	(17,279)
Total special instruction	<u>-</u>	<u>17,279</u>	<u>(17,279)</u>
Instructional staff:			
Salaries and wages	-	9,781	(9,781)
Total instructional staff	<u>-</u>	<u>9,781</u>	<u>(9,781)</u>
Total expenditures	<u>39,317</u>	<u>91,483</u>	<u>(52,166)</u>
Excess of revenues over (under) expenditures	42,046	(10,120)	(52,166)
Fund balance, July 1	34,046	34,046	-
Prior year encumbrances appropriated	<u>5,531</u>	<u>5,531</u>	<u>-</u>
Fund balance, June 30	<u>\$ 81,623</u>	<u>\$ 29,457</u>	<u>\$ (52,166)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Alternative Schools Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - state	\$ 102,500	\$ 102,500	\$ -
Total revenues	<u>102,500</u>	<u>102,500</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	-	1,200	(1,200)
Materials and supplies	-	3,287	(3,287)
Total regular instruction	<u>-</u>	<u>4,487</u>	<u>(4,487)</u>
Special:			
Purchased services	-	909	(909)
Total special instruction	<u>-</u>	<u>909</u>	<u>(909)</u>
Instructional staff:			
Salaries and wages	-	685	(685)
Fringe benefits	-	96	(96)
Purchased services	-	185,004	(185,004)
Total instructional staff	<u>-</u>	<u>185,785</u>	<u>(185,785)</u>
Total expenditures	<u>-</u>	<u>191,181</u>	<u>(191,181)</u>
Excess of revenues over (under) expenditures	102,500	(88,681)	(191,181)
Fund balance, July 1	102,500	102,500	-
Fund balance, June 30	<u>\$ 205,000</u>	<u>\$ 13,819</u>	<u>\$ (191,181)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Conflict Management Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - state	\$ 49,234	\$ 49,234	\$ -
Total revenues	<u>49,234</u>	<u>49,234</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	1,643	-	1,643
Fringe benefits	257	-	257
Total regular instruction	<u>1,900</u>	<u>-</u>	<u>1,900</u>
Support services:			
Instructional staff:			
Salaries and wages	2,000	800	1,200
Fringe benefits	30,774	24,836	5,938
Purchased services	16,713	3,098	13,615
Materials and supplies	-	364	(364)
Other expenditures	2,664	1,965	699
Total instructional staff	<u>52,151</u>	<u>31,063</u>	<u>21,088</u>
Central:			
Purchased services	274	-	274
Materials and supplies	6	-	6
Total central	<u>280</u>	<u>-</u>	<u>280</u>
Total expenditures	<u>54,331</u>	<u>31,063</u>	<u>23,268</u>
Excess of revenues over (under) expenditures	(5,097)	18,171	23,268
Fund balance, July 1	67,726	67,726	-
Prior year encumbrances appropriated	<u>2,086</u>	<u>2,086</u>	<u>-</u>
Fund balance, June 30	<u>\$ 64,715</u>	<u>\$ 87,983</u>	<u>\$ 23,268</u>

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title II Special Revenue Fund
For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - federal	\$ 49,809	\$ 49,809	\$ -
Total revenues	<u>49,809</u>	<u>49,809</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and supplies	1,312	-	1,312
Total regular instruction	<u>1,312</u>	<u>-</u>	<u>1,312</u>
Support services:			
Instructional staff:			
Salaries and wages	16,239	-	16,239
Fringe benefits	2,542	-	2,542
Purchased services	38,016	29,752	8,264
Materials and supplies	3,229	2,804	425
Total instructional staff	<u>60,026</u>	<u>32,556</u>	<u>27,470</u>
Community services:			
Purchased services	1,600	159	1,441
Total community services	<u>1,600</u>	<u>159</u>	<u>1,441</u>
Total expenditures	<u>62,938</u>	<u>32,715</u>	<u>30,223</u>
Excess of revenues over (under) expenditures	(13,129)	17,094	30,223
Other financing sources (uses):			
Transfers in	9,395	9,396	1
Advances (out)	(17,760)	(43,986)	(26,226)
Refund of prior year receipts	-	(1,527)	(1,527)
Total other financing sources (uses)	<u>(8,365)</u>	<u>(36,117)</u>	<u>(27,752)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(21,494)	(19,023)	2,471
Fund balance, July 1	17,779	17,779	-
Prior year encumbrances appropriated	<u>4,142</u>	<u>4,142</u>	<u>-</u>
Fund balance, June 30	<u>\$ 427</u>	<u>\$ 2,898</u>	<u>\$ 2,471</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title VI-B Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - federal	\$ 415,562	\$ 415,562	\$ -
Total revenues	<u>415,562</u>	<u>415,562</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special:			
Materials and supplies	12,043	23,473	(11,430)
Total special instruction	<u>12,043</u>	<u>23,473</u>	<u>(11,430)</u>
Support services:			
Pupil:			
Salaries and wages	19,694	20,623	(929)
Fringe benefits	3,092	3,280	(188)
Purchased services	147,780	67,244	80,536
Total pupil	<u>170,566</u>	<u>91,147</u>	<u>79,419</u>
Instructional staff:			
Salaries and wages	337,971	186,482	151,489
Fringe benefits	117,278	66,137	51,141
Purchased services	842	209	633
Materials and supplies	310	845	(535)
Total instructional staff	<u>456,401</u>	<u>253,673</u>	<u>202,728</u>
Community services:			
Materials and supplies	-	14,041	(14,041)
Total community services	<u>-</u>	<u>14,041</u>	<u>(14,041)</u>
Total expenditures	<u>639,010</u>	<u>382,334</u>	<u>256,676</u>
Excess of revenues over (under) expenditures	(223,448)	33,228	256,676
Other financing sources (uses):			
Transfers in	128,859	128,859	-
Advances in	75,000	75,000	-
Advances (out)	(56,754)	(145,875)	(89,121)
Total other financing sources (uses)	<u>147,105</u>	<u>57,984</u>	<u>(89,121)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(76,343)	91,212	167,555
Fund balance, July 1	83,694	83,694	-
Prior year encumbrances appropriated	<u>115</u>	<u>115</u>	<u>-</u>
Fund balance, June 30	<u>\$ 7,466</u>	<u>\$ 175,021</u>	<u>\$ 167,555</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Vocational Education Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intermediate sources	\$ 13,989	\$ 13,989	\$ -
Total revenues	<u>13,989</u>	<u>13,989</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	-	389	(389)
Materials and supplies	8,688	3,484	5,204
Other expenditures	359	80	279
Total regular instruction	<u>9,047</u>	<u>3,953</u>	<u>5,094</u>
Support services:			
Instructional staff:			
Salaries and wages	-	400	(400)
Fringe benefits	-	62	(62)
Purchased services	4,684	1,803	2,881
Materials and supplies	13,818	6,612	7,206
Other expenditures	662	-	662
Total instructional staff	<u>19,164</u>	<u>8,877</u>	<u>10,287</u>
School administration:			
Salaries and wages	150	-	150
Fringe benefits	34	-	34
Total school administration	<u>184</u>	<u>-</u>	<u>184</u>
Total expenditures	<u>28,395</u>	<u>12,830</u>	<u>15,565</u>
Excess of revenues over (under) expenditures	(14,406)	1,159	15,565
Other financing sources (uses):			
Advances (out)	-	(1,778)	(1,778)
Total other financing sources (uses)	<u>-</u>	<u>(1,778)</u>	<u>(1,778)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(14,406)	(619)	13,787
Fund balance, July 1	3,497	3,497	-
Prior year encumbrances appropriated	<u>4,493</u>	<u>4,493</u>	<u>-</u>
Fund balance, June 30	<u>\$ (6,416)</u>	<u>\$ 7,371</u>	<u>\$ 13,787</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title I Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - federal	\$ 764,946	\$ 764,946	\$ -
Total revenues	<u>764,946</u>	<u>764,946</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	-	1,341	(1,341)
Materials and supplies	9,452	14,570	(5,118)
Total regular instruction	<u>9,452</u>	<u>15,911</u>	<u>(6,459)</u>
Special:			
Salaries and wages	802,182	424,715	377,467
Fringe benefits	179,827	93,891	85,936
Purchased services	29,502	21,264	8,238
Materials and supplies	70,918	34,236	36,682
Total special instruction	<u>1,082,429</u>	<u>574,106</u>	<u>508,323</u>
Support services:			
Pupil:			
Salaries and wages	7,690	-	7,690
Fringe benefits	1,341	-	1,341
Purchased services	-	642	(642)
Total pupil	<u>9,031</u>	<u>642</u>	<u>8,389</u>
Instructional staff:			
Salaries and wages	46,474	21,398	25,076
Fringe benefits	17,303	6,839	10,464
Purchased services	19,196	13,464	5,732
Materials and supplies	150	-	150
Total instructional staff	<u>83,123</u>	<u>41,701</u>	<u>41,422</u>
School administration:			
Salaries and wages	61,733	33,627	28,106
Fringe benefits	13,463	7,234	6,229
Materials and supplies	3,772	630	3,142
Total school administration	<u>78,968</u>	<u>41,491</u>	<u>37,477</u>
Operations and maintenance:			
Materials and supplies	780	-	780
Total operations and maintenance	<u>780</u>	<u>-</u>	<u>780</u>
Total expenditures	<u>1,263,783</u>	<u>673,851</u>	<u>589,932</u>

Continued

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title I Special Revenue Fund (Concluded)
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Excess of revenues over (under) expenditures	(498,837)	91,095	589,932
Other financing sources (uses):			
Advances in	70,256	70,526	270
Advances out	-	(114,914)	(114,914)
Total other financing sources (uses)	<u>70,256</u>	<u>(44,388)</u>	<u>(114,644)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(428,581)	46,707	475,288
Fund balance, July 1	46,995	46,995	-
Prior year encumbrances appropriated	<u>21,032</u>	<u>21,032</u>	-
Fund balance, June 30	<u>\$ (360,554)</u>	<u>\$ 114,734</u>	<u>\$ 475,288</u>

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title VI Special Revenue Fund
For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other local revenues	\$ 127	\$ -	\$ (127)
Intergovernmental - federal	82,227	82,227	-
Total revenues	<u>82,354</u>	<u>82,227</u>	<u>(127)</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and supplies	-	400	(400)
Total regular instruction	<u>-</u>	<u>400</u>	<u>(400)</u>
Support services:			
Instructional staff:			
Materials and supplies	102,494	59,271	43,223
Capital outlay - new	4,662	-	4,662
Total instructional staff	<u>107,156</u>	<u>59,271</u>	<u>47,885</u>
Total expenditures	<u>107,156</u>	<u>59,671</u>	<u>47,485</u>
Excess of revenues over (under) expenditures	(24,802)	22,556	47,358
Other financing sources (uses):			
Advances in	37,546	37,546	-
Advances (out)	(7,716)	(39,785)	(32,069)
Refund of prior year expenditures	-	127	127
Refund of prior year receipts	-	(7,276)	(7,276)
Total other financing sources (uses)	<u>29,830</u>	<u>(9,388)</u>	<u>(39,218)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	5,028	13,168	8,140
Fund balance, July 1	7,736	7,736	-
Prior year encumbrances appropriated	<u>18,882</u>	<u>18,882</u>	<u>-</u>
Fund balance, June 30	<u>\$ 31,646</u>	<u>\$ 39,786</u>	<u>\$ 8,140</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Emergency Immigrant Education Assistance Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - federal	\$ 5,000	\$ 5,000	\$ -
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff:			
Salaries and wages	-	8,129	(8,129)
Fringe benefits	-	18	(18)
Purchased services	-	125	(125)
Total instructional staff	<u>-</u>	<u>8,272</u>	<u>(8,272)</u>
Total expenditures	<u>-</u>	<u>8,272</u>	<u>(8,272)</u>
Excess of revenues over (under) expenditures	5,000	(3,272)	(8,272)
Fund balance, July 1	3,272	3,272	-
Fund balance, June 30	<u>\$ 8,272</u>	<u>\$ -</u>	<u>\$ (8,272)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title IV Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - federal	\$ 65,493	\$ 65,493	\$ -
Total revenues	<u>65,493</u>	<u>65,493</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	15,486	9,396	6,090
Fringe benefits	2,253	1,332	921
Other expenditures	-	1,700	(1,700)
Total regular instruction	<u>17,739</u>	<u>12,428</u>	<u>5,311</u>
Support services:			
Pupil:			
Purchased services	688	-	688
Total pupil	<u>688</u>	<u>-</u>	<u>688</u>
Instructional staff:			
Salaries and wages	3,638	-	3,638
Fringe benefits	568	-	568
Purchased services	9,648	9,133	515
Materials and supplies	24,694	7,562	17,132
Other expenditures	1,116	-	1,116
Total instructional staff	<u>39,664</u>	<u>16,695</u>	<u>22,969</u>
Pupil transportation:			
Purchased services	341	-	341
Total pupil transportation	<u>341</u>	<u>-</u>	<u>341</u>
Community services:			
Purchased services	2,190	1,550	640
Materials and supplies	3,600	2,055	1,545
Total community services	<u>5,790</u>	<u>3,605</u>	<u>2,185</u>
Total expenditures	<u>64,222</u>	<u>32,728</u>	<u>31,494</u>

Continued

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title IV Special Revenue Fund (Concluded)
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Excess of revenues over (under) expenditures	1,271	32,765	31,494
Other financing sources (uses):			
Advances out	-	(8,442)	(8,442)
Total other financing sources (uses)	-	(8,442)	(8,442)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,271	24,323	23,052
Fund balance, July 1	559	559	-
Prior year encumbrances appropriated	977	977	-
Fund balance, June 30	<u>\$ 2,807</u>	<u>\$ 25,859</u>	<u>\$ 23,052</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Preschool Grant Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - federal	\$ 18,038	\$ 18,038	\$ -
Total revenues	<u>18,038</u>	<u>18,038</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special:			
Purchased services	45,883	24,000	21,883
Materials and supplies	414	1,462	(1,048)
Total special instruction	<u>46,297</u>	<u>25,462</u>	<u>20,835</u>
Total expenditures	<u>46,297</u>	<u>25,462</u>	<u>20,835</u>
Excess of revenues over (under) expenditures	(28,259)	(7,424)	20,835
Other financing sources (uses):			
Transfers in	10,431	10,431	
Advances (out)	(4,722)	(7,983)	(3,261)
Refund of prior year receipts	(2)	(1,461)	(1,459)
Total other financing sources (uses)	<u>5,707</u>	<u>987</u>	<u>(4,720)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(22,552)	(6,437)	16,115
Fund balance, July 1	4,722	4,722	-
Prior year encumbrances appropriated	<u>1,715</u>	<u>1,715</u>	<u>-</u>
Fund balance, June 30	<u>\$ (16,115)</u>	<u>\$ -</u>	<u>\$ 16,115</u>

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Continuous Improvement Implementation Grant Special Revenue Fund
For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - federal	\$ 54,999	\$ 154,999	\$ 100,000
Total revenues	<u>54,999</u>	<u>154,999</u>	<u>100,000</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	-	7,864	(7,864)
Capital outlay - new	30,000	49,225	(19,225)
Total regular instruction	<u>30,000</u>	<u>57,089</u>	<u>(27,089)</u>
Support services:			
Instructional staff:			
Salaries and wages	4,760	-	4,760
Fringe benefits	736	-	736
Purchased services	104,661	35,659	69,002
Materials and supplies	14,835	1,973	12,862
Capital outlay - new	3,897	-	3,897
Other expenditures	914	476	438
Total instructional staff	<u>129,803</u>	<u>38,108</u>	<u>91,695</u>
Operations and maintenance:			
Materials and supplies	700	-	700
Total operations and maintenance	<u>700</u>	<u>-</u>	<u>700</u>
Total expenditures	<u>160,503</u>	<u>95,197</u>	<u>65,306</u>
Excess of revenues over (under) expenditures	(105,504)	59,802	165,306
Other financing sources (uses):			
Advances in	120,416	120,416	-
Total other financing sources (uses)	<u>120,416</u>	<u>120,416</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	14,912	180,218	165,306
Fund balance, July 1	(95,504)	(95,504)	-
Prior year encumbrances appropriated	<u>80,973</u>	<u>80,973</u>	<u>-</u>
Fund balance, June 30	<u>\$ 381</u>	<u>\$ 165,687</u>	<u>\$ 165,306</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Reducing Class Size Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - federal	\$ 238,781	\$ 238,781	\$ -
Total revenues	<u>238,781</u>	<u>238,781</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	173,142	110,043	63,099
Fringe benefits	47,560	31,210	16,350
Total regular instruction	<u>220,702</u>	<u>141,253</u>	<u>79,449</u>
Community services:			
Materials and supplies	146	-	146
Total community services	<u>146</u>	<u>-</u>	<u>146</u>
Total expenditures	<u>220,848</u>	<u>141,253</u>	<u>79,595</u>
Excess of revenues over (under) expenditures	17,933	97,528	79,595
Other financing sources (uses):			
Advances out	-	(173,558)	(173,558)
Total other financing sources (uses)	<u>-</u>	<u>(173,558)</u>	<u>(173,558)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	17,933	(76,030)	(93,963)
Fund balance, July 1	<u>104,366</u>	<u>104,366</u>	<u>-</u>
Fund balance, June 30	<u>\$ 122,299</u>	<u>\$ 28,336</u>	<u>\$ (93,963)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 After School Learning Centers Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - federal	\$ 75,000	\$ 45,063	\$ (29,937)
Total revenues	<u>75,000</u>	<u>45,063</u>	<u>(29,937)</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	-	30,950	(30,950)
Materials and supplies	-	13,744	(13,744)
Total regular instruction	<u>-</u>	<u>44,694</u>	<u>(44,694)</u>
Support services:			
Instructional staff:			
Salaries and wages	-	720	(720)
Fringe benefits	-	101	(101)
Total instructional staff	<u>-</u>	<u>821</u>	<u>(821)</u>
Total expenditures	<u>-</u>	<u>45,515</u>	<u>(45,515)</u>
Excess of revenues over (under) expenditures	75,000	(452)	(75,452)
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 75,000</u>	<u>\$ (452)</u>	<u>\$ (75,452)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Bilingual Education Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - federal	\$ 175,000	\$ 134,276	\$ (40,724)
Total revenues	<u>175,000</u>	<u>134,276</u>	<u>(40,724)</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	-	3,630	(3,630)
Materials and supplies	-	5,992	(5,992)
Capital outlay - new	-	1,453	(1,453)
Total regular instruction	<u>-</u>	<u>11,075</u>	<u>(11,075)</u>
Special:			
Salaries and wages	-	64,489	(64,489)
Fringe benefits	-	13,544	(13,544)
Total special instruction	<u>-</u>	<u>78,033</u>	<u>(78,033)</u>
Support services:			
Pupil:			
Salaries and wages	-	9,323	(9,323)
Fringe benefits	-	4,901	(4,901)
Total pupil	<u>-</u>	<u>14,224</u>	<u>(14,224)</u>
Instructional staff:			
Salaries and wages	-	17,388	(17,388)
Fringe benefits	-	7,541	(7,541)
Purchased services	-	7,384	(7,384)
Total instructional staff	<u>-</u>	<u>32,313</u>	<u>(32,313)</u>
Total expenditures	<u>-</u>	<u>135,645</u>	<u>(135,645)</u>
Excess of revenues over (under) expenditures	175,000	(1,369)	(176,369)
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 175,000</u>	<u>\$ (1,369)</u>	<u>\$ (176,369)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Reading Excellence Act Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - federal	\$ 400,000	\$ 376,153	\$ (23,847)
Total revenues	<u>400,000</u>	<u>376,153</u>	<u>(23,847)</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	-	46,194	(46,194)
Fringe benefits	-	9,382	(9,382)
Purchased services	-	29,524	(29,524)
Materials and supplies	-	40,362	(40,362)
Capital outlay - new	-	2,479	(2,479)
Total regular instruction	<u>-</u>	<u>127,941</u>	<u>(127,941)</u>
Support services:			
Instructional staff:			
Salaries and wages	-	12,798	(12,798)
Fringe benefits	-	2,823	(2,823)
Purchased services	-	36,781	(36,781)
Materials and supplies	-	142,742	(142,742)
Capital outlay - new	-	2,608	(2,608)
Total instructional staff	<u>-</u>	<u>197,752</u>	<u>(197,752)</u>
Total expenditures	<u>-</u>	<u>325,693</u>	<u>(325,693)</u>
Excess of revenues over (under) expenditures	400,000	50,460	(349,540)
Fund balance, July 1	<u>42,714</u>	<u>42,714</u>	<u>-</u>
Fund balance, June 30	<u>\$ 442,714</u>	<u>\$ 93,174</u>	<u>\$ (349,540)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Alternative Education Opportunities Grant Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - federal	\$ 30,000	\$ 25,500	\$ (4,500)
Total revenues	<u>30,000</u>	<u>25,500</u>	<u>(4,500)</u>
Expenditures:			
Current:			
Support services:			
Instructional staff:			
Purchased services	74,500	25,500	49,000
Total instructional staff	<u>74,500</u>	<u>25,500</u>	<u>49,000</u>
Total expenditures	<u>74,500</u>	<u>25,500</u>	<u>49,000</u>
Excess of revenues over (under) expenditures	(44,500)	-	44,500
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ (44,500)</u>	<u>\$ -</u>	<u>\$ 44,500</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Family and School Partnership Grant Special Revenue Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other local revenues	\$ 6	\$ -	(6)
Intergovernmental - federal	994	-	(994)
Total revenues	1,000	-	(1,000)
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and supplies	512	2,265	(1,753)
Total regular instruction	512	2,265	(1,753)
Support services:			
Pupil:			
Materials and supplies	320	-	320
Total pupil	320	-	320
Central:			
Purchased services	623	-	623
Materials and supplies	770	-	770
Total central	1,393	-	1,393
Community services:			
Materials and supplies	1,095	-	1,095
Total community services	1,095	-	1,095
Total expenditures	3,320	2,265	1,055
Excess of revenues over (under) expenditures	(2,320)	(2,265)	55
Other financing sources (uses):			
Refund of prior year expenditures	-	6	6
Refund of prior year receipts	(313)	(1,078)	(765)
Total other financing sources (uses)	(313)	(1,072)	(759)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,633)	(3,337)	(704)
Fund balance, July 1	6,125	6,125	-
Fund balance, June 30	\$ 3,492	\$ 2,788	\$ (704)

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DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for and the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment.

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

CAPITAL PROJECTS FUNDS

The Capital Project Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects, including equipment purchases other than those financed by Proprietary or Nonexpendable Trust Funds. The following are descriptions of each Capital Projects Fund:

BUILDING: To account for revenues and expenditures related to all special bond funds in the District. Proceeds from the sale of bonds, except premium and accrued interest, are paid into this fund.

PERMANENT IMPROVEMENT: To account for all transactions related to acquiring, constructing, or improving such permanent improvements as are authorized by Chapter 5705, Revised Code.

SCHOOL NET PLUS: To account for revenues and expenditures related to the development and implementation of the School Net network within the District.

Princeton City School District, Ohio

Combining Balance Sheet

All Capital Projects Funds

As of June 30, 2001

	Building	Permanent Improvement	School Net Plus	Totals
Assets:				
Equity in pooled cash and cash equivalents	\$ 379,980	\$ 644,073	\$ 281,700	\$ 1,305,753
Total assets	<u>379,980</u>	<u>644,073</u>	<u>281,700</u>	<u>1,305,753</u>
Liabilities:				
Accounts payable	-	3,225	6,000	9,225
Interfund loans payable	235,024	-	-	235,024
Total liabilities	<u>235,024</u>	<u>3,225</u>	<u>6,000</u>	<u>244,249</u>
Fund balances:				
Reserved for encumbrances	379,980	326,770	-	706,750
Undesignated	<u>(235,024)</u>	<u>314,078</u>	<u>275,700</u>	<u>354,754</u>
Total fund equity	<u>144,956</u>	<u>640,848</u>	<u>275,700</u>	<u>1,061,504</u>
Total liabilities and fund equity	<u>\$ 379,980</u>	<u>\$ 644,073</u>	<u>\$ 281,700</u>	<u>\$ 1,305,753</u>

Princeton City School District, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
All Capital Projects Funds
For Year Ended June 30, 2001

	Building	Permanent Improvement	School Net Plus	Totals
Revenues:				
Earnings on investments	\$ -	\$ 104,902	\$ -	\$ 104,902
Intergovernmental - state	-	-	38,500	38,500
Total revenues	-	104,902	38,500	143,402
Expenditures:				
Current:				
Instruction:				
Regular	-	310,277	-	310,277
Support services:				
Pupil	-	24,189	-	24,189
Instructional staff	-	33,057	-	33,057
School administration	-	8,796	-	8,796
Business	-	2,548	-	2,548
Operations and maintenance	-	727,350	36,000	763,350
Pupil transportation	-	2,199	-	2,199
Extracurricular activities	-	2,199	-	2,199
Capital outlay	-	23,666	-	23,666
Total expenditures	-	1,134,281	36,000	1,170,281
Excess of revenues over (under) expenditures	-	(1,029,379)	2,500	(1,026,879)
Fund balance, July 1	144,956	1,670,227	273,200	2,088,383
Fund balance, June 30	\$ 144,956	\$ 640,848	\$ 275,700	\$ 1,061,504

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Building - Capital Projects Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Total revenues	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Support services:			
Pupil transportation:			
Capital outlay - new	-	12,180	(12,180)
Capital outlay - replacement	-	367,800	(367,800)
Total pupil transportation	-	379,980	(379,980)
Total expenditures	-	379,980	(379,980)
Excess of revenues over (under) expenditures	-	(379,980)	(379,980)
Other financing sources (uses):			
Advances in	235,024	235,024	-
Total other financing sources (uses)	235,024	235,024	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	235,024	(144,956)	(379,980)
Fund balance, July 1	144,956	144,956	-
Fund balance, June 30	\$ 379,980	\$ -	\$ (379,980)

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Permanent Improvement - Capital Projects Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Earnings on investments	\$ 104,902	\$ 104,902	\$ -
Other local revenues	2,900	-	(2,900)
Total revenues	107,802	104,902	(2,900)
Expenditures:			
Current:			
Instruction:			
Regular:			
Capital outlay - new	-	101,303	(101,303)
Capital outlay - replacement	-	208,974	(208,974)
Total regular instruction	-	310,277	(310,277)
Support services:			
Pupil:			
Capital outlay - replacement	-	24,189	(24,189)
Total pupil	-	24,189	(24,189)
Instructional staff:			
Capital outlay - new	-	13,245	(13,245)
Capital outlay - replacement	-	19,812	(19,812)
Total instructional staff	-	33,057	(33,057)
School administration:			
Purchased services	-	8,796	(8,796)
Total school administration	-	8,796	(8,796)
Business:			
Capital outlay - replacement	-	2,548	(2,548)
Total business	-	2,548	(2,548)
Operations and maintenance:			
Capital outlay - new	-	181,276	(181,276)
Capital outlay - replacement	721,047	865,586	(144,539)
Total operation and maintenance	721,047	1,046,862	(325,815)
Pupil transportation:			
Capital outlay - replacement	-	2,199	(2,199)
Total pupil transportation	-	2,199	(2,199)

Continued

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Permanent Improvement - Capital Projects Fund (Concluded)
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Extracurricular activities:			
Capital outlay - replacement	-	2,199	(2,199)
Total extracurricular activities	-	2,199	(2,199)
Capital outlay:			
Site Improvement Services:			
Capital outlay - new	20,543	-	20,543
Total site improvement services	20,543	-	20,543
Architecture and engineering services:			
Purchased services	-	27,699	(27,699)
Total architecture and engineering services	-	27,699	(27,699)
Total capital outlay	20,543	27,699	(7,156)
Total expenditures	741,590	1,457,826	(716,236)
Excess of revenues over (under) expenditures	(633,788)	(1,352,924)	(719,136)
Other financing sources (uses):			
Refund of prior year expenditures	-	2,900	2,900
Total other financing sources (uses)	-	2,900	2,900
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(633,788)	(1,350,024)	(716,236)
Fund balance, July 1	1,201,354	1,201,354	-
Prior year encumbrances appropriated	465,972	465,972	-
Fund balance, June 30	<u>\$ 1,033,538</u>	<u>\$ 317,302</u>	<u>\$ (716,236)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 School Net Plus - Capital Projects Fund
 For Year Ended June 30, 2001

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - state	\$ 71,500	\$ 38,500	\$ (33,000)
Total revenues	<u>71,500</u>	<u>38,500</u>	<u>(33,000)</u>
Expenditures:			
Current:			
Support services:			
Operations and maintenance:			
Capital outlay - new	-	30,000	(30,000)
Capital outlay - replacement	<u>-</u>	<u>6,000</u>	<u>(6,000)</u>
Total operation and maintenance	<u>-</u>	<u>36,000</u>	<u>(36,000)</u>
Total expenditures	<u>-</u>	<u>36,000</u>	<u>(36,000)</u>
Excess of revenues over (under) expenditures	71,500	2,500	(69,000)
Fund balance, July 1	273,200	273,200	-
Fund balance, June 30	<u>\$ 344,700</u>	<u>\$ 275,700</u>	<u>\$ (69,000)</u>

ENTERPRISE FUNDS

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

FOOD SERVICE: To account for all revenues and expenses related to the food service operation for the District.

EARLY CHILDHOOD PROGRAMS: To account for all revenues and expenses related to the District's early childhood programs which include, but are not limited to, a child care center, preschool, and tuition kindergarten.

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.

Princeton City School District, Ohio

Combining Balance Sheet

All Enterprise Funds

As of June 30, 2001

	Food Service	Early Childhood Programs	Uniform School Supplies	Totals
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 365,315	\$ 395,488	\$ 76,400	\$ 837,203
Receivables:				
Accounts	50	16,438	-	16,488
Intergovernmental - federal	94,099	-	-	94,099
Materials and supplies inventory	132,228	-	-	132,228
Total current assets	<u>591,692</u>	<u>411,926</u>	<u>76,400</u>	<u>1,080,018</u>
Non-current assets:				
Property, plant and equipment (net of accumulated depreciation)	61,445	1,266	-	62,711
Total non-current assets	<u>61,445</u>	<u>1,266</u>	<u>-</u>	<u>62,711</u>
Total assets	<u>653,137</u>	<u>413,192</u>	<u>76,400</u>	<u>1,142,729</u>
Liabilities:				
Current liabilities:				
Accounts payable	7,126	9,908	-	17,034
Accrued wages and benefits	100,650	111,252	-	211,902
Interfund loans payable	-	150,000	-	150,000
Deferred revenue	106,008	-	-	106,008
Total current liabilities	<u>213,784</u>	<u>271,160</u>	<u>-</u>	<u>484,944</u>
Long-term liabilities:				
Compensated absences payable	-	10,922	-	10,922
Total long-term liabilities	<u>-</u>	<u>10,922</u>	<u>-</u>	<u>10,922</u>
Total liabilities	<u>213,784</u>	<u>282,082</u>	<u>-</u>	<u>495,866</u>
Retained earnings:				
Unreserved	439,353	131,110	76,400	646,863
Total retained earnings	<u>439,353</u>	<u>131,110</u>	<u>76,400</u>	<u>646,863</u>
Total liabilities and retained earnings	<u>\$ 653,137</u>	<u>\$ 413,192</u>	<u>\$ 76,400</u>	<u>\$ 1,142,729</u>

Princeton City School District, Ohio
Combining Statement of Revenues, Expenses
And Changes in Retained Earnings
All Enterprise Funds
For Year Ended June 30, 2001

	Food Service	Early Childhood Programs	Uniform School Supplies	Totals
Operating revenues:				
Tuition and fees	\$ -	\$ 994,270	\$ 31,050	\$ 1,025,320
Sales	1,075,054	-	-	1,075,054
Other operating revenues	1,298	693	2,554	4,545
Total operating revenues	<u>1,076,352</u>	<u>994,963</u>	<u>33,604</u>	<u>2,104,919</u>
Operating expenses:				
Salaries and wages	679,532	861,915	-	1,541,447
Fringe benefits	249,832	176,675	-	426,507
Contract services	51,575	8,981	-	60,556
Materials and supplies	1,048,722	66,985	19,614	1,135,321
Depreciation	23,714	541	-	24,255
Other operating expenses	3,220	1,796	-	5,016
Total operating expenses	<u>2,056,595</u>	<u>1,116,893</u>	<u>19,614</u>	<u>3,193,102</u>
Operating income (loss):	(980,243)	(121,930)	13,990	(1,088,183)
Nonoperating revenues:				
Interest revenue	18,218	-	-	18,218
Grants - state	54,717	-	-	54,717
Grants - federal	890,046	-	-	890,046
Grants - commodities	106,621	-	-	106,621
Total nonoperating revenues	<u>1,069,602</u>	<u>-</u>	<u>-</u>	<u>1,069,602</u>
Net income before operating transfers	89,359	(121,930)	13,990	(18,581)
Operating transfers in	-	358,070	-	358,070
Net income	89,359	236,140	13,990	339,489
Retained earnings (deficit) at July 1	<u>349,994</u>	<u>(105,030)</u>	<u>62,410</u>	<u>307,374</u>
Retained earnings (deficit) at June 30	<u>\$ 439,353</u>	<u>\$ 131,110</u>	<u>\$ 76,400</u>	<u>\$ 646,863</u>

Princeton City School District, Ohio

Combining Statement of Cash Flows

All Enterprise Funds

For Year Ended June 30, 2001

	Food Service	Early Childhood Programs	Uniform School Supplies	Totals
Cash flows from operating activities:				
Cash received from tuition and fees	\$ -	\$ 988,088	\$ 31,082	\$ 1,019,170
Cash received from sales/charges for services	1,075,475	-	-	1,075,475
Cash received from other operations	1,298	693	2,554	4,545
Cash payments for personal services	(954,980)	(1,031,026)	-	(1,986,006)
Cash payments for contract services	(43,577)	(9,114)	-	(52,691)
Cash payments for supplies and materials	(931,570)	(67,451)	(19,614)	(1,018,635)
Cash payments for other expenses	(3,006)	(274)	-	(3,280)
Net cash provided by (used for) operating activities	(856,360)	(119,084)	14,022	(961,422)
Cash flows from noncapital financing activities:				
Cash received from grants (state)	54,717	-	-	54,717
Cash received from grants (federal)	917,466	-	-	917,466
Refund of prior year transaction	-	(110)	-	(110)
Transfers in from other funds	-	358,070	-	358,070
Advances in from other funds	-	(175,540)	-	(175,540)
Net cash provided by (used for) noncapital financing activities	972,183	182,420	-	1,154,603
Cash flows from capital and related financing activities:				
Acquisition/disposition of capital assets	(77,832)	(1,210)	-	(79,042)
Net cash used for capital and related financing activities	(77,832)	(1,210)	-	(79,042)
Cash flows from investing activities:				
Interest on cash equivalents	18,218	-	-	18,218
Net cash provided by investing activities	18,218	-	-	18,218
Net increase in cash and cash equivalents	56,209	62,126	14,022	132,357
Cash and cash equivalents, July 1	309,106	333,362	62,378	704,846
Cash and cash equivalents, June 30	\$ 365,315	\$ 395,488	\$ 76,400	\$ 837,203
Reconciliation of operating income to net cash provided by (used for) operating activities				
Operating income (loss)	(980,243)	(121,930)	13,990	(1,088,183)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation	23,714	541	-	24,255
Adjustments to capital outlay	17,814	-	-	17,814
Other adjustments to non-operating income	106,621	110	-	106,731
Changes in assets and liabilities:				
Supplies inventory	(6,027)	-	-	(6,027)
Accounts payable	586	(166)	-	420
Accrued wages and benefits	5,117	(3,358)	-	1,759
Accounts receivable/Due from government	421	(5,203)	32	(4,750)
Compensated absences payable	(30,733)	10,922	-	(19,811)
Deferred revenue	6,370	-	-	6,370
Net cash provided by (used for) operating activities	\$ (856,360)	\$ (119,084)	\$ 14,022	\$ (961,422)

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to another department or agency of the District on a cost reimbursement basis.

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

FIDUCIARY FUNDS

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

NON-EXPENDABLE TRUST FUND

ENDOWMENT: To account for monies or securities which have been set aside as an investment. The interest revenue is expended for scholarships, but the principal remains intact.

EXPENDABLE TRUST FUND

SPECIAL TRUST: To account for donations received by the District in a trustee capacity.

AGENCY FUNDS

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

Princeton City School District, Ohio

Combining Balance Sheet

All Fiduciary Fund Types

As of June 30, 2001

	Non-Expendable -----Trust-----	Expendable -----Trust-----	-----Agency-----	
	Endowment	Special Trust	Student Activities Agency	Totals
Assets:				
Equity in pooled cash and cash equivalents	\$ 285,379	\$ 69,561	\$ 33,326	\$ 388,266
Receivables:				
Accounts	-	6,724	860	7,584
Total assets	<u>285,379</u>	<u>76,285</u>	<u>34,186</u>	<u>395,850</u>
Liabilities:				
Accounts payable	-	374	3,325	3,699
Accrued wages and benefits	-	61	-	61
Interfund loans payable	-	-	8,534	8,534
Due to students	-	-	22,327	22,327
Total liabilities	<u>-</u>	<u>435</u>	<u>34,186</u>	<u>34,621</u>
Fund equity:				
Reserved for trusts	285,379	-	-	285,379
Fund balances:				
Reserved for encumbrances	-	50	-	50
Undesignated	-	75,800	-	75,800
Total fund equity	<u>285,379</u>	<u>75,850</u>	<u>-</u>	<u>361,229</u>
Total liabilities and fund equity	<u>\$ 285,379</u>	<u>\$ 76,285</u>	<u>\$ 34,186</u>	<u>\$ 395,850</u>

Princeton City School District, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For year ended June 30, 2001

	<u>Student Activities Fund</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 87,190	\$ 183,828	\$ 237,692	\$ 33,326
Accounts receivable	<u>1,154</u>	<u>-</u>	<u>294</u>	<u>860</u>
Total assets	<u><u>88,344</u></u>	<u><u>183,828</u></u>	<u><u>237,986</u></u>	<u><u>34,186</u></u>
Liabilities:				
Accounts payable	5,133	-	1,808	3,325
Interfund loans payable	-	8,534	-	8,534
Due to students	<u>83,211</u>	<u>177,102</u>	<u>237,986</u>	<u>22,327</u>
Total liabilities	<u><u>\$ 88,344</u></u>	<u><u>\$ 185,636</u></u>	<u><u>\$ 239,794</u></u>	<u><u>\$ 34,186</u></u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

Princeton City School District, Ohio
 Schedule of General Fixed Assets by Source
 As of June 30, 2001

General fixed assets:

	Land	\$ 1,003,909
	Buildings	37,722,906
	Furniture and equipment	<u>24,487,957</u>
Total		<u>\$ 63,214,772</u>

Investment in general fixed assets by source:

	General fund	\$ 4,447,700
	Capital project funds	10,667,373
	Special revenue funds	225,457
	Acquisitions prior to July 1, 1995*	<u>47,874,242</u>
Total investment in general fixed assets		<u>\$ 63,214,772</u>

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

Princeton City School District, Ohio
 Schedule of General Fixed Assets by Function and Type
 As of June 30, 2001

Function	Land	Buildings	Furniture and Equipment	Total
Instruction:				
Regular	\$ 903,909	\$ 26,930,576	\$ 6,543,237	\$ 34,377,722
Special			122,264	122,264
Vocational			2,673	2,673
Other			7,715	7,715
Total instruction	<u>903,909</u>	<u>26,930,576</u>	<u>6,675,889</u>	<u>34,510,374</u>
Support services:				
Pupil			158,338	158,338
Instructional staff			709,560	709,560
Administration	100,000	285,874	109,938	495,812
Fiscal			43,665	43,665
Business			2,178,959	2,178,959
Operations and maintenance			6,220,082	6,220,082
Pupil transportation			2,423,716	2,423,716
Central			76,455	76,455
Total support services	<u>100,000</u>	<u>285,874</u>	<u>11,920,713</u>	<u>12,306,587</u>
Non-instructional services			580,954	580,954
Extracurricular activities			691,619	691,619
Capital outlay		10,506,456	4,618,782	15,125,238
Total general fixed assets	<u>\$ 1,003,909</u>	<u>\$ 37,722,906</u>	<u>\$ 24,487,957</u>	<u>\$ 63,214,772</u>

Princeton City School District, Ohio
 Schedule of Changes in General Fixed Assets by Function
 For the year ended June 30, 2001

Function	Balance at July 1, 2000	Additions	Deletions	Balance at June 30, 2001
Instruction:				
Regular	\$ 31,741,984	\$ 211,304	\$ 22,444	\$ 31,930,844
Special	107,501	3,948	419	111,030
Vocational	2,351	87	9	2,429
Other	6,784	249	26	7,007
Total instruction	31,858,620	215,588	22,898	32,051,310
Support services:				
Pupil	139,221	5,114	543	143,792
Instructional staff	623,887	22,915	2,434	644,368
Administration	578,449	35,033	377	613,105
Fiscal	38,394	1,411	150	39,655
Business	1,915,864	70,367	7,473	1,978,758
Operations and maintenance	5,469,050	200,872	21,333	5,648,589
Pupil transportation	2,131,069	78,271	8,313	2,201,027
Central	67,222	2,469	262	69,429
Total support services	10,963,156	416,452	40,885	11,338,723
Non-instructional services	510,809	18,761	1,992	527,578
Extracurricular activities	608,111	22,335	2,372	628,074
Capital outlay	17,361,855	1,596,792	289,560	18,669,087
Total general fixed assets	\$ 61,302,551	\$ 2,269,928	\$ 357,707	\$ 63,214,772

STATISTICAL SECTION

GOVERNING VALUES

WE KNOW

All students can learn.

All people have worth and value.

Open communication, honesty and integrity are the foundation for building trusting relationships.

Valuing the diversity of all people creates enhanced learning opportunities.

The home, school and community share the responsibility for educating children.

STATISTICAL TABLES

The following unaudited statistical tables reflect social and economic data, financial trends and fiscal capacity of the District.

PRINCETON CITY SCHOOL DISTRICT, OHIO
GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS
1992 - 2001

TABLE 1

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Taxes	\$ 35,349,764	\$ 38,546,569	\$ 42,785,247	\$ 46,054,397	\$ 44,626,000	\$ 45,692,508	\$ 45,111,417	\$ 50,185,894	\$ 51,180,443	\$ 56,161,246
Tuition	286,758	330,103	319,898	348,690	325,009	388,962	226,164	261,259	260,682	331,893
Earnings on investments	797,489	865,587	574,598	1,144,038	1,517,648	1,532,249	1,399,904	1,207,811	1,314,483	1,675,316
Classroom materials and fees (1)	173,765	176,786	182,184	-	-	-	-	-	-	-
Other local revenues	132,266	124,634	220,057	297,671	348,974	476,259	813,243	250,326	341,768	539,463
Extracurricular revenue	3,966	6,764	6,873	-	9,590	4,895	2,327	-	-	-
Intermediate sources	-	-	-	-	2,785	4,743	700	-	14,835	-
Intergovernmental - state	5,529,280	6,458,533	6,486,865	6,667,897	6,932,774	7,027,600	6,641,508	7,062,658	8,429,941	8,575,181
Intergovernmental - federal	1,496	-	1,000	-	-	-	2,396	-	41,647	72,162
Claims and judgments (2)	-	-	-	-	-	-	-	-	-	150,000
Total	\$ 42,274,784	\$ 46,508,976	\$ 50,576,722	\$ 54,512,693	\$ 53,762,780	\$ 55,127,216	\$ 54,197,659	\$ 58,967,948	\$ 61,583,799	\$ 67,505,261

Source: Princeton City School District financial records.

(1) 1995 through 2001 fiscal years are reported with classroom materials and fees and other local revenues combined.

(2) If applicable for the 1992 through 2000 fiscal years, claims and judgments was reported in other financing sources.

TABLE 2

PRINCETON CITY SCHOOL DISTRICT, OHIO
 GENERAL FUND EXPENDITURES BY FUNCTION
 LAST TEN FISCAL YEARS
 1992 - 2001

	1992 (1)	1993 (1)	1994 (1)	1995	1996	1997	1998	1999	2000	2001
Regular instruction	\$ 18,602,848	\$ 19,322,603	\$ 21,325,342	\$ 22,444,023	\$ 22,906,742	\$ 24,158,170	\$ 24,190,576	\$ 25,699,666	\$ 23,982,792	\$ 25,317,906
Special instruction	2,622,788	2,758,803	2,901,475	3,263,891	3,294,577	3,486,926	3,747,861	4,387,809	4,504,864	5,344,811
Vocational instruction	507,584	543,316	580,171	659,085	744,227	766,633	727,441	353,593	366,785	454,756
Other instruction	201,321	234,359	281,366	332,543	326,188	320,263	328,846	391,754	416,838	428,952
Pupil	2,173,820	2,184,383	2,450,373	2,640,730	2,896,197	3,071,540	3,086,517	3,264,896	3,227,116	3,380,618
Instructional staff	2,752,102	2,941,245	3,136,108	3,265,446	3,526,004	4,048,150	4,258,437	4,749,706	4,594,725	4,973,889
Board of Education	168,012	125,610	267,306	201,667	777,208	276,521	214,611	178,781	201,641	193,441
School administration	3,554,088	3,748,376	4,000,408	4,055,744	4,472,423	4,503,981	4,295,264	4,459,878	4,204,972	4,710,527
Fiscal services	1,458,881	1,949,024	2,097,868	1,253,759	1,263,912	1,330,269	1,616,317	1,395,343	1,458,989	1,689,609
Business	-	-	-	529,124	515,690	584,844	714,178	630,837	584,361	361,022
Operation and maintenance of plant services	5,576,661	7,167,195	6,378,710	6,365,414	6,554,976	7,255,112	7,570,904	6,889,574	7,109,535	8,012,865
Pupil transportation	2,052,074	2,127,679	2,292,467	2,298,672	2,259,541	2,584,584	2,662,107	2,656,094	2,782,554	3,106,502
Central	711,405	704,449	881,203	969,376	971,224	930,431	907,999	901,475	1,005,214	974,043
Operation of non-instructional services	138,110	215,488	202,177	189,575	174,427	297,756	6,857	264,643	210,518	339,971
Extracurricular activities	630,589	710,231	543,532	565,457	575,630	602,242	637,126	703,691	743,735	846,236
Facilities acquisition and construction services	74,390	95,170	50,452	280,772	308,030	738,981	53,535	97,078	1,407,278	238,658
Miscellaneous	-	274	-	-	-	-	-	-	-	-
Debt service	161,476	103,168	155,338	187,437	175,278	188,747	203,228	189,565	297,952	435,089
Total	\$ 41,386,149	\$ 44,931,373	\$ 47,544,296	\$ 49,502,515	\$ 51,742,274	\$ 55,145,150	\$ 55,221,804	\$ 57,214,363	\$ 57,039,849	\$ 60,808,915

Source: Princeton City School District financial records.

(1) 1991 through 1994 fiscal years are reported with the fiscal and business function combined.

PRINCETON CITY SCHOOL DISTRICT, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
REAL AND PUBLIC UTILITY
LAST TEN CALENDAR YEARS
1992 - 2001

TABLE 3

Year (1)	Tax Levied (2)	Current Tax Collections (3)	Percent Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections to Levy	Outstanding Delinquent Taxes (4)	Percent of Outstanding Delinquent Taxes to Tax Levied
1992	\$ 20,620,629	\$ 18,323,766	88.86%	\$ 514,217	\$ 18,837,983	91.36%	\$ 696,777	3.38%
1993	27,230,656	25,155,668	92.38%	684,132	25,839,800	94.89%	741,908	2.72%
1994	28,349,076	27,186,459	95.90%	905,364	28,091,823	99.09%	567,798	2.00%
1995	29,341,079	27,026,132	92.11%	726,778	27,752,910	94.59%	510,453	1.74%
1996	29,545,049	27,082,295	91.66%	688,925	27,771,220	94.00%	841,292	2.85%
1997	29,860,878	27,053,016	90.60%	682,012	27,735,028	92.88%	849,542	2.85%
1998	29,685,600	27,784,701	93.60%	842,271	28,626,972	96.43%	388,825	1.31%
1999	29,936,630	27,906,438	93.22%	694,210	28,600,648	95.54%	435,619	1.46%
2000	35,750,340	33,435,460	93.52%	929,371	34,364,831	96.12%	436,178	1.22%
2001	36,456,290	34,200,211	93.81%	1,083,180	35,283,391	96.78%	398,115	1.09%

Source: Hamilton County Auditor. (Information for Butler and Warren Counties is not reported since they represent less than 1% of the total tax collections.)

(1) Represents collection year.

(2) Taxes levied and collected are presented on a cash basis.

(3) State reimbursements of rollback and homestead exemptions are included.

(4) Penalties and interest are included since by Ohio law they become part of tax obligation as assessment occurs.

TABLE 4

PRINCETON CITY SCHOOL DISTRICT, OHIO
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN CALENDAR YEARS
 1992 - 2001

Year (1)	Real Property		Tangible Personal Property		Public Utilities Personal		Total		
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1992	\$ 767,090,250	\$ 2,191,686,429	\$ 449,243,030	\$ 1,796,972,120	\$ 64,320,230	\$ 73,091,170	\$ 1,280,653,510	\$ 4,061,749,719	31.53%
1993	769,805,530	2,199,444,371	407,208,018	1,628,832,072	69,694,950	79,198,807	1,246,708,498	3,907,475,250	31.91%
1994	908,596,140	2,595,988,971	403,035,210	1,612,140,840	71,313,970	81,038,602	1,382,945,320	4,289,168,414	32.24%
1995	929,649,530	2,656,141,514	399,889,900	1,599,559,600	82,647,730	93,917,875	1,412,187,160	4,349,618,989	32.47%
1996	931,114,260	2,660,326,457	389,588,480	1,558,353,920	74,137,260	84,246,886	1,394,840,000	4,302,927,264	32.42%
1997	964,361,560	2,755,318,743	393,557,600	1,574,230,400	72,083,190	81,912,716	1,430,002,350	4,411,461,859	32.42%
1998	969,842,720	2,770,979,200	413,521,590	1,654,086,360	68,634,990	77,994,307	1,451,999,300	4,503,059,867	32.24%
1999	979,193,070	2,797,694,486	433,706,660	1,734,826,640	70,718,000	80,361,364	1,483,617,730	4,612,882,489	32.16%
2000	1,144,748,820	3,270,710,914	438,526,560	1,754,106,240	68,921,740	78,320,159	1,652,197,120	5,103,137,313	32.38%
2001	1,159,115,740	3,311,759,257	452,832,700	1,811,330,800	75,031,110	85,262,625	1,686,979,550	5,208,352,682	32.39%

Source: Hamilton County Auditor. (Information for Butler and Warren Counties is not reported since they represent less than 1% of the total assessed value.)

(1) Represents collection year.

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

PRINCETON CITY SCHOOL DISTRICT, OHIO
PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN CALENDAR YEARS (1)
1992 - 2001

TABLE 5

Entity	1992	1993	1994	1995	1996	1997	1998 (2)	1999	2000	2001
Princeton City School District	34.74	42.24	42.24	42.24	42.24	42.24	42.24	42.24	46.19	46.19
Hamilton County	17.50	18.56	18.33	18.30	18.30	19.44	19.01	19.54	20.83	19.92
City of Blue Ash	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
City of Springdale	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
Village of Evendale	3.34	3.34	3.34	3.34	3.34	3.34	3.34	3.34	-	-
Village of Glendale	27.64	26.98	25.38	25.38	23.88	23.26	22.34	19.66	21.93	21.65
Village of Lincoln Heights	17.34	24.34	24.34	10.08	20.08	20.08	20.08	20.08	20.08	20.08
Village of Woodlawn	4.08	4.08	4.08	4.08	4.08	4.08	5.08	5.08	5.08	5.08
Springfield Township	9.80	9.80	9.80	9.80	9.80	9.80	14.30	14.30	14.30	14.30
Sycamore Township	7.74	7.74	7.59	7.60	7.60	7.60	7.60	7.75	7.75	7.75
Great Oaks Joint Vocational School District	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
West Fork Fire District	12.30	12.30	14.30	14.30	14.30	14.30	-	-	-	-

Source: Hamilton County Auditor.

(1) Information provided by collection year.

(2) During 1998, the West Fork Fire District was consolidated with other fire districts within Springfield Township.

TABLE 6

PRINCETON CITY SCHOOL DISTRICT, OHIO
RATIO OF GENERAL OBLIGATION BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN YEARS
 1992 - 2001

Year	General Obligation Bonded Debt (1)	Total Assessed Value (2)	District Population (3)	Ratio Of Debt To Assessed Value	Net Bonded Debt Per Capita
1992	\$ -	\$ 1,280,653,510	36,873	-	\$ -
1993	-	1,246,708,498	36,873	-	-
1994	98,000	1,382,945,320	36,873	0.01%	3
1995	-	1,412,187,160	36,873	-	-
1996	1,128,115	1,394,840,000	36,873	0.08%	31
1997	5,052,475	1,430,002,350	36,873	0.35%	137
1998	4,412,041	1,451,999,300	36,873	0.30%	120
1999	3,302,094	1,483,617,730	36,873	0.22%	90
2000	3,047,504	1,652,197,120	36,873	0.18%	83
2001	2,103,060	1,686,979,550	36,733	0.12%	57

Sources: (1) Princeton City School District financial records.

(2) Hamilton County Auditor. Information provided by collection year.

(Information for Butler and Warren Counties is not reported since they represent less than 1% of the total assessed value.)

(3) 1990 US Census data and 2000 US Census data.

PRINCETON CITY SCHOOL DISTRICT, OHIO
 COMPUTATION OF LEGAL DEBT MARGIN
 JUNE 30, 2001

TABLE 7

Assessed Valuation (1)	\$ 1,686,979,550
<u>OVERALL DIRECT DEBT LIMITATION</u>	
Direct Debt Limitation 9% of Assessed Valuation	\$ 151,828,160
Amount Available in Debt Service Fund	-
Gross Indebtedness	2,103,060
Less: Debt Exempt from Limitation	<u>2,103,060</u>
Debt Subject to 9% Limitation	-
Legal Debt Margin within 9% Limitation	<u>\$ 151,828,160</u>
<u>UNVOTED DIRECT DEBT LIMITATION</u>	
Unvoted Debt Limitation 0.1% of Assessed Valuation	\$ 1,686,980
Amount available in Debt Service Fund related to unvoted debt	-
Gross Indebtedness Authorized by the Board of Education	-
Less: Debt Exempt form Limitation	<u>-</u>
Debt Subject to 0.1% Limitation	-
Legal Debt Margin within 0.1% Limitation	<u>\$ 1,686,980</u>
<u>ENERGY CONSERVATION BOND LIMITATION</u>	
Ohio Revised Code Section 133.042	
Debt Limitation 0.9% of Assessed Valuation	\$ 15,182,816
Energy Conservation Bonds Authorized by the Board of Education	<u>(2,103,060)</u>
Legal Debt Margin within 0.9% Limitation	<u>\$ 13,079,756</u>

Source: Princeton City School District financial records.

(1) Assessed valuation does not include Butler and Warren Counties since they represent less than 1% of the total assessed value.

PRINCETON CITY SCHOOL DISTRICT, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 JUNE 30, 2001

TABLE 8

Governmental Unit	Gross General Obligation	Percent Applicable to School District (1)	Amount Applicable to School District
Direct debt:			
Princeton City School District	\$ 2,103,060	100.00%	\$ 2,103,060
Overlapping debt:			
Butler County	47,095,000	2.03%	956,029
Hamilton County	97,430,000	9.63%	9,382,509
Warren County	6,618,186	0.62%	41,033
City of Blue Ash	2,500,000	4.62%	115,500
City of Sharonville	5,395,000	99.96%	5,392,842
City of Springdale	6,400,000	99.99%	6,399,360
Village of Evendale	-	82.42%	-
Village of Glendale	880,000	100.00%	880,000
Village of Lincoln Heights	33,000	100.00%	33,000
Village of Woodlawn	4,350,000	100.00%	4,350,000
Deerfield Township	1,919,444	1.62%	31,095
Springfield Township	392,083	1.35%	5,293
Sycamore Township	-	25.70%	-
West Chester Township	21,950,000	8.05%	1,766,975
Great Oaks Joint Vocational School District	7,975,000	12.77%	1,018,408
Butler County Airport	-	2.10%	-
Cincinnati and Hamilton County Port Authority	-	9.63%	-
Total overlapping debt:	202,937,713		30,372,044
Total direct and overlapping debt:	\$ 205,040,773		\$ 32,475,104

Source: Ohio Municipal Advisory Council.

(1) Calculated by the Ohio Municipal Advisory Council.

TABLE 9

PRINCETON CITY SCHOOL DISTRICT, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS
 1992 - 2001

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
1992	\$ -	\$ -	\$ -	\$ 41,386,149	-
1993	-	-	-	44,931,373	-
1994	-	-	-	47,544,296	-
1995	98,000	2,724	100,724	49,502,515	0.20%
1996	-	-	-	51,742,274	-
1997	847,770	218,877	1,066,647	55,145,150	1.93%
1998	1,032,533	272,422	1,304,955	55,221,804	2.36%
1999	1,109,947	230,255	1,340,202	57,214,383	2.34%
2000	983,090	169,237	1,152,327	57,039,849	2.02%
2001	944,444	151,163	1,095,607	60,808,915	1.80%

Source: Princeton City School District financial records.

TABLE 10

PRINCETON CITY SCHOOL DISTRICT, OHIO
 DEMOGRAPHIC STATISTICS
 LAST TEN CALENDAR YEARS
 1992 - 2001

Year	Population (1)	School Enrollment (2)	Unemployment Rate Cincinnati Metropolitan Area (3)	Unemployment Rate State Of Ohio (4)
1992	36,873	6,690	5.2%	7.6%
1993	36,873	6,683	5.4%	5.8%
1994	36,873	6,820	4.3%	5.4%
1995	36,873	6,903	4.3%	4.6%
1996	36,873	6,740	4.3%	5.0%
1997	36,873	6,718	3.3%	4.5%
1998	36,873	6,717	3.3%	4.3%
1999	36,873	6,577	3.8%	4.5%
2000	36,873	6,318	3.7%	4.2%
2001	36,733	6,139	3.9%	4.3%

Source: (1) 1990 US Census data and 2000 US Census data.

(2) Princeton City School District records.

(3) Greater Cincinnati Chamber of Commerce.

(4) Ohio Bureau of Employment Services. (Figures for prior years have been restated to reflect current information.)

TABLE 11

PRINCETON CITY SCHOOL DISTRICT, OHIO
CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUES
LAST TEN CALENDAR YEARS
1991 - 2000

<u>Year</u>	<u>Construction (1)</u>	<u>Bank Deposits (in thousands) (2)</u>	<u>Property Values (3)</u>
1991	\$ 64,266,081	\$ 10,037,463	\$ 739,222,940
1992	51,577,965	12,899,203	767,090,250
1993	59,224,611	13,274,239	769,805,530
1994	61,649,875	15,035,485	908,596,140
1995	56,598,994	17,533,516	929,649,530
1996	73,265,242	20,217,176	931,114,260
1997	54,298,762	18,070,437	964,361,560
1998	193,421,678	24,484,435	969,842,720
1999	77,190,767	40,706,386	979,193,070
2000	108,688,787	76,238,995	1,144,748,820

Source: (1) The Cities of Sharonville and Springdale. The Villages of Evendale, Glendale, Lincoln Heights and Woodlawn. (The City of Springdale did not provide this information for calendar year 1997.)

(2) Federal Reserve Bank of Cleveland. (Total deposits of all banks headquartered in Hamilton County, Ohio. Data was not available for the school district only.)

(3) Hamilton County Auditor. Information provided by collection year.
 (Property values do not include Butler and Warren Counties since they represent less than 1% of the total property values.)

PRINCETON CITY SCHOOL DISTRICT, OHIO
 REAL AND TANGIBLE PERSONAL PROPERTY
 TOP TEN PRINCIPAL TAXPAYERS
 JUNE 30, 2001

TABLE 12

Name of Taxpayer	Type of Business	Total Assessed Valuation (1)	Percentage of Total Assessed Valuation
Ford Motor Company	Manufacturer of automobiles	\$ 76,888,580	4.56%
Concordia Properties LLC	Real estate holding company	52,500,030	3.11%
Cinergy	Public utility	48,210,090	2.86%
General Electric	Manufacturer of aircraft engines	47,370,110	2.81%
Procter & Gamble	Manufacturer of consumer products	31,629,830	1.87%
G & I Executive Center	Real estate holding company	17,500,020	1.04%
Duke Realty	Real estate holding company	17,439,900	1.03%
Formica	Manufacturer of laminates	16,646,990	0.99%
Cincinnati Bell	Public utility	12,872,310	0.76%
Avon	Manufacturer of consumer products	10,609,620	0.63%
	Total	331,667,480	19.66%
	All others	1,355,312,070	80.34%
	Grand total	\$ 1,686,979,550	100.00%

Source: Hamilton County Auditor. (Information for Butler and Warren Counties is not reported since they represent less than 1% of the total assessed value.)

(1) Information provided by collection year.

PRINCETON CITY SCHOOL DISTRICT, OHIO
TOP TEN LARGEST EMPLOYERS
JUNE 30, 2001

TABLE 13

Employer	Type of Business	Number of Employees
General Electric Company	Manufacturer of aircraft engines	7,670
Ford Motor Company	Manufacturer of automobiles	2,500
Avon	Manufacturer of consumer products	1,952
U S Bulk Mail Center	Delivery of U S mail	1,394
United Parcel Service	Delivery service	1,349
GE Client Business	Manufacturing sales and support	1,231
John Morrell & Company	Manufacturer of food products	1,173
Formica Corporation	Manufacturer of laminates	1,120
Princeton City School District	Primary and secondary education	1,026
Wal-Mart Associates, Inc.	Retailer of consumer products	721

Source: Princeton City School District financial records.

PRINCETON CITY SCHOOL DISTRICT, OHIO
 MISCELLANEOUS STATISTICAL DATA
 JUNE 30, 2001

TABLE 14

Enrollment by grade	K	1	2	3	4	5	6	7	8	9	10	11	12	JVS	TOTAL
2000-01	453	393	418	449	501	492	483	494	537	573	464	377	375	130	6,139
The following are projections:															
2001-02	452	458	454	474	436	492	495	508	514	591	466	377	363	130	6,210
2002-03	452	432	455	467	457	426	500	500	502	609	497	377	364	134	6,172
2003-04	451	431	429	468	450	447	433	506	495	595	462	402	364	135	6,068
2004-05	451	431	428	441	451	440	454	438	500	586	451	374	388	135	5,968
2005-06	450	430	428	441	425	441	447	459	433	592	444	365	360	144	5,859
2006-07	450	430	427	440	425	416	448	452	454	513	449	360	352	133	5,749
2007-08	447	430	427	440	424	415	422	453	447	538	389	363	347	130	5,672
2008-09	444	427	427	439	424	415	422	427	448	530	407	315	350	128	5,603
2009-10	442	424	424	439	423	414	422	427	422	531	401	330	303	130	5,532
2010-11	439	422	421	436	423	414	421	426	422	500	402	325	318	112	5,481
2011-12	436	419	419	434	421	414	421	426	421	500	379	326	313	118	5,447

Source: Princeton City School District records.

PRINCETON CITY SCHOOL DISTRICT

June 30, 2001

*INDEPENDENT AUDITORS' REPORTS
AND OTHER INFORMATION*

**PRINCETON CITY SCHOOL DISTRICT
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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Princeton City School District
Cincinnati, Ohio

We have audited the general purpose financial statements of the Princeton City School District as of and for the year ended June 30, 2001, and have issued our report thereon dated December 4, 2001. We conducted our audit in accordance with U.S. 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 Princeton City School District's general purpose 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. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Princeton City School District in a separate letter dated December 4, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Princeton City School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose 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 general purpose 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.

Princeton City School District
Page Two

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

VonLehman & Company Inc.

Ft. Mitchell, Kentucky
December 4, 2001



**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

Princeton City School District
Cincinnati, Ohio

Compliance

We have audited the compliance of the Princeton City School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2001. The Princeton City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Princeton City School District's management. Our responsibility is to express an opinion of the Princeton City School District's compliance based on our audit.

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

In our opinion, the Princeton City School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

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

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

We have audited the general purpose financial statements of the Princeton City School District as of and for the year ended June 30, 2001, and have issued our report thereon dated December 4, 2001. 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 expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

VonLehman & Company Inc.

Ft. Mitchell, Kentucky
December 4, 2001

**PRINCETON CITY SCHOOL DISTRICT
HAMILTON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Federal Grantor/ Program Title	June 30, 2001			
	CFDA #	Pass-Through Grantor #	Federal Receipts	Federal Disbursements
<u>U.S. Department of Agriculture</u> <i>(Passed Through Ohio Department of Education)</i>				
Child Nutrition Cluster				
- Breakfast Program	10.553	05-PU-01	\$ 197,463	\$ 197,463
- National School Lunch Program	10.555	03-PU-01		
		04-PU-01	693,873	693,873
- Summer Food Service	10.559	23-ML-01		
		24-AD-01	<u>26,129</u>	<u>26,129</u>
Total Child Nutrition Cluster			917,465	917,465
Food Distribution ^	10.550	*	<u>111,057</u>	<u>116,510</u>
Total U.S. Department of Agriculture			<u>1,028,522</u>	<u>1,033,975</u>
<u>U.S. Department of Education</u> <i>(Passed Through Ohio Department of Education)</i>				
Special Education Cluster				
- Title VI-B	84.027	6B-SF-00P/01P	390,562	357,314
- Title VI-B-Pre-School	84.173	PG-S1-01P	<u>16,577</u>	<u>25,462</u>
Total Special Education Cluster			407,139	382,776
DDE Prof. Development	84.281	MS-S1-00/01	48,282	19,551
Title I	84.010	CI-S1-00/01	764,946	646,766
Reading Excellence	84.338	RN-S1-00/01	376,152	306,668
Drug Free Schools (Title IV)	84.186	DR-S1-00/01	65,493	32,591
Class Size Reduction	84.340	CR-S1-00/01	238,781	141,253
Continuous Improvement	84.276	G2-S2-00/01	54,999	9,800
Goals 2000	84.276	G2-S4-99 G2-S2-00	124,737	112,961
Emergency Immigration	84.162	EI-S1-01	5,000	8,272
Innovative Education Program Strategy	84.298	C2-S1-01	74,951	55,365
Community Alternative Fund System	93.778	*	72,162	72,162
<i>(Received Directly from U.S. Department of Education)</i>				
After School Learning Centers	84.287	*	45,064	45,064
Bilingual Education	84.288	*	<u>134,276</u>	<u>134,238</u>
Total U.S. Department of Education			<u>2,411,982</u>	<u>1,967,467</u>
			<u>\$ 3,440,504</u>	<u>\$ 3,001,442</u>

^ Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

* No pass-through grantor number available.

**PRINCETON CITY SCHOOL DISTRICT
HAMILTON COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Princeton City School District and is presented on the basis of accounting described in Note 2 of the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations". Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

**PRINCETON CITY SCHOOL DISTRICT
HAMILTON COUNTY
SCHEDULE OF FINDINGS
Year Ended June 30, 2001**

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS	
Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statements level (GAGAS)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
FEDERAL AWARDS	
Were there any material internal control weakness conditions reported for major federal programs?	No
Were there any other reportable conditions identified, not considered to be material weaknesses reported for major programs?	No
Type of Major Programs Compliance Opinion	Unqualified
Are there any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510?	No
Major Programs (list):	Nutrition Cluster (Food Distribution, Breakfast, NSLP and Child Care Food Program [CFDA 10.550, 10.553, 10.555 and 10.558]), Special Education (Title VI-B [CFDA 84.027]), Title I (CFDA 84.010), Reading Excellence Act (CFDA 84.338)
Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
Low Risk Auditee?	Yes

See accompanying notes.

**PRINCETON CITY SCHOOL DISTRICT
HAMILTON COUNTY
SCHEDULE OF FINDINGS
Year Ended June 30, 2001**

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

**PRINCETON CITY SCHOOL DISTRICT
HAMILTON COUNTY
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2001**

Finding 00-1 - Bank Reconciliation

Condition

The payroll bank account, which is kept on an imprest basis set at \$5,000, was not reconciled on a timely basis this year.

Recommendation

All bank accounts should be reconciled on a current basis.

Current Status

This bank account is now being reconciled currently. The assignment of the duty for this bank reconciliation has been made to ensure that it is kept current.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

PRINCETON CITY SCHOOL DISTRICT

HAMILTON 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
FEBRUARY 19, 2002**