



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FAIRFIELD CITY SCHOOL DISTRICT
BUTLER COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	Under separate cover
Comprehensive Annual Financial Report	Under separate cover
Schedule of Federal Awards Expenditures	1
Notes to Schedule of Federal Awards Expenditures.....	2
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing</i> Standards	3
Report of Independent Accountants on Compliance with Requirements Applicable to Major Federal Programs and Internal Control Over Compliance in Accordance with OMB Circular A-133	5
Schedule of Findings.....	7

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**FAIRFIELD CITY SCHOOL DISTRICT
BUTLER COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2002**

FEDERAL GRANTOR Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	04-PU-01	10.550	\$0	\$36,261	\$0	\$37,835
School Breakfast Program	05-PU-02 05-PU-01	10.553	19,726 6,155 <u>25,881</u>		19,726 6,155 <u>25,881</u>	
National School Lunch Program	LL-P4-02 LL-P4-01 LL-P1-01 LL-P4-01	10.555	197,141 41,562 19,259 <u>0</u> <u>257,962</u>		197,141 41,562 19,259 <u>0</u> <u>257,962</u>	
Special Milk Program	02-PU-01	10.556	0		0	
Total U.S. Department of Agriculture - Nutrition Cluster			<u>283,843</u>	<u>36,261</u>	<u>283,843</u>	<u>37,835</u>
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States	6B-SF-02 6B-SF-01	84.027 84.027	486,506 24,106 <u>510,612</u>		412,996 81,049 <u>494,045</u>	
Special Education - Preschool Grants	PG-S1-02 PG-S1-99	84.173 84.173	17,015 <u>0</u> <u>17,015</u>		17,015 <u>0</u> <u>17,015</u>	
Preschool Grants						
Total Special Education Cluster			<u>527,627</u>		<u>511,060</u>	
Grants to Local Educational Agencies (ESEA Title I)	C1-S1-02 C1-S1-01 C1-S1-01C	84.010 84.010	250,544 74,336 <u>0</u> <u>324,880</u>		232,697 76,084 <u>22,442</u> <u>331,223</u>	
Emergency Immigration Act	EI-S1-02 EI-S1-00	84.162 84.162	2,900 <u>0</u>		0 <u>0</u>	
Safe and Drug-Free Schools and Communities: State Grant	DR-S1-02 DR-S1-01 DR-S1-00	84.186 84.186 84.186	31,085 3,807 (1,257) <u>33,635</u>		20,423 11,173 988 <u>32,584</u>	
Goals 2000	G2-SP-01 G2-S3-01 G2-S3-01 QE-S1-02	84.276 84.276 84.276 84.336	2,500 0 12,800 8,252 <u>23,552</u>		2,500 0 11,216 0 <u>13,716</u>	
Ohio LPOC Research	QE-S1-02	84.336	0		0	
Assistive Tech Infusion	AT-S1-02	84.352	2,356		0	
Math and Science	MS-S1-02 MS-S1-01 MS-S1-00	84.281 84.281 84.281	33,168 7,769 1,923 <u>42,860</u>		19,681 3,857 5,141 <u>28,679</u>	
Raising the Bar	TF-52-03 TF-52-02 TF-52-01	84.318 84.318 84.318	25,000 75,000 150,000 <u>250,000</u>		0 75,000 150,000 <u>225,000</u>	
Innovative Education Program Strategies	C2-S1-02 C2-S1-01 C2-S1-00	84.298 84.298 84.298	45,475 9,233 (697) <u>54,011</u>		20,812 20,088 1,885 <u>42,785</u>	
Class Size Reduction	CR-S1-02 CR-S1-01	84.340 84.340	101,262 7,972 <u>109,234</u>		82,973 27,745 <u>110,718</u>	
Total Department of Education			<u>1,371,055</u>		<u>1,295,765</u>	
TOTAL FEDERAL ASSISTANCE			<u>\$1,654,898</u>	<u>\$36,261</u>	<u>\$1,579,608</u>	<u>\$37,835</u>

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

**FAIRFIELD CITY SCHOOL DISTRICT
BUTLER COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
JUNE 30, 2002**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures is a summary of the activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B – FOOD DISTRIBUTION

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2002, the District had food commodities valued at \$19,625 in inventory.



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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

Fairfield City School District
Butler County
211 Donald Drive
Fairfield, Ohio 45014-3095

To the Board of Education:

We have audited the financial statements of Fairfield City School District, Butler County, Ohio (the District), as of and for the year ended June 30, 2002, and have issued our report thereon dated December 16, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to the management of the District in a separate letter dated December 16, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2002-10409-001.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

We also noted another matter involving the internal control structure over financial reporting that did not require inclusion in this report that we have reported to the management of the District in a separate letter dated December 16, 2002.

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



Jim Petro
Auditor of State

December 16, 2002



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Fairfield City School District
Butler County
211 Donald Drive
Fairfield, Ohio 45014-3095

To the Board of Education:

Compliance

We have audited the compliance of Fairfield City School District, Butler County, Ohio (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. We noted a matter involving the internal control over federal compliance that does not require inclusion in this report that we have reported to the management of the District in a separate letter dated December 16, 2002.

Schedule of Federal Awards Expenditures

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 2002, and have issued our report thereon dated December 16, 2002. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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



Jim Petro
Auditor of State

December 16, 2002

**FAIRFIELD CITY SCHOOL DISTRICT
BUTLER COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505
JUNE 30, 2002**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Child Nutrition Cluster - CFDA #10.550, 10.553 and 10.555 Raising the Bar – CFDA #84.318
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A - \$300,000 Type B - all other programs
(d)(1)(ix)	Low Risk Auditee?	Yes

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

FINDING NUMBER 2002-10409-001

Reportable Condition

Proper accounting for Fixed Assets is an important part of an entity's internal control system. The District's fixed asset reports were inaccurate and incomplete. During testing we noted:

1. Discrepancies concerning Raising the Bar, federal fixed asset additions - 15 items (14 items not tagged and 1 tagged item) were not included on the additions report or the fixed asset listing. The dollar value of these unrecorded additions is \$38,541.
2. Discrepancies concerning fixed asset deletions – for 29 of 62 deletions tested, assets deleted per the deletions report were not supported with the required disposal forms; and in 17 instances, (\$25,170) a disposal form was approved, but the items were not included on the deletion report and were not removed from the fixed asset listing.
3. In some instances, documentation for disposals was incomplete (tag numbers did not trace to reports, dollar values were not included, disposal forms were not included, etc.) and we were unable to determine whether a proper disposal was made.
4. Statement fixed asset values in total agree with the District's fixed asset reports, however, the detail of assets by category (land, building, equipment) does not agree. There are also discrepancies between general fixed asset amounts and enterprise amounts.

The lack of proper fixed asset documentation and discrepancies in recording additions and disposals causes the incorrect reporting of fixed assets. It could also result in items being lost or stolen. We recommend the fixed asset listing be updated annually with additions and disposals backed by appropriate documentation. All items on the listing should have adequate description and should be traceable to a tagged item. Fixed assets should be reported in accordance with Generally Accepted Accounting Principles. The District plans to have a re-appraisal of their fixed assets in preparation for the conversion to GASB 34 financial statement presentation. We considered the effects of this matter in forming our opinion on the financial statements.

3. FINDINGS FOR FEDERAL AWARDS

None.

**FAIRFIELD CITY SCHOOL DISTRICT
FAIRFIELD, OHIO**

**FAIRFIELD
CITY
SCHOOLS**

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

**FAIRFIELD CITY SCHOOL DISTRICT
FAIRFIELD, OHIO**

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

**PREPARED BY:
OFFICE OF THE TREASURER
J. SCOTT GOODING II, TREASURER**

**INTRODUCTORY
SECTION**

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**FAIRFIELD CITY SCHOOL DISTRICT, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2002**

TABLE OF CONTENTS

	<u>PAGE</u>
I. INTRODUCTORY SECTION	
Table of Contents	iii
Letter of Transmittal	vii
List of Principal Officials	xix
GFOA Certificate of Achievement	xx
ASBO Certificate of Excellence	xxi
State of Ohio Map	xxii
Organizational Chart	xxiii
II. FINANCIAL SECTION	
REPORT OF INDEPENDENT ACCOUNTANTS	1
GENERAL PURPOSE FINANCIAL STATEMENTS	
Combined Balance Sheet All Fund Types and Account Groups	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances—All Governmental Fund Types and Expendable Trust Fund	6
Combined Statement of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual (Non-GAAP Budgetary Basis)—All Governmental Fund Types	8
Combined Statement of Revenues, Expenses and Change in Retained Earnings Proprietary Fund Type	10
Combined Statement of Cash Flows Proprietary Fund Type	11
Notes to the General Purpose Financial Statements	13

**FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2002**

**TABLE OF CONTENTS
 (Continued)**

	<u>PAGE</u>
COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES	35
General Fund:	
General Fund Description	37
Special Revenue Funds:	
Description of Funds	39
Combining Balance Sheet	42
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	48
Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual (Non-GAAP Budgetary Basis):	
Public School Support	54
Spring Recognition	55
Venture Capital East	56
Extracurricular Student Activities	57
Auxiliary Services	58
Staff Development	59
Excellence in Education	60
Management Information	61
Public School Pre-School	62
Entry Year Grant	63
SchoolNet OneNet	64
SchoolNet Professional Development	65
Ohio Reads	66
Summer Intervention	67
School Security	68
Title II	69
Title VI B Pre-School	70
Title I	71
Title VI	72
Emergency Immigrant Education	73
Drug Free Schools	74

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2002

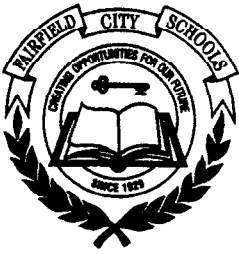
TABLE OF CONTENTS
(Continued)

	<u>PAGE</u>
Pre-School Disabilities	75
Telecom Act Grant	76
Ohio LPDC Action Research/Common Denominator	77
Classroom Size Reduction	78
Miscellaneous Federal	79
Debt Service Fund:	
Description of Fund	81
Capital Projects Funds:	
Description of Funds	83
Combining Balance Sheet	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	85
Schedule of Revenues, Expenditures and Changes in Fund Balances, Budget and Actual (Non-GAAP Budgetary Basis)	
Building	86
Permanent Improvement	87
SchoolNet	88
Enterprise Funds:	
Description of Funds	89
Combining Balance Sheet	90
Combining Statement of Revenues, Expenses and Changes in Retained Earnings	91
Combining Statement of Cash Flows	92
Fiduciary Funds:	
Description of Funds	93
Combining Balance Sheet	94
Combining Statement of Changes in Assets and Liabilities—Agency Funds	95

**FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2002**

**TABLE OF CONTENTS
 (Continued)**

	<u>PAGE</u>
General Fixed Assets Account Group:	
Description of Account Fund	97
Schedule of General Fixed Assets by Source	98
Schedule of General Fixed Assets by Function and Type	99
Schedule of Changes in General Fixed Assets by Function	100
III. STATISTICAL SECTION	
Table 1 General Fund Revenues by Source	101
Table 2 General Fund Expenditures by Function	102
Table 3 Property Tax Levies and Collections	103
Table 4 Assessed and Estimated Actual Value of Taxable Property	104
Table 5 Property Tax Rates—Direct and Overlapping Governments	105
Table 6 Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita	106
Table 7 Computation of Legal Debt Margin	107
Table 8 Computation of Direct and Overlapping Debt	108
Table 9 Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Fund Expenditures	109
Table 10 Demographic Statistics	110
Table 11 Construction, Bank Deposits and Property Values	111
Table 12 Real and Tangible Personal Property - Top Ten Principal Taxpayers	112
Table 13 Miscellaneous Statistical Data	113



Fairfield City Schools

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Board of Education

VICKY L. BARGER
KAY CRAIN, Ed.D.
ANNE CRONE
MAURICE A. GODSEY
MICHAEL OLER
J. SCOTT GOODING II
TREASURER

December 16, 2002

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Fairfield City School District (District) for the fiscal year ended June 30, 2002. This report contains financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2001-2002 fiscal year. This report was prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and is representative of the District's continuing commitment to provide financial information to the citizens of the Fairfield City School District.

Responsibility for the accuracy, completeness, and fairness of this report rests with the District and specifically, the Office of the Treasurer. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

This report has been divided into three sections:

The Introductory Section includes this transmittal letter, the table of contents, the GFOA Certificate of Achievement, the ASBO Certificate of Excellence, a list of principal officials, the District's organizational chart, and a map of the State of Ohio.

The Financial Section includes the Report of Independent Accountants with an unqualified opinion of our auditors, the general purpose financial statements, notes to the financial statements, and the combining and individual fund and account group statements.

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

The District provides a full range of programs and services for its students and citizens. These include elementary and secondary course offerings at the general, vocational and college preparatory levels; as well as a broad range of co-curricular and extra-curricular activities to compliment the students' curricular program.

In addition to these general activities, the District acts as the fiscal agent for State funds distributed to non-public parochial schools located within the District boundaries. This activity is included in the District's reporting entity as Auxiliary Services a special revenue fund because the District has administrative involvement in the programs. The schools served are: Fairfield Educational Building, Hamilton-Middletown 7th Day Adventist, Lavallo, Sacred Heart and Cincinnati Christian. While these organizations are similar in operations and services provided, each are distinct and separate entities whose financial statements are not included in this report.

ECONOMIC CONDITION

The District is located in Southwestern Ohio between the cities of Cincinnati and Dayton. The District is located in Butler County, Ohio, along the Interstate 75 corridor, which is one of the fastest growing areas in population and in job creation in the State of Ohio. In addition, new water and sewer construction has opened up vacant parcels for new residential and light industrial development in the district. Housing and per capita income levels are very favorable relative to the state with per capita income growth outpacing the state during the last census period.

The continued growth within the Fairfield City School District is evidenced by the amount of new construction over the past seven years. For 2001, the District had \$37,724,330 in new construction.

DESCRIPTION OF THE DISTRICT

The Fairfield City School 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 approximately 443 non-certificated personnel and approximately 609 certificated full time teaching and administrative personnel to provide services to students and other community members.

The District is the 21st largest in the State of Ohio (among 612 Districts) in terms of enrollment and the 3rd largest in Butler County. It currently operates 1 kindergarten center, 5 elementary schools (serving grades 1 - 4), 1 intermediate school (serving grades 5-6), 1 middle school (serving grades 7 - 8), 1 freshman school (serving grade 9), and 1 comprehensive high school (serving grades 10 - 12).

ORGANIZATION OF THE DISTRICT

The Board of Education of the Fairfield 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 current Board members, their terms, and years on the Board as of June 30, 2002 are:

<u>Board Member</u>	<u>Term</u>	<u>Years on Board</u>
Mrs. Anne Crone	1/1/00 - 12/31/03	10 - 1/2
Mrs. Vicky Barger	1/1/00 - 12/31/03	2 - 1/2
Mr. Maurice Godsey	1/1/02 - 12/31/04	8 - 1/2
Mr. Michael Oler	1/1/02 - 12/31/04	12 - 1/2
Mrs. Nancy Wenning	8/15/02 - 12/31/03	1/2

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Dr. Robert Farrell was initially appointed as Superintendent effective January 1, 2001. The Board has extended his contract through July 31, 2003.

The Treasurer is the chief financial officer of the District and is directly responsible to the Board for all financial operations, investments, custody of all District funds and assets and serves as Secretary to the Board. Mr. J. Scott Gooding II was initially appointed Treasurer effective June 4, 2001. The Board has extended his contract through December 31, 2003.

THE DISTRICT AND ITS FACILITIES

The District serves an area of 37.9 square miles, encompassing the City of Fairfield and Fairfield Township. The total District population has increased from 49,373 in 1990 to 60,602 in 2000 according to census information.

The District currently has 9,169 students enrolled in 1 kindergarten center, 5 elementary schools, 1 intermediate school, 1 middle school, 1 freshman school, and 1 comprehensive high school.

The District also operates a variety of other facilities, including: a central administration building, a maintenance building, a bus compound, and several sports fields.

In 1994, the District passed a 44.4 million dollar bond issue, which was used to build a new high school, a new elementary school and make additions to existing elementary schools.

EMPLOYEE RELATIONS

The District has 1,050 full and part-time employees. This number has increased slightly over the past few years as various programs and services have been expanded to meet the changing needs of students and the community. There are two organizations representing the certificated and classified employees. The District's administrative employees are not currently represented.

The Fairfield Classroom Teachers Association (FCTA), an affiliate of the Ohio Education Association (OEA), represents all certificated employees of the District. On February 4, 2002, the FCTA and the District entered into a new three-year collective bargaining agreement on language and fringe benefits issues, which expires on August 31, 2004. The collective bargaining agreements includes a two-year agreement on salary with a re-opener to occur during the 2002-2003 school year.

Classified employees are represented by the Ohio Association of Public School Employees (OAPSE), an affiliate of the American Federation of State, County and Municipal Employees (AFSCME). There are four local chapters of OAPSE. Chapter 205 represents the bus drivers and chauffeurs. Chapter 378 represents clerks, secretaries, educational assistants, and data entry personnel. Chapter 568 represents cooks, custodians, crossing guards, electricians, maintenance, and food service aides. Chapter 727 represents head cooks, head custodians, and the student route coordinator. Chapters 205, 378 and 568 negotiate as one unit, while Chapter 727 negotiates separately with the Board. The collective bargaining agreements with all four chapters expired June 30, 1999. On June 24, 1999 the District entered into a new three-year collective bargaining agreement with Chapter 727 that runs from July 1, 1999 through June 30, 2002. On August 19, 1999 the District entered into a new three-year collective bargaining agreement with Chapters 205, 378, and 568 that runs from July 1, 1999 through June 30, 2002. There have been no work stoppages in the District, and in the opinion of the Board of Education, labor relations with its employees are very good.

MAJOR INITIATIVES

Interest Based Bargaining

The District continues to utilize interest-based collective bargaining to negotiate master contracts with its four employee unions. There have now been two three-year master contracts successfully bargained with each classified unions and three three-year master contracts with the FCTA. The bargaining teams were trained and facilitated by the Federal Mediation and Conciliation Services. The district has been asked to present at the national Federal Mediation and Conciliation Services conference regarding its success with this process.

Strategic Plan

The District's first 5-year Strategic Plan spanned the years 1994-1999. Securing adequate instructional facilities was the major focus of this plan, which was completed during the 1998-1999 school year. The District's second 5-year Strategic Plan for 2000-2005 was developed by a steering committee comprised of staff, parents and community members. A Cinergy Corporation grant provided funding for the development of this plan, which focuses on increased student achievement through enhanced teaching and learning efforts. Using technology to positively impact instruction, enlisting the support of community partnerships to enhance our students' education and developing educational options so that all students can learn our strategies that will be critical for the success of this plan.

Curriculum Initiatives

During the 2001-2002 school year, the district began the process of aligning curriculum to the newly adopted Math and Language Arts state standards. The Social Studies course of study was reviewed and revised, as scheduled, but only critical changes were made, knowing that new state standards would be approved in December of 2002. Globes and atlases were purchased to support classroom instruction and the District participated in the "Kids Vote" program for the first time.

A new ESL (English as a Second Language) services guide was written in addition to a new assessment chosen for Limited English Proficient students to receive services by the Board approved teachers and/or tutors. A Media Services Guide was also written and approved. This also was the impetus for a library automation process under the direction of the Curriculum Department.

The Physical Education Department completed their course of study for grades K-12. A representative group from grades 9-12 worked with the Secondary Curriculum Coordinator to apply for the National Fitness Grant. They were awarded the grant which brought \$458,361 into the District for fitness equipment. Three schools were chosen as sites for the program, the Middle School, Freshman School, and High School. The P.E. teachers were then trained on the equipment for student and staff use.

Curriculum materials to support the health course of study, adopted September 20, 2001, were chosen, as well as math and language arts materials for the Special Education classes. The Science course of study adopted in the 2000-2001 school year was implemented K-12. This implementation required in service training for the teachers, per Fairfield Classroom Teachers' contract. One of the biggest changes was the study of biomes in grades K-4, which included a life science element involving the study of classroom animals which had to be ordered, delivered, and included in the in service. Thirteen different science texts were Board adopted to support the science program at the secondary level.

Literacy remains an important curriculum initiative. In the 2001-2002 school year, the D.I.B.E.L.S. (Dynamic Indicators of Basic Early Literacy Skills) program expanded from K-1 to K-2, with additional training for the elementary teachers. A new reading intervention program was adopted, "Early Success" and "Soar to Success" for use in the Title I reading programs. In addition, three of the elementary schools, South, Central, and West, were awarded Ohio Reads Grants. Two of the elementaries are using their grant to support the H.O.S.T.S. program (Helping One Student To Succeed) which is based on using community volunteers. The Curriculum Department offered literacy workshops for teachers after school in order to improve teacher quality in the teaching of reading and provided support and training for teachers interested in the Four Block model.

The largest initiative of the 2001-2002 school year was implementing an "Effective Schools" model in one of the elementaries, Central. Our District was part of a consortium that used the technical assistance of Brazosport, Texas, who successfully implemented the model. This process uses a teaching and learning process which is data driven. Part of that process is the development of instructional calendars, which helps teachers to organize their time and subject objectives. Central Elementary developed the instructional calendars for mathematics, as well as implemented the entire "Effective Schools" model. Mathematics workshops were held after school to support the math program. Teachers also attended the Ohio Council of Teachers of Mathematics' regional conference and attended training in Math Solutions, a Marilyn Burns mathematics program. These experiences grew into the development of an Elementary Math Council, which is a grassroots movement to systemically improve the teaching of mathematics to be more problem-solving based.

The Secondary Curriculum Coordinator led several initiatives at the secondary level such as a report on the effectiveness of our block schedule, purchase of new algebra books, broad-based committee discussions on weighted grades and restructuring of the business department. Graduation requirements were also changed from 26 to 24 to be aligned with the state's recommendation.

Curriculum personnel provided leadership for an evaluation of the Transition program and a feasibility study of an all-day kindergarten in Fairfield. Teacher training was coordinated for the 8th grade teachers involved in teaching Life Skills. The annual review of the Core Literature list was also conducted. Technology was another curriculum initiative as teachers were mentored to pass the Novice test and Marco Polo training was provided to support classroom curriculum.

Summer initiatives involved expanding the summer school offerings K-6 and moving the elementary sessions from June to August. Summer teacher training was also coordinated as Fairfield continues to be a host site for SIRI (Summer Institute of Reading Intervention) as well as offer additional work with grade level groups or departments.

The Coordinators of Gifted Education continue the process of identification and notification as outlined by state law. They also work with teams and individual teachers to meet the needs of the gifted students. The Secondary Coordinator was instrumental in improving the process of identification and scheduling for students in grades 5-8. In addition, workshops were held on the topic of "Differentiating Instruction".

Permanent Improvement Levy

A five-year permanent improvement levy was scheduled to expire on December 31, 1997. The Board of Education first passed this levy in 1978 and has renewed it every five years since. The Board put the issue on the ballot in May 1998 and the community supported its continuation for another five years effective January 1, 1998. This levy (and its renewal) was critical to the district as it generates \$820,000 annually to be used exclusively for the maintenance and improvements to the district facilities. Expenditures from this levy could include boilers, roofs, buses, equipment, paving and any other maintenance or capital item.

FINANCIAL INFORMATION

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

Internal Controls

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

Single Audit Act

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

Budgetary Controls

The District maintains its accounts, appropriations and other financial records in accordance with the procedures established and prescribed by the Auditor of State. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. Activities of all funds are included in the annual appropriation resolution. Budget deadlines may be established to allow for budget amendments prior to year-end. These final amendments allow actual amounts on the budgetary basis to agree with the adopted budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year end are carried forward to succeeding years and are not 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.

Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during the fiscal year and none were significant.

General Fund

The following tables present the amount of revenues by source, including other financing sources, and expenditures by function, including other financing uses, for the General Fund for the fiscal year ended June 30, 2002 and the percentages of increase and decrease in relation to prior year revenues and expenditures:

<u>Revenue by Source</u>	2002 <u>Amount</u>	Percent <u>of Total</u>	Increase <u>(Decrease)</u>	Increase <u>(Decrease)</u>
Taxes	\$26,113,194	47.32%	(\$3,596,587)	(12.11%)
Intergovernmental	27,391,512	49.63%	2,885,663	11.78%
Investment Revenue	464,507	0.84%	(491,670)	(51.42%)
Tuition and Fees	330,711	0.60%	(303,870)	(47.89%)
Other Revenue	<u>889,109</u>	<u>1.61%</u>	<u>(273,715)</u>	<u>(23.54%)</u>
Total	<u>\$55,189,033</u>	<u>100.00%</u>	<u>(\$1,780,179)</u>	<u>(3.12%)</u>

Revenues for the District's general operating fund total \$55,189,033, representing a decrease of \$1,780,179 (3.12%) over 2001. Tax revenue decreased \$3,596,587 due to journal entries for generally accepted accounting principles that deal with taxes available for advance. Intergovernmental revenue increased \$2,885,663 primarily due to the increase in funding from both state and federal sources for 2002. Investment revenue fell due to the decrease in rate of return available on investments.

<u>Expenditure by Function</u>	<u>2002 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Instruction	\$33,912,841	60.00%	\$1,666,107	5.17%
Pupil	2,367,578	4.19%	(6,267)	(0.26%)
Instructional Staff	3,401,400	6.02%	283,564	9.09%
Board of Education	16,742	0.03%	(18,011)	(51.83%)
Administration	4,276,626	7.56%	(96,675)	(2.21%)
Fiscal	1,059,966	1.88%	99,843	10.40%
Business	269,888	0.48%	(5,687)	(2.06%)
Operations and Maintenance	6,113,978	10.82%	(122,396)	(2.00%)
Pupil Transportation	3,783,856	6.68%	25,039	0.67%
Central	152,437	0.27%	23,425	18.16%
Extracurricular Activities	<u>1,174,693</u>	<u>2.07%</u>	<u>38,468</u>	3.39%
Total	<u>\$56,530,005</u>	<u>100.00%</u>	<u>\$1,887,410</u>	3.45%

Expenditures for the District's general operating fund totaled \$56,530,005, representing an increase of \$1,887,410 over 2001. Instruction and instructional staff increased due to the hiring of additional teachers and classified staff in all areas to address the needs to continue to provide a quality education to the students. Also, the purchasing of textbooks and instructional supplies attributed to the increase.

Special Revenue Funds

Special Revenue Funds account for certain revenue sources restricted by law or other formal actions to be expended for a specific purpose. The sources are primarily grants and entitlements. The operating revenue for all Special Revenue Funds was \$2,805,946 during the 2002 fiscal year.

Debt Service Funds

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related cost, and for the payment of interest on general obligation notes payable, as required by Ohio Law. The debt service totaled \$4,426,670 during the 2002 fiscal year.

Capital Projects Funds

The Capital Projects Funds are used to account for the purchase of equipment and the financing of major improvement projects as well as building project. District Capital Projects Funds ended the fiscal year with a deficit fund balance of \$681,413. The deficit fund balance in the Capital Projects Fund was due to the accrual for GAAP.

Fiduciary Funds

Trust and Agency Funds require a fiduciary relationship in their management by the District. The Trust Fund currently carried on the records of the District represents an Expendable Trust, which receives interest and is used for any purpose. Agency Funds utilized by the District include a Student Activities Fund, and an Unclaimed Monies Fund. Trust and Agency Fund assets totaled \$147,113.

Enterprise Funds

The District's Enterprise Funds are Food Service, Uniform School Supply, and Latchkey. These funds are similar in nature to profit making activities found in the private sector and are managed accordingly. District Enterprise Funds operated in 2002 with \$2,848,617 in operating revenues and recorded a net loss of \$162,688. School lunch prices were not increased, therefore expenditures exceeded revenues. The Food Service Fund had a deficit retained earnings balance of \$1,182,791. The General Fund will continue to supplement the Food Service Fund through operating transfers until revenues are in line with expenditures.

Debt Administration

The District had six debt issues outstanding at June 30, 2002. Two were used to finance major construction in prior years and three bond issues are being used to finance the 1997 building project. Outstanding general obligation bond debt at June 30, 2002 was in the amount of \$44,255,655.

Cash Management

The District's cash management program addresses the issues of safety, liquidity and yield while maximizing returns. The District utilizes the Star Ohio program investment pool operated by the Treasurer of State, Joseph Deters, for ready cash and yield. Interest earned for all funds during the fiscal year was \$467,503. The District's investment policy does not allow for derivative type investments, interest only investments or reverse repurchase agreements. The District has never invested in these types of instruments.

Risk Management

The District continues to protect its assets through a comprehensive insurance program. A schedule of insurance in force at June 30, 2002 is included in the Notes to the Financial Statements.

OTHER INFORMATION

Awards:

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

Certificate of Excellence

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence on Financial Reporting for the fiscal year ended June 30, 2001, to the District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001, 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 an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. Management believes the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2002, will again conform to ASBO's principles and standards as well, and will be submitted to ASBO for review.

Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. The State Auditor's Office performed the audit for the fiscal year ended June 30, 2002. The auditor's unqualified opinion rendered on the District's general purpose financial statements is included in the financial section of this Comprehensive Annual Financial Report.

Acknowledgments

The preparation of this report was made possible by the dedication and efforts of the entire staff of the Treasurer's Office. Finally, the support and commitment to excellence by the Fairfield Board of Education and the citizens of the District was vital to the successful issuance of this report and the continuing efforts being made to improve our financial management and reporting.

Sincerely,



J. Scott Gooding II
Treasurer/CFO



Dr. Robert Farrell
Superintendent

**FAIRFIELD CITY SCHOOL DISTRICT, OHIO
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2002**

BOARD OF EDUCATION

President	Anne Crone
Vice President	Mike Oler
Board Member	Vicky Barger
Board Member	Dr. Kay Crain
Board Member	Maurice Godsey

ADMINISTRATIVE OFFICIALS

Superintendent	Dr. Robert Farrell
Treasurer/CFO	J. Scott Gooding II
Assistant Superintendent (Certificated Personnel)	Catherine Milligan
Administrative Assistant For Business (Classified Personnel)	Rob Amodio

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fairfield City School
District, Ohio

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

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



Imelda Orwe
President

Jeffrey L. Esselt
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

FAIRFIELD CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2001

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

Clark J. Schell

President

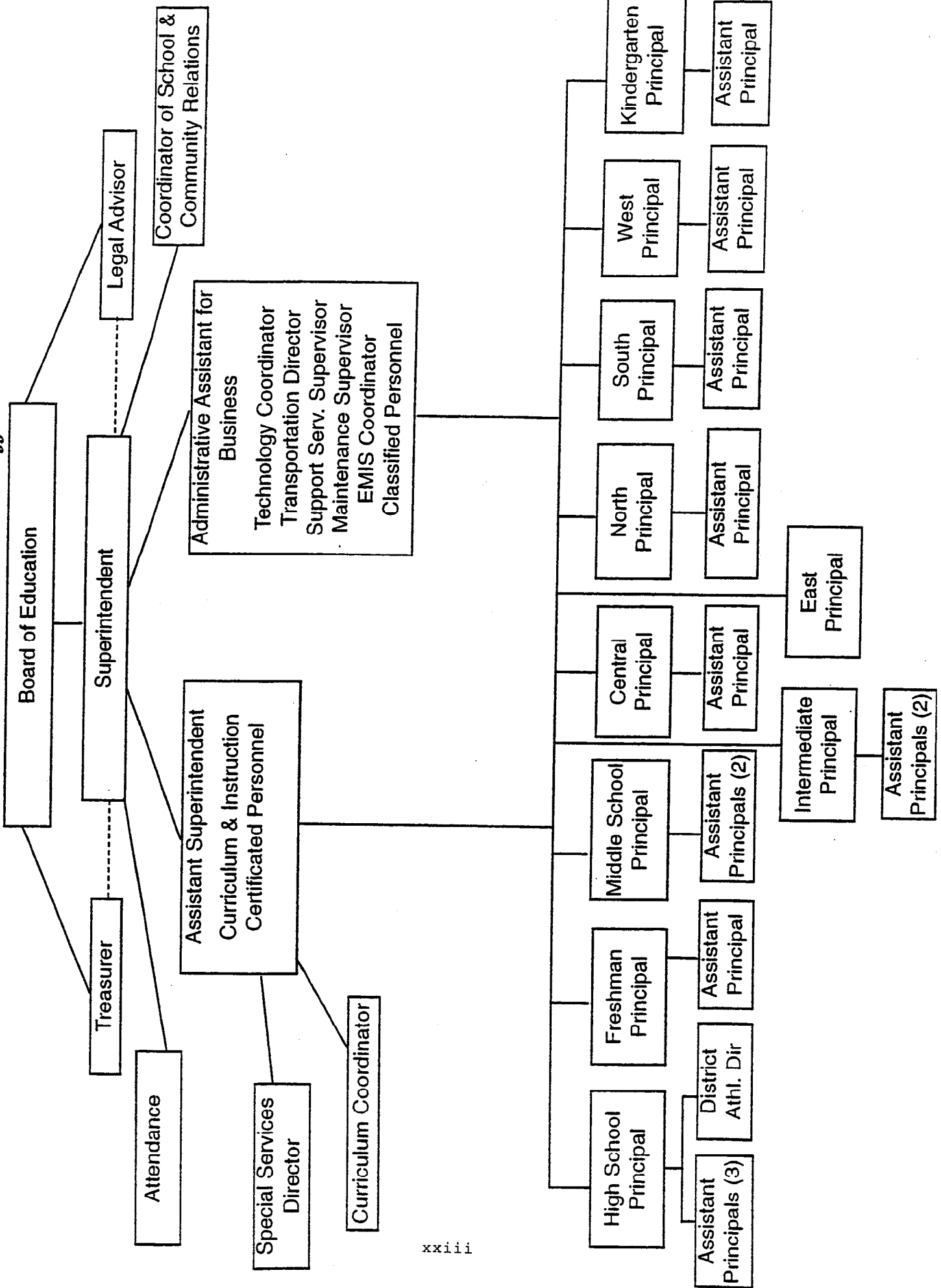
Emilio Miller

Executive Director

**FAIRFIELD CITY SCHOOL DISTRICT, OHIO
STATE OF OHIO MAP**



Fairfield Administrative Staff



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**FINANCIAL
SECTION**

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

250 West Court Street
Suite 150 E
Cincinnati, Ohio 45202
Telephone 513-361-8550
800-368-7419
Facsimile 513-361-8577
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Fairfield City School District
Butler County
211 Donald Drive
Fairfield, Ohio 45014

To the Board Education:

We have audited the accompanying general-purpose financial statements of Fairfield City School District, Butler County, Ohio (the District), as of and for the year ended June 30, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, and the results of its operations and the cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2002, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the result of our audit.

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

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a horizontal line extending to the right.

Jim Petro
Auditor of State

December 16, 2002

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, results of operations and cash flows.

FAIRFIELD CITY SCHOOL DISTRICT, OHIO

Combined Balance Sheet

All Fund Types and Account Groups

June 30, 2002

GOVERNMENTAL FUND TYPES

ASSETS AND OTHER DEBITS

	General	Special Revenue	Debt Service	Capital Projects
Assets:				
Equity in pooled cash and investments	\$11,061,109	\$1,110,761	\$1,895,810	\$69,022
Restricted equity in pooled cash and investments	203,843	0	0	0
Receivables:				
Taxes	31,212,074	0	3,228,373	811,995
Accounts	25,054	1,641	0	0
Intergovernmental	0	162,993	0	0
Interfund loan receivable	4,319	0	0	0
Inventory held for resale	0	0	0	0
Fixed assets (net, where applicable, of accumulated depreciation)	0	0	0	0
Other debits:				
Amount available in debt service fund for retirement of general obligation bonds	0	0	0	0
Amount to be provided for retirement of general long-term obligations	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	42,506,399	1,275,395	5,124,183	881,017

LIABILITIES, FUND EQUITY AND OTHER CREDITS

Liabilities:				
Accounts payable	503,587	101,467	0	35,421
Accrued wages and benefits	6,255,924	170,758	0	0
Compensated absences payable	454,041	0	0	0
Interfund loan payable	0	4,319	0	0
Due to others	0	0	0	0
Deferred revenue	29,745,450	17,880	3,060,811	777,009
Due to students	0	0	0	0
Capital leases payable	0	0	0	0
Tax anticipation notes payable	0	0	0	750,000
General obligation bonds payable	0	0	0	0
Total liabilities	36,959,002	294,424	3,060,811	1,562,430
Fund equity and other credits:				
Investment in general fixed assets	0	0	0	0
Retained earnings:				
Unreserved	0	0	0	0
Contributed capital	0	0	0	0
Fund balances:				
Reserved:				
Reserved for property taxes	1,436,203	0	165,289	33,846
Reserved for encumbrances	549,528	138,568	0	0
Reserved for set-asides	203,843	0	0	0
Unreserved:				
Designated for set-asides	1,212,213	0	0	0
Undesignated	2,145,610	842,403	1,898,083	(715,259)
Total fund equity and other credits	5,547,397	980,971	2,063,372	(681,413)
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$42,506,399	\$1,275,395	\$5,124,183	\$881,017

See accompanying notes

PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPES	ACCOUNT GROUPS			Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations		
Enterprise	Trust and Agency				
\$584,801	\$145,963	\$0	\$0	\$14,867,466	
0	0	0	0	203,843	
0	0	0	0	35,252,442	
23,184	1,150	0	0	51,029	
41,955	0	0	0	204,948	
0	0	0	0	4,319	
40,774	0	0	0	40,774	
119,853	0	86,658,632	0	86,778,485	
0	0	0	1,898,083	1,898,083	
0	0	0	49,627,713	49,627,713	
<u>810,567</u>	<u>147,113</u>	<u>86,658,632</u>	<u>51,525,796</u>	<u>188,929,102</u>	
31,056	15,070	0	0	686,601	
206,773	0	0	424,825	7,058,280	
119,471	0	0	6,845,316	7,418,828	
0	0	0	0	4,319	
0	8,099	0	0	8,099	
21,149	0	0	0	33,622,299	
0	119,454	0	0	119,454	
745	0	0	0	745	
0	0	0	0	750,000	
0	0	0	44,255,655	44,255,655	
<u>379,194</u>	<u>142,623</u>	<u>0</u>	<u>51,525,796</u>	<u>93,924,280</u>	
0	0	86,658,632	0	86,658,632	
(771,043)	0	0	0	(771,043)	
1,202,416	0	0	0	1,202,416	
0	0	0	0	1,635,338	
0	0	0	0	688,096	
0	0	0	0	203,843	
0	0	0	0	1,212,213	
0	4,490	0	0	4,175,327	
<u>431,373</u>	<u>4,490</u>	<u>86,658,632</u>	<u>0</u>	<u>95,004,822</u>	
<u>\$810,567</u>	<u>\$147,113</u>	<u>\$86,658,632</u>	<u>\$51,525,796</u>	<u>\$188,929,102</u>	

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
Combined Statement of Revenues, Expenditures
And Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Fund
For The Fiscal Year Ended June 30, 2002

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$26,113,194	\$0	\$2,740,910	\$715,071
Intergovernmental	27,391,512	2,210,985	378,135	81,893
Investment	464,507	2,313	0	0
Tuition and fees	330,711	0	0	0
Extracurricular activities	0	248,135	0	0
Other revenues	889,109	344,513	0	0
Total revenues	55,189,033	2,805,946	3,119,045	796,964
Expenditures:				
Current:				
Instruction:				
Regular	28,994,406	594,335	0	76,853
Special	4,199,592	504,644	0	0
Vocational	67,121	0	0	0
Other	651,722	0	0	0
Support services:				
Pupil	2,367,578	474,117	0	0
Instructional staff	3,401,400	193,309	0	0
Board of education	16,742	0	0	0
Administration	4,276,626	70,928	0	0
Fiscal	1,059,966	0	42,386	9,000
Business	269,888	33,454	0	0
Operations and maintenance	6,113,978	8,801	0	0
Pupil transportation	3,783,856	1,492	0	0
Central	152,437	90	0	0
Operation of non-instructional services	0	481,477	0	0
Extracurricular activities	1,174,693	255,729	0	0
Capital outlay	0	0	0	331,938
Debt service:				
Principal retirement	0	0	2,025,000	0
Interest and fiscal charges	0	0	2,401,670	0
Total expenditures	56,530,005	2,618,376	4,469,056	417,791
Excess of revenues over (under) expenditures	(1,340,972)	187,570	(1,350,011)	379,173
Other financing sources (uses):				
Proceeds of sale of fixed assets	516	0	0	0
Operating transfers in	0	0	1,756,306	1,150,000
Operating transfers (out)	(448,806)	0	(1,150,000)	(1,307,500)
Total other financing sources (uses)	(448,290)	0	606,306	(157,500)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,789,262)	187,570	(743,705)	221,673
Fund balance (Deficit), July 1	7,336,659	793,401	2,807,077	(903,086)
Fund balance (Deficit), June 30	\$5,547,397	\$980,971	\$2,063,372	(\$681,413)

See accompanying notes

**FIDUCIARY
FUND TYPE**

Expendable Trust	Totals (Memorandum Only)
\$0	\$29,569,175
0	30,062,525
40	466,860
0	330,711
0	248,135
800	1,234,422
<u>840</u>	<u>61,911,828</u>
0	29,665,594
0	4,704,236
0	67,121
0	651,722
1,084	2,842,779
0	3,594,709
0	16,742
0	4,347,554
0	1,111,352
0	303,342
0	6,122,779
0	3,785,348
0	152,527
0	481,477
0	1,430,422
0	331,938
0	2,025,000
0	2,401,670
<u>1,084</u>	<u>64,036,312</u>
<u>(244)</u>	<u>(2,124,484)</u>
0	516
0	2,906,306
0	(2,906,306)
<u>0</u>	<u>516</u>
(244)	(2,123,968)
4,734	10,038,785
<u>\$4,490</u>	<u>\$7,914,817</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Combined Statement of Revenues, Expenditures
 And Changes in Fund Balances
 Budget and Actual (Non-GAAP Budgetary Basis)
 All Governmental Fund Types
 For the Fiscal Year Ended June 30, 2002

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$27,715,425	\$29,931,258	\$2,215,833	\$0	\$0	\$0
Intergovernmental	25,525,562	27,391,512	1,865,950	2,429,954	2,208,600	(221,354)
Investment	800,000	552,107	(247,893)	2,607	2,782	175
Tuition and fees	612,145	345,170	(266,975)	0	0	0
Extracurricular activities	0	0	0	281,840	249,119	(32,721)
Other revenues	916,005	899,617	(16,388)	376,446	352,031	(24,415)
Total revenues	55,569,137	59,119,664	3,550,527	3,090,847	2,812,532	(278,315)
Expenditures:						
Current:						
Instruction:						
Regular	28,944,963	28,944,963	0	763,300	621,112	142,188
Special	4,169,368	4,169,368	0	638,312	502,968	135,344
Vocational	55,586	55,586	0	0	0	0
Other	643,377	643,377	0	0	0	0
Support services						
Pupil	2,379,186	2,379,186	0	597,344	490,503	106,841
Instructional staff	3,406,702	3,406,702	0	251,911	202,989	48,922
Board of Education	21,267	21,267	0		0	0
Administration	4,393,688	4,393,688	0	85,538	70,968	14,570
Fiscal	1,062,503	1,062,503	0		0	0
Business	272,116	272,116	0	33,454	33,454	0
Operation and maintenance	6,229,165	6,229,165	0	115,139	8,991	106,148
Pupil transportation	4,068,445	4,068,445	0	6,320	1,492	4,828
Central	168,550	168,550	0	90	90	0
Operation of non-instructional services	0	0	0	875,958	734,959	140,999
Extracurricular activities	1,167,146	1,167,146	0	262,968	252,093	10,875
Capital outlay	0	0	0	0	0	0
Debt Service:						
Principal retirement	0	0	0	0	0	0
Interest and fiscal charges	0	0	0	0	0	0
Total expenditures	56,982,062	56,982,062	0	3,630,334	2,919,619	710,715
Excess of revenues over (under) expenditures	(1,412,925)	2,137,602	3,550,527	(539,487)	(107,087)	432,400
Other financing sources (uses):						
Proceeds of notes	0	0	0	0	0	0
Proceeds of sale of fixed assets	0	516	516	0	0	0
Advances in	32,822	32,822	0	0	4,319	4,319
Advances (out)	(4,319)	(4,319)	0	(32,822)	(32,822)	0
Operating transfers in	0	0	0	48,842	48,842	0
Operating transfers (out)	(448,806)	(448,806)	0	(48,842)	(48,842)	0
Total other financing sources (uses)	(420,303)	(419,787)	516	(32,822)	(28,503)	4,319
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,833,228)	1,717,815	3,551,043	(572,309)	(135,590)	436,719
Fund balance, July 1 (includes prior year encumbrances appropriated)	8,732,200	8,732,200	0	1,016,804	1,016,804	0
Fund balance, June 30	\$6,898,972	\$10,450,015	\$3,551,043	\$444,495	\$881,214	\$436,719

See accompanying notes

Debt Service			Capital Projects		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$3,079,078	\$3,170,213	\$91,135	\$775,923	\$816,775	\$40,852
400,440	378,135	(22,305)	81,893	81,893	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>3,479,518</u>	<u>3,548,348</u>	<u>68,830</u>	<u>857,816</u>	<u>898,668</u>	<u>40,852</u>
0	0	0	91,930	82,190	9,740
0	0	0	0	0	0
0	0	0	0	0	0
500,000	0	500,000	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
43,500	42,386	1,114	9,000	9,000	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	323,381	319,128	4,253
3,175,000	3,175,000	0	0	0	0
2,916,148	2,401,670	514,478	0	0	0
<u>6,634,648</u>	<u>5,619,056</u>	<u>1,015,592</u>	<u>424,311</u>	<u>410,318</u>	<u>13,993</u>
<u>(3,155,130)</u>	<u>(2,070,708)</u>	<u>1,084,422</u>	<u>433,505</u>	<u>488,350</u>	<u>54,845</u>
750,000	750,000	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,006,506	1,006,306	(200)	0	0	0
0	0	0	(557,500)	(557,500)	0
<u>1,756,506</u>	<u>1,756,306</u>	<u>(200)</u>	<u>(557,500)</u>	<u>(557,500)</u>	<u>0</u>
(1,398,624)	(314,402)	1,084,222	(123,995)	(69,150)	54,845
2,210,211	2,210,211	0	138,175	138,175	0
<u>\$811,587</u>	<u>\$1,895,809</u>	<u>\$1,084,222</u>	<u>\$14,180</u>	<u>\$69,025</u>	<u>\$54,845</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Combined Statement of Revenues, Expenses
 And Changes in Retained Earnings
 Proprietary Fund Type
 For The Fiscal Year Ended June 30, 2002

PROPRIETARY
 FUND TYPE

Enterprise

Operating revenues:	
Charges for services	\$2,846,928
Other revenue	1,689
Total revenues	<u>2,848,617</u>
Operating expenses:	
Salaries and wages	1,279,652
Fringe benefits	398,405
Purchased services	162,532
Materials and supplies	1,453,020
Depreciation	62,856
Other operating expenses	668
Total operating expenses	<u>3,357,133</u>
Operating income (loss)	<u>(508,516)</u>
Non-operating revenues (expenses):	
Federal donated commodities	37,835
Operating grants	307,732
Interest revenue	643
Interest expense	(382)
Total non-operating revenues	<u>345,828</u>
Net income (loss)	(162,688)
Retained Earnings (deficit), July 1	(608,355)
Retained Earnings (deficit), June 30	<u><u>(\$771,043)</u></u>

See accompanying notes

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Combined Statement Of Cash Flows
 Proprietary Fund Type
 For The Fiscal Year Ended June 30, 2002

PROPRIETARY
 FUND TYPE

	<u>Enterprise</u>
Cash flows from operating activities:	
Cash received from charges for services	\$2,866,358
Cash payments to suppliers for goods and services	(1,577,358)
Cash payments to employees for services	(1,631,565)
Cash payments for other operating expenses	(668)
	<u> </u>
Net cash used for operating activities	(343,233)
	<u> </u>
Cash flows from noncapital financing activities:	
Operating grants received	299,836
Cash received from other funds	81,346
Cash payments to other funds	(81,346)
	<u> </u>
Net cash provided by noncapital financing activities	299,836
	<u> </u>
Cash flows from investing activities:	
Interest on investments	643
	<u> </u>
Net cash provided by investing activities	643
	<u> </u>
Net decrease in cash and cash equivalents	(42,754)
Cash and cash equivalents, July 1	627,555
	<u> </u>
Cash and cash equivalents, June 30	584,801
	<u> </u>
	<u>Continued</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Combined Statement Of Cash Flows
 Proprietary Fund Type
 For The Fiscal Year Ended June 30, 2002

**PROPRIETARY
 FUND TYPE**

	<u>Enterprise</u>
Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	<u>(508,516)</u>
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	62,856
Donated commodities used	37,835
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	17,741
(Increase) decrease in inventory held for resale	(4,657)
Increase (decrease) in accounts payable	10,341
Increase (decrease) in accrued wages and benefits	44,823
Increase (decrease) in compensated absences	1,669
Increase (decrease) in deferred revenue	(789)
Increase (decrease) in capital lease payable	<u>(4,536)</u>
Total adjustments	<u>165,283</u>
Net cash used for operating activities	<u><u>(\$343,233)</u></u>
Non cash transactions - Enterprise Fund:	
Non cash donation of inventory held for resale - Food Service	\$37,835

See accompanying notes

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FAIRFIELD CITY SCHOOL DISTRICT, OHIO
June 30, 2002

1. DESCRIPTION OF THE DISTRICT

The Fairfield City School 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 approximately 443 non-certificated personnel and approximately 609 certificated full time teaching and administrative personnel to provide services to students and other community members.

The District is the 21st largest in the State of Ohio (among 612 Districts) in terms of enrollment and the 3rd largest in Butler County. It currently operates 1 kindergarten center, 5 elementary schools (serving grades 1 - 4), 1 intermediate school (serving grades 5-6), 1 middle school (serving grades 7 - 8), 1 freshman school (serving grade 9), and 1 comprehensive high school (serving grades 10 - 12).

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

For financial reporting purposes, the District's financial statements include all funds and account groups of the primary government (i.e. the District). Potential components were considered for inclusion in the financial statements. Generally, component units are legally separate organizations for which the elected officials of the primary government (i.e. the District) are financially accountable.

There are no component units included in the financial statements of the District.

B. Basis of Presentation - Fund Accounting

The accounts of the District are maintained on the basis of fund and account groups, each of which is considered a separate accounting entity. The operation of each fund is accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The following fund types and account groups are used by the District:

Governmental Funds - Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (except for those accounted for

within a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The following fund types and account groups are used by the District:

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

General Fund

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

Special Revenue Funds

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

Debt Service Fund

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

Capital Projects Funds

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

Proprietary Funds - Proprietary Funds are used to account for the District's ongoing activities, which are similar to those most often, found in the private sector. In accordance with GASB Statement 20, the District has chosen to follow all GASB pronouncements as well as Financial Accounting Standards Board pronouncements and Accounting Principles Board Opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Following is the District's Proprietary Fund Type:

Enterprise Funds

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

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

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

General Fixed Assets Account Group

This group of accounts is established to account for all fixed assets of the District, other than those accounted for in Proprietary Funds and Trust Funds.

General Long Term Obligations Account Group

This group of accounts is established to account for all long-term obligations of the District, except those accounted for in Proprietary Funds and Trust Funds.

C. Measurement Focus/Basis of Accounting

Measurement Focus:

Governmental Fund Types and Expendable Trust Funds are accounted for on a spending, or "current financial resources," measurement focus. Governmental Fund Types and Expendable Trust Funds operating statements represent increases and decreases in net current assets. Their reported fund balances are considered a measure of available spendable resources.

Proprietary Fund Types are accounted for on a cost of services, or "economic resources," measurement focus. Proprietary Fund Types income statements represent increases and decreases in net total assets.

Basis of Accounting:

The modified accrual basis of accounting is followed for Governmental, Expendable Trust and Agency Funds. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year, in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are

levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Proprietary Funds are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred.

D. Budgetary Data

Budgetary Basis of Accounting:

The District's budgetary process accounts for certain transactions on a basis other than GAAP. The major differences between the budgetary basis and the GAAP basis are:

Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Expenditures are recorded when encumbered, or paid in cash (budgetary), as opposed to when susceptible to accrual (GAAP).

Proceeds from the principle payment on bond and tax anticipation notes are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP).

The actual results of operations, compared to the final appropriation, which includes amendments to the original appropriation, for each fund type by expenditure function and revenue by source are presented in the *Combined Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual (Non-GAAP Budgetary Basis)*. The reserve for encumbrances is carried forward as part of the budgetary authority for the next year and is included in the revised budget amounts shown in the budget to actual comparisons.

The District adopts an annual budget for all governmental fund types as required by Law. The specific timetable is as follows:

Prior to January 15 of the preceding fiscal year, the Treasurer submits 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 expressed 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 Butler County Budget Commission for tax rate determination.

Prior to March 15, 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 a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate.

By July 1, annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which are the legal levels of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.

Any revisions that alter the legal level of appropriations must be approved by the Board of Education. The legal level is at the fund level.

Formal budgetary integration is employed as a management control device during the year for all funds except agency funds consistent with statutory provisions. All funds completed the year within the amount of their legally authorized appropriation.

Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during the fiscal year.

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

Budget deadlines may be established to allow for budget amendments prior to year-end. These final amendments allow actual amounts on the budgetary basis to agree with the adopted budget. While final amendments were made to estimated revenues, such changes were not reflected in the budgetary statements because they lacked approval by the budget commission. The original appropriation measure was amended by insignificant amounts during the year.

E. Encumbrances

Encumbrance accounting is utilized by District funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to commitment for a future expenditure and does not represent a liability. For governmental fund types, encumbrances outstanding at fiscal year end appear as a reserve of the fund balance on a GAAP Basis and for all funds as the equivalent of expenditures on a non-GAAP budgetary basis in order to demonstrate legal compliance.

F. Restricted Equity In Pooled Cash and Investments

The District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements if the District does not make the required disbursements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. However, the District made the required qualifying disbursements in 2002. Disclosure of this information is required by State statute.

G. Cash and Investments

Cash received by the District is deposited in three accounts with individual fund balance integrity maintained throughout. Monies for all funds are maintained in these accounts or is temporarily used to purchase authorized investments, which are stated at fair value. The fair value of investments was determined through the use of published market values. For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments with original maturities of three months or less are considered to be cash and cash equivalents.

Under existing Ohio statutes, all investment earnings accrue to the General Fund except those specifically related to Auxiliary Services, Permanent Improvement, Food Service and certain trust funds and those funds individually authorized by Board resolution. Interest earnings are allocated to these funds based on average monthly cash balances.

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

H. Inventory (Materials and Supplies)

Inventories are valued at lower of cost (First-in, First-out) or market and are determined by physical count. Inventories are expended when used rather than when purchased. The amount of unused commodities at year-end are reported as deferred revenue since title does not pass to the school district until the commodities are used.

I. Fixed Assets and Depreciation

General Fixed Assets Account Group - General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the General Fixed Assets Account Group. Donated fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$1,000 and a useful life of less than 5 years. No depreciation is recognized for assets in the General Fixed Assets Account Group. The District does not possess any infrastructure.

Proprietary Funds - Property, plant and equipment reflected in the proprietary funds are stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date donated. Depreciation has been provided, where appropriate, on a straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Life (years)</u>
Furniture, Fixtures and Equipment	5

J. Interfund Transactions

During the course of normal operations the District has numerous transactions between funds. The most significant include:

Routine transfers of resources from one fund to another fund through which resources to be expended are recorded as operating transfers.

Reimbursements from one fund to another fund are treated as expenditures/expenses in the reimbursing fund and as a reduction in expenditures/expenses in the reimbursed fund.

Short-term interfund loans are reflected as interfund loans payable/receivable, while long-term interfund loans (greater than one year in length) are recorded as advances to/from other funds. The District had no advances during the year.

K. Compensated Absences

Compensated absences should be accrued as they are earned by employees if both of the following conditions are met:

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

The District's policies regarding compensated absences are determined by state laws and/or negotiated agreements and include salary related payments if material. In summary, the policies are as follows:

<u>Vacation</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How earned	Not Eligible	Not Eligible	10-25 days for each Service year depending on length of service.
Maximum Accumulation	Not Applicable	Not Applicable	25 days
Vested	Not Applicable	Not Applicable	As Earned
Termination Entitlement	Not Applicable	Not Applicable	Paid upon Termination
<u>Sick Leave</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	330 days according to bargaining agreements	330 days	330 days according to bargaining agreements
Vested	As Earned	As Earned	As Earned
Termination Entitlement	Per Contract	Per Contract	Per Contract

For governmental funds, vested and accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of its respected governmental fund. Amounts of vested and accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long Term Obligations Account Group. Vested and accumulated

vacation and sick leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to the employee. There are no material salary related payments applicable to the District.

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 from proprietary fund operations are accounted for in those funds.

M. Fund Equity

Contributed capital recorded in proprietary funds reflects capital grants or contributions from other funds received prior to July 1, 2002. There were no changes in the contributed capital reported for enterprise funds during the year. Reserved fund balances indicate that portion of fund equity, which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for property taxes, encumbrances and set-asides allowed by state law. The unreserved portions of fund equity reflected for the governmental funds are available for use within the specific purpose of those funds. Fund balances are also reserved for those property taxes recognized as revenue because they were available for advance by the County Auditor. While these property taxes meet the criteria for revenue recognition, they were not appropriable by the District for expenditure.

N. Memorandum Only-Total Columns

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

3. DEFICIT IN FUND BALANCE/RETAINED EARNINGS

The following Capital Projects Fund and Enterprise Fund had a deficit in fund balance/retained earnings.

Capital Projects Fund:	
Permanent Improvement	\$ 695,419
Enterprise Fund:	
Food Service	1,182,791

Capital Projects Fund deficit in fund balance was primarily due to accruals for GAAP and the Enterprise Fund deficit in retained earnings was primarily due to depreciation on contributed capital.

4. EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash and investment pool used by all funds. Each fund types portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments".

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

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive Monies - Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies - 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. Ohio law permits interim monies to be invested or deposited in the following securities:

- a. 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.
- b. Bonds, notes, debentures, or other obligations of securities issued by any federal governmental agency on the Export Import Bank of Washington.
- c. Repurchase agreements in the securities enumerated above.
- d. Commercial paper notes issued by any corporation for profit that is incorporated under the laws of the United States or any state pursuant to specifications within Ohio Revised Code.
- e. Bankers' acceptances of banks that are members of the federal deposit insurance corporation to which obligations meet specifications within Ohio Revised Code.
- f. Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificate of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including, but not limited to, passbook accounts.
- g. Bonds, and other obligations of the State of Ohio.
- h. The Ohio State Treasurer's investment pool.

At year end the un-obligated or carrying amount of the District's pooled cash was \$365,007. The bank balance of deposits was \$1,127,416, of which \$100,000 was covered by depository insurance. The remaining bank balance was covered by collateral held by third party trustees pursuant to Section 135.181, Ohio Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions, but not in the District's name.

The District's investments are categorized to give an indication of the level of risk assumed by the entity at year end. CATEGORY 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. CATEGORY 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's (counterparty) trust department or agent in the District's name. CATEGORY 3 includes uninsured and unregistered investments for which the securities are held by the broker, dealer, or their agent, but not in the District's name.

Based on the above criteria, the District's investments at fiscal year-end are classified as follows:

	Category			Carrying Value/Fair Value
	<u>1</u>	<u>2</u>	<u>3</u>	
Money Market (1)	\$ 0	\$ 0	\$ 0	\$ 36,260
U.S. Treasury Bonds	0	2,077,245	0	2,077,245
Star Ohio (1)	0	0	0	10,582,995
U.S. Agencies	<u>0</u>	<u>2,009,802</u>	<u>0</u>	<u>2,009,802</u>
Total	<u>\$ 0</u>	<u>\$4,087,047</u>	<u>\$ 0</u>	<u>\$14,706,302</u>

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

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

5. INTERFUND RECEIVABLES/PAYABLES

Interfund balances at fiscal year-end consisted of the following individual fund receivables and payables.

	Interfund Loan Receivable	Interfund Loan Payable
<u>Interfund loans:</u>		
General Fund	\$ 4,319	\$0
Special Revenue Funds:		
Ohio LPDC Action Research/Common Denominator	<u>0</u>	<u>4,319</u>
Total All Funds	<u>\$4,319</u>	<u>\$4,319</u>

6. PROPERTY TAXES

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 2002 were based as follows:

Tangible and Public Utility Personal	\$ 130,814,921
Real Estate	<u>974,458,300</u>
Total Assessed Property Value	<u>\$1,105,273,221</u>

Real property taxes collected in 2002 were levied in January on the assessed values as of January 1, 2001, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent revaluation was completed in January, 1998. Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 25% of true value (as defined). In 2002, each business was eligible to receive a \$10,000 exemption in assessed value, which was reimbursed by the State.

Real property taxes are payable annually or semi-annually. In 2002, if paid annually, payment was due by February 8th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due February 8th with the remainder due on July 12th.

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

7. RECEIVABLES

Receivables at fiscal year-end, consisted of taxes, accounts receivable, accrued interest and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State Programs, and the current year guarantee of Federal Funds.

A summary of the principle receivables follows:

<u>Fund</u>	<u>Type of Receivable</u>	<u>Amount</u>
General Fund	Taxes	\$31,212,074
	Accounts	25,054
Special Revenue Funds	Accounts	1,641
	Intergovernmental	162,993
Debt Service Fund	Taxes	3,228,373
Capital Project Funds	Taxes	811,995
Enterprise Funds	Accounts	23,184
	Intergovernmental	41,955

8. FIXED ASSETS

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

	<u>Balance</u> <u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30</u>
Land/Improvements	\$ 4,464,991	\$ 0	\$ 0	\$ 4,464,991
Building/Improvements	64,914,893	0	0	64,914,893
Furniture/Equipment	<u>16,957,178</u>	<u>421,420</u>	<u>99,850</u>	<u>17,278,748</u>
Total	<u>\$86,337,062</u>	<u>\$421,420</u>	<u>\$99,850</u>	<u>\$86,658,632</u>

A summary of the Proprietary Fund fixed assets at fiscal year-end follows:

Furniture and Equipment	\$ 1,319,468
Less: Accumulated Depreciation	<u>(1,199,615)</u>
Net Fixed Assets - Proprietary Fund	<u>\$ 119,853</u>

9. NOTES PAYABLE

The District was liable during the fiscal year for a tax anticipation note payable presented below.

<u>Purpose</u>	<u>Interest</u> <u>Rate</u>	<u>Issue</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Balance</u> <u>July 1</u>	<u>Issued</u> <u>(Retired)</u>	<u>Balance</u> <u>June 30</u>
Tax Anticipation	4.90%	10/26/00	10/25/01	\$1,150,000	(\$1,150,000)	\$ 0
Tax Anticipation	2.71%	10/26/01	10/24/02	0	750,000	750,000

The note is shown as a liability and all note debt activity has been reported in the Capital Projects Fund.

10. GENERAL LONG-TERM BONDS

The current obligation bonds outstanding, issued to provide funds for the acquisition and construction of equipment and facilities, are general obligations of the School District for which the full faith and credit of the school district is pledged for repayment. Accordingly, such un-matured obligations of the school district are accounted for in the General Long-Term Obligation Account Group. Payments of principal and interest relating to all district bonds are recorded as expenditures in the Debt Service Fund.

The following is a description of the district's bonds outstanding as of fiscal year-end:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Balance July 1</u>	<u>Issued (Retired)</u>	<u>Balance June 30</u>
Bonds:				
School Improvement	7.3157	\$3,500,000	(\$100,000)	\$3,400,000
School Improvement	6.2490	3,220,000	(185,000)	3,035,000
Refunding	6.5702	2,899,814	(325,000)	2,574,814
Energy Conservation	5.2270	2,300,000	(335,000)	1,965,000
School Improvement Refunding	4.8600	<u>34,360,841</u>	<u>(1,080,000)</u>	<u>33,280,841</u>
Total Bonds		<u>\$46,280,655</u>	<u>(\$2,025,000)</u>	<u>\$44,255,655</u>

The following is a summary of the District's future annual debt service requirements to maturity:

<u>Year Ending June 30</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2003	\$1,605,000	\$2,259,344
2004	1,855,000	2,176,124
2005	2,015,000	2,079,656
2006	2,195,000	1,971,911
2007 and thereafter	<u>36,585,655</u>	<u>23,201,314</u>
	<u>\$44,255,655</u>	<u>\$31,688,349</u>

11. CHANGES IN THE GENERAL LONG TERM OBLIGATIONS ACCOUNT GROUP

During the year, 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. Capitalized leases will be paid out of the applicable fund.

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30</u>
General Obligation Bonds	\$46,280,655	\$ 0	\$2,025,000	\$44,255,655
Compensated Absences	6,276,695	568,621	0	6,845,316
Accrued Wages and Benefits	<u>407,228</u>	<u>17,597</u>	<u>0</u>	<u>424,825</u>
Total	<u>\$52,964,578</u>	<u>\$586,218</u>	<u>\$2,025,000</u>	<u>\$51,525,796</u>

The accrued wages and benefits amount above represents pension contributions that are not expected to be liquidated with expendable available financial resources.

12. ADVANCE REFUNDING

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements. On June 30, 2002, \$34.365 million of bonds outstanding are considered defeased.

13. SEGMENT INFORMATION

Enterprise Funds - The District maintains three Enterprise Funds to account for the operations of Food Services, Uniform School Supply and the Latchkey Fund. 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 fiscal year-end.

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Latchkey</u>	<u>Total</u>
Operating Revenues	\$1,836,748	\$267,423	\$744,446	\$2,848,617
Operating expenses before depreciation	2,163,528	331,170	799,579	3,294,277
Depreciation	62,485	0	371	62,856
Operating Income (Loss)	(389,265)	(63,747)	(55,504)	(508,516)
Operating Grants	307,732	0	0	307,732
Donated Commodities	37,835	0	0	37,835
Interest Revenue	643	0	0	643
Interest Expense	382	0	0	382
Net Income (Loss)	(43,437)	(63,747)	(55,504)	(162,888)
Net Working Capital	(100,228)	184,985	226,763	311,520
Total Assets	260,385	199,144	351,038	810,567
Total Liability	240,760	14,159	124,275	379,194
Total Equity	19,625	184,985	226,763	431,373

14. EMPLOYEE RETIREMENT SYSTEMS

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

A. School Employees Retirement System

The Fairfield City School District contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Plan members are required to contribute 9 of their annual covered salary and the Fairfield City School District is required to contribute 14 percent: 10.5 percent was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$1,418,832, \$1,326,354, and \$1,207,338, respectively; 49.0 percent has been contributed for fiscal years 2002 and 100 percent for the fiscal years 2001 and 2000. \$723,744 representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

The Fairfield 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 School 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 STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the Fairfield City School District is required to contribute 14 percent: 12 percent was the portion 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 School District's required

contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001 and 2000 were \$4,274,784, \$4,034,592, and \$3,615,888, respectively; 83.6 percent has been contributed for fiscal years 2002 and 100 percent for the fiscal years 2001 and 2000. \$702,500 representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds.

15. POST EMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS) and to retired non-certificated 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 System based on authority granted by State statute. Both Systems are funded on a pay-as-you go basis.

The State Teacher 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. The Retirement Board allocates employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. The Health Care Reserve Allocation for the year ended June 30, 2002 will be 4.5 percent of covered payroll.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the fund was \$3.256 billion at June 30, 2001. For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

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

For this fiscal year, employer contributions to fund health care benefits were 9.80 percent of covered payroll, an increase from 8.45 percent for fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For the fiscal year 2001, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2001, were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

16. STATE SCHOOL FUNDING DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...".

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

17. BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements. A reconciliation of the nature and amounts of the adjustments necessary to convert the GAAP financial statements of the budgetary basis follows:

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

<u>Governmental Fund Types</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>
GAAP Basis	(\$1,789,262)	\$187,570	(\$743,705)	\$221,676
Net Adjustment for Revenue Accruals	3,963,453	59,747	(320,697)	(1,048,296)
Proceeds from Notes	0	0	750,000	0
Net Adjustment for Expenditure Accruals	358,559	(153,364)	0	757,473
Net Adjustment for Encumbrances	<u>(814,935)</u>	<u>(229,543)</u>	<u>0</u>	<u>0</u>
Budgetary Basis	<u>\$1,717,815</u>	<u>(\$135,590)</u>	<u>(\$314,402)</u>	<u>(\$ 69,150)</u>

18. 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 fiscal year-end.

B. Litigation

The District is involved in a lawsuit. Although the outcome of this lawsuit is not presently determinable, in the opinion of the District, this matter will not have a material adverse affect on the financial condition of the District.

District management estimates that all other potential claims, not covered by insurance of the District, resulting from all other litigation would not materially affect the financial statements of the District.

19. JOINTLY GOVERNED ORGANIZATIONS

A. Southwestern Ohio Computer Association

Southwestern Ohio Computer Association (SWOCA) is a jointly governed organization among a three county consortium of school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports SWOCA based upon a per pupil charge dependent upon the software package utilized. SWOCA is governed by a Board of Directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating school district is limited to its representation on the Board. The Board consists of one representative from each of the participating 29 school districts.

B. Butler County Career Center

The Butler County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from the participating school district's elected board, which possesses its own budgeting and taxing authority. Accordingly, the Butler County Career Center is not part of the District and its operations are not included as part of the reporting entity.

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. During the fiscal year, the District contracted with Nationwide Insurance Company for property and general liability insurance and boiler and machinery insurance.

Boiler and machinery coverage has a \$1,000 deductible. General liability is protected by Nationwide Insurance Company with \$1,000,000 each occurrence, \$3,000,000 aggregate limit. Vehicles are covered by Nationwide Insurance Company with a \$500 deductible. Public officials bond insurance is provided by Brower Insurance Company and Nationwide Insurance Company. The Treasurer, Superintendent and Board President are covered by bonds in the amount of \$20,000 each. The District has elected to provide employee medical and dental benefits through Butler County Health Insurance Plan. The employees share the cost of the monthly premium for the coverage with the Board.

There were no significant reductions in insurance coverage from the prior year. Also, there were no settlements that exceeded insurance coverage for the past three fiscal years.

21. STATUTORY RESERVES

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

For fiscal year ended June 30, 2002, the School District was no longer required to set aside funds in the budget reserve set-aside, with the exception of refund monies received from the Bureau of Workers' Compensation, which must be spent for specified purposes.

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Total</u>
Set-aside Reserve Balance as of June 30, 2001	\$ 0	\$ 0	\$203,843	\$203,843
Current Year set-aside Requirements	1,068,915	1,068,915	0	2,137,830
Current Year Offsets	0	(81,893)	0	(81,893)
Qualifying Disbursements	<u>(1,873,321)</u>	<u>(1,337,217)</u>	<u>0</u>	<u>(2,942,236)</u>
Set-aside Balance Carried Forward to Future Years	<u>(\$804,406)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>(\$804,406)</u>
Set-aside Reserve Balance as of June 30, 2002	\$ 0	\$ 0	\$203,843	\$203,843

Although the School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts to below zero for textbooks and capital acquisition, only the amount for the textbooks set-aside may be used to reduce the set-aside requirement of future years. The capital acquisition negative amount is therefore not presented as being carried forward to the next fiscal year.

Am. Sub. Senate Bill 345 amended ORC Section 5705.29 effectively eliminating the requirement for the District to establish and maintain a budget stabilization reserve. By resolution, the Board can eliminate the reserve in accordance with the Act. As of June 30, 2002, the Board had not acted on the Senate Bill requirements to eliminate the reserve balance. The non-BWC (Bureau of Workers' Compensation) portion of monies designated for set-aside totaling \$1,212,213 in the General Fund. The District is still required by State law to maintain the textbook reserve and the capital acquisition reserve.

22. CONTRIBUTED CAPITAL

During the year, contributed capital was as follows:

	<u>Food Service Fund</u>
Contributed Capital, Beginning of Year	\$1,202,416
Capital Contributed Additions	<u>0</u>
Contributed Capital, End of Year	<u>\$1,202,416</u>

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", capital contributions received after June 30, 2000 are recorded as revenue in the proprietary funds.

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

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GENERAL FUND

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

Since there is only one General 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.

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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 trusts) that are legally restricted to expenditure for specified purposes. The following are descriptions of each Special Revenue Fund:

PUBLIC SCHOOL SUPPORT: To account for specific local revenue sources (other than taxes) generated by individual school buildings (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.

SPRING RECOGNITION: 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 EAST: To account for state funds, which provide support for the creation of a successful professional development structure.

EXTRACURRICULAR STUDENT ACTIVITIES: 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.

STAFF DEVELOPMENT: To account for state funds provided for staff development programs.

EXCELLENCE IN EDUCATION: To account for state funds which provide pupil competency assessment and instructional development in English Composition, Mathematics and Reading as required by the minimum standards for Ohio Schools. This fund is also provided to account for expenses related to the Ohio Science Olympics and to the International Science and Engineering Fair.

MANAGEMENT INFORMATION: 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.

PUBLIC SCHOOL PRE-SCHOOL: To account for state funds to assist school districts in paying the cost of pre-school programs.

ENTRY YEAR GRANT: To account for state funds provided for entry year programs.

SCHOOLNET ONENET: To account for state funds related to the District's SchoolNet OneNet program.

SCHOOLNET PROFESSIONAL DEVELOPMENT: To account for a limited number of professional development subsidy grants.

OHIO READS: To account for state funds, which are designated reading.

SUMMER INTERVENTION: To account for funds, which are used for summer intervention.

SCHOOL SECURITY: To account for state funds provided for security of equipment.

TITLE II: To account for federal funds used for the training of teachers in new techniques and methodologies in the areas of mathematics and science.

TITLE VI B PRE-SCHOOL: To account for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels; assist in the training of teachers, supervisors and other specialist in providing educational services to the handicapped.

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

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

EMERGENCY IMMIGRANT EDUCATION: To account for funds related to the Emergency Immigrant Education program.

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

PRE-SCHOOL DISABILITIES: This program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

TELECOM ACT GRANT: To account for funds to be used for telecommunications.

OHIO LPDC ACTION RESEARCH/COMMON DENOMINATOR: To account for federal funds provided for the Ohio LPDC Action Research/Common Denominator program.

CLASSROOM SIZE REDUCTION: To account for federal funds to be used for classroom size reduction.

MISCELLANEOUS FEDERAL: To account for federal funds related to Goals 2000, Raising the Bar and the Assistive Technology Infusion programs.

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Combining Balance Sheet
 Special Revenue Funds
 June 30, 2002

	Public School Support	Spring Recognition	Venture Capital East	Extra- curricular Student Activities
Assets:				
Equity in pooled cash and cash equivalents	\$170,769	\$65,538	\$0	\$179,283
Receivables:				
Accounts	1,461	0	0	180
Intergovernmental	0	0	0	0
Total assets	<u>172,230</u>	<u>65,538</u>	<u>0</u>	<u>179,463</u>
Liabilities:				
Accounts payable	8,858	16,890	0	8,516
Accrued wages & benefits	0	0	0	0
Interfund payable	0	0	0	0
Deferred Revenue	0	0	0	0
Total liabilities	<u>8,858</u>	<u>16,890</u>	<u>0</u>	<u>8,516</u>
Fund balances:				
Reserved:				
Reserved for encumbrances	1,675	588	0	3,041
Unreserved:				
Undesignated	161,697	48,060	0	167,906
Total fund equity	<u>163,372</u>	<u>48,648</u>	<u>0</u>	<u>170,947</u>
Total liabilities and fund equity	<u>\$172,230</u>	<u>\$65,538</u>	<u>\$0</u>	<u>\$179,463</u>

<u>Auxiliary Services</u>	<u>Staff Development</u>	<u>Excellence In Education</u>	<u>Management Information</u>	<u>Public School Pre-School</u>	<u>Entry Year Grant</u>	<u>SchoolNet OneNet</u>
\$263,782	\$3,154	\$0	\$0	\$0	\$0	\$35,000
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>263,782</u>	<u>3,154</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>35,000</u>
47,664	338	0	0	0	0	0
15,200	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>62,864</u>	<u>338</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
91,359	1,101	0	0	0	0	0
109,559	1,715	0	0	0	0	35,000
<u>200,918</u>	<u>2,816</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>35,000</u>
<u>\$263,782</u>	<u>\$3,154</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$35,000</u>

Continued

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Combining Balance Sheet
 Special Revenue Funds
 June 30, 2002

	SchoolNet Professional Development	Ohio Reads	Summer Intervention	School Security
Assets:				
Equity in pooled cash and cash equivalents	\$338	\$23,259	\$0	\$16,163
Receivables:				
Accounts	0	0	0	0
Intergovernmental	3,450	0	0	0
Total assets	<u>3,788</u>	<u>23,259</u>	<u>0</u>	<u>16,163</u>
Liabilities:				
Accounts payable	0	5,950	0	3,288
Accrued wages & benefits	0	0	0	0
Interfund payable	0	0	0	0
Deferred Revenue	0	0	0	0
Total liabilities	<u>0</u>	<u>5,950</u>	<u>0</u>	<u>3,288</u>
Fund balances:				
Reserved:				
Reserved for encumbrances	0	17,348	0	7,755
Unreserved:				
Undesignated	3,788	(39)	0	5,120
Total fund equity	<u>3,788</u>	<u>17,309</u>	<u>0</u>	<u>12,875</u>
Total liabilities and fund equity	<u>\$3,788</u>	<u>\$23,259</u>	<u>\$0</u>	<u>\$16,163</u>

Title II	Title VI B Pre-School	Title I	Title VI	Emergency Immigrant Education	Drug Free Schools	Pre-School Disabilities
\$24,076	\$73,511	\$17,845	\$25,159	\$2,900	\$14,707	\$0
0	0	0	0	0	0	0
414	55,500	69,299	5,621	0	5,863	0
<u>24,490</u>	<u>129,011</u>	<u>87,144</u>	<u>30,780</u>	<u>2,900</u>	<u>20,570</u>	<u>0</u>
125	5,013	0	1,498	0	0	0
0	73,565	53,255	6,900	0	0	0
0	0	0	0	0	0	0
414	0	5,982	5,621	0	5,863	0
<u>539</u>	<u>78,578</u>	<u>59,237</u>	<u>14,019</u>	<u>0</u>	<u>5,863</u>	<u>0</u>
1,791	5,962	5,501	239	0	2,012	0
22,160	44,471	22,406	16,522	2,900	12,695	0
<u>23,951</u>	<u>50,433</u>	<u>27,907</u>	<u>16,761</u>	<u>2,900</u>	<u>14,707</u>	<u>0</u>
<u>\$24,490</u>	<u>\$129,011</u>	<u>\$87,144</u>	<u>\$30,780</u>	<u>\$2,900</u>	<u>\$20,570</u>	<u>\$0</u>

Continued

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Combining Balance Sheet
 Special Revenue Funds
 June 30, 2002

	Telecom Act Grant	Ohio LPDC Action Research/ Common Denominator	Classroom Size Reduction	Miscellaneous Federal
Assets:				
Equity in pooled cash and cash equivalents	\$148,277	\$1,355	\$18,289	\$27,356
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	9,252	13,594	0
Total assets	<u>148,277</u>	<u>10,607</u>	<u>31,883</u>	<u>27,356</u>
Liabilities:				
Accounts payable	0	1,158	0	2,169
Accrued wages & benefits	0	0	21,838	0
Interfund payable	0	4,319	0	0
Deferred Revenue	0	0	0	0
Total liabilities	<u>0</u>	<u>5,477</u>	<u>21,838</u>	<u>2,169</u>
Fund balances:				
Reserved:				
Reserved for encumbrances	0	196	0	0
Unreserved:				
Undesignated	148,277	4,934	10,045	25,187
Total fund equity	<u>148,277</u>	<u>5,130</u>	<u>10,045</u>	<u>25,187</u>
Total liabilities and fund equity	<u>\$148,277</u>	<u>\$10,607</u>	<u>\$31,883</u>	<u>\$27,356</u>

Totals

\$1,110,761

1,641

162,993

1,275,395

101,467

170,758

4,319

17,880

294,424

138,568

842,403

980,971

\$1,275,395

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Special Revenue Funds
For The Fiscal Year Ended June 30, 2002

	Public School Support	Spring Recognition	Venture Capital East	Extra- curricular Student Activities
Revenues:				
Intergovernmental	\$0	\$6,100	\$0	\$0
Investment	0	0	0	0
Extracurricular activities	49,836	0	0	198,299
Other revenues	208,402	110,688	0	25,423
Total revenues	<u>258,238</u>	<u>116,788</u>	<u>0</u>	<u>223,722</u>
Expenditures:				
Current:				
Instruction:				
Regular	0	74,848	881	0
Special	0	0	0	0
Support services:				
Pupil	264,777	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Business	0	0	0	0
Operations and maintenance	2,025	0	0	0
Pupil transportation	967	0	0	0
Central	0	0	0	0
Operation of non-instructional services	0	0	0	0
Extracurricular activities	0	0	0	255,729
Total expenditures	<u>267,769</u>	<u>74,848</u>	<u>881</u>	<u>255,729</u>
Excess of revenues over (under) expenditures	<u>(9,531)</u>	<u>41,940</u>	<u>(881)</u>	<u>(32,007)</u>
Fund balance (deficit), July 1	172,903	6,708	881	202,954
Fund balance, June 30	<u>\$163,372</u>	<u>\$48,648</u>	<u>\$0</u>	<u>\$170,947</u>

Auxiliary Services	Staff Development	Excellence In Education	Management Information	Public School Pre-School	Entry Year Grant	SchoolNet OneNet
\$573,655	\$0	\$0	\$33,454	\$0	\$0	\$35,000
2,313	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>575,968</u>	<u>0</u>	<u>0</u>	<u>33,454</u>	<u>0</u>	<u>0</u>	<u>35,000</u>
0	1,675	293	0	0	16,323	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	17,928	7	0	0	0	0
0	0	0	0	0	0	0
0	0	0	33,454	0	0	0
0	0	0	0	0	0	0
0	0	525	0	0	0	0
0	0	90	0	0	0	0
457,247	941	0	0	0	0	0
0	0	0	0	0	0	0
<u>457,247</u>	<u>20,544</u>	<u>915</u>	<u>33,454</u>	<u>0</u>	<u>16,323</u>	<u>0</u>
<u>118,721</u>	<u>(20,544)</u>	<u>(915)</u>	<u>0</u>	<u>0</u>	<u>(16,323)</u>	<u>35,000</u>
82,197	23,360	915	0	0	16,323	0
<u>\$200,918</u>	<u>\$2,816</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$35,000</u>

Continued

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Special Revenue Funds
For The Fiscal Year Ended June 30, 2002

	SchoolNet Professional Development	Ohio Reads	Summer Intervention	School Security
Revenues:				
Intergovernmental	\$8,592	\$102,000	\$0	\$37,430
Investment	0	0	0	0
Extracurricular activities	0	0	0	0
Other revenues	0	0	0	0
Total revenues	<u>8,592</u>	<u>102,000</u>	<u>0</u>	<u>37,430</u>
Expenditures:				
Current:				
Instruction:				
Regular	12,626	84,691	27,607	6,365
Special	0	0	0	16,455
Support services:				
Pupil	0	0	0	7,470
Instructional Staff	0	0	5,207	0
Administration	0	0	597	0
Business	0	0	0	0
Operations and maintenance	218	0	6,558	0
Pupil transportation	0	0	0	0
Central	0	0	0	0
Operation of non-instructional services	0	0	0	0
Extracurricular activities	0	0	0	0
Total expenditures	<u>12,844</u>	<u>84,691</u>	<u>39,969</u>	<u>30,290</u>
Excess of revenues over (under) expenditures	<u>(4,252)</u>	<u>17,309</u>	<u>(39,969)</u>	<u>7,140</u>
Fund balance (deficit), July 1	8,040	0	39,969	5,735
Fund balance, June 30	<u><u>\$3,788</u></u>	<u><u>\$17,309</u></u>	<u><u>\$0</u></u>	<u><u>\$12,875</u></u>

Title II	Title VI B Pre-School	Title I	Title VI	Emergency Immigrant Education	Drug Free Schools	Pre-School Disabilities
\$32,384	\$542,006	\$313,861	\$44,778	\$2,900	\$29,828	\$17,015
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>32,384</u>	<u>542,006</u>	<u>313,861</u>	<u>44,778</u>	<u>2,900</u>	<u>29,828</u>	<u>17,015</u>
8,639	0	0	0	0	10,724	0
0	151,561	285,120	39,134	0	0	0
0	184,855	0	0	0	0	17,015
19,681	84,277	46,209	0	0	20,000	0
0	70,331	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	16,091	0	5,787	0	1,411	0
0	0	0	0	0	0	0
<u>28,320</u>	<u>507,115</u>	<u>331,329</u>	<u>44,921</u>	<u>0</u>	<u>32,135</u>	<u>17,015</u>
<u>4,064</u>	<u>34,891</u>	<u>(17,468)</u>	<u>(143)</u>	<u>2,900</u>	<u>(2,307)</u>	<u>0</u>
19,887	15,542	45,375	16,904	0	17,014	0
<u>\$23,951</u>	<u>\$50,433</u>	<u>\$27,907</u>	<u>\$16,761</u>	<u>\$2,900</u>	<u>\$14,707</u>	<u>\$0</u>

Continued

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Special Revenue Funds
For The Fiscal Year Ended June 30, 2002

	Telecom Act Grant	Ohio LPDC Action Research/ Common Denominator	Classroom Size Reduction	Miscellaneous Federal
Revenues:				
Intergovernmental	\$44,766	\$20,004	\$114,856	\$252,356
Investment	0	0	0	0
Extracurricular activities	0	0	0	0
Other revenues	0	0	0	0
Total revenues	<u>44,766</u>	<u>20,004</u>	<u>114,856</u>	<u>252,356</u>
Expenditures:				
Current:				
Instruction:				
Regular	0	2,500	119,994	227,169
Special	0	12,374	0	0
Support services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Business	0	0	0	0
Operations and maintenance	0	0	0	0
Pupil transportation	0	0	0	0
Central	0	0	0	0
Operation of non-instructional services	0	0	0	0
Extracurricular activities	0	0	0	0
Total expenditures	<u>0</u>	<u>14,874</u>	<u>119,994</u>	<u>227,169</u>
Excess of revenues over (under) expenditures	<u>44,766</u>	<u>5,130</u>	<u>(5,138)</u>	<u>25,187</u>
Fund balance (deficit), July 1	103,511	0	15,183	0
Fund balance, June 30	<u>\$148,277</u>	<u>\$5,130</u>	<u>\$10,045</u>	<u>\$25,187</u>

Totals

\$2,210,985
2,313
248,135
344,513

2,805,946

594,335
504,644

474,117
193,309
70,928
33,454
8,801
1,492
90
481,477
255,729

2,618,376

187,570

793,401

\$980,971

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Public School Support - Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Extracurricular activities	\$52,240	\$50,166	(2,074)
Other revenues	228,157	213,838	(14,319)
Total revenues	<u>280,397</u>	<u>264,004</u>	<u>(16,393)</u>
Expenditures:			
Current:			
Support services			
Pupil	326,511	274,980	51,531
Operation and maintenance	4,852	2,215	2,637
Pupil transportation	5,794	967	4,827
Total expenditures	<u>337,157</u>	<u>278,162</u>	<u>58,995</u>
Excess of revenues over (under) expenditures	<u>(56,760)</u>	<u>(14,158)</u>	<u>42,602</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>177,224</u>	<u>177,224</u>	<u>0</u>
Fund balance, June 30	<u>\$120,464</u>	<u>\$163,066</u>	<u>\$42,602</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Spring Recognition - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$6,100	\$6,100	\$0
Other revenues	\$112,688	\$110,688	(\$2,000)
Total revenues	<u>118,788</u>	<u>116,788</u>	<u>(2,000)</u>
Expenditures:			
Current:			
Instruction:			
Regular	128,500	88,696	39,804
Support services			
Instructional staff	3,335	0	3,335
Total expenditures	<u>131,835</u>	<u>88,696</u>	<u>43,139</u>
Excess of revenues over (under) expenditures	<u>(13,047)</u>	<u>28,092</u>	<u>41,139</u>
Other financing sources (uses):			
Advances (out)	(20,022)	(20,022)	0
Total other financing sources (uses)	<u>(20,022)</u>	<u>(20,022)</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(33,069)</u>	<u>8,070</u>	<u>41,139</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>39,995</u>	<u>39,995</u>	<u>0</u>
Fund balance, June 30	<u>\$6,926</u>	<u>\$48,065</u>	<u>\$41,139</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Venture Capital East - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,478	1,478	0
Total expenditures	<u>1,478</u>	<u>1,478</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>(1,478)</u>	<u>(1,478)</u>	<u>0</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>1,478</u>	<u>1,478</u>	<u>0</u>
Fund balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Extracurricular Student Activities - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Extracurricular activities	\$229,600	\$198,952	(\$30,648)
Other revenues	35,600	27,505	(8,095)
Total revenues	<u>265,200</u>	<u>226,457</u>	<u>(38,743)</u>
Expenditures:			
Current:			
Support services			
Extracurricular activities	262,968	252,093	10,875
Total expenditures	<u>262,968</u>	<u>252,093</u>	<u>10,875</u>
Excess of revenues over (under) expenditures	<u>2,232</u>	<u>(25,636)</u>	<u>(27,868)</u>
Other financing sources (uses):			
Operating transfers in	26,400	26,400	0
Operating transfers (out)	(26,400)	(26,400)	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>2,232</u>	<u>(25,636)</u>	<u>(27,868)</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>200,973</u>	<u>200,973</u>	<u>0</u>
Fund balance, June 30	<u><u>\$203,205</u></u>	<u><u>\$175,337</u></u>	<u><u>(\$27,868)</u></u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Auxiliary Services - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$601,349	\$573,655	(\$27,694)
Investment	2,607	2,782	175
Total revenues	<u>603,956</u>	<u>576,437</u>	<u>(27,519)</u>
Expenditures:			
Current:			
Support services			
Operation of non-instructional services	833,837	709,910	123,927
Total expenditures	<u>833,837</u>	<u>709,910</u>	<u>123,927</u>
Excess of revenues over (under) expenditures	<u>(229,881)</u>	<u>(133,473)</u>	<u>96,408</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>258,231</u>	<u>258,231</u>	<u>0</u>
Fund balance, June 30	<u><u>\$28,350</u></u>	<u><u>\$124,758</u></u>	<u><u>\$96,408</u></u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Staff Development - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,676	1,675	1
Support services			
Instructional staff	21,130	19,651	1,479
Operation of non-instructional services	2,008	1,773	235
Total expenditures	<u>24,814</u>	<u>23,099</u>	<u>1,715</u>
Excess of revenues over (under) expenditures	<u>(24,814)</u>	<u>(23,099)</u>	<u>1,715</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>24,814</u>	<u>24,814</u>	<u>0</u>
Fund balance, June 30	<u>\$0</u>	<u>\$1,715</u>	<u>\$1,715</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Excellence in Education - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	293	293	0
Support services			
Instructional staff	7	7	0
Pupil transportation	526	526	0
Central	90	90	0
Total expenditures	<u>916</u>	<u>916</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>(916)</u>	<u>(916)</u>	<u>0</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>916</u>	<u>916</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Management Information - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$33,454	\$33,454	\$0
Total revenues	<u>33,454</u>	<u>33,454</u>	<u>0</u>
Expenditures:			
Current:			
Support services			
Business	33,454	33,454	0
Total expenditures	<u>33,454</u>	<u>33,454</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Public School Pre-School - Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$84,480	\$0	(\$84,480)
Total revenues	<u>84,480</u>	<u>0</u>	<u>(84,480)</u>
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>84,480</u>	<u>0</u>	<u>(84,480)</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u><u>\$84,480</u></u>	<u><u>\$0</u></u>	<u><u>(\$84,480)</u></u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Entry Year Grant - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$12,800	\$12,800	\$0
Total revenues	<u>12,800</u>	<u>12,800</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	17,523	17,523	0
Total expenditures	<u>17,523</u>	<u>17,523</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>(4,723)</u>	<u>(4,723)</u>	<u>0</u>
Other financing sources (uses):			
Advances (out)	(12,800)	(12,800)	0
Total other financing sources (uses)	<u>(12,800)</u>	<u>(12,800)</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(17,523)</u>	<u>(17,523)</u>	<u>0</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>17,523</u>	<u>17,523</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 SchoolNet OneNet - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$35,000	\$35,000	\$0
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	35,000	0	35,000
Total expenditures	<u>35,000</u>	<u>0</u>	<u>35,000</u>
Excess of revenues over (under) expenditures	<u>0</u>	<u>35,000</u>	<u>35,000</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u>\$0</u>	<u>\$35,000</u>	<u>\$35,000</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 SchoolNet Professional Development - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$5,142	\$5,142	\$0
Total revenues	<u>5,142</u>	<u>5,142</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	12,964	12,626	338
Support services			
Operation and maintenance	218	218	0
Total expenditures	<u>13,182</u>	<u>12,844</u>	<u>338</u>
Excess of revenues over (under) expenditures	<u>(8,040)</u>	<u>(7,702)</u>	<u>338</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>8,040</u>	<u>8,040</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$338</u></u>	<u><u>\$338</u></u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Ohio Reads - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$102,000	\$102,000	\$0
Total revenues	<u>102,000</u>	<u>102,000</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	102,000	102,000	0
Total expenditures	<u>102,000</u>	<u>102,000</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Summer Intervention - Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	27,607	27,607	0
Support services			
Instructional staff	5,207	5,207	0
Administration	597	597	0
Operation and maintenance	6,558	6,558	0
Total expenditures	<u>39,969</u>	<u>39,969</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>(39,969)</u>	<u>(39,969)</u>	<u>0</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>39,969</u>	<u>39,969</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 School Security - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$37,430	\$37,430	\$0
Total revenues	<u>37,430</u>	<u>37,430</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	7,000	7,000	0
Special	25,000	23,575	1,425
Support services			
Pupil	11,166	7,470	3,696
Total expenditures	<u>43,166</u>	<u>38,045</u>	<u>5,121</u>
Excess of revenues over (under) expenditures	<u>(5,736)</u>	<u>(615)</u>	<u>5,121</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>5,736</u>	<u>5,736</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$5,121</u></u>	<u><u>\$5,121</u></u>

FAIRFIELD 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 the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$43,644	\$42,860	(\$784)
Total revenues	<u>43,644</u>	<u>42,860</u>	<u>(784)</u>
Expenditures:			
Current:			
Instruction:			
Regular	17,993	9,123	8,870
Support services			
Instructional staff	30,881	21,472	9,409
Operation of non-instructional services	3,882	0	3,882
Total expenditures	<u>52,756</u>	<u>30,595</u>	<u>22,161</u>
Excess of revenues over (under) expenditures	<u>(9,112)</u>	<u>12,265</u>	<u>21,377</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>9,896</u>	<u>9,896</u>	<u>0</u>
Fund balance, June 30	<u>\$784</u>	<u>\$22,161</u>	<u>\$21,377</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title VI B Pre-School - Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$564,671	\$510,612	(\$54,059)
Total revenues	<u>564,671</u>	<u>510,612</u>	<u>(54,059)</u>
Expenditures:			
Current:			
Instruction:			
Special	180,679	144,666	36,013
Support services			
Pupil	242,653	191,039	51,614
Instructional staff	95,325	83,255	12,070
Administration	84,941	70,371	14,570
Operation of non-instructional services	18,017	15,689	2,328
Total expenditures	<u>621,615</u>	<u>505,020</u>	<u>116,595</u>
Excess of revenues over (under) expenditures	<u>(56,944)</u>	<u>5,592</u>	<u>62,536</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>56,944</u>	<u>56,944</u>	<u>0</u>
Fund balance, June 30	<u>\$0</u>	<u>\$62,536</u>	<u>\$62,536</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title I - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$388,197	\$324,880	(\$63,317)
Total revenues	<u>388,197</u>	<u>324,880</u>	<u>(63,317)</u>
Expenditures:			
Current:			
Instruction:			
Regular	404	404	0
Special	353,326	283,810	69,516
Support services			
Instructional staff	58,658	52,511	6,147
Total expenditures	<u>412,388</u>	<u>336,725</u>	<u>75,663</u>
Excess of revenues over (under) expenditures	<u>(24,191)</u>	<u>(11,845)</u>	<u>12,346</u>
Other financing sources (uses):			
Operating transfers in	22,442	22,442	0
Operating transfers (out)	(22,442)	(22,442)	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(24,191)</u>	<u>(11,845)</u>	<u>12,346</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>24,191</u>	<u>24,191</u>	<u>0</u>
Fund balance, June 30	<u>\$0</u>	<u>\$12,346</u>	<u>\$12,346</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title VI - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$60,613	\$54,011	(\$6,602)
Total revenues	<u>60,613</u>	<u>54,011</u>	<u>(6,602)</u>
Expenditures:			
Current:			
Instruction:			
Special	62,804	38,346	24,458
Support services			
Operation of non-instructional services	11,460	6,177	5,283
Total expenditures	<u>74,264</u>	<u>44,523</u>	<u>29,741</u>
Excess of revenues over (under) expenditures	<u>(13,651)</u>	<u>9,488</u>	<u>23,139</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>13,935</u>	<u>13,935</u>	<u>0</u>
Fund balance, June 30	<u><u>\$284</u></u>	<u><u>\$23,423</u></u>	<u><u>\$23,139</u></u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Emergency Immigrant Education - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$2,900	\$2,900	\$0
Total revenues	<u>2,900</u>	<u>2,900</u>	<u>0</u>
Expenditures:			
Current:			
Support services			
Instructional staff	2,900	0	2,900
Total expenditures	<u>2,900</u>	<u>0</u>	<u>2,900</u>
Excess of revenues over (under) expenditures	<u>0</u>	<u>2,900</u>	<u>2,900</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$2,900</u></u>	<u><u>\$2,900</u></u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Drug Free Schools - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$40,755	\$33,635	(\$7,120)
Total revenues	<u>40,755</u>	<u>33,635</u>	<u>(7,120)</u>
Expenditures:			
Current:			
Instruction:			
Regular	13,190	12,300	890
Support services			
Instructional staff	34,469	20,885	13,584
Operation of non-instructional services	6,753	1,411	5,342
Total expenditures	<u>54,412</u>	<u>34,596</u>	<u>19,816</u>
Excess of revenues over (under) expenditures	<u>(13,657)</u>	<u>(961)</u>	<u>12,696</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>13,657</u>	<u>13,657</u>	<u>0</u>
Fund balance, June 30	<u>\$0</u>	<u>\$12,696</u>	<u>\$12,696</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Pre-School Disabilities - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$17,015	\$17,015	\$0
Total revenues	<u>17,015</u>	<u>17,015</u>	<u>0</u>
Expenditures:			
Current:			
Support services			
Pupil	17,015	17,015	0
Total expenditures	<u>17,015</u>	<u>17,015</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Telecom Act Grant - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	\$44,766	\$44,766
Total revenues	<u>0</u>	<u>44,766</u>	<u>44,766</u>
Expenditures:			
Current:			
Support services			
Operation and maintenance	103,511	0	103,511
Total expenditures	<u>103,511</u>	<u>0</u>	<u>103,511</u>
Excess of revenues over (under) expenditures	<u>(103,511)</u>	<u>44,766</u>	<u>148,277</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>103,511</u>	<u>103,511</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$148,277</u></u>	<u><u>\$148,277</u></u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Ohio LPDC Action Research / Common Denominator - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$19,003	\$10,752	(\$8,251)
Total revenues	<u>19,003</u>	<u>10,752</u>	<u>(8,251)</u>
Expenditures:			
Current:			
Instruction:			
Regular	2,500	2,500	0
Special	16,503	12,570	3,933
Total expenditures	<u>19,003</u>	<u>15,070</u>	<u>3,933</u>
Excess of revenues over (under) expenditures	<u>0</u>	<u>(4,318)</u>	<u>(4,318)</u>
Other financing sources (uses):			
Advances in	0	4,318	4,318
Total other financing sources (uses)	<u>0</u>	<u>4,318</u>	<u>4,318</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Classroom Size Reduction - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$123,044	\$109,234	(\$13,810)
Total revenues	<u>123,044</u>	<u>109,234</u>	<u>(13,810)</u>
Expenditures:			
Current:			
Instruction:			
Regular	142,817	110,719	32,098
Total expenditures	<u>142,817</u>	<u>110,719</u>	<u>32,098</u>
Excess of revenues over (under) expenditures	<u>(19,773)</u>	<u>(1,485)</u>	<u>18,288</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>19,773</u>	<u>19,773</u>	<u>0</u>
Fund balance, June 30	<u>\$0</u>	<u>\$18,288</u>	<u>\$18,288</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Miscellaneous Federal - Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$252,356	\$252,356	\$0
Total revenues	<u>252,356</u>	<u>252,356</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	252,356	227,169	25,187
Total expenditures	<u>252,356</u>	<u>227,169</u>	<u>25,187</u>
Excess of revenues over (under) expenditures	<u>0</u>	<u>25,187</u>	<u>25,187</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$25,187</u></u>	<u><u>\$25,187</u></u>

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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.

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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. The following are descriptions of each Capital Projects Fund:

BUILDING: A fund provided to account for all transactions relating to the acquisition or construction of new District facilities.

PERMANENT IMPROVEMENT: To account for all transactions related to improvements to existing District facilities.

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

FAIRFIELD CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet

Capital Projects Funds

June 30, 2002

	Building	Permanent Improvement	SchoolNet	Totals
Assets:				
Equity in pooled cash and cash equivalents	\$14,006	\$55,016	\$0	\$69,022
Taxes receivable	0	811,995	0	811,995
Total assets	<u>14,006</u>	<u>867,011</u>	<u>0</u>	<u>881,017</u>
Liabilities:				
Accounts payable	0	35,421	0	35,421
Deferred revenue	0	777,009	0	777,009
Tax anticipation notes payable	0	750,000	0	750,000
Total liabilities	<u>0</u>	<u>1,562,430</u>	<u>0</u>	<u>1,562,430</u>
Fund balances:				
Reserved:				
Reserved for property taxes	0	33,846	0	33,846
Unreserved:				
Undesignated	14,006	(729,265)	0	(715,259)
Total fund equity	<u>14,006</u>	<u>(695,419)</u>	<u>0</u>	<u>(681,413)</u>
Total liabilities and fund equity	<u>\$14,006</u>	<u>\$867,011</u>	<u>\$0</u>	<u>\$881,017</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Capital Projects Funds
For The Fiscal Year Ended June 30, 2002

	Building	Permanent Improvement	SchoolNet	Totals
Revenues:				
Taxes	\$0	\$715,071	\$0	\$715,071
Intergovernmental	0	81,893	0	81,893
Total revenues	<u>0</u>	<u>796,964</u>	<u>0</u>	<u>796,964</u>
Expenditures:				
Current:				
Instruction:				
Regular	35,205	35,383	6,265	76,853
Support services:				
Fiscal	0	9,000	0	9,000
Capital outlay	0	331,938	0	331,938
Total expenditures	<u>35,205</u>	<u>376,321</u>	<u>6,265</u>	<u>417,791</u>
Excess of revenues over (under) expenditures	<u>(35,205)</u>	<u>420,643</u>	<u>(6,265)</u>	<u>379,173</u>
Other financing sources (uses):				
Operating transfers in	0	1,150,000	0	1,150,000
Operating transfers (out)	0	(1,307,500)	0	(1,307,500)
Total other financing sources (uses)	<u>0</u>	<u>(157,500)</u>	<u>0</u>	<u>(157,500)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(35,205)</u>	<u>263,143</u>	<u>(6,265)</u>	<u>221,673</u>
Fund balance (deficit), July 1	49,211	(958,562)	6,265	(903,086)
Fund balance (deficit), June 30	<u>\$14,006</u>	<u>(\$695,419)</u>	<u>\$0</u>	<u>(\$681,413)</u>

FAIRFIELD 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 the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	44,946	35,205	9,741
Capital outlay	4,254	0	4,254
Total expenditures	<u>49,200</u>	<u>35,205</u>	<u>13,995</u>
Excess of revenues over (under) expenditures	<u>(49,200)</u>	<u>(35,205)</u>	<u>13,995</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>49,211</u>	<u>49,211</u>	<u>0</u>
Fund balance, June 30	<u><u>\$11</u></u>	<u><u>\$14,006</u></u>	<u><u>\$13,995</u></u>

FAIRFIELD 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 the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$775,923	\$816,775	\$40,852
Intergovernmental	81,893	81,893	0
Total revenues	<u>857,816</u>	<u>898,668</u>	<u>40,852</u>
Expenditures:			
Current:			
Instruction:			
Regular	39,956	39,956	0
Support services			
Fiscal	9,000	9,000	0
Capital outlay	319,128	319,128	0
Total expenditures	<u>368,084</u>	<u>368,084</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>489,732</u>	<u>530,584</u>	<u>40,852</u>
Other financing sources (uses):			
Operating transfers (out)	(557,500)	(557,500)	0
Total other financing sources (uses)	<u>(557,500)</u>	<u>(557,500)</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(67,768)</u>	<u>(26,916)</u>	<u>40,852</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>81,935</u>	<u>81,935</u>	<u>0</u>
Fund balance, June 30	<u>\$14,167</u>	<u>\$55,019</u>	<u>\$40,852</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
SchoolNet - Capital Projects Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	7,029	7,029	0
Total expenditures	<u>7,029</u>	<u>7,029</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>(7,029)</u>	<u>(7,029)</u>	<u>0</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>7,029</u>	<u>7,029</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></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 provision of food services, including breakfast and lunch, for the District students and staff.

UNIFORM SCHOOL SUPPLY: To account for the purchase and sale of school supplies as adopted by the Board of Education for use in all schools of the District.

LATCHKEY: To account for all revenues and expenses related to the operation of the Latchkey Program for the District students.

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
Combining Balance Sheet
Enterprise Funds
June 30, 2002

	Food Service	Uniform School Supply	Latchkey	Total
Assets:				
Current Assets:				
Equity in pooled cash and cash equivalents	\$44,682	\$190,770	\$349,349	\$584,801
Receivables:				
Accounts	13,121	8,374	1,689	23,184
Intergovernmental	41,955	0	0	41,955
Inventory held for resale	40,774	0	0	40,774
Total current assets	140,532	199,144	351,038	690,714
Non-current assets:				
Fixed assets (net of accumulated depreciation)	119,853	0	0	119,853
Total assets	260,385	199,144	351,038	810,567
Liabilities				
Current liabilities:				
Accounts payable	156	14,159	16,741	31,056
Accrued wages	127,401	0	79,372	206,773
Compensated absences payable	91,309	0	28,162	119,471
Capital lease payable	745	0	0	745
Deferred revenue	21,149	0	0	21,149
Total current liabilities	240,760	14,159	124,275	379,194
Total liabilities	240,760	14,159	124,275	379,194
Retained earnings:				
Unreserved	(1,182,791)	184,985	226,763	(771,043)
Total retained earnings (deficit)	(1,182,791)	184,985	226,763	(771,043)
Contributed capital	1,202,416	0	0	1,202,416
Total liabilities and fund equity	\$260,385	\$199,144	\$351,038	\$810,567

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
Combining Statement of Revenues, Expenses
And Changes in Retained Earnings
Enterprise Funds
For The Fiscal Year Ended June 30, 2002

	Food Service	Uniform School Supply	Latchkey	Total
Operating revenues:				
Charges for services	\$1,836,748	\$267,423	\$742,757	\$2,846,928
Other revenue	0	0	1,689	1,689
Total revenues	<u>1,836,748</u>	<u>267,423</u>	<u>744,446</u>	<u>2,848,617</u>
Operating expenses:				
Salaries and wages	858,698	0	420,954	1,279,652
Fringe benefits	213,733	0	184,672	398,405
Purchased services	35,829	0	126,703	162,532
Materials and supplies	1,055,268	331,170	66,582	1,453,020
Depreciation	62,485	0	371	62,856
Other operating expenses	0	0	668	668
Total operating expenses	<u>2,226,013</u>	<u>331,170</u>	<u>799,950</u>	<u>3,357,133</u>
Operating loss	<u>(389,265)</u>	<u>(63,747)</u>	<u>(55,504)</u>	<u>(508,516)</u>
Non-operating revenues (expenses):				
Federal donated commodities	37,835	0	0	37,835
Operating grants	307,732	0	0	307,732
Interest revenue	643	0	0	643
Interest expense	(382)	0	0	(382)
Total non-operating revenues	<u>345,828</u>	<u>0</u>	<u>0</u>	<u>345,828</u>
Net income (loss)	<u>(43,437)</u>	<u>(63,747)</u>	<u>(55,504)</u>	<u>(162,688)</u>
Retained earnings (deficit), July 1	<u>(1,139,354)</u>	<u>248,732</u>	<u>282,267</u>	<u>(608,355)</u>
Retained earnings (deficit), June 30	<u>(\$1,182,791)</u>	<u>\$184,985</u>	<u>\$226,763</u>	<u>(\$771,043)</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
Combining Statement of Cash Flows
Enterprise Funds
For The Fiscal Year Ended June 30, 2002

	Food Service	Uniform School Supply	Latchkey	Totals
Cash flows from operating activities:				
Cash from charges for services	\$1,842,521	\$261,555	\$762,282	\$2,866,358
Cash payments to suppliers for goods and services	(1,063,088)	(322,917)	(191,353)	(1,577,358)
Cash payments to employees for services	(1,036,164)	0	(595,401)	(1,631,565)
Cash payments for other operating expenses	0	0	(668)	(668)
Net cash used for operating activities	(256,731)	(61,362)	(25,140)	(343,233)
Cash flows from noncapital financing activities:				
Operating grants received	299,836	0	0	299,836
Cash received from other funds	0	0	81,346	81,346
Cash payments to other funds	0	0	(81,346)	(81,346)
Net cash provided by noncapital financing activities	299,836	0	0	299,836
Cash flows from investing activities:				
Interest on investments	643	0	0	643
Net cash provided by investing activities	643	0	0	643
Net increase (decrease) in cash and cash equivalents	43,748	(61,362)	(25,140)	(42,754)
Cash and cash equivalents, July 1	934	252,132	374,489	627,555
Cash and cash equivalents, June 30	<u>44,682</u>	<u>190,770</u>	<u>349,349</u>	<u>584,801</u>
Reconciliation of operating income (loss) to net cash used for operating activities:				
Operating loss	(389,265)	(63,747)	(55,504)	(508,516)
Adjustments to reconcile operating loss to net cash used for operating activities:				
Depreciation	62,485	0	371	62,856
Donated commodities used	37,835	0	0	37,835
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	5,773	(5,868)	17,836	17,741
(Increase) decrease in inventory held for resale	(4,657)	0	0	(4,657)
Increase (decrease) in accounts payable	156	8,253	1,932	10,341
Increase (decrease) in accrued wages and benefits	58,572	0	(13,749)	44,823
Increase (decrease) in compensated absences	(22,305)	0	23,974	1,669
Increase (decrease) in deferred revenue	(789)	0	0	(789)
Increase (decrease) in capital lease payable	(4,536)	0	0	(4,536)
Total adjustments	132,534	2,385	30,364	165,283
Net cash used for operating activities	(\$256,731)	(\$61,362)	(\$25,140)	(\$343,233)
Non cash transactions - Enterprise Fund:				
Non cash donation of inventory held for resale - Food Service	\$37,835			

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, and Agency Funds. The following are descriptions of each of the District's Fiduciary Funds:

EXPENDABLE TRUST FUND

EXPENDABLE 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.

UNCLAIMED MONIES: To account for funds that belong to others as a result of outstanding checks over one year old.

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Combining Balance Sheet
 Fiduciary Fund Types
 June 30, 2002

	Agency Funds			Totals
	Expendable Trust	Student Activities	Unclaimed Monies	
Assets:				
Equity in pooled cash and cash equivalents	\$4,490	\$130,621	\$10,852	\$145,963
Receivables:				
Accounts	0	1,150	0	1,150
Total assets	<u>4,490</u>	<u>131,771</u>	<u>10,852</u>	<u>147,113</u>
Liabilities:				
Accounts payable	0	15,070	0	15,070
Due to others	0	0	8,099	8,099
Due to students	0	116,701	2,753	119,454
Total liabilities	<u>0</u>	<u>131,771</u>	<u>10,852</u>	<u>142,623</u>
Unreserved:				
Undesignated	4,490	0	0	4,490
Total fund equity	<u>4,490</u>	<u>0</u>	<u>0</u>	<u>4,490</u>
Total liabilities and fund equity	<u>\$4,490</u>	<u>\$131,771</u>	<u>\$10,852</u>	<u>\$147,113</u>

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
Combining Statement of Changes In Assets and Liabilities
Agency Funds
For The Fiscal Year Ended June 30, 2002

Student Activities				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in pooled cash and cash equivalents	\$114,836	\$210,861	\$195,076	\$130,621
Accounts receivable	1,069	1,150	1,069	1,150
Total assets	<u>115,905</u>	<u>212,011</u>	<u>196,145</u>	<u>131,771</u>
Liabilities:				
Due to students	115,905	212,011	196,145	131,771
Total liabilities	<u>\$115,905</u>	<u>\$212,011</u>	<u>\$196,145</u>	<u>\$131,771</u>
Unclaimed Monies				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in pooled cash and cash equivalents	\$10,677	\$175	\$0	\$10,852
Total assets	<u>10,677</u>	<u>175</u>	<u>0</u>	<u>10,852</u>
Liabilities				
Due to Others	10,677	0	0	10,677
Due to students	0	175	0	175
Total liabilities	<u>\$10,677</u>	<u>\$175</u>	<u>\$0</u>	<u>\$10,852</u>
Total Agency Funds				
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in pooled cash and cash equivalents	\$125,513	\$211,036	\$195,076	\$141,473
Accounts receivable	1,069	1,150	1,069	1,150
Total assets	<u>126,582</u>	<u>212,186</u>	<u>196,145</u>	<u>142,623</u>
Liabilities				
Due to Others	10,677	0	0	10,677
Due to students	115,905	212,186	196,145	131,946
Total liabilities	<u>\$126,582</u>	<u>\$212,186</u>	<u>\$196,145</u>	<u>\$142,623</u>

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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.

FAIRFIELD CITY SCHOOL DISTRICT, OHIO

Schedule of General Fixed Assets

By Source

June 30, 2002

General fixed assets:

Land	\$4,464,991
Buildings	64,914,893
Equipment	<u>17,278,748</u>

Total General Fixed Assets \$86,658,632

Investment in general fixed assets by source:

General Fund	\$6,439,846
Special Revenue Funds	449,555
Capital Projects Funds	<u>79,769,231</u>

Total General Fixed Assets \$86,658,632

FAIRFIELD CITY SCHOOL DISTRICT, OHIO

Schedule of General Fixed Assets

By Function and Type

June 30, 2002

Function	Land	Buildings	Equipment	Total
Instruction:				
Regular	\$0	\$1,081,371	\$8,246,636	\$9,328,007
Special	0	0	23,989	23,989
Total instruction	0	1,081,371	8,270,625	9,351,996
Support services:				
Pupil	0	0	227,753	227,753
Instructional staff	0	0	510,984	510,984
Administration	0	0	767,885	767,885
Fiscal	0	0	69,321	69,321
Business	0	0	222,539	222,539
Operations and maintenance	0	0	540,478	540,478
Pupil transportation	0	0	5,111,521	5,111,521
Central	0	0	10,509	10,509
Non-instructional	0	0	97,576	97,576
Total support services	0	0	7,558,566	7,558,566
Extracurricular activities	0	0	343,080	343,080
Capital Outlay	4,464,991	63,833,522	1,106,477	69,404,990
Total General Fixed Assets	\$4,464,991	\$64,914,893	\$17,278,748	\$86,658,632

FAIRFIELD CITY SCHOOL DISTRICT, OHIO

Schedule of Changes in General Fixed Assets

By Function

For the Fiscal Year Ended June 30, 2002

Function	Balance at July 1, 2001	Additions	Deductions	Balance at June 30, 2002
Instruction:				
Regular	\$9,197,005	\$180,252	\$49,250	\$9,328,007
Special	23,989	0	0	23,989
Total Instruction	<u>9,220,994</u>	<u>180,252</u>	<u>49,250</u>	<u>9,351,996</u>
Support services:				
Pupil	219,149	12,734	4,130	227,753
Instructional staff	477,114	61,560	27,690	510,984
Administration	770,550	9,315	11,980	767,885
Fiscal	65,844	3,477	0	69,321
Business	218,805	3,734	0	222,539
Operations and maintenance	462,051	83,727	5,300	540,478
Pupil transportation	5,111,521	0	0	5,111,521
Central	7,647	2,862	0	10,509
Non-instructional	53,745	45,331	1,500	97,576
Total Support services	<u>7,386,426</u>	<u>222,740</u>	<u>50,600</u>	<u>7,558,566</u>
Extracurricular activities	329,861	13,219	0	343,080
Capital Outlay	69,399,781	5,209	0	69,404,990
Total General Fixed Assets	<u><u>\$86,337,062</u></u>	<u><u>\$421,420</u></u>	<u><u>\$99,850</u></u>	<u><u>\$86,658,632</u></u>

STATISTICAL

SECTION

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TABLE 1

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 General Fund Revenues by Source
 Last Ten Fiscal Years

Fiscal Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Taxes	\$17,870,493	\$20,768,810	\$22,094,979	\$23,542,917	\$22,895,211	\$25,229,666	\$31,006,930	\$23,168,178	\$29,709,781	\$26,113,194
Intergovernmental	14,184,517	14,487,867	14,951,411	16,364,239	16,983,693	18,942,933	20,681,845	22,128,234	24,505,849	27,391,512
Investment Revenue	207,800	214,250	324,655	519,371	479,262	662,016	702,000	832,157	956,177	464,507
Tuition and Fees	48,925	48,417	116,082	71,359	137,403	58,257	470,788	556,470	634,581	330,711
Other Revenues	449,838	306,594	471,649	219,631	647,532	592,798	645,958	914,976	1,162,824	889,109
Total Revenues	\$32,761,573	\$35,825,938	\$37,958,776	\$40,717,517	\$41,143,101	\$45,485,670	\$53,507,521	\$47,600,015	\$56,969,212	\$55,189,033

Source: Fairfield City School District

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 General Fund Expenditures by Function
 Last Ten Fiscal Years

TABLE 2

Fiscal Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Instruction	\$21,191,744	\$21,492,151	\$21,839,774	\$23,041,650	\$25,346,258	\$24,849,129	\$25,987,542	\$29,300,058	\$32,246,734	\$33,912,841
Instructional Staff	1,023,901	891,109	718,280	732,289	929,303	2,757,639	2,842,175	2,725,177	3,117,836	3,401,400
Pupil	1,547,276	1,624,730	1,836,672	2,082,312	2,167,146	2,021,150	2,022,078	2,226,160	2,373,845	2,367,578
Board of Education	0	0	0	0	0	0	20,420	26,607	34,753	16,742
Administration	1,997,875	2,236,569	3,103,254	3,283,159	3,488,841	4,195,284	4,581,810	3,852,058	4,373,301	4,276,626
Business and Fiscal	915,111	1,032,262	1,225,512	881,229	1,136,256	866,706	1,039,629	1,138,690	1,235,698	1,329,854
Operations and Maintenance	3,171,271	3,626,775	3,640,465	4,016,899	3,842,578	5,011,132	5,271,078	5,711,425	6,236,374	6,113,978
Pupil Transportation	2,255,118	2,265,577	2,153,483	3,042,276	2,750,733	3,037,532	2,805,811	3,253,094	3,758,817	3,783,856
Central	0	0	0	0	0	0	40,956	151,210	129,012	152,437
Operation of Non-Instructional Services	174,296	44,260	61,788	263,539	98,951	75,678	0	0	0	0
Extracurricular Activities	418,267	493,239	557,794	634,167	681,623	914,973	972,824	1,038,782	1,136,225	1,174,693
Capital Outlay	0	0	0	0	0	0	114,123	163,202	0	0
Debt Service	1,881,626	1,794,692	1,841,335	1,564,912	427,994	798,728	114,431	143,580	0	0
Total Expenditures	\$34,576,485	\$35,501,364	\$36,978,357	\$39,542,432	\$40,869,683	\$44,527,951	\$45,812,877	\$49,730,043	\$54,642,595	\$56,530,005

Source: Fairfield City School District

TABLE 3

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Property Tax Levies and Collections - Real and Public Utility Property
 Last Ten Collection (Calendar) Years

Collection Year	Tax Levied	Current Tax Collections	Percent Collected	Delinquent Collection	Total Tax Collections	Percent of Total Collections to Levy	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Tax Levied
1992	\$18,133,540	\$17,783,448	98.07%	\$702,020	\$18,485,468	101.94%	\$965,137	5.32%
1993	21,562,471	20,792,198	96.43%	623,188	21,415,386	99.32%	817,448	3.79%
1994	22,037,399	21,819,746	99.01%	574,980	22,394,726	101.62%	697,877	3.17%
1995	25,232,746	24,855,685	98.51%	665,040	25,520,725	101.14%	409,898	1.62%
1996	26,744,006	26,138,134	97.73%	592,836	26,730,970	99.95%	250,239	0.94%
1997	26,779,589	25,463,240	95.08%	572,190	26,035,430	97.22%	894,092	3.34%
1998	26,906,274	26,602,692	98.87%	719,216	27,321,908	101.54%	478,455	1.78%
1999	29,675,294	29,465,697	99.29%	544,961	30,010,658	101.13%	143,091	0.48%
2000	31,344,392	30,090,084	96.00%	769,186	30,859,269	98.45%	1,690,358	5.39%
2001	31,800,460	30,919,285	97.23%	852,116	31,771,401	99.91%	1,194,767	3.76%

Source: Butler County Auditor

TABLE 4

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Collection Years

Collection Year	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
1993	\$577,411,180	\$1,649,746,229	\$57,146,063	\$228,584,252	\$44,646,920	\$55,808,650	\$679,204,163	\$1,934,139,131
1994	625,388,300	1,786,823,714	58,821,005	235,284,020	46,540,330	58,175,413	730,749,635	2,080,283,147
1995	631,001,580	1,802,861,657	62,701,334	250,805,336	48,214,110	60,267,638	741,917,024	2,113,934,631
1996	680,654,840	1,944,728,114	66,847,507	267,390,028	46,752,550	58,440,688	794,254,897	2,270,558,830
1997	737,481,630	2,107,090,371	83,814,921	335,259,684	46,487,160	58,108,950	867,783,711	2,500,459,005
1998	773,080,200	2,208,800,571	92,145,900	368,583,600	45,340,120	56,675,150	910,566,220	2,634,059,321
1999	797,087,180	2,277,391,943	88,645,232	354,680,928	46,049,910	52,329,477	931,782,322	2,684,402,348
2000	891,492,700	2,547,122,000	95,496,050	381,984,200	46,448,790	52,782,716	1,033,437,540	2,981,888,916
2001	934,248,580	2,669,281,657	87,858,027	351,432,108	43,228,880	49,123,727	1,065,335,487	3,069,837,492
2002	974,458,300	2,748,166,571	97,874,411	391,497,644	32,940,510	*	1,105,273,221	*

Source: Butler County Auditor

*Information unavailable

TABLE 5

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Property Tax Rates (Per \$1,000 of Assessed Valuation)
 Direct and Overlapping Governments
 Last Ten Collection (Calendar) Years

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Fairfield City School District	\$51	\$51	\$55	\$55	\$55	\$54	\$54	\$54	\$54	\$54
City of Fairfield	4	4	5	5	5	5	5	4	6	6
Fairfield Township	7	7	7	7	7	7	7	7	13	12
Butler County	7	7	7	7	8	8	8	8	8	9
Butler County JVS	2	2	2	2	2	2	2	2	2	2

Source: Butler County Auditor

TABLE 6

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Ratio of Net General Bonded Debt to Assessed Value
 And Net Bonded Debt Per Capita
 Last Ten Fiscal Years

Year	Population (1)	Total Assessed Value (2)	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value (%)
1993	52,571	\$679,204,163	\$5,630,000	\$1,841,086	\$3,788,914	0.56%
1994	52,930	730,749,635	5,240,000	1,635,675	3,604,325	0.49%
1995	53,841	741,917,024	49,240,000	1,021,194	48,218,806	6.50%
1996	55,456	794,254,897	49,398,000	1,567,866	47,830,134	6.02%
1997	57,120	867,783,711	51,333,814	2,422,896	48,910,918	5.64%
1998	58,837	910,566,220	49,139,814	1,510,470	47,629,344	5.23%
1999	60,602	931,782,322	48,247,814	1,474,909	46,772,905	5.02%
2000	60,300	1,033,437,540	47,325,814	1,513,167	45,812,647	4.43%
2001	60,300	1,065,335,487	46,280,655	2,807,077	43,473,578	4.08%
2002	58,849	1,105,273,221	44,255,655	1,898,083	42,357,572	3.83%

Source:

(1) U.S. Census Bureau

(2) Butler County Auditor, calendar year basis

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Computation of Legal Debt Margin
 June 30, 2002

TABLE 7

Assessed Valuation of District		<u>\$1,105,273,221</u>
<u>Overall Direct Debt Limitation</u>		
Direct debt limitation		
9% of assessed valuation		99,474,590
Amount available in Debt Service Fund		1,898,083
Gross indebtedness	44,255,655	
Less: Debt exempt from limitation	<u>0</u>	
Debt subject to 9% limitation		<u>(44,255,655)</u>
Legal debt margin within 9% limitation		<u>\$57,117,018</u>
<u>Unvoted Direct Debt Limitation</u>		
Unvoted debt limitation		
0.1% of assessed valuation		1,105,273
Amount available in Debt Service Fund related to unvoted debt		n/a
Gross indebtedness authorized by the Board	0	
Less: Debt exempt from limitation	<u>0</u>	
Debt subject to 0.1% limitation		<u>0</u>
Legal debt margin within 0.1% limitation		<u>\$1,105,273</u>

Source: Fairfield City School District

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Computation of Direct and Overlapping Debt
 June 30, 2002

TABLE 8

<u>Governmental Unit</u>	<u>Gross General Obligation</u>	<u>Percent Applicable to District (1)</u>	<u>Amount Applicable to District</u>
Direct:			
Fairfield City School District	<u>\$45,255,655</u>	100.00%	<u>\$45,255,655</u>
Overlapping:			
Butler County	\$77,792,500	17.97%	\$13,979,312
Fairfield City	11,995,000	98.54%	11,819,873
Fairfield Township	2,743,535	98.69%	2,707,595
Butler County Joint Vocational School	<u>5,095,000</u>	20.83%	<u>1,061,289</u>
Total overlapping:	<u>\$97,626,035</u>		<u>\$29,568,069</u>
Total direct and overlapping debt:	<u>\$142,881,690</u>		<u>\$74,823,724</u>

Source: Ohio Municipal Advisory Council

(1) Calculated by the Ohio Municipal Advisory Council

TABLE 9

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
Ratio of Annual Debt Service Expenditures
For General Bonded Debt to Total General Fund Expenditures
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures (%)</u>
1993	\$385,000	\$435,193	\$820,193	\$34,576,485	2.37%
1994	390,000	405,412	795,412	35,501,364	2.24%
1995	400,000	343,728	743,728	36,978,357	2.01%
1996	785,000	3,750,931	4,535,931	39,542,432	11.47%
1997	1,390,000	3,073,998	4,463,998	40,869,683	10.92%
1998	1,735,000	2,868,058	4,603,058	44,527,951	10.34%
1999	892,000	3,005,496	3,897,496	45,812,877	8.51%
2000	922,000	3,027,549	3,949,549	49,730,043	7.94%
2001	1,041,000	2,167,204	3,208,204	54,642,595	5.87%
2002	2,025,000	2,401,670	4,426,670	56,530,005	7.83%

Source: Fairfield City School District

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate City of Fairfield (3)</u>
1993	52,571	8,410	7.10%
1994	52,930	8,507	4.70%
1995	53,841	8,639	4.50%
1996	55,456	8,757	4.30%
1997	57,120	8,889	3.50%
1998	58,837	8,961	3.60%
1999	60,602	8,946	3.30%
2000	60,500	9,108	3.20%
2001	60,500	8,973	3.20%
2002	58,849	9,169	4.50%

- Sources:
- (1) U.S. Census Bureau
 - (2) Fairfield City School District
 - (3) Ohio Bureau of Employment Services, rates are for Butler County

<u>Calendar Year</u>	<u>Construction (1)</u>	<u>Bank Deposits (2)</u>	<u>Property Values (3)</u>
1992	\$15,320,500	\$904,381,000	\$570,336,510
1993	11,514,890	697,204,000	577,411,180
1994	11,774,580	713,488,000	625,388,300
1995	15,300,940	750,113,000	631,001,580
1996	22,657,610	806,926,000	680,654,840
1997	16,382,440	918,777,000	737,481,630
1998	32,090,570	825,082,000	773,080,200
1999	26,001,800	864,100,000	797,087,180
2000	40,572,000	1,152,810,000	934,248,580
2001	37,724,330	1,136,994,000	974,458,300

Sources:

- (1) Butler County Auditor
- (2) Total deposits of all commercial banks headquartered in Butler County - Federal Reserve Bank, Cleveland, Ohio
- (3) Butler County Auditor, calendar year basis, real property only

TABLE 12

FAIRFIELD CITY SCHOOL DISTRICT, OHIO
 Real and Tangible Personal Property
 Top Ten Principal Taxpayers
 June 30, 2002

Name of Taxpayer	Real Property	Personal Property	Total Assessed Valuation	% of Total Assessed Valuation
Cincinnati Gas & Electric	\$22,159,820	\$0	\$22,159,820	2.00%
CFC Investment Co.	14,397,280	0	14,397,280	1.30%
Cincinnati Bell Telephone Inc.	8,042,750	0	8,042,750	0.73%
Meijer Inc.	4,543,470	2,270,700	6,814,170	0.62%
Boymel Sam Trust	6,322,350	0	6,322,350	0.57%
Prudential Insurance Co.	5,386,230	0	5,386,230	0.49%
M. Bohlke Veneer Corp.	0	5,186,620	5,186,620	0.47%
Cincinnati - Oxford Assn.	4,767,360	0	4,767,360	0.43%
Ohio Casualty Insurance	4,547,440	0	4,547,440	0.41%
Teachers Retirement System	4,543,630	0	4,543,630	0.41%
	<u>\$74,710,330</u>	<u>\$7,457,320</u>	<u>\$82,167,650</u>	<u>7.43%</u>

Source: Butler County Auditor

Year of Incorporation: 1929
 Form of Government: Public School District
 Area of District: 38 Square miles

Number of Schools

Kindergarten	1
Elementary	5
Intermediate	1
Middle	1
Freshman	1
High	1
	<u>10</u>

Education of Certified Staff

<u>Fiscal Year</u>	<u>Bachelor</u>	<u>Masters and beyond</u>	<u>Average years Experience</u>
1993	62.11%	37.90%	12.4
1994	51.30%	48.70%	13.0
1995	51.70%	48.20%	13.2
1996	51.60%	48.40%	13.5
1997	54.60%	45.40%	13.6
1998	51.20%	48.80%	13.7
1999	54.70%	45.30%	14.0
2000	48.00%	52.00%	13.0
2001	45.00%	55.00%	13.0
2002	46.00%	54.00%	13.0

Source: Fairfield City School District



STATE OF OHIO
OFFICE OF THE AUDITOR

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FAIRFIELD CITY SCHOOL DISTRICT

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 9, 2003**