

**LEBANON CITY SCHOOL DISTRICT**

**Single Audit Reports**

**June 30, 2002**





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P. O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Board of Education  
Lebanon City School District

We have reviewed the Independent Auditor's Report of the Lebanon City School District, Warren County, prepared by Plattenburg & Associates, Inc. for the audit period July 1, 2001 through June 30, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

January 21, 2003

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

8260 NORTHCREEK DRIVE, SUITE 330 / CINCINNATI, OH 45236 • (513) 891-2722 • FAX (513) 891-2760  
2211 SOUTH DIXIE AVENUE / DAYTON, OH 45409 • (937) 294-1505 • FAX (937) 294-1507

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

October 18, 2002

Board of Education  
Lebanon City School District

We have audited the general purpose financial statements of the Lebanon City School District, (the District), as of and for the year ended June 30, 2002, and have issued our report thereon dated October 18, 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 non-compliance required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

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

Plattenburg & Associates, Inc.  
Certified Public Accountants

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

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

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

October 18, 2002

Board of Education  
Lebanon City School District

Compliance

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

We conducted our audit of compliance in accordance with 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 with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

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

### 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 October 18, 2002. Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the District taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by *OMB Circular A-133* and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

Plattenburg & Associates, Inc.  
Certified Public Accountants



**LEBANON CITY SCHOOL DISTRICT**

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

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
Passed Through Ohio Department of Education:						
Child Nutrition Cluster:						
National School Lunch Program	04-PU	10.555	\$193,020	\$0	\$194,643	\$0
Total U.S. Department of Agriculture - Child Nutrition Cluster			<u>193,020</u>	<u>0</u>	<u>194,643</u>	<u>0</u>
Food Distribution Program	03-PU	10.550	0	82,591	0	79,188
Total U.S. Department of Agriculture -Nutrition Cluster			<u>193,020</u>	<u>82,591</u>	<u>194,643</u>	<u>79,188</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Title VI - B Grant	6B-SF	84.027	135,548	0	249,666	0
Preschool Grant	PG-S1	84.173	5,498	0	0	0
Total Special Education Cluster			<u>141,046</u>	<u>0</u>	<u>249,666</u>	<u>0</u>
Raising the bar	*	84.318	0	0	24,750	0
Eisenhower Grant	MS-S1	84.281	17,357	0	18,297	0
Title I Grant	C1-S0	84.010	149,116	0	266,286	0
Title VI	C2-S1	84.298	7,053	0	22,047	0
Drug Free Schools Grant	DR-S1	84.186	14,507	0	19,918	0
Reading Excellence Act Grant	*	84.338	420,002	0	444,070	0
Title VI-R	*	84.340	63,125	0	77,420	0
Goals 2000	GS-S4	84.276	10,875	0	10,875	0
Assistive Tech. Infusion	*	84.352	2,204	0	2,204	0
Total Department of Education			<u>825,285</u>	<u>0</u>	<u>1,135,533</u>	<u>0</u>
Total Federal Assistance			<u>\$1,018,305</u>	<u>\$82,591</u>	<u>\$1,330,176</u>	<u>\$79,188</u>

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B -- FOOD DISTRIBUTION

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

\* Information unavailable

**LEBANON CITY SCHOOL DISTRICT  
JUNE 30, 2002**

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

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

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

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

None Noted

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

None Noted

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**LEBANON CITY SCHOOL DISTRICT  
JUNE 30, 2002**

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

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

**LEBANON CITY SCHOOL DISTRICT  
LEBANON, OHIO**



**LEBANON  
CITY  
SCHOOLS**

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

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**LEBANON CITY SCHOOL DISTRICT  
LEBANON, OHIO**

**LEBANON  
CITY  
SCHOOLS**

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

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**LEBANON CITY SCHOOL DISTRICT**

**LEBANON, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

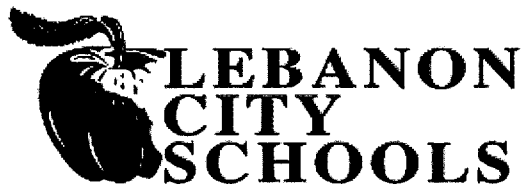
**FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

*Prepared by:*

*Mary Beth Kemmer, Treasurer*

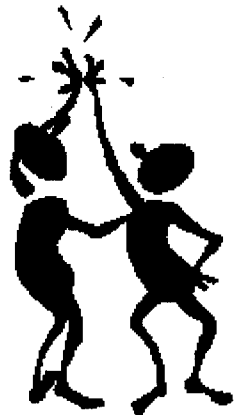
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# INTRODUCTORY SECTION



## *Lebanon's High Five*

1. **Quality Facilities for Quality Learning**
2. **State Report Card - 22 or Bust!**
3. **Success for All Students**
4. **Teacher's Learning Drives Student's Learning**
5. **Lebanon's Guarantee - All Children will Read!**



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LEBANON CITY SCHOOL DISTRICT, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2002

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LEBANON CITY SCHOOL DISTRICT, OHIO  
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LEBANON CITY SCHOOL DISTRICT, OHIO  
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LEBANON CITY SCHOOL DISTRICT, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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645 Oak Street • Lebanon, Ohio 45036-1634  
Phone (513) 932-9470 • Fax (513) 932-5906

October 18, 2002

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

We are pleased to present the tenth Comprehensive Annual Financial Report (CAFR) of the Lebanon City School District (District) for the fiscal year ended June 30, 2002. This report contains financial statements, supplemental statements, and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2001-2002 fiscal year.

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

This report has been divided into three sections:

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

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

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

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

## **DESCRIPTION OF THE DISTRICT**

The District serves an area of 81.9 square miles in the central part of Warren County, encompassing the City of Lebanon and portions of 3 other cities and 8 townships. Located approximately 35 miles northeast of the City of Cincinnati and 30 miles south of the City of Dayton, Lebanon is a desirable location for many families who work in either or both metropolitan areas.

During the 2001-2002 school year, the District served 4,509 students enrolled in 3 elementary schools, 1 intermediate school, 1 middle school, and 1 high school. This enrollment increased 13 students from the 2000-2001 school year. The preliminary enrollment for the 2002-2003 school year is 4,667, an increase of 158 students.

## **ORGANIZATION OF THE DISTRICT**

The Board of Education of the Lebanon City School District is a five-member body politic and corporate, as defined by Section 3313.02, Ohio Revised Code. The Board: (1) serves as the taxing authority, contracting body and policy maker; (2) ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars; and (3) approves the annual appropriation resolution.

The current Board members are:

<u>Board Member</u>	<u>Current Term</u>
Mrs. Katherine Poitinger	Jan. 1999 - Dec. 2003
Mr. Orville Robinson	Jan. 2001 - Dec. 2005
Mr. Paul Brewer	Jan. 2000 - Dec. 2003
Mr. Jackson Hedges	Jan. 2001 - Dec. 2005
Ms. Donna Davis-Norris	Jan. 2000 - Dec. 2003

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Mr. James W. Sears was appointed Superintendent effective August 12, 1999.

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. Mrs. Mary Beth Kemmer was appointed Treasurer effective January 16, 2000.

## **ECONOMIC CONDITION AND OUTLOOK**

The entire Lebanon City School District continued to experience growth during the 2001-2002 year. The primary township, Turtlecreek, continued to experience large residential construction growth. The outlook for Turtlecreek Township and the 7 other townships is very positive, as continued residential construction is expected with 8 residential subdivisions in various stages of development. In addition to the City of Lebanon, the townships are also actively pursuing companies to develop an industrial base in the community.

The economic condition and outlook for the City of Lebanon is very positive, as can be measured by the significant new construction experienced in the past decade. Evidence of this new construction is the increase in the number and value of building permits issued since 1991.

<u>Year</u>	<u>Residential Construction</u>		<u>Commercial Construction</u>	
	<u>Number of Permits</u>	<u>Value</u>	<u>Number of Permits</u>	<u>Value</u>
1991	136	\$6,022,968	45	\$3,054,711
1992	192	8,198,299	42	4,575,812
1993	228	10,892,924	32	2,374,595
1994	192	8,573,264	49	22,151,935
1995	284	17,677,894	82	11,362,500
1996	351	20,637,230	78	6,356,055
1997	291	19,110,569	80	13,093,658
1998	267	15,298,503	82	16,028,448
1999	321	20,556,607	89	22,130,622
2000	268	18,796,587	87	17,792,980
2001	329	24,378,196	106	11,813,007

As the table demonstrates, new construction in the City of Lebanon remained strong during 2001. During 2001, 329 new residential units were in various stages of development. Also, commercial development was strong with a Home Depot Store under construction and continued industrial park growth.

The Golden Lamb Inn the oldest hotel in Ohio continued to be the primary attraction in downtown Lebanon. The Inn, which dates back to 1803, has a guest list, which includes Mark Twain, Charles Dickens, and ten U.S. Presidents. The Apple Festival and Christmas Festival, featuring the candlelight horse parade, also are main attractions to Lebanon. All of this added to the growth of Lebanon as a destination for those seeking good food and entertainment in a rural atmosphere.

The Lebanon community is expected to continue to grow, as more people become aware of its many conveniences. The City of Lebanon addresses the growth by maintaining the uniqueness of the historical downtown while encouraging industrial and commercial development.

## **EMPLOYEE RELATIONS**

The Board employs 501 full-time equivalent (FTE) employees. Of the Board's current employees, 304 FTE are certificated by the Ohio Department of Education serving as classroom teachers, education specialists, and administrators, all of whom have at least a bachelor's degree and 84 of whom hold advanced degrees.

The starting salary for a teacher with a bachelor's degree for the 2001-2002 school year was \$28,365, and the maximum salary for a teacher with a master's degree and 30 years longevity was \$62,119. Certificated teachers and education specialists are represented by the Lebanon Education Association (LEA) which is a labor organization affiliated with the Ohio Education Association. The current labor agreement expires August 31, 2005.

The 173 FTE classified employees are represented by the Ohio Association of Public School Employees, Chapter 511 (OAPSE) which is a labor organization affiliated with the American Federation of State, County and Municipal Employees (AFSCME). The current labor agreement expires August 31, 2002.

## **MAJOR INITIATIVES FOR THE YEAR**

### Current Focus - Report Cards, Literacy

This spring, the state issued a 2001 School District Report Card grading each school district in Ohio according to 27 standards. Most of these standards are proficiency scores for grades four, six, and nine. According to the state standards, Lebanon ranks as a "continuous improvement" district accomplishing 22 of the 27 standards. The results reveal that Lebanon Schools improved from meeting 21 to meeting 22 of the 27 goals. The District is using its "high five" strategic vision as a basis for improving its score on the state report card.

Lebanon City Schools has been developing a standards-based curriculum over the past school year to align with National and State expectations of what students should know and be able to do in reading, writing, mathematics, social studies, and science for Kindergarten through Grade 12. These new curriculum standards will increase student learning and promote higher student achievement. Lebanon City Schools is implementing an electronic curriculum and district assessment system for the 2002-2003 school year. This new system will create a strong link between curriculum, instruction and assessment to improve student learning. The implementation process includes a revision of our current math, and language arts curriculums. Social studies and science will be aligned to the new Ohio grade level indicators and benchmarks.

In addition, new instructional materials have been purchased to support our new mathematics program. It focuses on students being problem solvers in an activity based math class.

During the past school year, teachers of mathematics are involved in a year long professional development program. Each month they discuss and learn ways to help their students become mathematical thinkers. The John Collins Writing Program is being adopted in grades K-12 as a writing management system. Teachers have attended professional development activities to help them learn and implement the five types of writing. An outside consultant is used to help in this initiative.

Lebanon City Schools is gearing up to help our students successfully pass the Ohio Graduation Test. Middle and high school teachers focus on how to ensure high level questioning and making connections for each of the content areas.

### Department Focus - North Central Accreditation

Lebanon City Schools have been selected to participate in a nationwide pilot program for the transitions model from the North Central Commission of Schools. As an accredited school this new transition model focuses on improving student achievement and academic programs aligned to real world context.

## **FINANCIAL INFORMATION**

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

### Internal Controls

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

### Federal and State Assistance

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

### Budgetary Controls

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

### 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 percentage of increases and decreases in relation to prior year revenues and expenditures.

#### **Revenues by Source**

	2002 Fiscal	2001 Fiscal	Percent of Total	Difference from 2001	Percent Change
Taxes	\$11,801,570	\$11,615,779	45.14%	\$185,791	1.60%
Intergovernmental	13,932,663	12,761,066	53.29%	1,171,597	9.18%
Investment	259,819	547,274	0.99%	(287,455)	(52.52%)
Tuition and Fees	52,154	64,976	0.20%	(12,822)	(19.73%)
Other Revenue	99,178	154,610	0.38%	(55,432)	(35.85%)
Total	\$26,145,384	\$25,143,705	100.00%	\$1,001,679	3.98%

The District had an overall 3.98% increase in revenues and a 9.18% increase in intergovernmental, which is largely attributed to the increase in the amount of grant monies that the district received during the fiscal year. The grant monies that the district received during the fiscal year primarily increased due to the increase in pupil funding by the State. The 52.52% decrease in investment reflects a decrease in the districts return on investments.

#### Expenditures by Function

	2002 Fiscal	2001 Fiscal	Percent of Total	Difference from 2001	Percent Change
<hr/>					
Instruction					
Regular	\$12,080,305	\$12,266,031	46.99%	(\$185,726)	(1.51%)
Special	1,890,996	1,547,577	7.36%	343,419	22.19%
Other Instruction	365,495	325,606	1.42%	39,889	12.25%
Support Services					
Pupils	1,479,254	1,396,493	5.75%	82,761	5.93%
Instructional	1,647,986	1,466,707	6.41%	181,279	12.36%
Board of Education	38,392	43,050	0.15%	(4,658)	(10.82%)
Administration	2,071,817	1,952,915	8.06%	118,902	6.09%
Fiscal	601,760	579,970	2.34%	21,790	3.76%
Business	158,938	147,448	0.62%	11,490	7.79%
Maintenance/Operations	2,009,294	1,871,676	7.82%	137,618	7.35%
Pupil Transportation	2,695,948	2,567,412	10.49%	128,536	5.01%
Central	163,473	126,674	0.64%	36,799	29.05%
Non-Instructional	2,433	2,044	0.00%	389	19.03%
Extracurricular Activities	491,277	466,024	1.91%	25,253	5.42%
Capital Outlay	10,550	231,009	0.04%	(220,459)	(95.43%)
<hr/>					
Total	\$25,707,918	\$24,990,636	100.00%	\$717,282	2.87%

The District had an overall 2.87% increase in expenditures due to the continuing student enrollment growth of the District and the spending of money to meet the additional needs. Special Instruction and Instructional Support Services 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, along with spending on textbook and instructional supplies. The teachers and classified staff also received increases in salary during the fiscal year, which largely attributed to the increase in expenditures. Capital outlay decreased during the year as a result of the completion of construction projects.

#### Special Revenue Funds

Special Revenue Funds account for funds that derive revenue primarily from grants and entitlements restricted by law to expenditures for specific purposes. The operating revenue for all Special Revenue Funds was \$1,589,139 during the 2002 fiscal year.

### Capital Projects Funds

Capital Projects Funds account for the purchase of equipment and the financing of major improvement projects. The Capital Projects Funds ended the 2002 fiscal year with a fund balance of \$43,266,733.

### Enterprise Funds

The District's three Enterprise Funds are the Food Service Fund, Uniform School Supplies Fund and the Community School Fund. These funds are similar in nature to profit-making activities found in the private sector and are managed accordingly. The District's Enterprise Funds operated in 2002 with \$1,108,584 in total revenues and recorded a net loss of \$30,329. The 2002 net loss decrease significantly as compared to the prior year. Any deficits are financed by the General Fund.

### Internal Service Funds

The District's two Internal Service Funds are the Employee Benefits Self-Insurance Fund and the Warren County Juvenile Detention Center Fund. In fiscal year 2002, these programs operated at a \$978,505 combined net loss. Of this amount, the funds contributed as follows, Employee Benefits Self-Insurance (\$896,362) and the Warren County Juvenile Detention Center (\$82,143). Employee Benefits Self-Insurance Fund net loss was largely due to operating expenses, claims and purchased services. Warren County Juvenile Detention Center Fund net loss was primarily due to operating expenses, purchased services.

### Debt Administration

The District has five debt issues outstanding at June 30, 2002.

The first issue is a \$1,440,000 general obligation bond issued for renovations made under the House Bill 264 program. The bonds were issued on May 15, 1995 at an interest rate of 5.25%. The amount of outstanding bonds at June 30, 2002 is \$665,000. This issue will be retired on December 1, 2005.

The second issue is a \$290,000 general obligation bond issued for school bus purchases. The bonds were issued on June 1, 1997 at an interest rate of 5.20%. The amount of outstanding bonds at June 30, 2002 is \$54,000. This issue will be retired on April 15, 2003.

The third issue is a \$10,000,000 short term bond anticipation note. The note was issued on June 21, 2002 at an interest rate of 1.77% and will be retired on August 13, 2002. The note will be paid out of the Capital Projects Fund.

The fourth and fifth issues are \$40,000,000 and \$5,000,000 general obligation bonds issued for construction of new high school and elementary school. The bonds were issued on December 1, 2001 and May 1, 2002 at an interest rate of 5.11% and 5.10%. The amount of outstanding bonds at June 30, 2002, is \$40,000,000 and \$5,000,000. These issues will be retired on December 1, 2029.

### Cash Management

The District operates a cash management program designed to provide safety, liquidity, and yield, in that order. Funds are invested in overnight savings accounts, certificates of deposit, in the Ohio State Treasurer's Investment Pool (Star Ohio), or in United States Government bills or notes. The amount of investment income in fiscal year 2002 for all District funds was \$1,555,982. A more detailed description of the District's investment functions is provided in Note 4 to the financial statements.

### Risk Management

The District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, property loss, and boiler and machinery coverage are purchased from insurance companies licensed to do business in the State of Ohio. The maximum deductible amount for these coverages is \$500 per loss incurred.

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The District joined a group rating program with other schools in southwestern Ohio in an effort to control these costs.

The District has elected to provide employee medical/surgical and dental benefits through a self-insurance program. A third-party administrator, Klais and company located in Akron, Ohio, reviews and pays all claims. Michael Insurance Planning serves as consultant to the District in selecting the third-party administrator and setting premium levels and coverage levels. The employees share the cost of the monthly premium with the Board, and the premium shared cost varies depending on the terms of the union contract.

## **OTHER INFORMATION**

### Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. Plattenburg and Associates, Inc. conducted the District's audit for fiscal year 2002. The Auditor's report on the District's general purpose financial statements, and combining and individual fund statements and schedules is included in the financial section of this report.

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) 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 reporting, and the award was the fifth for the District. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting a governmental unit must publish a Comprehensive Annual Financial Report, the contents of which are easily readable, efficiently organized, and conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The District believes our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

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 was the sixth for 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 extensive review of the report by an expert panel of certified public accountants and practicing school business officials. The District believes our current report conforms to the ASBO's principles and standards, and we are submitting it to ASBO to determine its eligibility for a certificate.

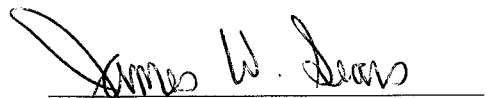


Acknowledgments

The preparation and publication of the 2002 Comprehensive Annual Financial Report of the Lebanon City School District was made possible by the combined efforts of the entire Treasurer's office staff. Sincere appreciation is extended to Mrs. Inga Fisher for her exceptional individual efforts in preparing this report. Finally, this report would not have been possible without the support, commitment, and leadership of the Board of Education to continue the pursuit of excellence in financial reporting.

Sincerely,

  
Mrs. Mary Beth Kemmer, Treasurer

  
Mr. James W. Sears, Superintendent

LEBANON CITY SCHOOL DISTRICT  
LIST OF PRINCIPAL OFFICIALS

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ELECTED OFFICIALS

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President, Board of Education	Ms. Donna Davis-Norris
Vice President, Board of Education	Mr. Paul Brewer
Board Member	Mr. Jack Hedges
Board Member	Ms. Katherine Poitinger
Board Member	Mr. Orville Robinson

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ADMINISTRATIVE OFFICIALS

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Superintendent	Mr. James W. Sears
Treasurer	Ms. Mary Beth Kemmer
Director of Secondary Curriculum, Instruction, Technology	Ms. Jennifer Moormeier
Director of Elementary Curriculum, Instruction, Professional Development	Ms. Becky Hill
Director of Business Operations	Mr. R. Stuart Long
Supervisor of Maintenance	Mr. Ronald Hurtt
Supervisor of Transportation	Mr. Doug Keiter
Director of Special Education	Mrs. Pamela Bullock

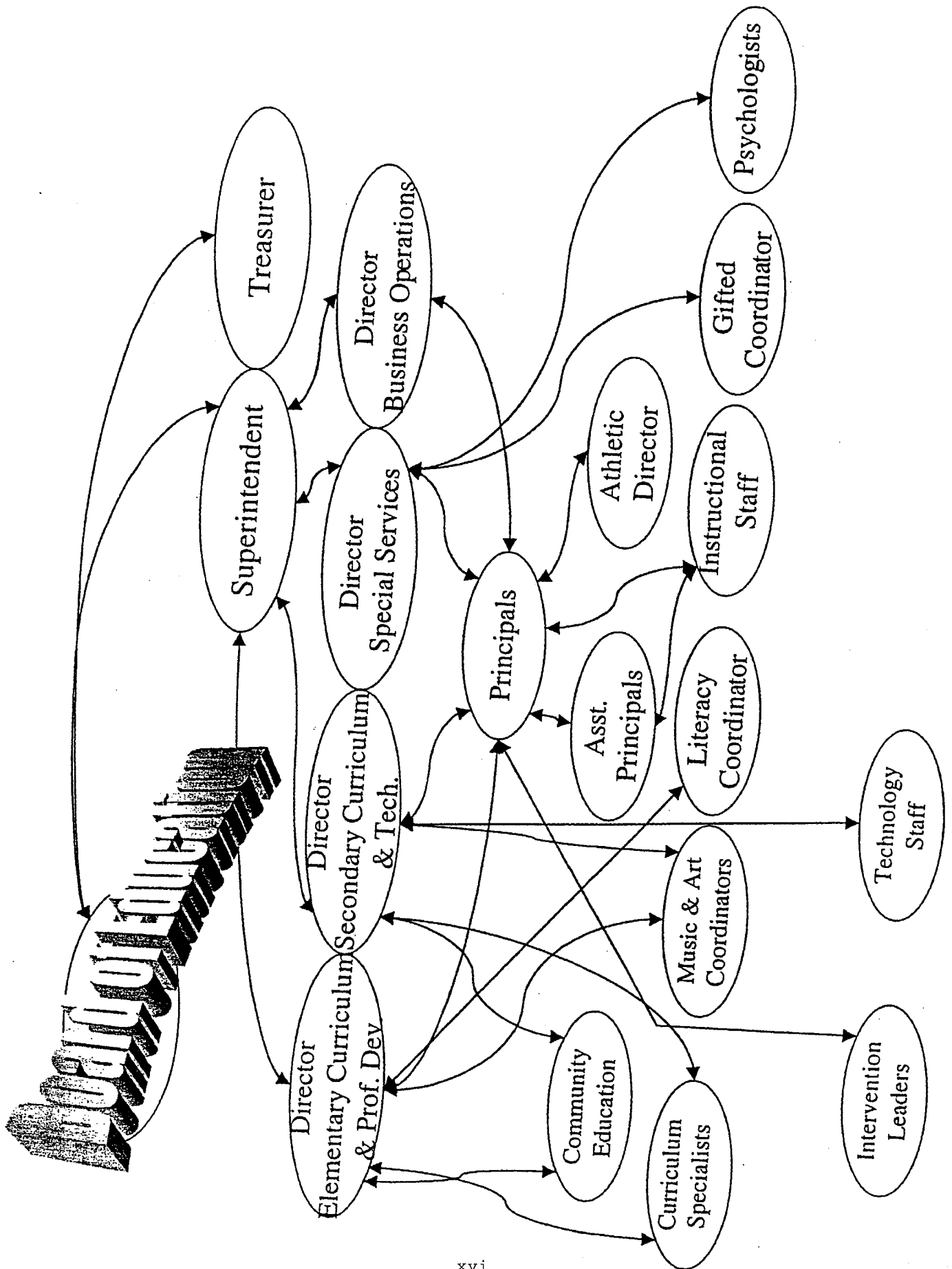
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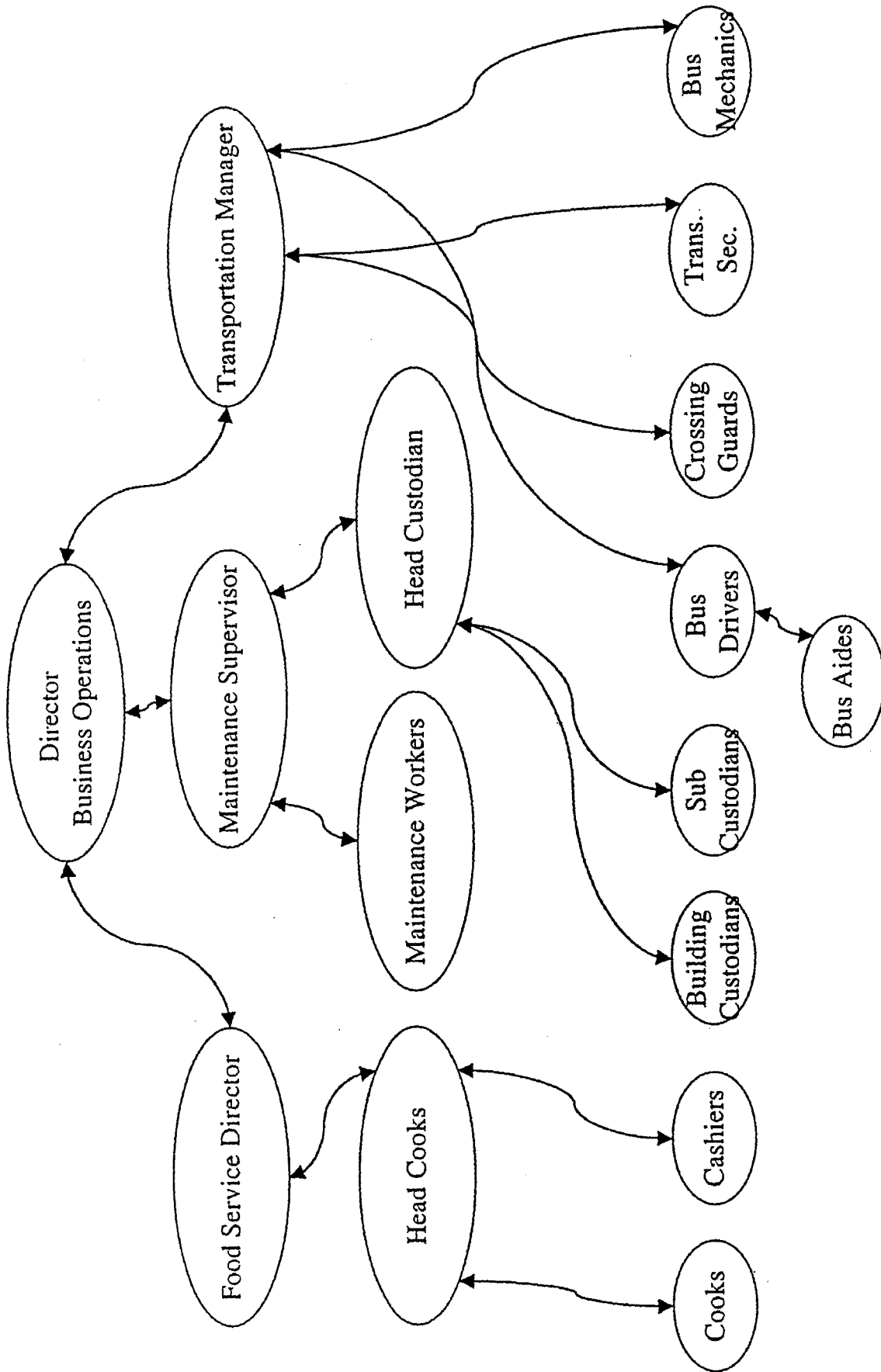
OFFICE OF THE TREASURER

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Treasurer	Ms. Mary Beth Kemmer
Assistant Treasurer	Ms. Inga Fisher
Payroll Specialist	Ms. Linda Sheppard
Payroll Assistant	Ms. Terri Lenos
Accounting Specialist	Ms. Kristy Garrison
Secretary/Accounting Specialist/EMIS Coordinator	Ms. Lori Kesner
Accounting Clerk	Ms. Jean Campbell

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**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**LEBANON 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

*David A. Kelly*  
Interim Executive Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lebanon 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.



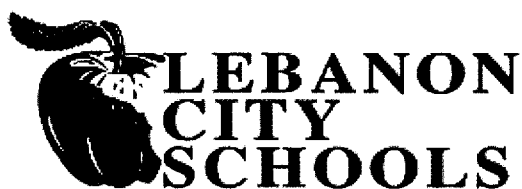
*Imelda Brewer*  
President

*Jeffrey L. Essler*  
Executive Director

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# FINANCIAL SECTION



## *Lebanon's High Five*

1. **Quality Facilities for Quality Learning**
2. **State Report Card - 22 or Bust!**
3. **Success for All Students**
4. **Teacher's Learning Drives Student's Learning**
5. **Lebanon's Guarantee - All Children will Read!**



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## Independent Auditors' Report

October 18, 2002

Board of Education  
Lebanon City School District  
Lebanon, Ohio

We have audited the accompanying general purpose financial statements of the Lebanon City School District (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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types and non-expendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards*, we have also issued a report dated October 18, 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 results of our audit.

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

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

A handwritten signature in cursive script that reads "Plattenburg & Associates, Inc." The signature is written in black ink and is positioned above the printed name of the firm.

Plattenburg & Associates, Inc.  
Certified Public Accountants

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

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The following general purpose financial statements, along with notes to general purpose financial statements, present an overview of the District's financial position at June 30, 2002 and the results of operations and cash flows of its proprietary fund for the year then ended.

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LEBANON CITY SCHOOL DISTRICT, OHIO  
 Combined Balance Sheet  
 All Fund Types and Account Groups  
 June 30, 2002

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS:</b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$6,433,871	\$302,271	\$328,105	\$53,465,050
Restricted equity in pooled cash	288,206	0	0	0
<b>Receivables:</b>				
Taxes	11,983,665	0	2,481,504	845,149
Accounts	9,427	19,799	0	0
Intergovernmental	1,200	314,294	0	0
Accrued interest	50,018	0	0	123,562
Interfund receivable	698,671	0	0	0
Inventory held for resale	0	0	0	0
Fixed assets (net, where applicable, of accumulated depreciation)	0	0	0	0
<b>Other debits:</b>				
Amount available in Debt Service Fund for retirement of general obligation bonds	0	0	0	0
Amount to be provided from general government resources	0	0	0	0
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>19,465,058</b>	<b>636,364</b>	<b>2,809,609</b>	<b>54,433,761</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS:</b>				
<b>Liabilities:</b>				
Accounts payable	102,429	25,776	0	25,217
Accrued interest payable	0	0	0	97,842
Accrued wages and benefits	2,348,221	146,527	0	0
Compensated absences payable	117,761	869	0	0
Interfund payable	0	182,384	0	0
Contracts payable	0	0	0	241,544
Retainage payable	0	0	0	4,304
Deferred revenue	10,948,580	16,950	2,366,286	798,121
Undistributed monies	0	0	0	0
Due to students	0	0	0	0
Capital leases payable	0	0	0	0
Notes payable	0	0	0	10,000,000
Claims payable	0	0	0	0
General obligations bonds payable	0	0	0	0
<b>Total liabilities</b>	<b>13,516,991</b>	<b>372,506</b>	<b>2,366,286</b>	<b>11,167,028</b>
<b>Fund Equity and other credits:</b>				
Contributed capital	0	0	0	0
Investment in general fixed assets	0	0	0	0
<b>Retained earnings:</b>				
Unreserved	0	0	0	0
<b>Fund balances:</b>				
<b>Reserved:</b>				
Reserved for property taxes	1,035,085	0	115,218	47,028
Reserved for endowments	0	0	0	0
Reserved for encumbrances	149,992	80,025	0	688,313
Reserved for set-aside	83,747	0	0	0
Reserved for school bus purchases	204,459	0	0	0
<b>Unreserved:</b>				
Undesignated	4,308,929	183,833	328,105	42,531,392
Designated	165,855	0	0	0
<b>Total fund equity (deficit) and other credits</b>	<b>5,948,067</b>	<b>263,858</b>	<b>443,323</b>	<b>43,266,733</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$19,465,058</b>	<b>\$636,364</b>	<b>\$2,809,609</b>	<b>\$54,433,761</b>

See accompanying notes

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS			Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations		
\$72,792	\$51,755	\$255,860	\$0	\$0	\$60,909,704	
0	0	0	0	0	288,206	
0	0	0	0	0	15,310,318	
0	585	30	0	0	29,841	
26,668	0	0	0	0	342,162	
0	0	0	0	0	173,580	
0	0	0	0	0	698,671	
23,896	0	0	0	0	23,896	
50,724	1,986	0	24,499,078	0	24,551,788	
0	0	0	0	443,323	443,323	
0	0	0	0	47,335,720	47,335,720	
<u>174,080</u>	<u>54,326</u>	<u>255,890</u>	<u>24,499,078</u>	<u>47,779,043</u>	<u>150,107,209</u>	
2,313	0	1,515	0	0	157,250	
0	0	0	0	0	97,842	
11,812	68	0	0	207,230	2,713,858	
18,281	0	0	0	1,708,802	1,845,713	
240,928	275,359	0	0	0	698,671	
0	0	0	0	0	241,544	
0	0	0	0	0	4,304	
10,967	0	0	0	0	14,140,904	
0	0	21,513	0	0	21,513	
0	0	68,313	0	0	68,313	
0	0	0	0	144,011	144,011	
0	0	0	0	0	10,000,000	
0	450,097	0	0	0	450,097	
0	0	0	0	45,719,000	45,719,000	
<u>284,301</u>	<u>725,524</u>	<u>91,341</u>	<u>0</u>	<u>47,779,043</u>	<u>76,303,020</u>	
29,439	0	0	0	0	29,439	
0	0	0	24,499,078	0	24,499,078	
(139,660)	(671,198)	0	0	0	(810,858)	
0	0	0	0	0	1,197,331	
0	0	9,312	0	0	9,312	
0	0	0	0	0	918,330	
0	0	0	0	0	83,747	
0	0	0	0	0	204,459	
0	0	155,237	0	0	47,507,496	
0	0	0	0	0	165,855	
<u>(110,221)</u>	<u>(671,198)</u>	<u>164,549</u>	<u>24,499,078</u>	<u>0</u>	<u>73,804,189</u>	
<u>\$174,080</u>	<u>\$54,326</u>	<u>\$255,890</u>	<u>\$24,499,078</u>	<u>\$47,779,043</u>	<u>\$150,107,209</u>	

LEBANON 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
<b>Revenues:</b>				
Taxes	\$11,801,570	\$0	\$1,317,771	\$783,352
Intergovernmental	13,932,663	1,132,249	143,636	185,624
Investment	259,819	533	0	1,284,593
Tuition and fees	52,154	901	0	0
Extracurricular activities	0	292,871	0	0
Other revenues	99,178	162,585	0	8,942
<b>Total revenues</b>	<b>26,145,384</b>	<b>1,589,139</b>	<b>1,461,407</b>	<b>2,262,511</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	12,080,305	496,507	0	64,236
Special	1,890,996	460,492	0	0
Vocational	0	4,451	0	0
Other	365,495	0	0	0
<b>Support services:</b>				
Pupil	1,479,254	108,613	0	0
Instructional staff	1,647,986	353,803	0	362,704
Board of education	38,392	0	0	0
Administration	2,071,817	58,924	4,803	1,953,193
Fiscal	601,760	0	17,941	56,010
Business	158,938	0	0	0
Operations and maintenance	2,009,294	0	0	294,833
Pupil transportation	2,695,948	4,011	0	0
Central	163,473	34,457	0	0
Operation of non-instructional services	2,433	176,973	0	0
Extracurricular activities	491,277	210,132	0	0
Capital outlay	10,550	0	0	1,647,719
<b>Debt Service:</b>				
Principal retirement	0	0	197,000	30,000
Interest and fiscal charges	0	0	1,039,730	440,188
<b>Total expenditures</b>	<b>25,707,918</b>	<b>1,908,363</b>	<b>1,259,474</b>	<b>4,848,883</b>
Excess of revenues over (under) expenditures	437,466	(319,224)	201,933	(2,586,372)
<b>Other financing sources (uses):</b>				
Proceeds of sale of fixed assets	11,987	0	0	0
Proceeds of bonds	0	0	0	45,000,000
Operating transfers in	0	0	241,390	12,000
Operating transfers (out)	(253,390)	0	0	0
<b>Total other financing sources (uses)</b>	<b>(241,403)</b>	<b>0</b>	<b>241,390</b>	<b>45,012,000</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	196,063	(319,224)	443,323	42,425,628
<b>Fund balance, (restated)</b>				
July 1	5,752,004	583,082	0	841,105
<b>Fund balance, June 30</b>	<b>\$5,948,067</b>	<b>\$263,858</b>	<b>\$443,323</b>	<b>\$43,266,733</b>

See accompanying notes



FIDUCIARY FUND TYPE	Totals (Memorandum Only)
Expendable Trust	
\$0	\$13,902,693
0	15,394,172
454	1,545,399
0	53,055
0	292,871
9,050	279,755
9,504	31,467,945
0	12,641,048
0	2,351,488
0	4,451
0	365,495
0	1,587,867
0	2,364,493
0	38,392
0	4,088,737
0	675,711
0	158,938
0	2,304,127
0	2,699,959
0	197,930
0	179,406
6,800	708,209
0	1,658,269
0	227,000
0	1,479,918
6,800	33,731,438
2,704	(2,263,493)
0	11,987
0	45,000,000
0	253,390
0	(253,390)
0	45,011,987
2,704	42,748,494
27,728	7,203,919
\$30,432	\$49,952,413

LEBANON 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)
<b>Revenues:</b>						
Taxes	\$12,000,655	\$12,000,655	\$0	\$0	\$0	\$0
Intergovernmental	13,931,463	13,931,463	0	1,077,499	1,077,499	0
Investment	209,742	209,742	0	534	534	0
Tuition & fees	52,154	52,154	0	776	776	0
Extracurricular activities	0	0	0	292,872	292,872	0
Other revenues	101,108	101,108	0	143,732	143,732	0
<b>Total revenues</b>	<b>26,295,122</b>	<b>26,295,122</b>	<b>0</b>	<b>1,515,413</b>	<b>1,515,413</b>	<b>0</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Regular	12,350,998	12,350,998	0	531,496	531,496	0
Special	1,941,558	1,941,558	0	467,269	467,269	0
Other	365,495	365,495	0	0	0	0
<b>Support services:</b>						
Pupil	1,424,374	1,424,374	0	104,477	104,477	0
Instructional staff	1,641,850	1,641,850	0	391,486	391,486	0
Board of Education	49,582	49,582	0	0	0	0
Administration	2,141,634	2,141,634	0	59,377	59,377	0
Fiscal	648,769	648,769	0	0	0	0
Business	158,165	158,165	0	0	0	0
Operation and maintenance	2,043,567	2,043,567	0	0	0	0
Pupil transportation	2,682,891	2,682,891	0	4,011	4,011	0
Central	173,870	173,870	0	34,175	34,175	0
Operation of non-instructional services	2,433	2,433	0	195,451	195,451	0
Extracurricular activities	495,968	495,968	0	248,692	248,692	0
Capital outlay	13,050	13,050	0	0	0	0
<b>Debt Service:</b>						
Principal retirement	0	0	0	0	0	0
Interest and fiscal charges	0	0	0	0	0	0
<b>Total expenditures</b>	<b>26,134,204</b>	<b>26,134,204</b>	<b>0</b>	<b>2,036,434</b>	<b>2,036,434</b>	<b>0</b>
Excess of revenues over (under) expenditures	160,918	160,918	0	(521,021)	(521,021)	0
<b>Other financing sources (uses):</b>						
Proceeds of sale of fixed assets	11,987	11,987	0	0	0	0
Proceeds of bonds	0	0	0	0	0	0
Proceeds of notes sold	0	0	0	0	0	0
Advances in	182,828	182,828	0	182,385	182,385	0
Advances (out)	(698,752)	(698,752)	0	(23,205)	(23,205)	0
Operating transfers in	0	0	0	20	20	0
Operating transfers (out)	(253,390)	(253,390)	0	(20)	(20)	0
<b>Total other financing sources (uses)</b>	<b>(757,327)</b>	<b>(757,327)</b>	<b>0</b>	<b>159,180</b>	<b>159,180</b>	<b>0</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(596,409)	(596,409)	0	(361,841)	(361,841)	0
<b>Fund balance,</b>						
July 1 (includes prior year encumbrances appropriated)	7,138,246	7,138,246	0	567,736	567,736	0
<b>Fund balance,</b>						
June 30	<b>\$6,541,837</b>	<b>\$6,541,837</b>	<b>\$0</b>	<b>\$205,895</b>	<b>\$205,895</b>	<b>\$0</b>

See accompanying notes

Debt Service			Capital Projects		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$1,202,553	\$1,202,553	\$0	\$830,647	\$830,647	\$0
143,636	143,636	0	181,302	181,302	0
0	0	0	860,911	860,911	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	8,942	8,942	0
<u>1,346,189</u>	<u>1,346,189</u>	<u>0</u>	<u>1,881,802</u>	<u>1,881,802</u>	<u>0</u>
0	0	0	71,337	71,337	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	658,022	658,022	0
0	0	0	0	0	0
4,803	4,803	0	2,324,231	2,324,231	0
17,941	17,941	0	56,010	56,010	0
0	0	0	0	0	0
0	0	0	338,380	338,380	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	1,765,308	1,765,308	0
197,000	197,000	0	40,030,000	40,030,000	0
1,039,730	1,039,730	0	342,346	342,346	0
<u>1,259,474</u>	<u>1,259,474</u>	<u>0</u>	<u>45,585,634</u>	<u>45,585,634</u>	<u>0</u>
<u>86,715</u>	<u>86,715</u>	<u>0</u>	<u>(43,703,832)</u>	<u>(43,703,832)</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	45,000,000	45,000,000	0
0	0	0	35,000,000	35,000,000	0
0	0	0	0	0	0
0	0	0	0	0	0
241,390	241,390	0	12,000	12,000	0
0	0	0	0	0	0
<u>241,390</u>	<u>241,390</u>	<u>0</u>	<u>80,012,000</u>	<u>80,012,000</u>	<u>0</u>
328,105	328,105	0	36,308,168	36,308,168	0
0	0	0	16,071,790	16,071,790	0
<u>\$328,105</u>	<u>\$328,105</u>	<u>\$0</u>	<u>\$52,379,958</u>	<u>\$52,379,958</u>	<u>\$0</u>

LEBANON CITY SCHOOL DISTRICT, OHIO  
 Combined Statement of Revenues, Expenses  
 And Changes in Retained Earnings/Fund Balance  
 All Proprietary Fund Types and Non-Expendable Trust Fund  
 For The Fiscal Year Ended June 30, 2002

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	Totals (Memorandum Only)
	Enterprise	Internal Service	Non-Expendable Trust	
<b>Operating revenues:</b>				
Tuition and fees	\$4,608	\$450	\$0	\$5,058
Sales	851,584	0	0	851,584
Charges for services	242,392	1,714,314	0	1,956,706
Investment	0	0	7,153	7,153
Other revenues	10,000	2,400	0	12,400
<b>Total revenues</b>	<b>1,108,584</b>	<b>1,717,164</b>	<b>7,153</b>	<b>2,832,901</b>
<b>Operating expenses:</b>				
Salaries and wages	352,493	961	0	353,454
Fringe benefits	146,803	7,233	0	154,036
Purchased services	606,306	435,820	0	1,042,126
Materials and supplies	337,168	594	0	337,762
Depreciation	5,106	293	0	5,399
Claims	0	2,254,198	0	2,254,198
Other operating expenses	0	0	10,950	10,950
<b>Total operating expenses</b>	<b>1,447,876</b>	<b>2,699,099</b>	<b>10,950</b>	<b>4,157,925</b>
<b>Operating income (loss)</b>	<b>(339,292)</b>	<b>(981,935)</b>	<b>(3,797)</b>	<b>(1,325,024)</b>
<b>Non-operating revenues:</b>				
Federal donated commodities	79,188	0	0	79,188
Operating grants	229,775	0	0	229,775
Investment	0	3,430	0	3,430
<b>Total non-operating revenues</b>	<b>308,963</b>	<b>3,430</b>	<b>0</b>	<b>312,393</b>
<b>Net income (loss)</b>	<b>(30,329)</b>	<b>(978,505)</b>	<b>(3,797)</b>	<b>(1,012,631)</b>
<b>Retained Earnings/Fund Balance (deficit), July 1</b>	<b>(109,331)</b>	<b>307,307</b>	<b>137,914</b>	<b>335,890</b>
<b>Retained Earnings/Fund Balance (deficit), June 30</b>	<b>(\$139,660)</b>	<b>(\$671,198)</b>	<b>\$134,117</b>	<b>(\$676,741)</b>

See accompanying notes

LEBANON CITY SCHOOL DISTRICT, OHIO  
 Combined Statement Of Cash Flows  
 All Proprietary Fund Types and Non-Expendable Trust Fund  
 For The Fiscal Year Ended June 30, 2002

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	Totals (Memorandum Only)
	Enterprise	Internal Service	Non-Expendable Trust	
Cash flows from operating activities:				
Cash received from tuition and fees	\$3,830	\$450	\$0	\$4,280
Cash received from sales	851,584	0	0	851,584
Cash received from charges for services	242,392	1,713,729	0	1,956,121
Cash received from other	10,000	2,400	0	12,400
Cash payments to suppliers for goods and services	(904,339)	(436,414)	0	(1,340,753)
Cash payments to employees for services	(537,144)	(31,997)	0	(569,141)
Cash payments for claims	0	(2,112,706)	0	(2,112,706)
Cash payments for other operating expenses	0	0	(10,950)	(10,950)
Net cash provided by (used for) operating activities	(333,677)	(864,538)	(10,950)	(1,209,165)
Cash flows from noncapital financing activities:				
Cash received from other funds	240,928	0	0	240,928
Cash payments to other funds	(159,622)	275,359	0	115,737
Operating grants received	203,885	0	0	203,885
Net cash provided by (used for) noncapital financing activities	285,191	275,359	0	560,550
Cash flows from capital and related financing activities				
Acquisition of capital assets	(1,627)	0	0	(1,627)
Net cash provided by (used for) capital and related financing activities	(1,627)	0	0	(1,627)
Cash flows from investing activities:				
Investment revenue received	0	3,430	7,153	10,583
Net cash provided by investing activities	0	3,430	7,153	10,583
Net increase (decrease) in cash and cash equivalents	(50,113)	(585,749)	(3,797)	(639,659)
Cash and cash equivalents, July 1	122,905	637,504	137,914	898,323
Cash and cash equivalents, June 30	72,792	51,755	134,117	258,664

Continued

LEBANON CITY SCHOOL DISTRICT, OHIO  
 Combined Statement Of Cash Flows  
 All Proprietary Fund Types and Non-Expendable Trust Fund  
 For The Fiscal Year Ended June 30, 2002

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	Totals (Memorandum Only)
	Enterprise	Internal Service	Non-Expendable Trust	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	<u>(339,292)</u>	<u>(981,935)</u>	<u>(3,797)</u>	<u>(1,325,024)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	5,106	293	0	5,399
Donated commodities used	79,188	0	0	79,188
Investment revenue	0	0	(7,153)	(7,153)
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(778)	(585)	0	(1,363)
(Increase) decrease in intergovernmental receivable	(8,637)	0	0	(8,637)
Increase (decrease) in accounts payable	(34,282)	(365)	0	(34,647)
Increase (decrease) in claims payable	0	141,492	0	141,492
Increase (decrease) in accrued wages and benefits	(20,710)	(23,438)	0	(44,148)
Increase (decrease) in compensated absences	(17,138)	0	0	(17,138)
Increase (decrease) in deferred revenue	<u>2,866</u>	<u>0</u>	<u>0</u>	<u>2,866</u>
Total adjustments	<u>5,615</u>	<u>117,397</u>	<u>(7,153)</u>	<u>115,859</u>
Net cash provided by (used for) operating activities	<u><u>(\$333,677)</u></u>	<u><u>(\$864,538)</u></u>	<u><u>(\$10,950)</u></u>	<u><u>(\$1,209,165)</u></u>
Reconciliation of Non-Expendable Trust Fund to balance sheet:				
Cash and cash equivalents - All Fiduciary Funds			\$255,860	
Cash and cash equivalents - Expendable Trust and Agency Funds			<u>(121,743)</u>	
Cash and cash equivalents - Non-Expendable Trust Fund			<u><u>\$134,117</u></u>	

See accompanying notes

**LEBANON CITY SCHOOL DISTRICT, OHIO**  
**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

**1. DESCRIPTION OF THE SCHOOL**

The Lebanon City School District (District) was originally chartered in 1851 by the Ohio State Legislature. In 1853, State Laws were enacted to create local Boards of Education. Today, the District operates under current standards prescribed by the Ohio State Board of Education as provided in Division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code.

The District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the District's six instructional facilities, staffed by 203.40 FTE classified personnel and 296.29 FTE certificated teaching and administrative personnel to provide services to students and other community members.

In terms of enrollment, the District is the 2nd largest in Warren County among 8 districts and 79th largest in the State of Ohio among 611 districts. It currently operates three elementary schools (K-3), one intermediate school (4-5), one middle school (6-8), and one high school (9-12).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform with generally accepted accounting principles (GAAP) for local governmental units prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

**A. The Reporting Entity**

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

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

The District is a participating member of the Southwestern Ohio Computer Association (SWOCA), a three-county consortium of school districts. SWOCA provides data processing services needed by participating school districts. The Butler County Joint Vocational School District serves as the fiscal agent.

The District is not involved in the budgeting or management of the Warren County Career Center. The school district is a separate body politic and corporate, established by the Ohio Revised Code.

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

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

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available resources.

For financial statement presentation purposes, the various funds of the District are grouped as follows:

### Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related current liabilities, except those accounted for in proprietary or fiduciary funds, are accounted for through governmental funds. The governmental fund category includes:

**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** are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes;

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

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



### Proprietary Funds

Proprietary funds are used to account for the District's ongoing activities, which are similar to those found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the District's business and quasi-business activities, where net income and capital maintenance are measured, are accounted for through proprietary funds.

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

**Internal Service Funds** account for the financing of services provided by one department or agency to another department or agency of the District or to other governmental units on a cost-reimbursement basis.

### 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 governments, or other funds.

**Expendable Trust Funds** account for resources, including both principal and earnings, which must be expended according to the provision of a trust agreement. Expendable trust funds are accounted for in essentially the same manner as governmental funds.

**Nonexpendable Trust Funds** account for trust principal, which may not be expended. Only interest earned on the principal may be used for trust operations. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds.

**Agency Funds** are purely custodial, thus do not involve measurement of results of operations.

### Account Groups

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

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

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

### C. Measurement Focus and 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

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

#### Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted

to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

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

Estimated Resources:

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

Appropriations:

Upon receipt from the County Auditor of an Amended Official Certificate of Estimated Resources based on the final assessed values and tax rates, or a certificate stating no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The Appropriation resolution, 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 at any level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures, which, appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, including the Debt Service Fund, consistent with statutory provisions.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the Non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year-end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

Lapsing of Appropriations:

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

### Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as noted disclosures in the proprietary fund types (GAAP Basis); and
4. For proprietary funds the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

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

#### **Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses Governmental Fund Types**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP Basis	\$196,063	(\$319,224)	\$443,323	\$42,425,628
Net Adjustment for Revenue Accruals	332,566	108,679	(115,218)	34,619,291
Net Adjustment for Expenditure Accruals	(944,858)	(54,921)	0	(39,951,782)
Encumbrances	<u>(180,180)</u>	<u>(96,375)</u>	<u>0</u>	<u>(784,969)</u>
Budget Basis	<u>(\$596,409)</u>	<u>(\$361,841)</u>	<u>\$328,105</u>	<u>\$36,308,168</u>

#### **E. Cash and Cash Equivalents**

Cash received by the District is pooled for investment purposes in one of three bank accounts with individual fund cash balance integrity maintained through the District's financial records. Monies for all funds are maintained in these accounts or temporarily used to purchase short-term investments. During the current fiscal year investments were limited to overnight accounts,

certificates of deposit, obligations of the U.S. Treasury, and STAR Ohio, the State Treasurer's Investment Pool. These investments are stated at fair value as determined by quoted market prices. Under existing Ohio statutes, all investment earnings accrue to the General Fund, except those specifically related to auxiliary services agency funds, certain trust funds, and those funds individually authorized by Board resolution. Investment income earned in the current fiscal year totaled \$1,555,982.

The District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the Combined Balance Sheet as "Cash and Cash Equivalents with Fiscal Agents" and represents deposits.

The District set aside funds in the General Fund to establish the Budget Stabilization Reserve required under the provisions of House Bill 412. This reserve is presented on the Combined Balance Sheet as "Restricted Cash and Cash Equivalents" and represents deposits.

For purposes of the Combined Statement of Cash Flows and for presentation on the Combined Balance Sheet, investments with a maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with a maturity greater than three months are considered investments of the fund.

#### F. Inventory

Inventories of proprietary funds are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis. Inventories of proprietary funds are expensed when used and consist of donated food, purchased food, and school supplies held for resale. Unused commodities at year-end are reported as deferred revenue since title does not pass to the school district until the commodities are used.

#### G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond fiscal year end are recorded as prepaid items.

#### H. Fixed Assets and Depreciation

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

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

Assets in the General Fixed Assets Account Group are not depreciated. Depreciation of furniture and equipment in the proprietary fund types is computed using the straight-line method over an estimated useful life ranging from 8-20 years.

I. Intergovernmental Revenues

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

J. 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; and
2. It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the General Long-Term Obligations Account Group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability. Salary-related payments are included, if material.

K. Long-Term Debt

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 financial 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.

L. Fund Balance Reserves

The District records reservations for portions of fund equity, which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity, which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, prepaids, property tax advances, and budgetary set-asides required by Ohio law. Reserves have also been established in the nonexpendable trust fund for contributions, which are not spendable resources.

M. Total Columns on General Purpose Financial Statements

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

N. Estimates

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

**3. ACCOUNTABILITY AND COMPLIANCE**

Fund Deficits and Deficits in Retained Earnings

Fund balances/Retained Earnings at fiscal year end, included the following individual fund/retained earnings deficits:

<u>Fund Type/Fund</u>	<u>Deficit</u>
Special Revenue Fund:	
Title I	\$17,694
Miscellaneous Federal Grants	16,405
Enterprise:	
Food Service	191,946
Community School	9,239
Internal Service:	
Employee Benefits Self-Insurance	724,852

**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:

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
2. Bonds, notes, debentures, or other obligations of securities issued by any federal governmental agency on the Export Import Bank of Washington.
3. Repurchase agreements in the securities enumerated above.
4. 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.
5. Bankers' acceptances of banks that are members of the federal deposit insurance corporation to which obligations meet specifications within Ohio Revised Code.
6. 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.
7. Bonds, and other obligations of the State of Ohio.
8. The Ohio State Treasurer's investment pool.

At year end the unobligated or carrying amount of the District's deposits was (\$835,807). The bank balance of deposits was \$219,809, of which \$200,000 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 institutions 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:

	<u>1</u>	<u>Category</u> <u>2</u>	<u>3</u>	Carrying Value/Fair Value
U.S. Agency	\$ 0	\$ 0	\$52,976,878	\$52,976,878
Repurchase Agreement	0	0	3,250,892	3,250,892



STAR Ohio <sup>(1)</sup>	0	0	0	212,003
Money Market <sup>(1)</sup>	0	0	0	159,426
U.S. Treasury Bonds	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,434,518</u>
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$56,227,770</u>	<u>\$62,033,717</u>

<sup>(1)</sup> The District's investments in the Ohio State Treasurer's pool and money market funds are not categorized because they are not evidenced by securities that exist in physical or book entry form.

During the year the District invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office, which allow 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 quoted share price at year-end.

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. 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	\$54,825,760
Real Estate	<u>493,609,590</u>
Total Assessed Property Value	<u>\$548,435,350</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 8<sup>th</sup>. If paid semi-annually, the first payment (at least ½ billed) was due February 8<sup>th</sup> with the remainder due on July 12<sup>th</sup>.

## 6. INTERFUND ACTIVITY

As of fiscal year-end, receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund Type/Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$698,671	\$ 0
Special Revenue Fund:		
Miscellaneous Local Grants	0	571
Athletic	0	286
Eisenhower	0	1,459
Title VI-B	0	84,984
Title I	0	79,820
Title VI	0	11,542
Drug Free Schools	0	1,911
Title VI-R	0	1,811
Enterprise Fund:		
Food Service	0	222,268
Uniform School Supplies	0	9,421
Community School	0	9,239
Internal Service:		
Employee Benefits Self-Insurance	<u>0</u>	<u>275,359</u>
Total	<u>\$698,671</u>	<u>\$698,671</u>

## 7. FIXED ASSETS

A summary of the Proprietary Funds' fixed assets at fiscal year end follows:

	<u>Enterprise</u>	<u>Internal Service</u>
Furniture and Equipment	\$ 171,732	\$ 2,936
Less accumulated depreciation	<u>(121,008)</u>	<u>(950)</u>
Net Fixed Assets	<u>\$ 50,724</u>	<u>\$ 1,986</u>

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land	\$ 1,170,636	\$ 1,521,681	\$ 0	\$ 2,692,317
Buildings	14,951,513	89,691	0	15,041,204
Furniture and Equipment	<u>6,218,352</u>	<u>770,909</u>	<u>(223,704)</u>	<u>6,765,557</u>
Totals	<u>\$22,340,501</u>	<u>\$2,382,281</u>	<u>(\$223,704)</u>	<u>\$24,499,078</u>

## 8. 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 general liability insurance with a \$2,000,000 single occurrence limit and a \$5,000,000 aggregate with a \$1,000 deductible.

Property is protected by Indiana Insurance and holds a \$500 deductible. The bus fleet and maintenance vehicles are insured by Indiana Insurance with a \$500 deductible and a \$1,000,000 limit per occurrence.

The Ohio Casualty Insurance Company maintains a \$10,000 position bond for the Board President and Superintendent. The Ohio Casualty Insurance Company maintains a \$50,000 position bond for the Director of Operations. The Ohio Casualty Insurance Company maintains a \$1,000,000 performance bond for the Treasurer and a \$25,000 position bond for the five other employees in the Treasurer's Office. The Ohio Casualty Insurance Company holds a \$10,000 blanket bond for all other employees.

There were no significant reductions in insurance coverage from coverage in the prior year.

Settlements have not exceeded insurance coverage in any of the last five fiscal years.

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The District provides life insurance and accidental death and dismemberment coverage to all employees. The life insurance is \$40,000 for certified and administrative staff and \$30,000 for non-certified staff. Medical Life, a division of Community Mutual, is the life insurance carrier for the District.

The District has elected to provide employee medical/surgical and dental benefits through a self-insurance program. The District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. This plan provides a medical/surgical plan with a \$100 single and \$200 family deductible and then 20% of the next \$2,000 is payable by the employee. A third party administrator, Klais and Company located in Akron, Ohio, reviews and pays all claims. The District purchases stop-loss coverage of \$50,000 per individual claim.

The District and employees pay into the Employee Benefits Self-Insurance Internal Service Fund \$671.78 for family coverage or \$271.63 for individual coverage per month, which represents the entire premium required. The premium is paid by the fund that pays the salary for the employee and is based on historical cost information.

In an effort to curb health care spending, a Preferred Provider Organization (PPO) medical plan was established. This provides a network of physicians and hospitals the employees may elect to utilize to reduce their out-of-pocket expenditures on health care. With this plan, the District and employees pay into the Employee Benefits Self-Insurance Internal Service Fund \$414.46 for family coverage or \$159.41 for individual coverage per month, which represents the entire premium required. Dental coverage is with Delta Dental. Premiums for this coverage are \$65.70 for family coverage or \$22.00 for individual coverage. The District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the plan document.

The liability for unpaid claims cost of \$450,097 reported in the Employee Benefits Self-Insurance Fund at fiscal year end, is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amount in 2001 and 2002 were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claim</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
Fiscal Year 2001	\$255,554	\$1,575,649	\$1,522,598	\$308,605
Fiscal Year 2002	308,605	2,254,148	2,112,656	450,097

## 9. DEFINED BENEFIT PENSION PLANS

### A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan 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. That 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 District is required to contribute 14%. 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 District's contributions to SERS during the years ended June 30, 2002, 2001, and 2000 were \$589,428, \$476,844, and \$386,394, respectively; 54% has been contributed for fiscal year 2002 and 100% for the fiscal year 2001 and 2000

### B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That 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% of their annual covered salary, and the District is required to contribute 14%. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's contributions to STRS during the years ended June 30, 2002, 2001, and 2000 were \$1,999,020, \$1,776,840, and \$1,714,632, respectively; 83% has been contributed for fiscal year 2002 and 100% for the fiscal year 2001 and 2000.

## **10. POSTEMPLOYMENT BENEFITS**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS) and to retired non-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% of covered payroll. The Retirement Board allocates employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund. The Health Care Reserve Allocation for the year ended June 30, 2002 will be 4.5% 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% of the premium.

For this fiscal year, employer contributions to fund health care benefits were 9.80% of covered payroll, an increase from 8.45% for fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, 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% 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% 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.

## **11. CAPITAL LEASE**

The lease for NCS-Pearson "ABACUS & MCAD" software meets the criteria of a capital lease as defined by statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease generally as one that transfers benefits and risks of ownership to the lessee at conclusion of the lease term. Capital lease payments will be paid out of the Capital Projects Fund. A corresponding liability was recorded in the General Long-Term Obligation Account Group.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the net minimum lease payments at fiscal year end:

Fiscal Year Ending <u>June 30</u>	Long-Term <u>Debt</u>
2003	\$ 54,355
2004	54,355
2005	<u>54,355</u>
Total Minimum Lease Payments	\$163,065
Less: Amount Representing Interest	<u>(19,054)</u>
Present Value of Minimum Lease Payments	<u>\$144,011</u>

## 12. LONG-TERM DEBT

Long-term obligations activity of the District at fiscal year end was as follows:

	<u>Beginning Principal Outstanding</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Principal Outstanding</u>
General Obligation Bonds:				
Construction of New H.S. & Elem./ Addition 2002, 5.11%	\$ 0	\$40,000,000	\$ 0	\$40,000,000
Construction of New Buildings Addition 2002, 5.10%	0	5,000,000	0	5,000,000
House Bill 264 Renovation 1995, 5.25%	810,000	0	145,000	665,000
School Bus Acquisition Bonds 1998, 5.20%	106,000	0	52,000	54,000
Capital Leases	174,011	0	30,000	144,011
Pension Obligations	192,566	14,664	0	207,230
Compensated Absences	<u>1,562,566</u>	<u>146,236</u>	<u>0</u>	<u>1,708,802</u>
Total General Long-Term Obligations	<u>\$2,845,143</u>	<u>\$45,160,900</u>	<u>\$227,000</u>	<u>\$47,779,043</u>

General obligation bonds will be paid from the Debt Service Fund. Compensated absences will be paid from the fund from which the person is paid. The Capital lease will be paid from the Capital Projects fund.

Principal and interest requirements to retire general obligation bonds outstanding at fiscal year-end was as follows:

Fiscal Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 209,000	\$ 2,158,549	\$ 2,367,549
2004	1,145,000	2,232,326	3,377,326
2005	1,445,000	2,188,494	3,633,494
2006	1,625,000	2,129,506	3,754,506
2007 & Thereafter	<u>41,295,000</u>	<u>31,562,663</u>	<u>72,857,663</u>
Total	<u>\$45,719,000</u>	<u>\$40,271,538</u>	<u>\$85,990,538</u>

### 13. NOTES PAYABLE

Notes payable activity for the District at fiscal year-end was as follows:

	<u>Maturity Date</u>	<u>Balance Beginning of year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Notes Payable 3.03%	03/05/02	\$15,000,000	\$ 0	\$15,000,000	\$ 0
Notes Payable 1.77%	08/13/02	0	10,000,000	0	10,000,000
Notes Payable 2.77%	03/05/02	<u>0</u>	<u>25,000,000</u>	<u>25,000,000</u>	<u>0</u>
		<u>\$15,000,000</u>	<u>\$35,000,000</u>	<u>\$40,000,000</u>	<u>\$10,000,000</u>

The note is shown as a liability of the fund that received the note proceeds. Accordingly, all note debt activity has been reported in the Capital Projects Fund.

### 14. CONTRIBUTED CAPITAL

Changes to the Enterprise Fund's contributed capital for the fiscal year are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Furniture and Equipment	\$29,439	\$ 0	\$ 0	\$29,439

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 proprietary funds.

### 15. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains three Enterprise Funds to account for the operations of food service, uniform school supplies and community school. The table below reflects in a summarized format the more significant financial data relating to the Enterprise Funds of the District at fiscal year-end.

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Community School</u>	<u>Total Enterprise Funds</u>
Operating Revenues	\$861,584	\$243,170	\$3,830	\$1,108,584
Operating Expenses Before Depreciation	1,168,146	262,946	11,678	1,442,770
Depreciation	5,106	0	0	5,106
Operating Income (Loss)	(311,668)	(19,776)	(7,848)	(339,292)
Donated Commodities	79,188	0	0	79,188
Operating Grants	229,775	0	0	229,775
Net Income (Loss)	(2,705)	(19,776)	(7,848)	(30,329)
Net Working Capital	(213,231)	61,525	(9,239)	(160,945)
Total Assets	100,962	73,118	0	174,080
Total Liabilities	263,469	11,593	9,239	284,301
Total Fund Equity (Deficit)	(162,507)	61,525	(9,239)	(110,221)

## 16. JOINTLY-GOVERNED ORGANIZATIONS

### 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. Financial information can be obtained from Michael Crumley, Director, 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

### Warren County Career Center

The Warren 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 each participating school district's elected board, which possesses its own budgeting and taxing authority. Accordingly, the Warren County Career Center is not part of the District, and its operations are not included as part of the reporting entity. The District does not provide any funding to the Warren County Career Center. Financial information can be obtained from Evelyn Sellman, Treasurer, 3525 North State Route 48, Lebanon, Ohio 45036.



## 17. CONTINGENCIES

### Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at fiscal year end.

## 18. STATE SCHOOL FUNDING DECISION

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

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

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

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November, 2001, the court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

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.

## 19. STATUTORY RESERVES

The District is required by state law to set aside general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2002, the reserve activity (cash-basis) was as follows:

	<u>Textbook Reserve</u>	<u>Capital Maintenance Reserve</u>	<u>Budget Stabilization Reserve</u>	<u>Total</u>
Balance, 7/1/01	\$ 0	\$ 0	\$336,290	\$ 336,290
Required Set-Aside	534,652	534,652	0	1,069,304
Qualifying Expenditures	(534,652)	(534,652)	0	(1,069,304)
Offset Credits	0	0	0	0
Reduction Authorized by Legislation Restrictions	<u>0</u>	<u>0</u>	<u>(252,543)</u>	<u>(252,543)</u>
Balance, 6/30/02	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 83,747</u>	<u>\$ 83,747</u>

Qualifying expenditures for textbook activity during the year were \$708,667, which exceeded the required set-aside reserve. Qualifying expenditures for capital activity were \$1,405,154, which exceeded the required set-aside reserve.

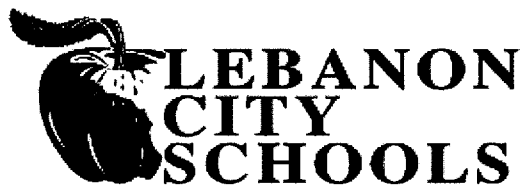
Am. Sub. Senate Bill 345 amended ORC Section 5705.29 effectively eliminating the requirement for the District to establish and maintain a budget stabilization reserve. By resolution, the Board can eliminate the reserve in accordance with the Act. As of June 30, 2002, the Board had not acted on the Senate Bill requirements to eliminate the reserve balance. The non-BWC (Bureau of Workers' Compensation) portion of monies designated for set-aside totaling \$165,855 in the General Fund. The District is still required by State law to maintain the textbook reserve and the capital acquisition reserve.

## 20. PRIOR PERIOD ADJUSTMENT

The beginning fund balance of the General and Special Revenue funds have been adjusted for corrections detailed as follows:

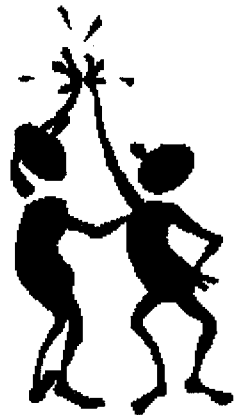
	<u>General Fund</u>	<u>Special Revenue Fund</u>
Balance previously stated, June 30, 2001	\$5,758,004	\$577,082
Prior period adjustment	<u>(6,000)</u>	<u>6,000</u>
As restated, July 1, 2001	<u>\$5,752,004</u>	<u>\$583,082</u>

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



## *Lebanon's High Five*

1. **Quality Facilities for Quality Learning**
2. **State Report Card - 22 or Bust!**
3. **Success for All Students**
4. **Teacher's Learning Drives Student's Learning**
5. **Lebanon's Guarantee - All Children will Read!**



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## **GENERAL FUND**

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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

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

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Public School Support:

To account for specific local revenue source, other than taxes, generated by individual school buildings. Expenditures include field trips, materials, equipment, and other items to supplement co-curricular and extracurricular programs.

Miscellaneous Local Grants:

To account for the proceeds of specific revenue sources, except for State and Federal grants, that are legally restricted to expenditures for specified purposes.

Venture Capital:

To account for the state monies, which support the school improvement program and to enhance faculty knowledge and experiences.

Athletic:

To account for revenues from athletic events and all costs (except supplemental coaching contracts) of the District's athletic program.

Auxiliary Services:

To account for state funds provided for services and materials to pupils attending non-public schools within the District.

Phonics Demonstration:

To account for state funds provided to train teachers to understand the structure of the sound/symbol system of the English language and to apply this system to classroom instruction.

Professional Development:

To account for state funds provided for continuing education for teachers through seminar training and conferences.

Management Information Systems:

To account for expenditures made in conjunction with the implementation of a system to gather student, staff and financial information to comply with Senate Bill 140.

OECN Network Connectivity:

To account for state funds related to the District's OECN Network Connectivity program.

SchoolNet Professional Development:

To account for state funds to provide regional technology training by SchoolNet and as community learning centers.

Textbooks/Instructional Materials Subsidy:

To account for state funds to provide instruction to students in the following subject areas: reading, writing, mathematics, science and citizenship.

Ohio Reads Grant:

To account for state funds, which are designated reading.

Summer Intervention Subsidy:

To account for state funds related to the District's Summer Intervention program.

Extended Learning Opportunity:

To account for state funds related to the District's Extended Learning program.

Miscellaneous State Grants:

To account for state funds that are legally restricted to expenditures for specified purposes.

Eisenhower:

To account for federal funds used to expand the awareness of elementary grade teachers in the areas of science and math education through in-service training

Title VI-B:

To account for federal funds used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least-restrictive alternate service patterns, and provision of full educational opportunities to handicapped children at preschool, elementary and secondary levels.

Title I:

To account for federal funds whose purpose is to provide financial assistance to enable state and local education agencies to meet the special needs of educationally-deprived children.

Title VI:

To account for federal funds, which support the implementation and improvement of a variety of programs, such as computer education, library supplies and materials, training, and staff development.

Public School Pre-School:

To account for funds used to assist in paying the cost of preschool programs for three- and four-year olds.



Drug Free Schools:

To account for federal funds used to implement programs to educate and encourage students to live their lives free of drug dependency.

Telecomm FCC E-Rate:

To account for federal funds paid directly to the Districts telecommunications provider. Although the District does not receive these funds directly, they are reimbursed to the district through invoice credits or check reimbursements.

Title VI-R:

To account for funds that are related to the District's Title VI-R program.

Miscellaneous Federal Grants:

To account for funds that are legally restricted to expenditures for specified purposes.

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

	Public School Support	Miscellaneous Local Grants	Venture Capital	Athletic
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$100,528	\$26,203	\$331	\$51,463
Receivables:				
Accounts	18,968	0	0	306
Intergovernmental	0	0	0	0
<b>Total assets</b>	<u>119,496</u>	<u>26,203</u>	<u>331</u>	<u>51,769</u>
<b>Liabilities:</b>				
Accounts payable	11,175	0	331	3,171
Accrued wages and benefits	0	0	0	84
Compensated absences	0	0	0	0
Interfund payable	0	571	0	286
Deferred revenue	0	0	0	0
<b>Total liabilities</b>	<u>11,175</u>	<u>571</u>	<u>331</u>	<u>3,541</u>
<b>Fund balances:</b>				
Reserved:				
Reserved for encumbrances	7,110	8,976	0	28,532
Unreserved:				
Undesignated	101,211	16,656	0	19,696
<b>Total fund equity (deficit)</b>	<u>108,321</u>	<u>25,632</u>	<u>0</u>	<u>48,228</u>
<b>Total liabilities and fund equity</b>	<u>\$119,496</u>	<u>\$26,203</u>	<u>\$331</u>	<u>\$51,769</u>

<u>Auxiliary Services</u>	<u>Phonics Demonstration</u>	<u>Professional Development</u>	<u>Management Information Systems</u>	<u>OECN Network Connectivity</u>	<u>SchoolNet Professional Development</u>	<u>Textbook/ Instructional Materials Subsidy</u>
\$20,506	\$71	\$0	\$4,933	\$21,000	\$170	\$1,488
0	0	0	0	0	0	0
0	0	0	0	0	3,450	0
<u>20,506</u>	<u>71</u>	<u>0</u>	<u>4,933</u>	<u>21,000</u>	<u>3,620</u>	<u>1,488</u>
328	0	0	0	0	0	0
13,331	0	0	296	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>13,659</u>	<u>0</u>	<u>0</u>	<u>296</u>	<u>0</u>	<u>0</u>	<u>0</u>
3,862	0	0	0	0	0	0
2,985	71	0	4,637	21,000	3,620	1,488
<u>6,847</u>	<u>71</u>	<u>0</u>	<u>4,637</u>	<u>21,000</u>	<u>3,620</u>	<u>1,488</u>
<u>\$20,506</u>	<u>\$71</u>	<u>\$0</u>	<u>\$4,933</u>	<u>\$21,000</u>	<u>\$3,620</u>	<u>\$1,488</u>

Continued

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

	Ohio Reads Grant	Summer Intervention Subsidy	Extended Learning Opportunity	Miscellaneous State Grants
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$1,999	\$14,583	\$5,076	\$3,977
<b>Receivables:</b>				
Accounts	525	0	0	0
Intergovernmental	4,750	0	0	0
<b>Total assets</b>	<u>7,274</u>	<u>14,583</u>	<u>5,076</u>	<u>3,977</u>
<b>Liabilities:</b>				
Accounts payable	0	0	0	2,980
Accrued wages and benefits	243	157	0	0
Compensated absences	0	0	0	0
Interfund payable	0	0	0	0
Deferred revenue	0	0	0	0
<b>Total liabilities</b>	<u>243</u>	<u>157</u>	<u>0</u>	<u>2,980</u>
<b>Fund balances:</b>				
<b>Reserved:</b>				
Reserved for encumbrances	0	200	4,415	0
<b>Unreserved:</b>				
Undesignated	7,031	14,226	661	997
<b>Total fund equity (deficit)</b>	<u>7,031</u>	<u>14,426</u>	<u>5,076</u>	<u>997</u>
<b>Total liabilities and fund equity</b>	<u>\$7,274</u>	<u>\$14,583</u>	<u>\$5,076</u>	<u>\$3,977</u>

<u>Eisenhower</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Public School Pre-School</u>	<u>Drug Free Schools</u>	<u>Telecomm FCC E-Rate</u>
\$11,546	\$4,518	\$849	\$1,713	\$5,498	\$199	\$1,142
0	0	0	0	0	0	0
3,704	126,843	116,325	17,268	0	13,620	0
<u>15,250</u>	<u>131,361</u>	<u>117,174</u>	<u>18,981</u>	<u>5,498</u>	<u>13,819</u>	<u>1,142</u>
0	100	0	515	5,498	0	0
0	40,172	47,598	0	0	0	0
0	869	0	0	0	0	0
1,459	84,984	79,820	11,542	0	1,911	0
317	1,441	7,450	0	0	6,073	0
<u>1,776</u>	<u>127,566</u>	<u>134,868</u>	<u>12,057</u>	<u>5,498</u>	<u>7,984</u>	<u>0</u>
160	4,383	381	656	0	0	0
13,314	(588)	(18,075)	6,268	0	5,835	1,142
<u>13,474</u>	<u>3,795</u>	<u>(17,694)</u>	<u>6,924</u>	<u>0</u>	<u>5,835</u>	<u>1,142</u>
<u>\$15,250</u>	<u>\$131,361</u>	<u>\$117,174</u>	<u>\$18,981</u>	<u>\$5,498</u>	<u>\$13,819</u>	<u>\$1,142</u>

Continued

LEBANON CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet

All Special Revenue Funds

June 30, 2002

	Title VI-R	Miscellaneous Federal Grants	Totals
<b>Assets:</b>			
Equity in pooled cash and cash equivalents	\$3,799	\$20,679	\$302,271
<b>Receivables:</b>			
Accounts	0	0	19,799
Intergovernmental	28,334	0	314,294
<b>Total assets</b>	<u>32,133</u>	<u>20,679</u>	<u>636,364</u>
<b>Liabilities:</b>			
Accounts payable	486	1,192	25,776
Accrued wages and benefits	8,754	35,892	146,527
Compensated absences	0	0	869
Interfund payable	1,811	0	182,384
Deferred revenue	1,669	0	16,950
<b>Total liabilities</b>	<u>12,720</u>	<u>37,084</u>	<u>372,506</u>
<b>Fund balances:</b>			
<b>Reserved:</b>			
Reserved for encumbrances	3,800	17,550	80,025
<b>Unreserved:</b>			
Undesignated	15,613	(33,955)	183,833
<b>Total fund equity (deficit)</b>	<u>19,413</u>	<u>(16,405)</u>	<u>263,858</u>
<b>Total liabilities and fund equity</b>	<u>\$32,133</u>	<u>\$20,679</u>	<u>\$636,364</u>

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

	Public School Support	Miscellaneous Local Grants	Venture Capital	Athletic
<b>Revenues:</b>				
Intergovernmental	\$0	\$21,000	\$0	\$0
Investment	0	0	0	0
Tuition and fees	901	0	0	0
Extracurricular activities	103,441	0	0	189,430
Other revenues	99,836	56,715	0	6,034
<b>Total revenues</b>	<b>204,178</b>	<b>77,715</b>	<b>0</b>	<b>195,464</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	138,673	25,202	18,047	0
Special	0	0	0	0
Vocational	0	0	0	0
<b>Support services:</b>				
Pupil	373	1,575	0	0
Instructional staff	34,210	32,601	960	0
Administration	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	15,157	4,577	0	190,398
<b>Total expenditures</b>	<b>188,413</b>	<b>63,955</b>	<b>19,007</b>	<b>190,398</b>
Excess of revenues over (under) expenditures	15,765	13,760	(19,007)	5,066
Fund balance (deficit), (restated) July 1	92,556	11,872	19,007	43,162
Fund balance (deficit), June 30	<b>\$108,321</b>	<b>\$25,632</b>	<b>\$0</b>	<b>\$48,228</b>



<u>Auxiliary Services</u>	<u>Phonics Demonstration</u>	<u>Professional Development</u>	<u>Management Information Systems</u>	<u>OECN Network Connectivity</u>	<u>SchoolNet Professional Development</u>	<u>Textbook/ Instructional Materials Subsidy</u>
\$140,211	\$0	\$0	\$16,540	\$21,000	\$7,592	\$0
533	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
<u>140,744</u>	<u>0</u>	<u>0</u>	<u>16,540</u>	<u>21,000</u>	<u>7,592</u>	<u>0</u>
0	0	0	0	0	447	4,348
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	15,234	0	0	8,626	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	11,904	18,000	4,553	0
170,490	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>170,490</u>	<u>0</u>	<u>15,234</u>	<u>11,904</u>	<u>18,000</u>	<u>13,626</u>	<u>4,348</u>
<u>(29,746)</u>	<u>0</u>	<u>(15,234)</u>	<u>4,636</u>	<u>3,000</u>	<u>(6,034)</u>	<u>(4,348)</u>
36,593	71	15,234	1	18,000	9,654	5,836
<u>\$6,847</u>	<u>\$71</u>	<u>\$0</u>	<u>\$4,637</u>	<u>\$21,000</u>	<u>\$3,620</u>	<u>\$1,488</u>

Continued

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

	Ohio Reads Grant	Summer Intervention Subsidy	Extended Learning Opportunity	Miscellaneous State Grants
<b>Revenues:</b>				
Intergovernmental	\$15,500	\$0	\$0	\$12,078
Investment	0	0	0	0
Tuition and fees	0	0	0	0
Extracurricular activities	0	0	0	0
Other revenues	0	0	0	0
<b>Total revenues</b>	<b>15,500</b>	<b>0</b>	<b>0</b>	<b>12,078</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	8,334	157	0	266
Special	0	0	0	0
Vocational	0	0	0	0
Support services:				
Pupil	0	0	0	0
Instructional staff	3,719	6,372	21,239	440
Administration	0	0	0	11,025
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
<b>Total expenditures</b>	<b>12,053</b>	<b>6,529</b>	<b>21,239</b>	<b>11,731</b>
Excess of revenues over (under) expenditures	3,447	(6,529)	(21,239)	347
Fund balance (deficit), (restated) July 1	3,584	20,955	26,315	650
Fund balance (deficit), June 30	<b>\$7,031</b>	<b>\$14,426</b>	<b>\$5,076</b>	<b>\$997</b>

<u>Eisenhower</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Public School Pre-School</u>	<u>Drug Free Schools</u>	<u>Telecomm FCC E-Rate</u>
\$20,744	\$265,085	\$257,991	\$24,321	\$5,498	\$14,826	\$18,102
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
<u>20,744</u>	<u>265,085</u>	<u>257,991</u>	<u>24,321</u>	<u>5,498</u>	<u>14,826</u>	<u>18,102</u>
1,737	6,955	0	0	0	5,503	0
0	114,963	266,217	0	0	5,555	0
0	0	0	0	0	0	0
0	52,777	0	1,906	5,498	8,846	0
16,561	39,358	0	18,700	0	0	26,829
0	44,446	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	3,465	2,928	90	0	0	0
0	0	0	0	0	0	0
<u>18,298</u>	<u>261,964</u>	<u>269,145</u>	<u>20,696</u>	<u>5,498</u>	<u>19,904</u>	<u>26,829</u>
<u>2,446</u>	<u>3,121</u>	<u>(11,154)</u>	<u>3,625</u>	<u>0</u>	<u>(5,078)</u>	<u>(8,727)</u>
11,028	674	(6,540)	3,299	0	10,913	9,869
<u>\$13,474</u>	<u>\$3,795</u>	<u>(\$17,694)</u>	<u>\$6,924</u>	<u>\$0</u>	<u>\$5,835</u>	<u>\$1,142</u>

Continued

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

	Title VI-R	Miscellaneous Federal Grants	Totals
<b>Revenues:</b>			
Intergovernmental	\$87,105	\$204,656	\$1,132,249
Investment	0	0	533
Tuition and fees	0	0	901
Extracurricular activities	0	0	292,871
Other revenues	0	0	162,585
<b>Total revenues</b>	<b>87,105</b>	<b>204,656</b>	<b>1,589,139</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	0	286,838	496,507
Special	63,241	10,516	460,492
Vocational	4,451	0	4,451
<b>Support services:</b>			
Pupil	0	37,638	108,613
Instructional staff	0	128,954	353,803
Administration	0	3,453	58,924
Pupil transportation	0	4,011	4,011
Central	0	0	34,457
Operation of non-instructional services	0	0	176,973
Extracurricular activities	0	0	210,132
<b>Total expenditures</b>	<b>67,692</b>	<b>471,410</b>	<b>1,908,363</b>
<b>Excess of revenues over (under) expenditures</b>	<b>19,413</b>	<b>(266,754)</b>	<b>(319,224)</b>
<b>Fund balance (deficit), (restated) July 1</b>	<b>0</b>	<b>250,349</b>	<b>583,082</b>
<b>Fund balance (deficit), June 30</b>	<b>\$19,413</b>	<b>(\$16,405)</b>	<b>\$263,858</b>

LEBANON 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

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Tuition & fees	\$776	\$776	\$0
Extracurricular activities	103,442	103,442	0
Other revenues	81,289	81,289	0
<b>Total revenues</b>	<b>185,507</b>	<b>185,507</b>	<b>0</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	152,393	152,393	0
<b>Support services:</b>			
Pupil	373	373	0
Instructional staff	33,857	33,857	0
Extracurricular activities	17,427	17,427	0
<b>Total expenditures</b>	<b>204,050</b>	<b>204,050</b>	<b>0</b>
Excess of revenues over (under) expenditures	(18,543)	(18,543)	0
<b>Other financing sources (uses):</b>			
Advances (out)	(40)	(40)	0
Operating transfers in	20	20	0
Operating transfers (out)	(20)	(20)	0
<b>Total other financing sources (uses)</b>	<b>(40)</b>	<b>(40)</b>	<b>0</b>
Excess of revenues and other financing sources over (under) expenditures	(18,583)	(18,583)	0
<b>Fund balance,</b>			
July 1 (includes prior year encumbrances appropriated)	102,681	102,681	0
<b>Fund balance,</b> June 30	<b>\$84,098</b>	<b>\$84,098</b>	<b>\$0</b>

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

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$21,000	\$21,000	\$0
Other revenues	56,715	56,715	0
Total revenues	<u>77,715</u>	<u>77,715</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	26,395	26,395	0
Support services:			
Pupil	1,575	1,575	0
Instructional staff	56,496	56,496	0
Extracurricular activities	5,084	5,084	0
Total expenditures	<u>89,550</u>	<u>89,550</u>	<u>0</u>
Excess of revenues over (under) expenditures	(11,835)	(11,835)	0
Operating financing sources (uses):			
Advances in	571	571	0
Total other financing sources (uses)	<u>571</u>	<u>571</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures	(11,264)	(11,264)	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>26,635</u>	<u>26,635</u>	<u>0</u>
Fund balance, June 30	<u>\$15,371</u>	<u>\$15,371</u>	<u>\$0</u>

**LEBANON CITY SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Venture Capital - Special Revenue Fund  
 For the Fiscal Year Ended June 30, 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	20,101	20,101	0
Support services:			
Instructional staff	960	960	0
Total expenditures	<u>21,061</u>	<u>21,061</u>	<u>0</u>
Excess of revenues over (under) expenditures	(21,061)	(21,061)	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>21,392</u>	<u>21,392</u>	<u>0</u>
Fund balance, June 30	<u><u>\$331</u></u>	<u><u>\$331</u></u>	<u><u>\$0</u></u>

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

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Extracurricular activities	\$189,430	\$189,430	\$0
Other revenues	5,728	5,728	0
Total revenues	<u>195,158</u>	<u>195,158</u>	<u>0</u>
Expenditures:			
Current			
Support services:			
Extracurricular activities	226,180	226,180	0
Total expenditures	<u>226,180</u>	<u>226,180</u>	<u>0</u>
Excess of revenues over (under) expenditures	(31,022)	(31,022)	0
Other financing sources (uses):			
Advances in	286	286	0
Advances (out)	<u>(299)</u>	<u>(299)</u>	<u>0</u>
Total other financing sources (uses)	<u>(13)</u>	<u>(13)</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	(31,035)	(31,035)	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>50,925</u>	<u>50,925</u>	<u>0</u>
Fund balance, June 30	<u><u>\$19,890</u></u>	<u><u>\$19,890</u></u>	<u><u>\$0</u></u>



LEBANON 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	\$140,211	\$140,211	\$0
Investment	534	534	0
Total revenues	<u>140,745</u>	<u>140,745</u>	<u>0</u>
Expenditures:			
Current:			
Support services:			
Operation of non-instructional services	189,874	189,874	0
Total expenditures	<u>189,874</u>	<u>189,874</u>	<u>0</u>
Excess of revenues over (under) expenditures	(49,129)	(49,129)	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>65,445</u>	<u>65,445</u>	<u>0</u>
Fund balance, June 30	<u><u>\$16,316</u></u>	<u><u>\$16,316</u></u>	<u><u>\$0</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Phonics Demonstration - 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	0	0	0
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues over (under) expenditures	0	0	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>71</u>	<u>71</u>	<u>0</u>
Fund balance, June 30	<u><u>\$71</u></u>	<u><u>\$71</u></u>	<u><u>\$0</u></u>

**LEBANON CITY SCHOOL DISTRICT, OHIO**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Professional Development - Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 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:			
Support services:			
Instructional staff	15,240	15,240	0
Total expenditures	<u>15,240</u>	<u>15,240</u>	<u>0</u>
Excess of revenues over (under) expenditures	(15,240)	(15,240)	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>15,240</u>	<u>15,240</u>	<u>0</u>
Fund balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$16,540	\$16,540	\$0
<b>Total revenues</b>	<b>16,540</b>	<b>16,540</b>	<b>0</b>
Expenditures:			
Current:			
Support services:			
Central	11,608	11,608	0
<b>Total expenditures</b>	<b>11,608</b>	<b>11,608</b>	<b>0</b>
Excess of revenues over (under) expenditures	4,932	4,932	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	0	0	0
<b>Fund balance, June 30</b>	<b>\$4,932</b>	<b>\$4,932</b>	<b>\$0</b>

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

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental	\$21,000	\$21,000	\$0
<b>Total revenues</b>	<u>21,000</u>	<u>21,000</u>	<u>0</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Support services:</b>			
Central	18,000	18,000	0
<b>Total expenditures</b>	<u>18,000</u>	<u>18,000</u>	<u>0</u>
<b>Excess of revenues over (under) expenditures</b>	3,000	3,000	0
<b>Fund balance, July 1 (includes prior year encumbrances appropriated)</b>	<u>18,000</u>	<u>18,000</u>	<u>0</u>
<b>Fund balance, June 30</b>	<u><u>\$21,000</u></u>	<u><u>\$21,000</u></u>	<u><u>\$0</u></u>

LEBANON 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

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$4,142	\$4,142	\$0
Total revenues	<u>4,142</u>	<u>4,142</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	465	465	0
Support services:			
Instructional staff	8,626	8,626	0
Central	4,567	4,567	0
Total expenditures	<u>13,658</u>	<u>13,658</u>	<u>0</u>
Excess of revenues over (under) expenditures	(9,516)	(9,516)	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>9,687</u>	<u>9,687</u>	<u>0</u>
Fund balance, June 30	<u><u>\$171</u></u>	<u><u>\$171</u></u>	<u><u>\$0</u></u>

**LEBANON CITY SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Textbook/Instructional Materials Subsidy - Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental	\$0	\$0	\$0
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	5,049	5,049	0
<b>Total expenditures</b>	<u>5,049</u>	<u>5,049</u>	<u>0</u>
Excess of revenues over (under) expenditures	(5,049)	(5,049)	0
<b>Fund balance,</b> July 1 (includes prior year encumbrances appropriated)	<u>6,538</u>	<u>6,538</u>	<u>0</u>
<b>Fund balance,</b> June 30	<u><u>\$1,489</u></u>	<u><u>\$1,489</u></u>	<u><u>\$0</u></u>

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

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental	\$10,750	\$10,750	\$0
<b>Total revenues</b>	<u>10,750</u>	<u>10,750</u>	<u>0</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	8,334	8,334	0
<b>Support services:</b>			
Instructional staff	4,001	4,001	0
<b>Total expenditures</b>	<u>12,335</u>	<u>12,335</u>	<u>0</u>
Excess of revenues over (under) expenditures	(1,585)	(1,585)	0
<b>Fund balance,</b>			
July 1 (includes prior year encumbrances appropriated)	<u>3,584</u>	<u>3,584</u>	<u>0</u>
<b>Fund balance,</b>			
June 30	<u>\$1,999</u>	<u>\$1,999</u>	<u>\$0</u>



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

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental	\$0	\$0	\$0
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Support services:</b>			
Instructional staff	6,572	6,572	0
<b>Total expenditures</b>	<u>6,572</u>	<u>6,572</u>	<u>0</u>
Excess of revenues over (under) expenditures	(6,572)	(6,572)	0
<b>Fund balance,</b>			
July 1 (includes prior year encumbrances appropriated)	<u>20,955</u>	<u>20,955</u>	<u>0</u>
<b>Fund balance,</b>			
June 30	<u><u>\$14,383</u></u>	<u><u>\$14,383</u></u>	<u><u>\$0</u></u>

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

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental	\$0	\$0	\$0
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Support services:</b>			
Instructional staff	26,038	26,038	0
<b>Total expenditures</b>	<u>26,038</u>	<u>26,038</u>	<u>0</u>
<b>Excess of revenues over (under) expenditures</b>	(26,038)	(26,038)	0
<b>Fund balance, July 1 (includes prior year encumbrances appropriated)</b>	<u>26,699</u>	<u>26,699</u>	<u>0</u>
<b>Fund balance, June 30</b>	<u><u>\$661</u></u>	<u><u>\$661</u></u>	<u><u>\$0</u></u>

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

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$25,208	\$25,208	\$0
Total revenues	<u>25,208</u>	<u>25,208</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	266	266	0
Support services:			
Instructional staff	440	440	0
Administration	11,025	11,025	0
Total expenditures	<u>11,731</u>	<u>11,731</u>	<u>0</u>
Excess of revenues over (under) expenditures	13,477	13,477	0
Other financing sources (uses):			
Advances (out)	(10,000)	(10,000)	0
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures	3,477	3,477	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>500</u>	<u>500</u>	<u>0</u>
Fund balance, June 30	<u>\$3,977</u>	<u>\$3,977</u>	<u>\$0</u>

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

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$17,357	\$17,357	\$0
Total revenues	<u>17,357</u>	<u>17,357</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,737	1,737	0
Support services:			
Instructional staff	16,721	16,721	0
Total expenditures	<u>18,458</u>	<u>18,458</u>	<u>0</u>
Excess of revenues over (under) expenditures	(1,101)	(1,101)	0
Other financing sources (uses):			
Advances in	1,459	1,459	0
Total other financing sources (uses)	<u>1,459</u>	<u>1,459</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	358	358	0
Fund balance,			
July 1 (includes prior year encumbrances appropriated)	<u>11,028</u>	<u>11,028</u>	<u>0</u>
Fund balance, June 30	<u>\$11,386</u>	<u>\$11,386</u>	<u>\$0</u>

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

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$139,683	\$139,683	\$0
Total revenues	<u>139,683</u>	<u>139,683</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Special	120,646	120,646	0
Support services:			
Pupil	48,776	48,776	0
Instructional staff	38,615	38,615	0
Administration	42,399	42,399	0
Operation of non-instructional services	7,848	7,848	0
Total expenditures	<u>258,284</u>	<u>258,284</u>	<u>0</u>
Excess of revenues over (under) expenditures	(118,601)	(118,601)	0
Other financing sources:			
Advances in	84,984	84,984	0
Total other financing sources (uses)	<u>84,984</u>	<u>84,984</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures	(33,617)	(33,617)	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>33,651</u>	<u>33,651</u>	<u>0</u>
Fund balance, June 30	<u><u>\$34</u></u>	<u><u>\$34</u></u>	<u><u>\$0</u></u>

LEBANON 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	\$149,116	\$149,116	\$0
<b>Total revenues</b>	<b>149,116</b>	<b>149,116</b>	<b>0</b>
Expenditures:			
Current:			
Instruction:			
Special	263,731	263,731	0
Support services:			
Operation of non-instructional services	2,935	2,935	0
<b>Total expenditures</b>	<b>266,666</b>	<b>266,666</b>	<b>0</b>
Excess of revenues over (under) expenditures	(117,550)	(117,550)	0
Other financing sources (uses):			
Advances in	79,820	79,820	0
Advances (out)	(1,015)	(1,015)	0
<b>Total other financing sources (uses)</b>	<b>78,805</b>	<b>78,805</b>	<b>0</b>
Excess of revenues and other financing sources over (under) expenditures	(38,745)	(38,745)	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	39,214	39,214	0
<b>Fund balance, June 30</b>	<b>\$469</b>	<b>\$469</b>	<b>\$0</b>

**LEBANON 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	\$7,053	\$7,053	\$0
<b>Total revenues</b>	<u>7,053</u>	<u>7,053</u>	<u>0</u>
Expenditures:			
Current:			
Support services:			
Pupil	1,906	1,906	0
Instructional staff	21,221	21,221	0
Operation of non-instructional services	90	90	0
<b>Total expenditures</b>	<u>23,217</u>	<u>23,217</u>	<u>0</u>
Excess of revenues over (under) expenditures	(16,164)	(16,164)	0
Other financing sources (uses):			
Advances in	11,542	11,542	0
<b>Total other financing sources (uses)</b>	<u>11,542</u>	<u>11,542</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures	(4,622)	(4,622)	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>5,166</u>	<u>5,166</u>	<u>0</u>
<b>Fund balance, June 30</b>	<u><u>\$544</u></u>	<u><u>\$544</u></u>	<u><u>\$0</u></u>

**LEBANON 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)
<b>Revenues:</b>			
Intergovernmental	\$5,498	\$5,498	\$0
<b>Total revenues</b>	<u>5,498</u>	<u>5,498</u>	<u>0</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	0	0	0
<b>Total expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues over (under) expenditures	5,498	5,498	0
<b>Fund balance, July 1 (includes prior year encumbrances appropriated)</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund balance, June 30</b>	<u><u>\$5,498</u></u>	<u><u>\$5,498</u></u>	<u><u>\$0</u></u>



LEBANON 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	\$16,508	\$16,508	\$0
<b>Total revenues</b>	<b>16,508</b>	<b>16,508</b>	<b>0</b>
Expenditures:			
Current:			
Instruction:			
Regular	5,706	5,706	0
Special	5,555	5,555	0
Support services:			
Pupil	9,785	9,785	0
<b>Total expenditures</b>	<b>21,046</b>	<b>21,046</b>	<b>0</b>
Excess of revenues over (under) expenditures	(4,538)	(4,538)	0
Other financing sources (uses):			
Advances in	1,911	1,911	0
Advances (out)	(3,821)	(3,821)	0
<b>Total other financing sources (uses)</b>	<b>(1,910)</b>	<b>(1,910)</b>	<b>0</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(6,448)	(6,448)	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	6,646	6,646	0
<b>Fund balance, June 30</b>	<b>\$198</b>	<b>\$198</b>	<b>\$0</b>

**LEBANON CITY SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Telecomm FCC E-Rate - Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$18,102	\$18,102	\$0
<b>Total revenues</b>	<b>18,102</b>	<b>18,102</b>	<b>0</b>
Expenditures:			
Current:			
Support services:			
Instructional staff	26,829	26,829	0
<b>Total expenditures</b>	<b>26,829</b>	<b>26,829</b>	<b>0</b>
Excess of revenues over (under) expenditures	(8,727)	(8,727)	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	9,869	9,869	0
<b>Fund balance, June 30</b>	<b>\$1,142</b>	<b>\$1,142</b>	<b>\$0</b>

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

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$60,440	\$60,440	\$0
Total revenues	<u>60,440</u>	<u>60,440</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Special	62,252	62,252	0
Total expenditures	<u>62,252</u>	<u>62,252</u>	<u>0</u>
Excess of revenues over (under) expenditures	(1,812)	(1,812)	0
Other financing sources (uses):			
Advances in	1,812	1,812	0
Total other financing sources (uses)	<u>1,812</u>	<u>1,812</u>	<u>0</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>

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

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$424,891	\$424,891	\$0
<b>Total revenues</b>	<b>424,891</b>	<b>424,891</b>	<b>0</b>
Expenditures:			
Current:			
Instruction:			
Regular	301,620	301,620	0
Special	19,220	19,220	0
Support services:			
Pupil	42,061	42,061	0
Instructional staff	135,870	135,870	0
Administration	5,953	5,953	0
Pupil transportation	4,011	4,011	0
<b>Total expenditures</b>	<b>508,735</b>	<b>508,735</b>	<b>0</b>
Excess of revenues over (under) expenditures	(83,844)	(83,844)	0
Other financing sources (uses):			
Advances out	(8,030)	(8,030)	0
<b>Total other financing sources (uses)</b>	<b>(8,030)</b>	<b>(8,030)</b>	<b>0</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(91,874)	(91,874)	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	93,812	93,812	0
<b>Fund balance,   June 30</b>	<b>\$1,938</b>	<b>\$1,938</b>	<b>\$0</b>

## **DEBT SERVICE FUND**

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

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

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## **CAPITAL PROJECTS FUNDS**

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

---

Building:

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

Capital Projects:

To account for the District's 2.0 mill, 5-year Permanent Improvement property tax levy passed in 1998.

SchoolNet:

To account for state funds designed to help school districts obtain computers and related educational technology equipment and/or the necessary infrastructure for educational technology.

LEBANON CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet

All Capital Projects Funds

June 30, 2002

	Building	Capital Projects	SchoolNet	Totals
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$52,590,611	\$808,499	\$65,940	\$53,465,050
Receivables:				
Taxes	0	845,149	0	845,149
Accrued interest	123,562	0	0	123,562
<b>Total assets</b>	<u>52,714,173</u>	<u>1,653,648</u>	<u>65,940</u>	<u>54,433,761</u>
<b>Liabilities:</b>				
Accounts payable	308	24,909	0	25,217
Accrued interest payable	97,842	0	0	97,842
Contracts Payable	241,544	0	0	241,544
Retainage Payable	4,304	0	0	4,304
Deferred revenue	0	798,121	0	798,121
Notes payable	10,000,000	0	0	10,000,000
<b>Total liabilities</b>	<u>10,343,998</u>	<u>823,030</u>	<u>0</u>	<u>11,167,028</u>
<b>Fund balances:</b>				
Reserved:				
Reserved for property taxes	0	47,028	0	47,028
Reserved for encumbrances	639,556	48,757	0	688,313
Unreserved:				
Undesignated	41,730,619	734,833	65,940	42,531,392
<b>Total fund equity</b>	<u>42,370,175</u>	<u>830,618</u>	<u>65,940</u>	<u>43,266,733</u>
<b>Total liabilities and fund equity</b>	<u>\$52,714,173</u>	<u>\$1,653,648</u>	<u>\$65,940</u>	<u>\$54,433,761</u>



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

	Building	Capital Projects	SchoolNet	Totals
<b>Revenues:</b>				
Taxes	\$0	\$783,352	\$0	\$783,352
Intergovernmental	0	103,272	82,352	185,624
Investment	1,271,846	12,747	0	1,284,593
Other revenues	8,942	0	0	8,942
<b>Total revenues</b>	<b>1,280,788</b>	<b>899,371</b>	<b>82,352</b>	<b>2,262,511</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	0	64,236	0	64,236
<b>Support services:</b>				
Instructional staff	0	362,704	0	362,704
Administration	1,951,232	1,961	0	1,953,193
Fiscal	43,765	12,245	0	56,010
Operations and maintenance	0	294,833	0	294,833
Capital outlay	1,477,008	170,711	0	1,647,719
<b>Debt Service:</b>				
Principal retirement	0	0	30,000	30,000
Interest and fiscal charges	440,188	0	0	440,188
<b>Total expenditures</b>	<b>3,912,193</b>	<b>906,690</b>	<b>30,000</b>	<b>4,848,883</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(2,631,405)</b>	<b>(7,319)</b>	<b>52,352</b>	<b>(2,586,372)</b>
<b>Other financing sources (uses):</b>				
Operating transfers in	0	12,000	0	12,000
Proceeds of bonds	45,000,000	0	0	45,000,000
<b>Total other financing sources (uses)</b>	<b>45,000,000</b>	<b>12,000</b>	<b>0</b>	<b>45,012,000</b>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>42,368,595</b>	<b>4,681</b>	<b>52,352</b>	<b>42,425,628</b>
<b>Fund balance, July 1</b>	<b>1,580</b>	<b>825,937</b>	<b>13,588</b>	<b>841,105</b>
<b>Fund balance, June 30</b>	<b>\$42,370,175</b>	<b>\$830,618</b>	<b>\$65,940</b>	<b>\$43,266,733</b>

LEBANON 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)
<b>Revenues:</b>			
Investment	\$848,164	\$848,164	\$0
Other revenues	8,942	8,942	0
<b>Total revenues</b>	<b>857,106</b>	<b>857,106</b>	<b>0</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Support services:</b>			
Administration	2,322,271	2,322,271	0
Fiscal	43,765	43,765	0
Capital Outlay	1,572,904	1,572,904	0
<b>Debt service:</b>			
Principal retirement	40,000,000	40,000,000	0
Interest and fiscal charges	342,346	342,346	0
<b>Total expenditures</b>	<b>44,281,286</b>	<b>44,281,286</b>	<b>0</b>
Excess of revenues over (under) expenditures	(43,424,180)	(43,424,180)	0
<b>Other financing sources (uses):</b>			
Proceeds from sale of bonds	45,000,000	45,000,000	0
Proceeds from sale of notes	35,000,000	35,000,000	0
<b>Total other financing sources (uses)</b>	<b>80,000,000</b>	<b>80,000,000</b>	<b>0</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	36,575,820	36,575,820	0
<b>Fund balance,</b>			
July 1 (includes prior year encumbrances appropriated)	15,001,579	15,001,579	0
<b>Fund balance, June 30</b>	<b>\$51,577,399</b>	<b>\$51,577,399</b>	<b>\$0</b>

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

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$830,647	\$830,647	\$0
Intergovernmental	103,272	103,272	0
Investment	12,747	12,747	0
<b>Total revenues</b>	<b>946,666</b>	<b>946,666</b>	<b>0</b>
Expenditures:			
Current:			
Instruction:			
Regular	71,336	71,336	0
Support services:			
Instructional staff	658,022	658,022	0
Administration	1,961	1,961	0
Fiscal	12,245	12,245	0
Operation and maintenance	338,380	338,380	0
Capital Outlay	192,404	192,404	0
<b>Total expenditures</b>	<b>1,274,348</b>	<b>1,274,348</b>	<b>0</b>
Excess of revenues over (under) expenditures	(327,682)	(327,682)	0
Other financing sources (uses):			
Operating transfers in	12,000	12,000	0
<b>Total other financing sources (uses)</b>	<b>12,000</b>	<b>12,000</b>	<b>0</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(315,682)	(315,682)	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	1,052,303	1,052,303	0
<b>Fund balance, June 30</b>	<b>\$736,621</b>	<b>\$736,621</b>	<b>\$0</b>

LEBANON 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	\$78,030	\$78,030	\$0
Total revenues	<u>78,030</u>	<u>78,030</u>	<u>0</u>
Expenditures:			
Debt service:			
Principal retirement	30,000	30,000	0
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Excess of revenues over (under) expenditures	48,030	48,030	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>17,908</u>	<u>17,908</u>	<u>0</u>
Fund balance, June 30	<u>\$65,938</u>	<u>\$65,938</u>	<u>\$0</u>

## **ENTERPRISE FUNDS**

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

---

### Food Service:

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

### Uniform School Supplies:

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

### Community School:

To account for all revenues and expenses related to the community school operation for the District.

LEBANON CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet

All Enterprise Funds

June 30, 2002

	Food Service	Uniform School Supplies	Community School	Total
<b>Assets:</b>				
<b>Current assets:</b>				
Equity in pooled cash and cash equivalents	\$452	\$72,340	\$0	\$72,792
<b>Receivables:</b>				
Intergovernmental	25,890	778	0	26,668
Inventory held for resale	23,896	0	0	23,896
Fixed assets (net of accumulated depreciation)	50,724	0	0	50,724
<b>Total assets</b>	<b>100,962</b>	<b>73,118</b>	<b>0</b>	<b>174,080</b>
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Accounts payable	141	2,172	0	2,313
Accrued wages and benefits	11,812	0	0	11,812
Compensated absences payable	18,281	0	0	18,281
Interfund payable	222,268	9,421	9,239	240,928
Deferred revenue	10,967	0	0	10,967
<b>Total liabilities</b>	<b>263,469</b>	<b>11,593</b>	<b>9,239</b>	<b>284,301</b>
<b>Fund Equity:</b>				
Contributed capital	29,439	0	0	29,439
<b>Retained Earnings:</b>				
Unreserved	(191,946)	61,525	(9,239)	(139,660)
<b>Total fund equity (deficit)</b>	<b>(162,507)</b>	<b>61,525</b>	<b>(9,239)</b>	<b>(110,221)</b>
<b>Total liabilities and fund equity</b>	<b>\$100,962</b>	<b>\$73,118</b>	<b>\$0</b>	<b>\$174,080</b>

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

	Food Service	Uniform School Supplies	Community School	Totals
<b>Operating revenues:</b>				
Tuition and fees	\$0	\$778	\$3,830	\$4,608
Sales	851,584	0	0	851,584
Charges for services	0	242,392	0	242,392
Other revenues	10,000	0	0	10,000
<b>Total revenues</b>	<u>861,584</u>	<u>243,170</u>	<u>3,830</u>	<u>1,108,584</u>
<b>Operating expenses:</b>				
Salaries and wages	342,926	0	9,567	352,493
Fringe benefits	145,417	0	1,386	146,803
Purchased services	606,306	0	0	606,306
Materials and supplies	73,497	262,946	725	337,168
Depreciation	5,106	0	0	5,106
<b>Total operating expenses</b>	<u>1,173,252</u>	<u>262,946</u>	<u>11,678</u>	<u>1,447,876</u>
<b>Operating income (loss)</b>	<u>(311,668)</u>	<u>(19,776)</u>	<u>(7,848)</u>	<u>(339,292)</u>
<b>Non-operating revenues:</b>				
Federal donated commodities	79,188	0	0	79,188
Operating grants	229,775	0	0	229,775
<b>Total non-operating revenues</b>	<u>308,963</u>	<u>0</u>	<u>0</u>	<u>308,963</u>
<b>Net income (loss)</b>	<u>(2,705)</u>	<u>(19,776)</u>	<u>(7,848)</u>	<u>(30,329)</u>
<b>Retained Earnings (deficit), July 1</b>	(189,241)	81,301	(1,391)	(109,331)
<b>Retained Earnings (deficit), June 30</b>	<u>(\$191,946)</u>	<u>\$61,525</u>	<u>(\$9,239)</u>	<u>(\$139,660)</u>

LEBANON CITY SCHOOL DISTRICT, OHIO

Combining Statement of Cash Flows

All Enterprise Funds

For The Fiscal Year Ended June 30, 2002

	Food Service	Uniform School Supplies	Community School	Totals
<b>Cash flows from operating activities:</b>				
Cash received from tuition and fees	\$0	\$0	\$3,830	\$3,830
Cash received from sales	851,584	0	0	851,584
Cash received from charges from services	0	242,392	0	242,392
Cash received from other	10,000	0	0	10,000
Cash payments to suppliers for goods and services	(638,321)	(265,168)	(850)	(904,339)
Cash payments to employees for services	(526,191)	0	(10,953)	(537,144)
<b>Net cash provided by (used for) operating activities</b>	<b>(302,928)</b>	<b>(22,776)</b>	<b>(7,973)</b>	<b>(333,677)</b>
<b>Cash flows from noncapital financing activities:</b>				
Cash received from other funds	222,268	9,421	9,239	240,928
Cash payments to other funds	(153,549)	(4,552)	(1,521)	(159,622)
Operating grants received	203,885	0	0	203,885
<b>Net cash provided by noncapital financing activities</b>	<b>272,604</b>	<b>4,869</b>	<b>7,718</b>	<b>285,191</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition of Capital Assets	(1,627)	0	0	(1,627)
<b>Net cash used for capital and related financing activities</b>	<b>(1,627)</b>	<b>0</b>	<b>0</b>	<b>(1,627)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(31,951)</b>	<b>(17,907)</b>	<b>(255)</b>	<b>(50,113)</b>
Cash and cash equivalents, July 1	32,403	90,247	255	122,905
Cash and cash equivalents, June 30	452	72,340	0	72,792
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	(311,668)	(19,776)	(7,848)	(339,292)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>				
Depreciation	5,106	0	0	5,106
Donated commodities used	79,188	0	0	79,188
<b>Changes in assets and liabilities:</b>				
(Increase) decrease in accounts receivable	0	(778)	0	(778)
(Increase) decrease in inventory held for resale	(8,637)	0	0	(8,637)
Increase (decrease) in accounts payable	(31,935)	(2,222)	(125)	(34,282)
Increase (decrease) in accrued wages and benefits	(20,710)	0	0	(20,710)
Increase (decrease) in compensated absences	(17,138)	0	0	(17,138)
Increase (decrease) in deferred revenue	2,866	0	0	2,866
<b>Total adjustments</b>	<b>8,740</b>	<b>(3,000)</b>	<b>(125)</b>	<b>5,615</b>
<b>Net cash provided by (used for) operating activities</b>	<b>(\$302,928)</b>	<b>(\$22,776)</b>	<b>(\$7,973)</b>	<b>(\$333,677)</b>



## INTERNAL SERVICE FUNDS

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Internal Service Funds account for the financing of services provided by one department or agency to another department or agency of the District or to another governmental unit on a cost reimbursement basis. The following are descriptions of each Internal Service Fund.

---

### Employee Benefits Self-Insurance:

To account for all premiums received and for all claims and administrative costs paid by the District for employee medical and dental insurance. The Employee Benefits Self-Insurance Fund accounts for monies received from other funds as payment for providing medical and dental insurance. The Employee Benefits Self-Insurance fund reimburses employees who have paid providers, and makes payments for claims, administration, stop-loss coverage and for reinsurance.

### Warren County Juvenile Detention Center:

To account for all tuition received from other funds and school districts and for all salaries, fringe benefits, materials, and equipment expenditures incurred by the Warren County Juvenile Detention Center Fund related to services provided to other funds and school districts.

LEBANON CITY SCHOOL DISTRICT, OHIO  
 Combining Balance Sheet  
 All Internal Service Funds  
 June 30, 2002

	Employee Benefits Self-Insurance	Warren County Juvenile Detention Center	Total
<b>Assets:</b>			
<b>Current Assets:</b>			
Equity in pooled cash and cash equivalents	\$19	\$51,736	\$51,755
<b>Receivables:</b>			
Accounts	585	0	585
Fixed assets (net of accumulated depreciation)	0	1,986	1,986
<b>Total assets</b>	<b>604</b>	<b>53,722</b>	<b>54,326</b>
<b>Liabilities:</b>			
<b>Long-term liabilities:</b>			
Accrued wages	0	68	68
Interfund payable	275,359	0	275,359
Claims payable	450,097	0	450,097
<b>Total liabilities</b>	<b>725,456</b>	<b>68</b>	<b>725,524</b>
<b>Retained Earnings:</b>			
Unreserved	(724,852)	53,654	(671,198)
<b>Total retained earnings</b>	<b>(724,852)</b>	<b>53,654</b>	<b>(671,198)</b>
<b>Total liabilities and fund equity</b>	<b>\$604</b>	<b>\$53,722</b>	<b>\$54,326</b>

**LEBANON CITY SCHOOL DISTRICT, OHIO**  
**Combining Statement of Revenues, Expenses**  
**And Changes in Retained Earnings**  
**All Internal Service Funds**  
**For The Fiscal Year Ended June 30, 2002**

	Employee Benefits Self-Insurance	Warren County Juvenile Detention Center	Total
<b>Operating revenues:</b>			
Tuition and fees	\$0	\$450	\$450
Charges for services	1,714,314	0	1,714,314
Other revenues	0	2,400	2,400
<b>Total revenues</b>	<u>1,714,314</u>	<u>2,850</u>	<u>1,717,164</u>
<b>Operating expenses:</b>			
Salaries and wages	0	961	961
Fringe benefits	0	7,233	7,233
Purchased services	359,314	76,506	435,820
Materials and supplies	594	0	594
Depreciation	0	293	293
Claims	2,254,198	0	2,254,198
<b>Total operating expenses</b>	<u>2,614,106</u>	<u>84,993</u>	<u>2,699,099</u>
<b>Operating income (loss)</b>	<u>(899,792)</u>	<u>(82,143)</u>	<u>(981,935)</u>
<b>Non-operating revenues:</b>			
Investment	3,430	0	3,430
<b>Total non-operating revenues</b>	<u>3,430</u>	<u>0</u>	<u>3,430</u>
<b>Net Income (loss)</b>	<u>(896,362)</u>	<u>(82,143)</u>	<u>(978,505)</u>
<b>Retained Earnings,</b> July 1	171,510	135,797	307,307
<b>Retained Earnings (deficit),</b> June 30	<u><u>(\$724,852)</u></u>	<u><u>\$53,654</u></u>	<u><u>(\$671,198)</u></u>

*LEBANON CITY SCHOOL DISTRICT, OHIO*  
Combining Statement of Cash Flows  
All Internal Service Funds  
For The Fiscal Year Ended June 30, 2002

	Employee Benefits Self-Insurance	Warren County Juvenile Detention Center	Totals
<b>Cash flows from operating activities:</b>			
Cash received from tuition and fees	\$0	\$450	\$450
Cash received from charges for services	1,713,729	0	1,713,729
Cash received from other	0	2,400	2,400
Cash payments to suppliers for goods and services	(359,908)	(76,506)	(436,414)
Cash payments to employees for services	0	(31,997)	(31,997)
Cash payments for claims	(2,112,706)	0	(2,112,706)
<b>Net cash provided by (used for) operating activities</b>	<b>(758,885)</b>	<b>(105,653)</b>	<b>(864,538)</b>
<b>Cash flows from noncapital financing activities:</b>			
Cash payments to other funds	275,359	0	275,359
<b>Net cash provided by noncapital financing activities</b>	<b>275,359</b>	<b>0</b>	<b>275,359</b>
<b>Cash flows from investing activities:</b>			
Investment revenue received	3,430	0	3,430
<b>Net cash provided by investing activities</b>	<b>3,430</b>	<b>0</b>	<b>3,430</b>
<b>Net increase in cash and cash equivalents</b>	<b>(480,096)</b>	<b>(105,653)</b>	<b>(585,749)</b>
Cash and cash equivalents, July 1	480,115	157,389	637,504
Cash and cash equivalents, June 30	19	51,736	51,755
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	(899,792)	(82,143)	(981,935)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>			
Depreciation	0	293	293
<b>Changes in assets and liabilities:</b>			
(Increase) Decrease in accounts receivables	(585)	0	(585)
Increase (decrease) in accounts payable	0	(365)	(365)
Increase (decrease) in accrued wages	0	(23,438)	(23,438)
Increase (decrease) in claims payable	141,492	0	141,492
<b>Total adjustments</b>	<b>140,907</b>	<b>(23,510)</b>	<b>117,397</b>
<b>Net cash provided by (used for) operating activities</b>	<b>(\$758,885)</b>	<b>(\$105,653)</b>	<b>(\$864,538)</b>

## **FIDUCIARY FUNDS**

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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 governments, or other funds. These include an Expendable Trust Funds, Non-Expendable Trust Funds and Agency Funds. The following are descriptions of each Fiduciary Fund:

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### **EXPENDABLE TRUST FUND**

#### Scholarship:

To account for assets held by the District in a trustee capacity with specific agreements as to how the funds will be disbursed.

### **NON-EXPENDABLE TRUST FUND**

#### Endowment:

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

### **AGENCY FUND**

#### Student Activity:

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

#### Summer Insurance:

To account for monies withheld from non-certified employees during the school year to offset their share of cost for medical and dental insurance premiums during the summer months while they are on summer break.

LEBANON CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet

All Fiduciary Fund Types

June 30, 2002

	Expendable Trust - Scholarship	Non-Expendable Trust - Endowment	Student Activities	Summer Insurance
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$30,432	\$134,117	\$69,798	\$21,513
<b>Receivables:</b>				
Accounts	0	0	30	0
<b>Total assets</b>	<u>30,432</u>	<u>134,117</u>	<u>69,828</u>	<u>21,513</u>
<b>Liabilities:</b>				
Accounts payable	0	0	1,515	0
Due to students	0	0	68,313	0
Undistributed Monies	0	0	0	21,513
<b>Total liabilities</b>	<u>0</u>	<u>0</u>	<u>69,828</u>	<u>21,513</u>
<b>Fund balances:</b>				
<b>Reserved:</b>				
Reserved for endowments	0	9,312	0	0
<b>Unreserved:</b>				
Undesignated	30,432	124,805	0	0
<b>Total fund equity</b>	<u>30,432</u>	<u>134,117</u>	<u>0</u>	<u>0</u>
<b>Total liabilities and fund equity</b>	<u>\$30,432</u>	<u>\$134,117</u>	<u>\$69,828</u>	<u>\$21,513</u>

Totals

\$255,860

30

255,890

1,515

68,313

21,513

91,341

9,312

155,237

164,549

\$255,890

LEBANON 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	\$98,779	\$134,623	\$163,604	\$69,798
Accounts receivable	0	30	0	30
Total assets	<u>\$98,779</u>	<u>\$134,653</u>	<u>\$163,604</u>	<u>\$69,828</u>
Liabilities:				
Due to students	\$98,779	\$134,653	\$163,604	\$69,828
Total liabilities	<u>\$98,779</u>	<u>\$134,653</u>	<u>\$163,604</u>	<u>\$69,828</u>

	Summer Insurance			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in pooled cash and cash equivalents	\$15,331	\$25,013	\$18,831	\$21,513
Total assets	<u>\$15,331</u>	<u>\$25,013</u>	<u>\$18,831</u>	<u>\$21,513</u>
Liabilities:				
Due to students	\$15,331	\$25,013	\$18,831	\$21,513
Total liabilities	<u>\$15,331</u>	<u>\$25,013</u>	<u>\$18,831</u>	<u>\$21,513</u>

	Total All Agency Funds			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets:				
Equity in pooled cash and cash equivalents	\$114,110	\$159,636	\$182,435	\$91,311
Accounts receivable	0	30	0	30
Total assets	<u>\$114,110</u>	<u>\$159,666</u>	<u>\$182,435</u>	<u>\$91,341</u>
Liabilities:				
Due to students	\$114,110	\$159,666	\$182,435	\$91,341
Total liabilities	<u>\$114,110</u>	<u>\$159,666</u>	<u>\$182,435</u>	<u>\$91,341</u>



## **GENERAL FIXED ASSETS ACCOUNT GROUP**

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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.

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LEBANON CITY SCHOOL DISTRICT, OHIO  
Schedule of General Fixed Assets  
by Source  
June 30, 2002

General fixed assets:	
Land and land improvements	\$2,692,317
Buildings and building improvements	15,041,204
Furniture and equipment	6,765,557
Total General Fixed Assets	<u>\$24,499,078</u>

Investment in general fixed assets by source:	
General Fund	\$8,802,463
Special Revenue Funds	753,468
Capital Projects Funds	14,916,488
Expendable Trust Funds	20,873
Agency Funds	5,786
Total General Fixed Assets	<u>\$24,499,078</u>

LEBANON CITY SCHOOL DISTRICT, OHIO

Schedule of General Fixed Assets

By Function and Type

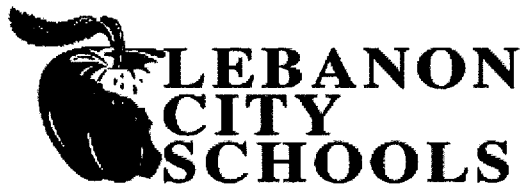
June 30, 2002

Function	Land and land Improvements	Buildings and building Improvements	Furniture and Equipment	Total
Instruction:				
Regular	\$230,060	\$5,722,966	\$3,154,913	\$9,107,939
Special	0	0	73,851	73,851
Total instruction	230,060	5,722,966	3,228,764	9,181,790
Support services:				
Pupil	0	0	36,005	36,005
Instructional staff	0	0	795,340	795,340
Board of Education	0	0	3,426	3,426
Administration	0	0	239,305	239,305
Fiscal	0	0	89,149	89,149
Business	0	0	16,357	16,357
Operations and maintenance	2,975	7,527	330,886	341,388
Pupil transportation	0	24,308	1,393,883	1,418,191
Central	0	0	234,584	234,584
Total support services	2,975	31,835	3,138,935	3,173,745
Capital Outlay	2,437,382	8,965,532	0	11,402,914
Non-Instructional services	0	0	14,066	14,066
Extracurricular activities	21,900	320,871	383,792	726,563
Total General Fixed Assets	\$2,692,317	\$15,041,204	\$6,765,557	\$24,499,078

LEBANON 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 July 1, 2002
<b>Instruction:</b>				
Regular	\$8,980,714	\$127,225	\$0	\$9,107,939
Special	72,352	1,499	0	73,851
<b>Total Instruction</b>	<b>9,053,066</b>	<b>128,724</b>	<b>0</b>	<b>9,181,790</b>
<b>Support services:</b>				
Pupil	34,569	1,436	0	36,005
Instructional staff	246,984	548,356	0	795,340
Board of Education	3,426	0	0	3,426
Administration	227,932	11,373	0	239,305
Fiscal	89,149	0	0	89,149
Business	15,577	780	0	16,357
Operations and maintenance	266,562	74,826	0	341,388
Pupil transportation	1,641,895	0	223,704	1,418,191
Central	228,565	6,019	0	234,584
<b>Total Support services</b>	<b>2,754,659</b>	<b>642,790</b>	<b>223,704</b>	<b>3,173,745</b>
Capital Outlay	9,884,210	1,518,704	0	11,402,914
Non-Instructional services	13,446	620	0	14,066
Extracurricular activities	635,120	91,443	0	726,563
<b>Total General Fixed Assets</b>	<b>\$22,340,501</b>	<b>\$2,382,281</b>	<b>\$223,704</b>	<b>\$24,499,078</b>

# STATISTICAL SECTION



## *Lebanon's High Five*

1. **Quality Facilities for Quality Learning**
2. **State Report Card - 22 or Bust!**
3. **Success for All Students**
4. **Teacher's Learning Drives Student's Learning**
5. **Lebanon's Guarantee - All Children will Read!**



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TABLE I

LEBANON 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	\$4,880,966	\$5,276,542	\$6,674,473	\$7,844,594	\$8,366,475	\$8,492,596	\$9,188,807	\$11,302,538	\$11,615,779	\$11,801,570
Intergovernmental	6,192,902	6,560,268	7,410,115	8,022,558	8,944,101	9,753,882	10,654,313	11,469,372	12,761,066	13,932,663
Investment	184,925	185,001	87,497	168,857	258,947	319,569	363,858	422,709	547,274	259,819
Tuition and Fees	85,474	73,599	87,221	8,138	23,049	96,928	161,894	81,967	64,976	52,154
Other Revenues	53,825	62,082	63,544	67,622	53,191	152,969	158,845	123,509	154,610	99,178
Total Revenues	\$11,398,092	\$12,157,492	\$14,322,850	\$16,111,769	\$17,645,763	\$18,815,944	\$20,527,717	\$23,400,095	\$25,143,705	\$26,145,384

Source: Lebanon City School District Financial Records

LEBANON 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
Regular Instruction	\$6,952,518	\$7,137,849	\$7,267,645	\$8,050,942	\$9,074,349	\$9,447,680	\$10,481,150	\$10,897,572	\$12,266,031	\$12,080,305
Special Instruction	814,158	821,989	807,103	830,695	864,330	964,384	1,004,530	985,286	1,547,577	1,890,996
Vocational Instruction	35,942	37,448	35	0	0	0	0	0	0	0
Other Instruction	37,011	28,402	32,448	63,245	85,077	116,920	236,461	217,674	325,606	365,495
Pupil	571,883	615,653	621,576	680,123	714,520	794,923	923,111	987,007	1,396,493	1,479,254
Instructional Staff	368,726	401,952	405,437	453,747	648,241	786,587	1,003,996	1,449,419	1,466,707	1,647,986
Board of Education	30,692	29,205	24,924	30,021	30,535	38,333	35,645	81,505	43,050	38,392
Administration	1,233,049	1,232,700	1,195,089	1,272,240	1,307,847	1,515,813	1,793,433	1,801,156	1,952,915	2,071,817
Fiscal	264,410	287,845	333,250	387,569	416,031	482,323	534,601	506,087	579,970	601,760
Business	3,169	3,957	25,048	82,915	99,592	132,144	128,993	141,429	147,448	158,938
Operations and Maintenance	1,140,145	1,126,983	1,191,445	1,364,460	1,501,384	1,493,647	1,551,876	1,571,910	1,871,676	2,009,294
Pupil Transportation	852,575	882,055	922,470	967,301	1,311,953	1,361,744	1,457,646	2,258,200	2,567,412	2,695,948
Central	25,131	25,105	26,508	56,894	136,754	91,147	122,304	159,938	126,674	163,473
Non-Instructional Services	5,962	4,670	7,599	6,958	3,766	5,952	991	3,518	2,044	2,433
Extracurricular Activities	244,016	252,847	243,537	273,404	267,657	349,774	379,515	416,946	466,024	491,277
Capital Outlay	0	0	0	4,900	5,050	1,350	0	22,500	231,009	10,550
Debt Service	0	2,092	17,662	6,113	0	0	0	0	0	0
Total Expenditures	\$12,579,387	\$12,890,752	\$13,121,776	\$14,531,527	\$16,467,086	\$17,582,721	\$19,654,252	\$21,500,147	\$24,990,636	\$25,707,918

Source: Lebanon City School District Financial Records



TABLE 3

LEBANON CITY SCHOOL DISTRICT, OHIO  
 Property Tax Levies and Collections - Real and Tangible Personal Property (1)  
 Last Ten Collection (Calendar) Years

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Percent Total Collection As a Percent of Current Levy
1992	\$5,746,625	\$344,843	\$6,091,468	\$5,585,225	97.19%	\$184,443	\$5,769,668	100.40%
1993	6,791,121	450,808	7,241,929	6,599,781	97.18%	317,780	6,917,561	101.86%
1994	7,534,998	398,115	7,933,113	7,427,544	98.57%	290,941	7,718,485	102.44%
1995	10,010,886	415,007	10,425,893	9,764,558	97.54%	264,582	10,029,140	100.18%
1996	10,709,130	435,700	11,144,830	10,435,163	97.44%	304,586	10,739,749	100.29%
1997	11,753,899	447,387	12,201,286	11,391,223	96.91%	370,332	11,761,555	100.07%
1998	11,898,841	442,536	12,341,377	11,546,561	97.04%	358,200	11,904,761	100.05%
1999	12,342,476	640,693	12,983,169	11,991,433	97.16%	376,786	12,368,219	100.21%
2000	13,345,851	760,773	14,106,624	12,980,014	97.26%	551,543	13,531,557	101.39%
2001	12,823,421	659,450	13,482,871	12,422,978	96.88%	406,966	12,829,044	100.04%

Source: Warren County Auditor

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.

(2) Represents collection year. 2002 information cannot be presented because all collections have not been made by June 30.

(3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

TABLE 4

LEBANON CITY SCHOOL DISTRICT, OHIO  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Collection (Calendar) Years

Year (1)	Real Property		Tangible Personal Property		Public Utilities Personal		Total		Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1993	\$199,964,620	\$571,327,486	\$19,559,991	\$78,239,964	\$22,643,318	\$25,731,043	\$242,167,929	\$675,298,493	35.86%
1994	207,718,010	593,480,029	18,866,154	75,464,616	28,934,920	32,880,591	255,519,084	701,825,236	36.41%
1995	251,283,640	717,953,257	21,631,948	86,527,792	31,032,240	35,263,909	303,947,828	839,744,958	36.20%
1996	267,676,730	764,790,657	23,863,426	95,453,704	29,801,640	33,865,500	321,341,796	894,109,861	35.94%
1997	288,144,380	823,269,657	27,767,713	111,070,852	30,027,200	34,121,818	345,939,293	968,462,327	35.72%
1998	342,775,310	979,358,029	26,982,036	107,928,144	28,547,430	32,440,261	398,304,776	1,119,726,434	35.57%
1999	368,094,830	1,051,699,514	29,967,060	119,868,240	28,631,100	114,524,400	426,692,990	1,286,092,154	33.18%
2000	388,957,480	1,111,307,086	29,590,168	118,360,672	28,474,500	113,898,000	447,022,148	1,343,565,758	33.27%
2001	475,136,090	1,357,531,685	37,220,943	148,883,772	29,564,860	118,259,440	541,921,893	1,624,674,897	33.36%
2002	493,609,590	1,410,313,114	34,323,330	137,293,320	20,502,430	23,298,215	548,435,350	1,570,904,649	34.91%

Source: Warren County Auditor

(1) Represents tax collection year.

TABLE 5

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

Entity	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Direct:										
Lebanon City School District	\$55.53	\$50.63	\$50.63	\$50.03	\$51.13	\$51.13	\$51.13	\$51.13	\$44.62	\$45.12
Overlapping:										
Warren County	4.60	4.50	4.50	5.25	5.00	5.50	7.07	7.07	7.10	7.10
Warren County Career Center	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Warren-Clinton Mental Health	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Lebanon Corporation	7.72	7.72	7.82	6.32	6.32	6.52	6.62	6.62	6.70	6.80
Middletown Corporation	5.15	4.51	5.11	5.01	4.96	4.96	5.16	5.16	5.18	5.18
Mason Corporation	7.32	7.32	7.32	7.39	1.87	1.89	1.89	1.89	1.90	1.90
Clearcreek Township	16.97	13.12	13.12	11.62	11.62	11.62	11.62	11.62	11.60	11.60
Salem Township	8.62	6.72	6.72	6.72	6.72	6.72	4.72	4.72	5.70	5.70
Turtlecreek Township	5.62	5.62	5.62	5.62	5.62	5.62	5.62	5.62	5.6	5.6
Union Township	6.2	6.2	6.2	6.2	5.2	5.2	6.2	6.2	6.2	6.2
Washington Township	4.78	4.78	4.78	4.78	4.78	4.78	4.78	4.78	3.76	3.76
Wayne Township	7.07	7.07	7.07	7.07	7.07	7.07	7.07	7.07	7.05	5.25

Source: Warren County Auditor

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

**TABLE 6**

<u>Year</u>	<u>General Obligation Bonded Debt</u>	<u>Assessed Value</u>	<u>District Population</u>	<u>Ratio of Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
1993	\$7,375,000	\$242,167,929	21,071	3.05%	\$350
1994	6,875,000	255,519,084	21,071	2.69%	326
1995	7,620,000	303,947,828	21,071	2.51%	362
1996	6,795,000	321,341,796	21,071	2.11%	322
1997	6,065,000	345,939,293	21,071	1.75%	288
1998	4,917,000	398,304,776	21,071	1.23%	233
1999	3,653,000	426,692,990	21,071	0.86%	173
2000	2,291,000	447,022,148	21,071	0.51%	109
2001	916,000	541,921,893	27,610	0.17%	33
2002	45,719,000	548,435,350	27,610	8.34%	1,656

Sources: Lebanon Chamber of Commerce and Lebanon City School District Financial Records

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

**TABLE 7**

Assessed Valuation of District		<u>\$548,435,350</u>
<u>Overall Direct Debt Limitation</u>		
Direct debt limitation		
9% of assessed valuation		\$49,359,182
Amount available in Debt Service Fund		443,323
Gross indebtedness	(\$45,719,000)	
Less: Debt exempt from limitation	<u>0</u>	
Debt subject to 9% limitation		<u>(45,719,000)</u>
Legal debt margin within 9% limitation		<u>\$4,083,505</u>
<u>Unvoted Direct Debt Limitation</u>		
Unvoted debt limitation		
0.1% of assessed valuation		\$548,435
Amount available in Debt Service Fund		
related to unvoted debt		0
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>\$548,435</u>
<u>Energy Conservation Bond Limitation</u>		
Ohio Revised Code Section 133.042		
Debt limitation		
0.9% of assessed valuation		\$4,935,918
Energy conservation notes authorized		
by the Board		(665,000)
Legal debt margin within 0.9% limitation		<u>\$4,270,918</u>

Source: Lebanon City School District records.

**LEBANON 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:			
Lebanon City School District	<u>\$45,719,000</u>	100.00%	<u>\$45,719,000</u>
Overlapping:			
Warren County	\$6,793,170	14.08%	\$956,478
Lebanon City	10,029,362	91.73%	9,199,934
Mason City	13,855,000	0.20%	27,710
Middletown City	17,452,286	0.33%	57,593
Clear Creek Township	1,950,000	6.74%	131,430
Salem Township	114,710	2.08%	2,386
Total overlapping:	<u>\$50,194,528</u>		<u>\$10,375,531</u>
Total direct and overlapping debt:	<u>\$95,913,528</u>		<u>\$56,094,531</u>

Source: Ohio Municipal Advisory Council

(1) Calculated by the Ohio Municipal Advisory Council

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

TABLE 9

Fiscal Year	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (%)
1993	\$272,445	\$12,579,387	2.17%
1994	831,312	12,890,752	6.45%
1995	998,529	13,121,776	7.61%
1996	1,172,150	14,531,527	8.07%
1997	1,320,547	16,467,086	8.02%
1998	1,410,727	17,582,721	8.02%
1999	1,472,718	19,654,252	7.49%
2000	1,512,513	21,500,147	7.03%
2001	0	24,990,636	0.00%
2002	443,323	25,707,918	1.72%

Source: Lebanon City School District records.

*LEBANON CITY SCHOOL DISTRICT, OHIO*  
 Demographic Statistics  
 Last Ten Years

*TABLE 10*

<u>Year</u>	<u>Warren County Population (1)</u>	<u>Lebanon City Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Warren County (3)</u>
1993	113,909	10,423	3,536	5.70%
1994	113,909	10,423	3,632	4.90%
1995	113,909	10,423	3,842	4.20%
1996	113,909	10,423	3,988	3.90%
1997	113,909	10,423	4,214	2.60%
1998	113,909	10,423	4,354	2.60%
1999	113,909	10,423	4,405	3.20%
2000	113,909	10,423	4,496	3.00%
2001	158,383	16,962	4,446	2.90%
2002	169,025	16,962	4,509	3.30%

Source: (1) Years 1993 - 2000, 1990 Census / Year 2001-2002, 2000 Census

(2) Lebanon City School District Records

(3) Ohio Bureau Employment Services

Prior years' amounts have been restated to reflect current available information.



**LEBANON CITY SCHOOL DISTRICT, OHIO**  
 Construction, Bank Deposits and Property Values  
 Last Ten Calendar Years

**TABLE 11**

<u>Calendar Year</u>	<u>Construction (1)</u>	<u>Bank Deposits (2) (in Thousands)</u>	<u>Property Values (3)</u>
1992	\$9,077,679	\$342,162,000	\$196,968,130
1993	12,774,111	367,097,000	199,964,620
1994	13,267,519	411,164,000	207,718,010
1995	30,725,199	422,581,000	251,283,640
1996	29,040,394	460,950,000	267,676,730
1997	26,993,285	465,584,000	288,144,380
1998	32,204,227	523,595,000	342,775,310
1999	31,326,951	524,246,000	368,094,830
2000	36,589,567	533,873,000	388,957,480
2001	36,191,203	618,781,000	475,136,090

- Sources:
- (1) City of Lebanon
  - (2) Total deposits of all banks headquartered in Warren County, Ohio.  
(includes national and state chartered banks.) Federal Reserve Bank,  
Cleveland.
  - (3) Warren County Auditor

LEBANON CITY SCHOOL DISTRICT, OHIO  
 Real Property  
 Top Ten Principal Taxpayers  
 June 30, 2002 (1)

TABLE 12

Name of Taxpayer	Real Property	% of Total Assessed Valuation
Dominion Transmission	\$6,195,720	1.13%
Fujitec America	5,927,310	1.08%
Johnson & Hardin	4,598,370	0.84%
United Telephone Company	4,583,720	0.84%
Cincinnati Gas & Electric	4,458,760	0.81%
Texas Eastern Transmission	2,042,750	0.37%
Exxon Mobil Corporation	1,946,460	0.35%
Eastern Retail Holdings	1,926,040	0.35%
Lebanon Park Towne Homes	1,873,010	0.34%
Crossman Communities	1,599,470	0.29%
	\$35,151,610	6.40%

Source: Warren County Auditor.

(1) Based on information available as of June 30, 2002.

LEBANON CITY SCHOOL DISTRICT, OHIO  
 Enrollment Projections  
 June 30, 2002

TABLE 13

Enrollment by Grade

	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2001-02	318	330	363	355	383	401	364	348	341	377	332	310	287	4,509

The following are projections:

2002-03	352	352	345	363	370	392	397	361	356	363	383	323	313	4,670
2003-04	591	542	360	310	356	359	385	410	368	375	342	378	352	5,128
2004-05	411	667	517	361	309	366	366	402	418	367	383	347	367	5,281
2005-06	420	464	636	518	360	317	372	381	409	416	375	388	337	5,393
2006-07	427	474	442	637	516	370	323	388	388	408	426	380	378	5,557
2007-08	435	482	452	443	635	530	376	337	395	387	417	431	369	5,689
2008-09	444	490	460	453	442	653	540	392	343	394	396	423	419	5,849
2009-10	451	501	468	461	452	454	664	562	400	342	403	401	411	5,970
2010-11	460	454	559	463	456	445	460	669	579	402	335	406	401	6,089

Source: Lebanon City School District records.

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# LEBANON CITY SCHOOLS

## *Lebanon's High Five*

1. Quality Facilities for Quality Learning
2. State Report Card - 22 or Bust!
3. Success for All Students - We Can Teach All Children
4. Teacher Learning Drives Student Learning
5. Lebanon's Guarantee - All Children will Read!







**Auditor of State  
Betty Montgomery**

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

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**LEBANON CITY SCHOOL DISTRICT**

**WARREN 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 30, 2003**