

WYOMING CITY SCHOOL DISTRICT

Single Audit Reports

June 30, 2002



**Auditor of State
Betty Montgomery**

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Board of Education
Wyoming City School District
420 Springfield Pike
Wyoming, Ohio 45215

We have reviewed the Independent Auditor's Report of the Wyoming City School District, Hamilton 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 Wyoming City School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

January 22, 2003

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PLATTENBURG & ASSOCIATES, INC. / CERTIFIED PUBLIC ACCOUNTANTS

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

November 13, 2002

Board of Education
Wyoming City School District

We have audited the general purpose financial statements of the Wyoming City School District, (the District), as of and for the year ended June 30, 2002, and have issued our report thereon dated November 13, 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*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the District in a separate letter dated November 13, 2002.

Internal Control Over Financial Reporting

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

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.

Plattensburg & Associates, Inc.
Certified Public Accountants

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

November 13, 2002

Board of Education
Wyoming 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 November 13, 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

WYOMING 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
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed Through Ohio Department of Education:						
Child Nutrition Cluster:						
National School Lunch Program	04-PU	10.555	\$25,612	\$0	\$25,612	\$0
Total U.S. Department of Agriculture - Child Nutrition Cluster			<u>25,612</u>	<u>0</u>	<u>25,612</u>	<u>0</u>
Food Distribution Program						
Food Distribution Program	03-PU	10.550	0	11,890	0	14,408
Total U.S. Department of Agriculture -Nutrition Cluster			<u>25,612</u>	<u>11,890</u>	<u>25,612</u>	<u>14,408</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Title VI - B Grant	6B-SF	84.027	114,151	0	114,151	0
Early Childhood	PG-S1	84.173	5,400	0	5,400	0
Total Special Education Cluster			<u>119,551</u>	<u>0</u>	<u>119,551</u>	<u>0</u>
Eisenhower Grant						
Eisenhower Grant	MS-S1	84.281	6,266	0	3,759	0
Title I Grant	C1-S0	84.010	52,530	0	52,530	0
Title VI	C2-S1	84.298	11,201	0	11,063	0
Drug Free Schools Grant	DR-S1	84.186	57,648	0	55,838	0
Class Size Reduction	*	84.340	18,163	0	18,163	0
Total Department of Education			<u>145,808</u>	<u>0</u>	<u>141,353</u>	<u>0</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>						
Passed Through Ohio Department of Education:						
Learn and Serve America	*	94.004	9,000	0	9,000	0
Total Corporation for National and Community Service			<u>9,000</u>	<u>0</u>	<u>9,000</u>	<u>0</u>
Total Federal Assistance			<u><u>\$299,971</u></u>	<u><u>\$11,890</u></u>	<u><u>\$295,516</u></u>	<u><u>\$14,408</u></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

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

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

1. SUMMARY OF AUDITOR'S RESULTS

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

**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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WYOMING CITY SCHOOL DISTRICT
June 30, 2002

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

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

WYOMING CITY SCHOOL DISTRICT

GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2002

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PLATTENBURG & ASSOCIATES, INC./CERTIFIED PUBLIC ACCOUNTANTS

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Independent Accountants' Report

November 13, 2002

Board of Education
Wyoming City School District

We have audited the accompanying general purpose financial statements of the Wyoming City School District (the District), as of and for the year ended June 30, 2002. 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated November 13, 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.

Plattenburg & Associates, Inc.
Certified Public Accountants

Wyoming City School District
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Equity in Pooled Cash and Investments	\$820	\$89,355	\$699,625	\$104,333
Restricted Equity in Pooled Cash and Investments	0	0	0	25,000
Receivables:				
Taxes	7,118,395	0	1,423,493	0
Intergovernmental	0	35,260	0	0
Accounts	950	0	0	0
Accrued Interest	698	0	0	0
Interfund Receivable	0	0	0	150,000
Inventory	6,417	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	0	0
Total Assets & Other Debits	<u>\$7,127,280</u>	<u>\$124,615</u>	<u>\$2,123,118</u>	<u>\$279,333</u>
Liabilities, Fund Equity & Other Credits:				
Liabilities:				
Accounts Payable	\$6,040	\$0	\$0	\$173,000
Accrued Wages & Benefits	2,148,453	0	0	0
Compensated Absences Payable	238,277	0	0	0
Interfund Payable	150,200	0	0	0
Deferred Revenue	4,093,797	10,260	1,050,093	0
Due to Students	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	<u>6,636,767</u>	<u>10,260</u>	<u>1,050,093</u>	<u>173,000</u>
Fund Equity & Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Property Tax Advances	1,125,900	0	373,400	0
Reserved for Inventory	6,417	0	0	0
Reserved for Endowments	0	0	0	0
Unreserved & Undesignated	(641,804)	114,355	699,625	106,333
Total Fund Equity & Other Credits	<u>490,513</u>	<u>114,355</u>	<u>1,073,025</u>	<u>106,333</u>
Total Liabilities, Fund Equity & Other Credits	<u>\$7,127,280</u>	<u>\$124,615</u>	<u>\$2,123,118</u>	<u>\$279,333</u>

See accompanying notes.

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$4,597	\$64,203	\$0	\$0	\$962,933
0	0	0	0	25,000
0	0	0	0	8,541,888
3,439	0	0	0	38,699
0	283	0	0	1,233
0	0	0	0	698
200	0	0	0	150,200
4,793	0	0	0	11,210
60,462	0	32,563,755	0	32,624,217
0	0	0	1,073,025	1,073,025
0	0	0	23,593,044	23,593,044
<u>\$73,491</u>	<u>\$64,486</u>	<u>\$32,563,755</u>	<u>\$24,666,069</u>	<u>\$67,022,147</u>
\$111	\$780	\$0	\$0	\$179,931
10,511	0	0	107,672	2,266,636
0	0	0	1,138,397	1,376,674
0	0	0	0	150,200
1,599	0	0	0	5,155,749
0	54,722	0	0	54,722
0	0	0	23,420,000	23,420,000
<u>12,221</u>	<u>55,502</u>	<u>0</u>	<u>24,666,069</u>	<u>32,603,912</u>
0	0	32,563,755	0	32,563,755
61,270	0	0	0	61,270
0	0	0	0	1,499,300
0	0	0	0	6,417
0	5,948	0	0	5,948
0	3,036	0	0	281,545
<u>61,270</u>	<u>8,984</u>	<u>32,563,755</u>	<u>0</u>	<u>34,418,235</u>
<u>\$73,491</u>	<u>\$64,486</u>	<u>\$32,563,755</u>	<u>\$24,666,069</u>	<u>\$67,022,147</u>

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Wyoming City School District
 Combined Statement of Revenues, Expenditures
 And Changes in Fund Balance
 All Governmental Fund Types and Expendable Trust Fund
 For the Year Ended June 30, 2002

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
Taxes	\$9,016,819	\$0	\$1,414,962	\$0	\$0	\$10,431,781
Intergovernmental	6,065,245	452,057	186,977	15,000	0	6,719,279
Investment	57,918	0	0	0	0	57,918
Tuition & Fees	399,941	0	0	0	0	399,941
Extracurricular Activities	0	151,020	0	0	0	151,020
Miscellaneous	336,001	56,821	0	0	8,746	401,568
Total Revenues	15,875,924	659,898	1,601,939	15,000	8,746	18,161,507
Expenditures:						
Current:						
Instruction:						
Regular	9,221,789	104,468	0	15,000	9,012	9,350,269
Special	1,419,294	101,477	0	0	0	1,520,771
Vocational	113,621	0	0	0	0	113,621
Support Services:						
Pupils	903,034	65,271	0	0	0	968,305
Instructional Staff	303,458	0	0	0	0	303,458
Board of Education	115,899	0	0	0	0	115,899
Administration	1,534,725	0	0	0	0	1,534,725
Fiscal	372,532	0	18,059	0	0	390,591
Operation & Maintenance of Plant	2,102,536	0	0	4,224	0	2,106,760
Pupil Transportation	345,626	0	0	0	0	345,626
Central	26,325	7,241	0	0	0	33,566
Operation of Non-Instructional Services	0	150,579	0	0	2,000	152,579
Extracurricular Activities	458,111	203,257	0	0	0	661,368
Capital Outlay	0	0	0	116,520	0	116,520
Debt Service:						
Principal Retirement	0	0	370,000	0	0	370,000
Interest & Fiscal Charges	0	0	1,177,045	0	0	1,177,045
Total Expenditures	16,916,950	632,293	1,565,104	135,744	11,012	19,261,103
Excess of Revenues Over (Under) Expenditures	(1,041,026)	27,605	36,835	(120,744)	(2,266)	(1,099,596)
Fund Balance, Beginning of Year	1,536,123	86,750	1,036,190	227,077	3,084	2,889,224
Increase (Decrease) in Reserve for Inventory	(4,584)	0	0	0	0	(4,584)
Fund Balance, End of Year	\$490,513	\$114,355	\$1,073,025	\$106,333	\$818	\$1,785,044

See accompanying notes.

Wyoming City School District
 Combined Statement of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 All Governmental Fund Types
 For the Year Ended June 30, 2002

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$8,916,999	\$8,916,999	\$0	\$0	\$0	\$0
Intergovernmental	5,904,674	5,904,674	0	359,294	427,057	67,763
Investment	62,010	62,010	0	0	0	0
Tuition & Fees	377,629	377,629	0	0	0	0
Extracurricular Activities	0	0	0	126,747	151,020	24,273
Miscellaneous	356,107	356,107	0	47,719	56,821	9,102
Total Revenues	15,617,419	15,617,419	0	533,760	634,898	101,138
Expenditures:						
Current:						
Instruction:						
Regular	8,987,357	8,987,357	0	83,433	104,468	(21,035)
Special	1,411,641	1,411,641	0	56,836	101,477	(44,641)
Vocational	111,191	111,191	0	0	0	0
Support Services:						
Pupils	892,892	892,892	0	52,098	65,271	(13,173)
Instructional Staff	300,010	300,010	0	0	0	0
Board of Education	115,899	115,899	0	0	0	0
Administration	1,397,388	1,397,388	0	0	0	0
Fiscal	354,585	354,585	0	0	0	0
Operation & Maintenance of Plant	2,077,479	2,077,479	0	0	0	0
Pupil Transportation	345,777	345,777	0	0	0	0
Central	26,325	26,325	0	5,777	7,241	(1,464)
Operation of Non-Instructional Services	0	0	0	173,571	150,579	22,992
Extracurricular Activities	446,501	446,501	0	200,534	203,686	(3,152)
Capital Outlay	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest & Fiscal Charges	0	0	0	0	0	0
Total Expenditures	16,467,045	16,467,045	0	572,249	632,722	(60,473)
Excess (Deficiency) of Revenues Over Under Expenditures	(849,626)	(849,626)	0	(38,489)	2,176	40,665
Fund Balance, Beginning of Year (Includes Prior Year Encumbrances Appropriated)	427,893	427,893	0	87,174	87,174	0
Fund Balance, End of Year	(\$421,733)	(\$421,733)	\$0	\$48,685	\$89,350	\$40,665

See accompanying notes.

Debt Service			Capital Projects			Totals (Memorandum Only)		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$1,380,362	\$1,380,362	\$0	\$0	\$0	\$0	\$10,297,361	\$10,297,361	\$0
186,977	186,977	0	15,000	15,000	0	6,465,945	6,533,708	67,763
0	0	0	0	0	0	62,010	62,010	0
0	0	0	0	0	0	377,629	377,629	0
0	0	0	0	0	0	126,747	151,020	24,273
0	0	0	0	0	0	403,826	412,928	9,102
1,567,339	1,567,339	0	15,000	15,000	0	17,733,518	17,834,656	101,138
0	0	0	15,000	15,000	0	9,085,790	9,106,825	(21,035)
0	0	0	0	0	0	1,468,477	1,513,118	(44,641)
0	0	0	0	0	0	111,191	111,191	0
0	0	0	0	0	0	944,990	958,163	(13,173)
0	0	0	0	0	0	300,010	300,010	0
0	0	0	0	0	0	115,899	115,899	0
0	0	0	0	0	0	1,397,388	1,397,388	0
18,059	18,059	0	0	0	0	372,644	372,644	0
0	0	0	4,224	4,224	0	2,081,703	2,081,703	0
0	0	0	0	0	0	345,777	345,777	0
0	0	0	0	0	0	32,102	33,566	(1,464)
0	0	0	0	0	0	173,571	150,579	22,992
0	0	0	0	0	0	647,035	650,187	(3,152)
0	0	0	342,566	213,233	129,333	342,566	213,233	129,333
370,000	370,000	0	0	0	0	370,000	370,000	0
1,876,669	1,177,045	699,624	0	0	0	1,876,669	1,177,045	699,624
2,264,728	1,565,104	699,624	361,790	232,457	129,333	19,665,812	18,897,328	768,484
(697,389)	2,235	699,624	(346,790)	(217,457)	129,333	(1,932,294)	(1,062,672)	869,622
697,389	697,389	0	346,790	346,790	0	1,559,246	1,559,246	0
\$0	\$699,624	\$699,624	\$0	\$129,333	\$129,333	(\$373,048)	\$496,574	\$869,622

**Wyoming City School District
 Combined Statement of Revenues, Expenses
 And Changes in Retained Earnings/Fund Balance
 Proprietary Fund Type and Non-Expendable Trust Fund
 For the Year Ended June 30, 2002**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Non-Expendable Trust</u>	
Operating Revenues:			
Investment Revenue	\$0	\$300	\$300
Charges for Services	357,406	0	357,406
Gifts and Donations Revenue	0	800	800
Total Operating Revenues	<u>357,406</u>	<u>1,100</u>	<u>358,506</u>
Operating Expenses:			
Salaries	151,634	0	151,634
Fringe Benefits	26,400	0	26,400
Purchased Services	9,049	0	9,049
Materials & Supplies	217,427	0	217,427
Depreciation	4,927	0	4,927
Other Operating Expenses	2,193	2,000	4,193
Total Operating Expenses	<u>411,630</u>	<u>2,000</u>	<u>413,630</u>
Operating Income (Loss)	<u>(54,224)</u>	<u>(900)</u>	<u>(55,124)</u>
Non-Operating Revenues (Expenses):			
Investment Revenue	100	0	100
Donated Commodities	14,408	0	14,408
Operating Grants - State & Local	239	0	239
Operating Grants - Federal	25,422	0	25,422
Total Non-Operating Revenues	<u>40,169</u>	<u>0</u>	<u>40,169</u>
Net Income	(14,055)	(900)	(14,955)
Retained Earnings/Fund Balance, Beginning of Year	<u>75,325</u>	<u>9,066</u>	<u>84,391</u>
Retained Earnings/Fund Balance, End of Year	<u>\$61,270</u>	<u>\$8,166</u>	<u>\$69,436</u>

See accompanying notes.

Wyoming City School District
 Combined Statement of Cash Flows
 Proprietary Fund Type and Non-Expendable Trust Fund
 For the Year Ended June 30, 2002

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum only)
	Enterprise	Non-Expendable Trust	
Cash Flows from Operating Activities:			
Cash Received from Investment Earnings	\$0	\$300	\$300
Cash Received from Charges for Services	357,406	0	357,406
Cash Received from Gifts and Donations	0	800	800
Cash Payments for Personal Services	(176,562)	0	(176,562)
Cash Payments for Contract Services	(9,049)	0	(9,049)
Cash Payments for Supplies & Materials	(198,170)	0	(198,170)
Cash Payments for Other Expenses	(2,193)	(2,000)	(4,193)
Net Cash Provided (Used) by Operating Activities	(28,568)	(900)	(29,468)
Cash Flows from Non-Capital Financing Activities:			
Cash Received from Operating Grants	27,369	0	27,369
Cash Received from Investment Earnings	100	0	100
Net Cash Provided (Used) by Non-Capital Financing Activities	27,469	0	27,469
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Capital Assets	(6,022)	0	(6,022)
Net Cash Used for Capital and Related Financing Activities	(6,022)	0	(6,022)
Net Increase (Decrease) in Cash and Cash Equivalents	(7,121)	(900)	(8,021)
Equity in Pooled Cash and Investments, Beginning of Year	11,718	9,066	20,784
Equity in Pooled Cash and Investments, End of Year	\$4,597	\$8,166	\$12,763
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	(\$54,224)	(\$900)	(\$55,124)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	4,927	0	4,927
Donated Commodities Used	14,408	0	14,408
Changes in Assets and Liabilities:			
(Increase) Decrease in Materials & Supplies Inventory	11,350	0	11,350
Increase (Decrease) in Accounts Payable	(3,951)	0	(3,951)
Increase (Decrease) in Accrued Wages & Benefits	1,472	0	1,472
Increase (Decrease) in Deferred Revenue	(2,550)	0	(2,550)
Net Cash Provided (Used) by Operating Activities	(\$28,568)	(\$900)	(\$29,468)
Reconciliation of Non-Expendable Trust Fund to balance sheet:			
Equity in Pooled Cash and Investments - All Fiduciary Funds		\$64,203	
Equity in Pooled Cash and Investments - Expendable Trust and Agency Funds		56,037	
Equity in Pooled Cash and Investments - Non-Expendable Trust Fund		\$8,166	

See accompanying notes.

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WYOMING CITY SCHOOL DISTRICT, OHIO

NOTES TO FINANCIAL STATEMENTS

June 30, 2002

1. DESCRIPTION OF THE DISTRICT

The District was chartered by the Ohio State Legislature in 1832 when 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 5 member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the District's instructional and support facilities staffed by approximately 82 non-certificated personnel and approximately 168 certificated full time teaching and administrative personnel to provide services to students and other community members.

The District is the 14th largest in Hamilton County in terms of enrollment. It currently operates 3 primary schools, 1 middle school (grades 5-8), and 1 high school (grades 9-12).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

THE REPORTING ENTITY

For financial reporting purposes the District's financial statements include all funds and account groups, and component units for which the District is financially accountable based upon criteria set forth in GASB Statement 14. Generally, component units are legally separate organizations for which the elected officials of the primary government (i.e. the District) are financially accountable. The District would consider an organization to be a component unit if:

1. The District appoints a voting majority of the organization's governing body AND (a) is able to impose its will on that organization OR (b) there is a potential for the organization to provide specific financial burdens on the District; OR

2. The organization is fiscally dependent upon the District; OR
3. The nature of the relationship between the District and the organization is such that the exclusion from the financial reporting entity would render the financial statements of the District misleading.

BASIS OF PRESENTATION - FUND ACCOUNTING

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

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

General Fund

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

Special Revenue Funds

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

Capital Projects Funds

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

Debt Service Fund

The Debt Service is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related cost; and for the payment of interest on general obligation notes payable, as required by Ohio Law.

Proprietary Funds

Proprietary Funds are used to account for the District's ongoing activities, which are similar to those most often found in the private sector. The following is the District's Proprietary Fund Type.

Enterprise Funds

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

Fiduciary Funds

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

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

General Fixed Assets Account Group

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

General Long Term Obligations Account Group

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

MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement Focus: Governmental Fund Types and Expendable Trust Funds are accounted for on a spending, or "financial flow", 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 and Nonexpendable Trust Funds are accounted for on a cost of services, or "capital maintenance", measurement focus. Proprietary Fund Types and Nonexpendable Trust Funds 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 School District, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the School 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 School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School 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 and Nonexpendable Trust 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.

BUDGETARY DATA

Budgetary Basis of Accounting: The District's budgetary process accounts for certain transactions on a basis other than GAAP. The major difference between the budgetary basis and the GAAP basis are:

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

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

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

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

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

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

Prior to March 15, the Board of Education accepts by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final Amended Certificate.

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

Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.

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

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

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

ENCUMBRANCES

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

CASH AND INVESTMENTS

Cash received by the District is deposited in one bank account with individual fund balance integrity maintained throughout. Moneys for all funds are maintained in these accounts or are temporarily used to purchase short-term cash equivalent investments (maturity date within three months of the date acquired). State statute authorizes the District to invest in obligations of the US Treasury, commercial paper and repurchase agreements.

Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to Agency Funds, Employee Benefits, certain trust funds and those funds individually authorized by Board resolution. For purposes of the Statement of Cash Flows (GASB Statement No. 9) all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

Investments in the District's cash and investments are stated at fair value as determined by quoted market prices.

RESTRICTED CASH

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

Restricted cash in the capital projects fund represents cash and cash equivalents set-aside for retainage payable on construction contracts.

INVENTORY (MATERIALS AND SUPPLIES)

Inventories are valued at lower of cost (First-in, First-out) or market and are determined by physical count. Inventories are expensed when used rather than when purchased.

FIXED ASSETS AND DEPRECIATION

General Fixed Assets Account Group - General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the General Fixed Assets Account Group. Donated fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$250 and a useful life of less than 5 years. No depreciation is recognized for assets in the General Fixed Assets Account Group. The District does not possess any infrastructure.

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

<u>Asset</u>	<u>Life (years)</u>
Furniture, Fixtures and Equipment	05 - 20

INTERFUND TRANSACTIONS

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

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

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

Short-term interfund loans are reflected as interfund loans payable/receivable, while long-term interfund loans (greater than one year in length) are recorded as advances to/from other funds.

COMPENSATED ABSENCES

The district uses the vesting method to accrue sick leave liabilities. GASB Statement No. 16 specifies that compensated absences should be accrued as they are earned by employees if both of the following conditions are met:

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

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

LONG-TERM OBLIGATIONS

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long Term Obligations Account Group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

FUND EQUITY

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, materials and supplies inventory, property taxes and budgetary set-asides required under Ohio Law.

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.

MEMORANDUM ONLY-TOTAL COLUMNS

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

PROPRIETARY FUND ACCOUNTING

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

3. 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. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including but not limited, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

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

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

At year end the unobligated or carrying amount of the District's pooled cash and investments was \$987,933. The bank balance of deposits was \$1,070,863. Of the bank balance \$100,000 was covered by federal depository insurance and the remaining amount 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.

Investments: The District's investments are categorized below to give an indication of the level of risk assumed by the District 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 that are held by the counterparty's trust department or agent in the District's name.

Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the District's name.

Investments in STAR Ohio and Star Treasury Fund are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

Based on the above criteria, the District had no investments at fiscal year-end.

4. 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 are as follows:

Tangible Personal	\$6,277,280
Real Estate	<u>209,795,620</u>
Total Assessed Property Value	<u>\$216,072,900</u>

In 2002, real property taxes 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 1996. Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 26% of true value (as defined). 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 January 20. If paid semi-annually, the first payment (at least one-half of amount billed) was due January 20, with the remainder due on June 20.

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes, which became measurable at year-end. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of year-end. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations.

5. FIXED ASSETS

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

	Balance Beginning <u>Of Year</u>	<u>Additions</u>	<u>Deletions</u>	Balance End <u>Of Year</u>
Land	\$ 461,418	\$ 168,075	\$ 0	\$ 629,493
Buildings	27,542,077	1,174,808	0	28,716,885
Equipment	<u>3,143,909</u>	<u>73,468</u>	<u>0</u>	<u>3,217,377</u>
Total	<u>\$31,147,404</u>	<u>\$1,416,351</u>	<u>\$ 0</u>	<u>\$32,563,755</u>

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

Furniture and Equipment	\$178,701
Less: Accumulated Depreciation	<u>(118,239)</u>
Net Fixed Assets - Proprietary Fund	<u>\$ 60,462</u>

6. CHANGES IN THE GENERAL LONG TERM OBLIGATIONS ACCOUNT GROUP

During the year ended June 30, 2002, the following changes occurred in liabilities reported in the General Long Term Obligations Account Group. Compensated absences will be paid from the fund, which the employee is paid.

	Balance Beginning <u>Of Year</u>	<u>Additions</u>	<u>Deductions</u>	Balance End <u>Of Year</u>
Accrued Wages & Benefits	\$ 108,798	\$ 0	\$ 1,126	\$ 107,672
Compensated Absences	942,436	195,961	0	1,138,397
General Obligation Bonds Payable	<u>23,790,000</u>	<u>0</u>	<u>370,000</u>	<u>23,420,000</u>
Total	<u>\$24,841,234</u>	<u>\$195,961</u>	<u>\$371,126</u>	<u>\$24,666,069</u>

7. GENERAL LONG-TERM BONDS

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

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

<u>Purpose</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>July 1</u>	<u>Issued</u> <u>(Retired)</u>	<u>Balance</u> <u>June 30</u>
Bonds	3.40%	\$23,790,000	(\$370,000)	\$23,420,000

Principal and interest requirements to retire bond payable outstanding at fiscal year-end are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2003	\$390,000	\$1,170,077
2004	415,000	1,115,509
2005	465,000	1,121,240
2006	490,000	1,102,272
Thereafter	<u>21,660,000</u>	<u>15,564,727</u>
Totals	<u>\$23,420,000</u>	<u>\$20,073,825</u>

8. INTERFUND ACTIVITY

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

	<u>Interfund</u> <u>Receivables</u>	<u>Interfund</u> <u>Payables</u>
General Fund	\$ 0	\$150,200
Capital Projects Fund:		
Permanent Improvement	150,000	0
Enterprise Fund	<u>200</u>	<u>0</u>
Total All Funds	<u>\$150,200</u>	<u>\$150,200</u>

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 public retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

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' Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's contributions to SERS for the years ending June 30, 2002, 2001 and 2000 were \$344,256, \$317,022, and \$279,672 respectively; 50% has been contributed for fiscal year 2002 and 100% for fiscal years 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 public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3% 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 for the years ending June 30, 2002, 2001 and 2000 were \$1,239,852, \$1,158,564, and \$1,092,156 respectively; 83% has been contributed for fiscal year 2002 and 100% for fiscal years 2001 and 2000.

C. Post-employment Benefits

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board allocated employer contributions equal to 8.0 percent of covered payroll to the Health Care Reserve Fund. For the year end June 30, 2002, the allocation will be 4.5% of covered payroll.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3.149 billion at June 30, 2000. 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 years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

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

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

10. BUDGETARY BASIS OF ACCOUNTING

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

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

	<u>Governmental Fund Types</u>			
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>
GAAP Basis	(\$1,041,026)\$27,605	\$36,835	(\$120,744)	
Net Adjustment for Revenue Accruals	(258,505)	(25,000)	(34,600)	0
Net Adjustment for Expenditure Accruals	449,905	(429)	0	(96,713)
Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Budgetary Basis	<u>(\$849,626)</u>	<u>\$2,176</u>	<u>\$2,235</u>	<u>(\$217,457)</u>

11. CONTINGENT LIABILITIES

GRANTS

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

12. JOINT VENTURE

The Hamilton/Clermont Cooperative Association (HCCA) is a governmental joint venture consisting of 24 school districts. The joint venture 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 HCCA and shares in a percentage of the operations based on the resources provided. HCCA is governed by a board of directors consisting of the superintendents of the 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 24 school districts. Complete financial statements can be obtained from the HCCA located at the Hamilton County Board of Education in Cincinnati, Ohio.

13. UNCERTAINTIES

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 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.

14. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2002, the School District contracted with A.M. Peck Insurance for property and fleet insurance, liability insurance, and inland marine coverage. Coverage's provided by A.M. Peck Insurance are as follows:

Building and Contents - Replacement Cost	\$37,000,000
Inland Marine Coverage	681,000
Boiler and Machinery	No Limit
Crime Insurance	3,000
Automobile Liability	1,000,000
Uninsured Motorist	1,000,000
General Liability	
Per Occurrence	2,000,000
Total Per Year	5,000,000

Settled claims have not exceeded commercial coverage in any of the past three years. There were no significant reductions in insurance coverage from the prior year.

For fiscal year 2002, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

15. COMPLIANCE AND ACCOUNTABILITY

At year end total appropriations in the general fund exceeded the total of the estimated revenue available for expenditure, as certified by the budget commission.

The appropriations exceeded estimated resources in the general fund as follows:

<u>Date</u>	<u>Fund</u>	<u>Appropriations</u>	<u>Estimated Resources</u>	<u>Variance</u>
6/30/02	001	\$16,467,045	\$16,045,312	\$421,733

16. STATUTORY RESERVES

The District is required by state law to set aside certain 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>
Balance, 7/1/2001	(\$ 733,351)	\$ 0	\$ 308,000
Required Set-Aside	241,128	241,128	0
Offset Credits	0	(1,232,011)	0
Qualifying Expenditures	<u>(491,138)</u>	<u>0</u>	<u>(308,000)</u>
Carry Forward			
Balance, 6/30/2002	<u>(\$ 983,361)</u>	<u>(\$ 990,883)</u>	<u>\$ 0</u>
Balance, 6/30/02	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Reserve for Set-Aside	<u>\$ 0</u>		

Offsets and qualifying expenditures for Textbook Reserve and Capital Maintenance Reserve during the year exceeded the required set-aside amounts. Current year qualifying expenditures/offsets totaled \$491,138 and \$1,232,011, respectively for the Textbook Reserve and Capital Maintenance Reserve.



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WYOMING CITY SCHOOL DISTRICT

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 30, 2003**