



**Auditor of State
Betty Montgomery**

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY**

TABLE OF CONTENTS

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

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**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2003**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program		10.550		\$ 150,666		\$ 150,666
National School Breakfast Program		10.553	\$12,253		\$12,219	
National School Lunch Program		10.555	371,661		371,661	
National Milk Program		10.556	1,975		1,975	
Total U.S. Department of Agriculture - Nutrition Cluster			385,889	150,666	385,855	150,666
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)		84.027	741,702		978,934	
Special Education - Preschool Grant		84.173	33,614		29,463	
Total Special Education Cluster			775,316	-	1,008,397	-
Grants to Local Educational Agencies (ESEA Title I)		84.010	614,325		578,334	
Perkins		84.048	15,411		15,411	
Title IV		84.186	16,901		40,116	
Title VI		84.298	76,390		83,618	
Title II-D		84.318	3,192		0	
Title II-A		84.340	77,425		113,646	
Infusion		84.352	8,741		5,997	
Limited English		84.365	14,344		14,344	
Title II-A - Improving Teacher Quality		84.367	239,125		195,154	
Samhsa		93.229	54,721		50,113	
Total Department of Education			1,895,891	-	2,105,130	-
Totals			\$ 2,281,780	\$ 150,666	\$ 2,490,985	\$ 150,666

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

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2003**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B—CHILD NUTRITION CLUSTER

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE C - MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



Auditor of State Betty Montgomery

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

West Clermont Local School District
Clermont County
4578 East Tech Drive
Suite 101
Cincinnati, Ohio 45245

To the Board of Education:

We have audited the accompanying financial statements of the West Clermont Local School District, Clermont County, Ohio (the District), as of and for the fiscal year ended June 30, 2003, and have issued our report thereon dated April 1, 2004, which we noted the District adopted Governmental Accounting Standards Board Statement No. 34, 37, 38, 41 and Governmental Standards Board Interpretation 6. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated April 1, 2004.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 1, 2004



Auditor of State Betty Montgomery

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

West Clermont Local School District
Clermont County
4578 East Tech Drive
Suite 101
Cincinnati, Ohio 45245

To the Board of Education:

Compliance

We have audited the compliance of the West Clermont Local School District, Clermont County, Ohio (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2003. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

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

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

Schedule of Federal Awards Receipts and Expenditures

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 2003, and have issued our report thereon dated April 1, 2004. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of federal awards receipts and expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

April 1, 2004

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CLERMONT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505
JUNE 30, 2003**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster: Food Distribution – CFDA# 10.550 National School – CFDA# 10.553 National School Lunch – CFDA# 10.555 National Milk – CFDA# 10.556 Title II-A: Class Size Reduction – CFDA# 84.340
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CINCINNATI, OHIO**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

**WEST CLERMONT LOCAL SCHOOL DISTRICT
CINCINNATI, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

**PREPARED BY:
OFFICE OF THE TREASURER
CHARLES A. GOSSETT, TREASURER**

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TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	vii
List of Principal Officials	xvi
Organizational Chart	xvii
FINANCIAL SECTION	
Report of Independent Accountants	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Net Assets - Proprietary Funds	18
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	19
Statement of Cash Flows - Proprietary Funds	20
Statement of Fiduciary Net Assets - Fiduciary Funds	21
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	22
Notes to the Basic Financial Statements	23
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	48
Notes to the Required Supplementary Information	49
Combining Statements and Individual Fund Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	53
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	54
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	60

TABLE OF CONTENTS

	<u>Page</u>
Nonmajor Capital Projects Funds:	
Combining Balance Sheet	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	66
Nonmajor Enterprise Funds:	
Combining Statement of Net Assets	67
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	68
Combining Statement of Cash Flows	69
Agency Fund:	
Statement of Changes in Assets and Liabilities	70
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual (Non-GAAP Budgetary Basis):	
Public School Support	71
Other Grants	72
District Managed Student Activities	73
Auxiliary Services	74
Career Development	75
Teacher Development	76
Education Management Information System	77
Disadvantaged Pupil Impact Aid	78
Network Connectivity	79
School Net Professional Development	80
Ohio Reads	81
Summer Intervention	82
Career Education State	83
Extended Learning	84
Miscellaneous State Grants	85
Eisenhower Professional Development	86
Title VIB	87
Vocational Education	88
Title III	89
Title I	90
Title IV Innovative Projects	91
Emergency Immigrant Education	92
Drug Free Schools	93
Preschool Grant	94
E-Rate	95
Goals 2000	96
Improving Teacher Quality	97
Miscellaneous Federal Grants	98
Debt Service	99
Permanent Improvement	100
Building	101
School Net	102
Individual Grant	103

TABLE OF CONTENTS

	<u>Table</u>	<u>Page</u>
STATISTICAL SECTION		
General Fund Operating Revenues by Source	1	105
General Fund Operating Expenditures by Function	2	106
Property Tax Levies and Collections - Real, Public Utility and Tangible Property	3	107
Assessed and Estimated Actual Value of Taxable Property	4	108
Property Tax Rates - Direct and Overlapping Governments	5	109
Ratio of Net General Bonded Debt to Assessed Value And Net Bonded Debt per Capita	6	110
Computation of Legal Debt Margin	7	111
Computation of Direct and Overlapping Debt	8	112
Ratio of Annual Debt Service Expenditures - For General Bonded Debt to Total General Fund Expenditures	9	113
Demographic Statistics	10	114
Construction, Bank Deposits and Property Values	11	115
Real Property - Top Ten Principal Taxpayers	12	116
Miscellaneous Statistical Data	13	117

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INTRODUCTORY SECTION

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April 1, 2004

To the Citizens and Board of Education of the West Clermont Local School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the West Clermont Local School District (District) for the fiscal year ended June 30, 2003. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the enclosed data is fairly presented in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report has been prepared by the Chief Financial Officer's Office and includes an opinion from the Auditor of the State of Ohio.

Copies of this report will be widely distributed throughout the District. A copy will be sent to all school buildings, the Chamber of Commerce, Clermont County Administrative Offices, Union Township, Pierce Township, Batavia Township, other governments in Clermont County, Moody's financial rating services, and any other interested parties.

The Comprehensive Annual Financial Report is divided into three sections:

The **Introductory Section** includes a table of contents, this transmittal letter, and a list of principal officials and the district's organizational chart. Also included are the District's major and future initiatives.

The **Financial Section** includes the report of independent accountants on the financial statements, management's discussion and analysis, basic financial statements, notes to the basic financial statements, required supplementary information and the combining statements for non-major funds and schedules that provide detailed information relative to the basic financial statements.

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 for which the District is financially accountable based on the criteria of financial accountability set forth in GASB Statement 14. The District is, however, affiliated with the Great Oaks Joint Vocational School and the Clermont County Health Plan which are jointly governed organizations. These organizations do not meet the criteria of GASB Statement 14 and, therefore, are not included in the district's financial statements. The District included no component unit reports in the financial statements.

The District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory, advanced placement, gifted, special education and vocational levels; a broad range of co-curricular and extra-curricular activities; special education programs and community recreation activities.

ECONOMIC CONDITION AND OUTLOOK

Located in Clermont County, the West Clermont Local School District serves a population of approximately 27,822 people. Within the District boundaries is the majority of Union Township, as well as parts of Pierce Township and Batavia Township. These rapidly growing and thriving communities are a blend of residential, business, high technology, and light industrial areas. Convenient access to State Route 32 and interstate connector I-275 has helped in the spectacular growth of the area during the last twenty years. The greater Cincinnati area has long been noted as one of the premiere areas to live and work in the United States.

A strong industrial base in Union Township is currently in mid development stage. A tax incentive district supports this multi use development. The District has entered into an agreement with the Union Township trustees to provide the District reimbursement for lost tax revenue as a result of the tax incentives used to attract new businesses. In addition, significant residential growth in all segments continues to provide a stable tax base for the District for many years. With general economic conditions improving, prospects for continued growth look favorable. We are always striving to provide the very best opportunities to every child, while carefully guarding the District's resources.

THE DISTRICT AND ITS FACILITIES

The District is comprised of several townships in Clermont County, including Union Township, Pierce Township, and Batavia Township. Enrollment for the 2002-2003 school year was 8,738 students, grades K through 12, and has increased by 131 students since 1994. The District consists of eight elementary schools, two middle schools, and two high school campuses. West Clermont is the 22nd largest of Ohio's 611 school districts.

Name of Bldg Address	Grades Housed	Date of Original Building	Enrollment
Amelia Elementary 5 East Main Street Amelia, Ohio 45102	K-5	1932	504
Brantner Elementary 609 Brantner Lane Cincinnati, Ohio 45244	K-5	1963	456
Clough Pike Elementary 808 Clough Pike Cincinnati, Ohio 45245	PreK-5	1968	448
Holly Hill Elementary 3520 State Route 132 Amelia, Ohio 45102	K-5	1982	437
Merwin Elementary 1040 Gaskins Road Cincinnati, Ohio 45245	K-5	1969	716
Summerside Elementary 4639 Vermona Drive Cincinnati, Ohio 45245	K-5	1951	575
Willowville Elementary 4529 Schoolhouse Road Batavia, Ohio 45103	K-5	1968	617
Withamsville-Tobasco Elementary 733 Ohio Pike Cincinnati, Ohio 45245	K-5	1936	539
Amelia Middle 1341 Clough Pike Batavia, Ohio 45103	6-8	1961	1128
Glen Este Middle 4342 Glen Este-Withamsville Road Cincinnati, Ohio 45245	6-8	1963	963
Amelia High 1351 Clough Pike Batavia, Ohio 45103	9-12	1960	1232
Glen Este High 4342 Glen Este-Withamsville Road Cincinnati, Ohio 45245	9-12	1963	1185

ORGANIZATION OF THE SCHOOL DISTRICT

The Board members represent a cross section of professions in the community. The Board members on June 30, 2003, were as follows:

Board Member	Term Expires	Years as Member	Profession
John Gray, President	12/31/2005	13	Engineering Consultant
Barbara Hartman Vice President	12/31/2007	28	Educator
Jo Ann Beamer	12/31/2005	21	Retired School Principal
Jeff Burgess	12/31/2005	2	Project Manager
Cynthia Petrey	12/31/2003	7	Self-employed

Superintendent of the District is Dr. Michael Ward. Dr. Ward came to the district in 1993 from the neighboring district of Forest Hills and previously served as Assistant Superintendent of Curriculum before assuming the position of Superintendent in 1999. He holds many degrees: a bachelor of liberal arts from California Baptist College, a masters degree in early education from Arizona State University, a masters degree in elementary education from Black Hills State College, a Certificate of Advanced Studies in administration, policy and research from Harvard University, and a doctorate degree in education administration from the University of North Dakota.

The Treasurer of the District is Charles A. Gossett. Mr. Gossett has been a treasurer for 18 years in Southwest Ohio, the last 8 years with West Clermont. He previously served as Treasurer at Fairfield City Schools and Franklin City Schools. He brings 8 years of non-educational private sector experience in management to his school experience. He holds a B.S. in Business Administration from Ohio State University and has completed graduate work toward his MBA at Wright State University.

EMPLOYEE RELATIONS

The District currently has approximately 875 full-time and 97 part-time employees.

The District's teachers are represented for collective bargaining purposes by the West Clermont Education Association (WEA, an affiliate of the Ohio Education Association and the National Education Association). The District has a two-year collective bargaining agreement with WEA, which expires July 31, 2005. The District's support staff is represented by the West Clermont Helping Ohio's Public Employees (HOPE, an OEA and NEA Affiliate). The District has a two-year collective bargaining agreement, which expires June 30, 2005.

Duties and responsibilities of the Board of Education are found in the laws governing public education in Ohio. The Board of Education directly employs the Superintendent and Treasurer and serves as the legislative body of the District.

The Treasurer serves as the chief financial officer of the School District and, with the president, executes all conveyances made by the Board of Education.

The Superintendent is the chief executive officer of the School District and is responsible for administering policies adopted by the Board of Education. The Superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board on all aspects of the educational program and total operation of the School District.

The Board of Education employs all certified and classified employees only upon the nomination of the Superintendent.

SERVICES PROVIDED

The District provides a wide variety of education and support services, as mandated by the Ohio Revised Code or board directives.

Transportation is provided for over 7,870 students each day. The District fleet of 98 buses travels over 5,996 miles each day, transporting to 43 different sites. In addition to making more than 89 daily runs, the department transported both public and non-public students on 600 extra-curricular trips during the year.

The food service department served 541,753 plate lunches throughout the District's kitchens. This is accomplished through the full operation of 6 kitchens. The District currently offers a breakfast program at Holly Hill Elementary.

In addition to transportation and school lunch support services, students in the District also receive guidance, psychological, and limited health services free of charge. The guidance services are designed to help students match their natural skills with vocational and/or academic programs to help them achieve their full potential in life. Psychological services include the testing and identification of students for special education programs.

Limited health services are provided by a registered nurse and 16 health aides throughout the district.

The District offers regular instructional programs daily to students in grades K-12. Approximately 230 students participated in the specific trades through Great Oaks Joint Vocational School programs. Over 1,047 students receive special services, due to physical or mental handicapping conditions. In grades K-12, approximately 980 students have been identified as gifted.

MAJOR CURRENT AND FUTURE INITIATIVES

Creating the Schools We Need

West Clermont's strategic plan, *Creating the Schools We Need*, was developed in collaboration between parents, staff, students and community members involved on a district Planning Council. The following purpose statements were adopted by the West Clermont School Board and endorsed by the West Clermont Education Association.

- Develop a school culture that embraces all students.
- Teach from a curriculum that is based on state and national standards.
- Base instruction on current research and utilize proven best practices.
- Hold students accountable to high standards.
- Engage students in active learning and quality work in the classroom.
- Develop critical and creative thinkers.
- Foster a love of learning.
- Provide safe facilities conducive to learning.

High School Redesign

The District's goal is to create small learning communities that engage students in active, inquiry-based learning, stress depth of competency, and maintain high expectations for all students in an atmosphere that provides each individual personal support. This is achieved through the redesign of the two high schools into ten smaller "schools within a school". The new schools opened in August 2002.

The small school design was implemented with donations from the Bill and Melinda Gates Foundation, KnowledgeWorks Foundation, Corning Precision Lens, Harvard University Institute for School Leadership and the University of Minnesota Center for School Change. The design changes will allow us to meet the following goals:

1. Guarantee an environment that fosters respect for individual differences.
2. Achieve recognition as a World-Class school district through continuous improvement in all areas of the school organization.
3. Become a nationally recognized leader in customer-focused, performance driven education.

CHALLENGES FOR 2003-2004 AND BEYOND

- Provide sufficient facilities and classrooms for the student population.
- Recruit and retain a quality staff.
- Provide resources for staff development.
- Ensure that technology in the schools keeps pace with the needs of students.
- Increase communications with our community to ensure meeting the changing needs of our community.

Building a solid foundation of literacy is a core precept of West Clermont's curriculum and classroom focus. Beginning in elementary, students' skills and achievements are measured to ensure progress is being made on an individual basis. This gives teachers and parents specific, individualized information about the student's development, which allows them to better work with them. As they progress through elementary school, they are taught by highly trained teachers whose skills are developed through extensive programs such as reading recovery and other literacy based programs.

BELIEFS

West Clermont's vision

Our Mission is to ensure academic excellence for all students, in a safe environment, supported by parents and the community.

West Clermont's character values

West Clermont is proud to be recognized as a school district of character by the Character Council of Greater Cincinnati & Northern Kentucky.

LONG RANGE BUILDING AND MAINTENANCE PLANS

The District, as part of its strategic planning, in conjunction with the Ohio School Facilities Commission, completed an Educational Facilities Master Plan in 2003. This plan has provided the blueprint for a ten-year facility improvement plan. The improvements will be funded through proceeds from a future bond issue. The facility improvement plan includes the construction of four new elementary buildings (two replacing old buildings), renovation of six elementary schools and various improvements/additions to the middle and high school buildings to bring them in compliance with the new standards. This plan is a living document and may be modified to meet the changing needs of the district and its parents.

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund 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).

FINANCIAL CONDITION

This is the first year the District has prepared financial statements following GASB Statement 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the school district's financial activities as follows:

Government-wide financial statements. These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

Fund financial statements. These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statement of budgetary comparisons. These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for 2003 and the outlook for the future.

INDEPENDENT AUDIT

Provisions of State statute require that the District's financial statements be subjected to an annual examination by an independent auditor. The Auditor of State's unqualified opinion rendered on the District's basic financial statements, combining statements and individual fund schedules, is included in the financial section of this Comprehensive Annual Financial Report. Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The District adopted and has been in conformance with that system effective with its annual financial report since the 1979 calendar year.

ACKNOWLEDGEMENT

The preparation of the 2003 Comprehensive Annual Financial Report of the West Clermont Local School District was made possible by the combined efforts of the District's Finance Department and Plattenburg and Associates, Incorporated. The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability of the District to the taxpayers of the community.

Respectfully submitted,



Charles A. Gossett
Chief Financial Officer/Treasurer

**WEST CLERMONT LOCAL SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2003**

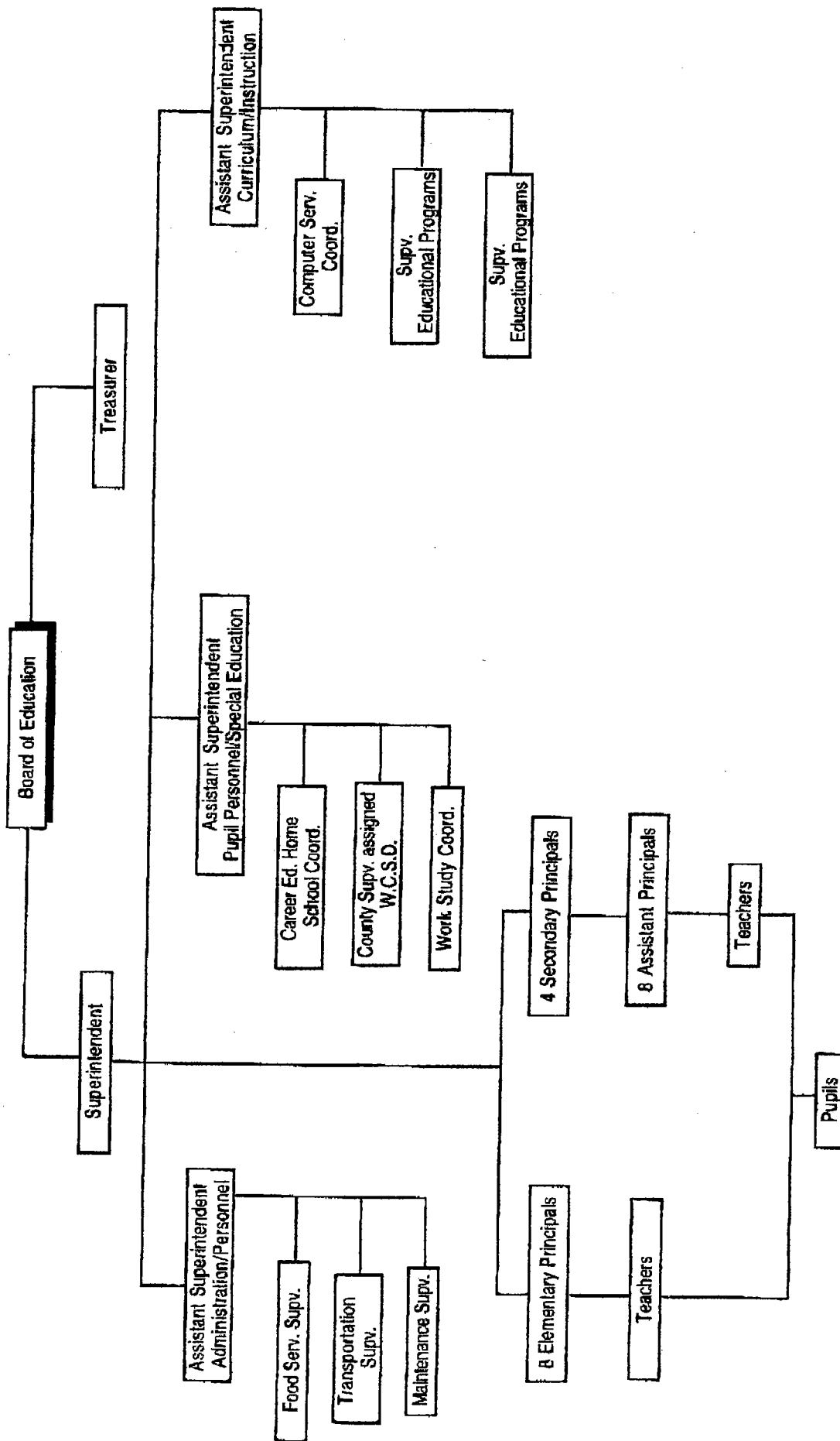
BOARD OF EDUCATION

President	John F. Gray
Vice President	Barbara L. Hartman
Board Member	Jo Ann Beamer
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ADMINISTRATIVE OFFICIALS

Superintendent	Dr. Michael L. Ward
Treasurer	Charles A. Gossett
Assistant Superintendent - Administration/Personnel	John W. Abegglen
Assistant Superintendent - Pupil Personnel/Special Education	Albert L. Delgado
Assistant Superintendent - Curriculum/Instruction	Mary Ellen Steele-Pierce
Director of Operations	G. Edward Dyer
Supervisor of Educational Programs	Lesley A. Quattrone
Supervisor of Educational Programs	Matthew A. White

ORGANIZATIONAL CHART



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**FINANCIAL
SECTION**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

West Clermont Local School District
Clermont County
4578 East Tech Drive, Suite 101
Cincinnati, Ohio 45245

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, business-type activities, the major fund and the aggregate remaining fund information of the West Clermont Local School District, Clermont County, Ohio (the District), as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, the major fund, and the aggregate remaining fund information of the West Clermont Local School District, as of June 30, 2003 and, the respective changes in financial position and the cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the fiscal year ended June 30, 2003, the District implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The District also adopted Governmental Accounting Standards Board Statements 37, 38, 41, and Interpretation 6.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2004 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.

Management's Discussion and Analysis and the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance budget and Actual (Non-GAAP Budgetary Basis) are not a required part of the basic financial statements, but are supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements, schedules and statistical tables are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.



Betty Montgomery
Auditor of State

April 1, 2004

**WEST CLERMONT LOCAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2003
(Unaudited)**

The discussion and analysis of West Clermont Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government issued June, 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information for the prior year, and that the GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the Board has elected to exclude the information in this report. Subsequent reports will include the comparative information.

Financial Highlights

Key financial highlights for 2003 are as follows:

- In total, net assets at the end of the year totaled \$16.87 million. Net assets for governmental activities totaled \$16.24 million which represents 96.3% of total net assets. Net assets for business-type activities totaled \$.62 million or 3.7% of total net assets.
- General revenues accounted for \$57.10 million in revenue or 89.2% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6.93 million or 10.8% of total revenues of \$64.03 million.
- The District had \$66.94 million in expenses related to governmental activities; \$4.72 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$57.10 million were also used to provide for these programs.
- As the major fund, the General Fund had \$55.86 million in revenues and \$61.24 million in expenditures. The General Fund's balance at year end was \$7.19 million.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statements of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. The General Fund is the major fund of the District.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2003?" The *Statement of Net Assets* and the *Statement of Activities* answers this question. These statements include *all assets* and *liabilities* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the *Statement of Net Assets* and the *Statement of Activities*, the District is divided into two distinct kinds of activities:

- **Governmental Activities** – Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- **Business-Type Activities** – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District's food service and uniform school supplies are reported as business activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds is presented in the Fund Financial Statements (see Table of Contents). Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

Governmental Funds Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

The District as a Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole.

Table 1 provides a summary of the District's net assets for 2002 compared to 2003:

Table 1
Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>
Assets						
Current and Other Assets	\$50,078,084	\$47,181,320	\$636,162	\$619,860	\$50,714,246	\$47,801,180
Capital Assets	<u>22,250,037</u>	<u>21,961,816</u>	<u>206,295</u>	<u>176,475</u>	<u>22,456,332</u>	<u>22,138,291</u>
Total Assets	<u>72,328,121</u>	<u>69,143,136</u>	<u>842,457</u>	<u>796,335</u>	<u>73,170,578</u>	<u>69,939,471</u>
Liabilities						
Long-Term Liabilities	16,897,000	17,760,702	39,094	36,376	16,936,094	17,797,078
Other Liabilities	<u>34,060,633</u>	<u>35,139,017</u>	<u>146,158</u>	<u>135,998</u>	<u>34,206,791</u>	<u>35,275,015</u>
Total Liabilities	<u>50,957,633</u>	<u>52,899,719</u>	<u>185,252</u>	<u>172,374</u>	<u>51,142,885</u>	<u>53,072,093</u>
Net Assets						
Invested in Capital						
Assets Net of Debt	6,759,367	5,137,703	206,295	176,475	6,965,662	5,314,178
Restricted	6,409,549	4,871,811	0	0	6,409,549	4,871,811
Unrestricted	<u>8,201,572</u>	<u>6,233,903</u>	<u>450,910</u>	<u>447,486</u>	<u>8,652,482</u>	<u>6,681,389</u>
Total Net Assets	<u>\$21,370,488</u>	<u>\$16,243,417</u>	<u>\$657,205</u>	<u>\$623,961</u>	<u>\$22,027,693</u>	<u>\$16,867,378</u>

Total assets decreased \$3.23 million. Equity in pooled cash and cash equivalents decreased \$3.15 million. Taxes receivable increased \$.24 million. Total liabilities increased \$1.93 million, resulting in a net asset decrease of \$5.16 million.

The net assets of the District business-type activities decreased by \$.03 million. Since the decrease was slight, management has reviewed and, where feasible, increased fees. This action should ensure that business-type activities remain self-supporting.

Table 2 shows the change in net assets for fiscal year 2003. Since this is the first year the District has prepared financial statements following GASB Statement 34, revenue and expense comparisons to fiscal year 2002 are not available.

Table 2
Changes in Net Assets

	Governmental Activities <u>2003</u>	Business-Type Activities <u>2003</u>	Total <u>2003</u>
Revenues			
Program Revenues:			
Charges for Services	\$773,909	\$1,734,992	\$2,508,901
Operating Grants	3,693,010	471,831	4,164,841
Capital Grants	255,976	0	255,976
General Revenue:			
Property Taxes	29,434,213	0	29,434,213
Grants and Entitlements	26,427,713	0	26,427,713
Other	<u>1,227,494</u>	<u>9,618</u>	<u>1,237,112</u>
Total Revenues	<u>61,812,315</u>	<u>2,216,441</u>	<u>64,028,756</u>
Program Expenses:			
Instruction	41,759,361	0	41,759,361
Support Services:			
Pupil and Instructional Staff	5,909,372	0	5,909,372
General and School Administrative, Fiscal and Business	5,810,956	0	5,810,956
Operations and Maintenance	5,067,598	0	5,067,598
Pupil Transportation	5,561,785	0	5,561,785
Central	783,693	0	783,693
Community Services	34,027	0	34,027
Extracurricular Activities	1,128,041	0	1,128,041
Interest and Fiscal Charges	884,553	0	884,553
Food Service	0	1,881,437	1,881,437
Uniform School Supply	<u>0</u>	<u>368,248</u>	<u>368,248</u>
Total Expenses	<u>66,939,386</u>	<u>2,249,685</u>	<u>69,189,071</u>
Change in Net Assets	<u>(\$5,127,071)</u>	<u>(\$33,244)</u>	<u>(\$5,160,315)</u>

Governmental Activities

The District revenues are mainly from two sources. Property taxes levied for general purposes and grants and entitlements comprised 90% of the District's revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00. Thus Ohio districts do not receive additional property taxes related to increases in appraised values and must regularly return to the voters to maintain a constant level of service. Property taxes made up 48% of revenue for governmental activities for the District in fiscal year 2003.

Instruction comprises 62% of governmental program expenses. Support services expenses were 35% of governmental program expenses. All other expenses and interest expense was 3%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements. Comparisons to 2002 have not been made since they are not available.

Table 3
Governmental Activities

	Total Cost of Services <u>2003</u>	Net Cost of Services <u>2003</u>
Instruction	\$41,759,361	\$39,046,724
Support Services:		
Pupil and Instructional Staff	5,909,372	4,410,007
General, School Administration, Fiscal and Business	5,810,956	5,748,828
Operations and Maintenance	5,067,598	4,955,884
Pupil Transportation	5,561,785	5,441,709
Central	783,693	730,196
Community Services	34,027	6,354
Extracurricular Activities	1,128,041	992,236
Interest and Fiscal Charges	<u>884,553</u>	<u>884,553</u>
Total Expenses	<u>\$66,939,386</u>	<u>\$62,216,491</u>

Business-Type Activities

Business-type activities include the food service operation and the sale of uniform school supplies. These programs had revenues of \$2.21 million and expenses of \$2.25 million for fiscal year 2003. Business activities receive no support from tax revenues.

The District's Funds

Information about the District's major funds is presented in the Fund Financial Statements (see Table of Contents). These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$73,301,997 and expenditures and other financing uses of \$78,066,754. The net change in fund balance for the year was (\$4,764,757), or 29%.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal 2003, the District amended its general fund budget; however these amendments were not significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the budget in an attempt to deal with unexpected changes in state revenues and subsequently reduced expenditures.

For the General Fund, budget basis (Actual) revenue was \$55.13 million, over the original budget estimates of \$54.76 million. Of this \$.37 million difference, most was due to underestimating taxes and intergovernmental revenue.

The District's ending unobligated cash balance for the General Fund was \$.05 million above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2003, the District had \$22.14 million invested in land, buildings and equipment. Table 4 shows fiscal 2003 balances compared to fiscal 2002:

Table 4
Capital Assets at June 30
(Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>
Land	\$1,930,893	\$1,930,893	\$0	\$0	\$1,930,893	\$1,930,893
Buildings and Improvements	20,319,144	19,594,594	0	0	20,319,144	19,594,594
Equipment	<u>0</u>	<u>436,329</u>	<u>206,295</u>	<u>176,475</u>	<u>206,295</u>	<u>612,804</u>
Total Net Assets	<u>\$22,250,037</u>	<u>\$21,961,816</u>	<u>\$206,295</u>	<u>\$176,475</u>	<u>\$22,456,332</u>	<u>\$22,138,291</u>

The decrease in capital assets is due to \$.49 million in additions offset by the recognition of \$.81 million in depreciation.

Debt

At June 30, 2003, the District had \$16,824,113 in bonds and capital leases outstanding, \$1,312,975 due within one year. Table 5 summarizes debt outstanding at year end.

Table 5
Outstanding Debt, at Year End

	<u>Governmental Activities 2003</u>	<u>Governmental Activities 2002</u>
Bonds Payable:		
School Improvement Bonds	\$1,220,000	\$11,150,000
School Improvement Bonds	300,000	1,900,000
School Improvement Refund 2002	<u>11,075,000</u>	<u>0</u>
Subtotal Bonds Payable	12,595,000	13,050,000
Capital Lease Payable:		
Amelia High School	2,838,000	2,838,000
Energy Conservation	1,009,000	1,009,000
Copiers	<u>382,113</u>	<u>0</u>
Subtotal Capital Lease Payable	<u>4,229,113</u>	<u>3,847,000</u>
Total Outstanding Debt at Year End	<u>\$16,824,113</u>	<u>\$16,897,000</u>

For the Future

Externally, the Ohio Supreme Court found the State of Ohio in March 1997, to be operating an unconstitutional educational system, one that was neither “adequate” nor “equitable.” Since 1997, the State has directed its tax revenue growth toward school districts with little property tax wealth. In May of 2000, the Ohio Supreme Court again ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes which are inherently not “equitable” nor “adequate”. The Court directed the Governor and the legislature to address the fundamental issues creating the inequities. In 2001, the Ohio legislature crafted a school-funding program to address the Court’s concerns.

This scenario requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years. Financially, the future of the District is not without challenges. Management must diligently plan future expenditures.

In addition, the District’s system of budgeting and internal controls is well regarded. All of the District’s financial abilities will be needed to meet the challenges of the future. With careful planning and monitoring of the District’s finances, the District’s management is confident that the District can continue to provide a quality education for our students and provide a secure financial future.

Contacting the District’s Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Chuck Gossett, Treasurer at West Clermont Local School District, 4578 E. Tech Drive, Cincinnati, Ohio 45245 or E-mail at gossett_c@hccanet.org.

West Clermont Local School District
Statement of Net Assets
June 30, 2003

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Investments	\$15,824,032	\$577,464	\$16,401,496
Restricted Cash and Investments	233,129	0	233,129
Receivables:			
Taxes	30,498,419	0	30,498,419
Accounts	4,783	1,188	5,971
Intergovernmental	620,957	0	620,957
Inventory	0	41,208	41,208
Nondepreciable Capital Assets	1,930,893	0	1,930,893
Depreciable Capital Assets, Net	20,030,923	176,475	20,207,398
Total Assets	69,143,136	796,335	69,939,471
Liabilities:			
Accounts Payable	1,439,576	4,482	1,444,058
Accrued Wages and Benefits	6,446,194	123,035	6,569,229
Accrued Interest Payable	44,730	0	44,730
Deferred Revenue	27,208,517	8,481	27,216,998
Long-Term Liabilities:			
Due Within One Year	1,462,209	2,646	1,464,855
Due In More Than One Year	16,298,493	33,730	16,332,223
Total Liabilities	52,899,719	172,374	53,072,093
Net Assets:			
Invested in Capital Assets, Net of Related Debt	5,137,703	176,475	5,314,178
Restricted for:			
Debt Service	1,747,145	0	1,747,145
Capital Projects	1,881,801	0	1,881,801
Special Revenue	1,242,865	0	1,242,865
Unrestricted	6,233,903	447,486	6,681,389
Total Net Assets	\$16,243,417	\$623,961	\$16,867,378

See accompanying notes.

West Clermont Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2003

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction:				
Regular	\$33,935,733	\$353,446	\$1,379,280	\$0
Special	7,765,606	197	979,714	0
Vocational	58,022	0	0	0
Support Services:				
Pupil	3,396,321	147,584	293,500	0
Instructional Staff	2,513,051	23,264	899,117	135,900
General Administration	59,854	0	0	0
School Administration	4,400,562	1,899	60,229	0
Fiscal	1,309,410	0	0	0
Business	41,130	0	0	0
Operations and Maintenance	5,067,598	111,714	0	0
Pupil Transportation	5,561,785	0	0	120,076
Central	783,693	0	53,497	0
Community Services	34,027	0	27,673	0
Extracurricular Activities	1,128,041	135,805	0	0
Interest and Fiscal Charges	884,553	0	0	0
Total Governmental Activities	66,939,386	773,909	3,693,010	255,976
Business-Type Activities:				
Food Service	1,881,437	1,348,617	471,831	0
Uniform School Supply	368,248	386,375	0	0
Total Business-Type Activities	2,249,685	1,734,992	471,831	0
Totals	\$69,189,071	\$2,508,901	\$4,164,841	\$255,976

General Revenues:
Property Taxes Levied for:
General Purposes
Debt Service
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Refunds & Reimbursements
Other Revenues

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$32,203,007)	\$0	(\$32,203,007)
(6,785,695)	0	(6,785,695)
(58,022)	0	(58,022)
(2,955,237)	0	(2,955,237)
(1,454,770)	0	(1,454,770)
(59,854)	0	(59,854)
(4,338,434)	0	(4,338,434)
(1,309,410)	0	(1,309,410)
(41,130)	0	(41,130)
(4,955,884)	0	(4,955,884)
(5,441,709)	0	(5,441,709)
(730,196)	0	(730,196)
(6,354)	0	(6,354)
(992,236)	0	(992,236)
(884,553)	0	(884,553)
<u>(62,216,491)</u>	<u>0</u>	<u>(62,216,491)</u>
0	(60,989)	(60,989)
0	18,127	18,127
<u>0</u>	<u>(42,862)</u>	<u>(42,862)</u>
<u>(\$62,216,491)</u>	<u>(\$42,862)</u>	<u>(\$62,259,353)</u>
27,734,576	0	27,734,576
1,699,637	0	1,699,637
26,427,713	0	26,427,713
502,069	5,531	507,600
38,536	0	38,536
686,889	4,087	690,976
<u>57,089,420</u>	<u>9,618</u>	<u>57,099,038</u>
(5,127,071)	(33,244)	(5,160,315)
<u>21,370,488</u>	<u>657,205</u>	<u>22,027,693</u>
<u>\$16,243,417</u>	<u>\$623,961</u>	<u>\$16,867,378</u>

West Clermont Local School District
Balance Sheet
Governmental Funds
June 30, 2003

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$10,874,976	\$4,949,056	\$15,824,032
Restricted Cash and Investments	233,129	0	233,129
Receivables:			
Taxes	28,715,429	1,782,990	30,498,419
Accounts	4,360	423	4,783
Intergovernmental	0	620,957	620,957
Interfund	460,434	2,763	463,197
Total Assets	40,288,328	7,356,189	47,644,517
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	1,306,442	133,134	1,439,576
Accrued Wages and Benefits	5,996,756	235,896	6,232,652
Compensated Absences	149,316	0	149,316
Interfund Payable	0	463,197	463,197
Deferred Revenue	25,643,029	1,837,005	27,480,034
Total Liabilities	33,095,543	2,669,232	35,764,775
Fund Balances:			
Reserved for Encumbrances	748,449	292,596	1,041,045
Reserved for Property Tax Advances	3,072,400	217,500	3,289,900
Reserved for Set-asides	233,129	0	233,129
Unreserved, Undesignated, Reported in:			
General Fund	3,138,807	0	3,138,807
Special Revenue Funds	0	723,589	723,589
Debt Service Funds	0	1,574,375	1,574,375
Capital Projects Funds	0	1,878,897	1,878,897
Total Fund Balances	7,192,785	4,686,957	11,879,742
Total Liabilities and Fund Balances	\$40,288,328	\$7,356,189	\$47,644,517

See accompanying notes.

West Clermont Local School District
Net Assets of Governmental Activities
June 30, 2003

Total Governmental Fund Balance	\$11,879,742
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	21,961,816
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.	271,517
In the statement of net assets, interest is accrued, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.	(44,730)
Some liabilities, such as compensated absences and accrued benefits, do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.	(1,000,815)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.	<u>(16,824,113)</u>
Net Assets of Governmental Activities	<u>\$16,243,417</u>

See accompanying notes.

West Clermont Local School District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2003

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$27,734,577	\$1,699,637	\$29,434,214
Tuition and Fees	149,345	64,377	213,722
Investment Earnings	494,254	7,814	502,068
Intergovernmental	26,827,341	3,466,184	30,293,525
Extracurricular Activities	0	446,618	446,618
Other Revenues	200,759	661,185	861,944
Total Revenues	55,406,276	6,345,815	61,752,091
Expenditures:			
Current:			
Instruction:			
Regular	31,687,817	1,418,941	33,106,758
Special	6,860,955	902,702	7,763,657
Vocational	58,122	0	58,122
Support Services:			
Pupil	2,866,091	529,241	3,395,332
Instructional Staff	1,422,099	1,091,228	2,513,327
General Administration	59,854	0	59,854
School Administration	4,526,886	73,387	4,600,273
Fiscal	1,291,939	27,253	1,319,192
Business	39,702	0	39,702
Operations and Maintenance	5,086,833	118	5,086,951
Pupil Transportation	5,559,765	0	5,559,765
Central	724,460	173,740	898,200
Community Services	0	34,027	34,027
Extracurricular Activities	770,121	351,769	1,121,890
Debt Service:			
Principal Retirement	75,793	455,000	530,793
Interest and Fiscal Charges	192,823	694,088	886,911
Total Expenditures	61,223,260	5,751,494	66,974,754
Excess of Revenues Over (Under) Expenditures	(5,816,984)	594,321	(5,222,663)
Other Financing Sources (Uses):			
Proceeds of Capital Leases	457,906	0	457,906
Refunding Bonds Issued	0	11,075,000	11,075,000
Payment to Refunding Bond Escrow	0	(11,075,000)	(11,075,000)
Transfers In	0	17,000	17,000
Transfers (Out)	(17,000)	0	(17,000)
Total Other Financing Sources (Uses)	440,906	17,000	457,906
Net Change in Fund Balance	(5,376,078)	611,321	(4,764,757)
Fund Balance Beginning of Year	12,568,863	4,075,636	16,644,499
Fund Balance End of Year	\$7,192,785	\$4,686,957	\$11,879,742

See accompanying notes.

West Clermont Local School District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2003

Net Change in Fund Balance - Total Governmental Funds (\$4,764,757)

Amounts reported for governmental activities in the
 statement of activities are different because:

Governmental funds report capital outlays as expenditures.
 However, in the statement of activities, the cost of those
 assets is allocated over their estimated useful lives as
 depreciation expense. This is the amount by which depreciation
 exceeded capital additions in the current period. (288,221)

Revenues in the statement of activities that do not provide
 current financial resources are not reported as revenues in
 the funds. 60,224

Repayment of bond principal is an expenditure in the
 governmental funds, but the repayment reduces long-term
 liabilities in the statement of net assets. 530,793

In the statement of activities, interest is accrued, whereas in
 governmental funds, an interest expenditure is reported when due. 2,358

Some expenses reported in the statement of activities,
 such as compensated absences and accrued benefits,
 do not require the use of current financial
 resources and therefore are not reported as expenditures
 in governmental funds. (209,562)

Proceeds from debt issues are an other financing source in the funds,
 but a debt issue increases long-term liabilities in the statement
 of net assets. (457,906)

Change in Net Assets of Governmental Activities (\$5,127,071)

See accompanying notes.

West Clermont Local School District
Statement of Net Assets
Proprietary Funds
June 30, 2003

	<u>Business-Type Activity Enterprise Funds</u>
Assets:	
Equity in Pooled Cash and Investments	\$577,464
Receivables:	
Accounts	1,188
Inventory	<u>41,208</u>
Total Current Assets	<u>619,860</u>
Depreciable Capital Assets, Net	<u>176,475</u>
Total Assets	<u>796,335</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	4,482
Accrued Wages and Benefits	123,035
Compensated Absences	2,646
Deferred Revenue	<u>8,481</u>
Total Current Liabilities	<u>138,644</u>
Long-Term Liabilities:	
Compensated Absences	<u>33,730</u>
Total Liabilities	<u>172,374</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	176,475
Unrestricted	<u>447,486</u>
Total Net Assets	<u>\$623,961</u>

See accompanying notes.

West Clermont Local School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2003

	Business-Type Activity Enterprise Funds
Operating Revenues:	
Charges for Services	\$1,734,992
Total Operating Revenues	<u>1,734,992</u>
Operating Expenses:	
Personal Services	1,010,672
Contactual Services	28,813
Materials and Supplies	1,174,758
Depreciation	35,320
Other Expenses	122
Total Operating Expenses	<u>2,249,685</u>
Operating Income (Loss)	<u>(514,693)</u>
Non-Operating Revenues (Expenses):	
Investment Earnings	5,531
Donated Commodities	117,781
Operating Grants	354,050
Miscellaneous Non-Operating	4,087
Total Non-Operating Revenues (Expenses)	<u>481,449</u>
Change in Net Assets	(33,244)
Net Assets Beginning of Year	<u>657,205</u>
Net Assets End of Year	<u><u>\$623,961</u></u>

See accompanying notes.

West Clermont Local School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2003

	<u>Business-Type Activity Enterprise Funds</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$1,743,578
Cash Payments to Employees	(1,012,610)
Cash Payments to Suppliers	(1,104,782)
Other Cash Payments	(122)
Net Cash Provided (Used) by Operating Activities	<u>(373,936)</u>
Cash Flows from Noncapital Financing Activities:	
Operating Grants Received	403,445
Payments to Other Funds	(1,174)
Miscellaneous	4,087
Net Cash Provided (Used) by Noncapital Financing Activities	<u>406,358</u>
Cash Flows from Capital and Related Financing Activities:	
Payments for Capital Acquisitions	(5,500)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(5,500)</u>
Cash Flows from Investing Activities:	
Earnings on Investments	5,531
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>5,531</u>
Net Increase (Decrease) in Cash and Cash Equivalents	32,453
Cash and Cash Equivalents Beginning of Year	<u>545,011</u>
Cash and Cash Equivalents End of Year	<u><u>577,464</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(514,693)
Adjustments:	
Depreciation	35,320
Donated Commodities	117,781
Changes in Assets & Liabilities:	
(Increase) Decrease in Receivables	8,586
(Increase) Decrease in Inventory	(9,223)
Increase (Decrease) in Payables	4,166
Increase (Decrease) in Accrued Liabilities	(1,938)
Increase (Decrease) in Deferred Revenue	(13,935)
Net Cash Provided (Used) by Operating Activities	<u><u>(\$373,936)</u></u>
Schedule of Noncash Capital Activities:	
During the fiscal year, the Food Service Fund received contributed food commodities valued at	\$117,781

See accompanying notes.

West Clermont Local School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2003

	Private Purpose Trust	Agency
	<u> </u>	<u> </u>
Assets:		
Equity in Pooled Cash and Investments	\$4,221	\$0
Restricted Cash and Investments	<u>0</u>	<u>121,372</u>
Total Assets	<u>4,221</u>	<u>\$121,372</u>
Liabilities:		
Accounts Payable	0	2,244
Other Liabilities	<u>0</u>	<u>119,128</u>
Total Liabilities	<u>0</u>	<u>\$121,372</u>
Net Assets:		
Held in Trust for Scholarships	<u>4,221</u>	
Total Net Assets	<u>\$4,221</u>	

See accompanying notes.

West Clermont Local School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2003

	Private Purpose Trust
Additions:	
Investment Earnings	\$16
Total Additions	16
Deductions:	
Scholarships	0
Total Deductions	0
Change in Net Assets	16
Net Assets Beginning of Year	4,205
Net Assets End of Year	\$4,221

See accompanying notes.

**WEST CLERMONT LOCAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2003**

1. DESCRIPTION OF THE DISTRICT

West Clermont Local School District (the "School District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. This Board of Education controls the School District's twelve instructional/support facilities staffed by 281 non-certified and 523 certificated full time teaching personnel who provide services to students and other community members.

The School District was established in 1967 through the consolidation of Amelia Local School District, Glen Este-Mt. Carmel Local School District, and the Withamsville Tobasco School District and 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 legislative power of the School District is vested in the Board of Education, consisting of five members elected at-large for staggered four year terms.

The School District is located in western Clermont County, including portions of Union and Pierce townships. It is the 22nd largest in the state of Ohio (among 611 school districts) in terms of enrollment and the largest in Clermont County. It currently operates 8 elementary schools, 2 middle schools, 2 comprehensive high schools, and 1 administrative building.

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 also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. For business-type activities and proprietary funds, the District has elected not to follow subsequent private-sector guidance. The most significant of the District's accounting policies are described below.

A. Reporting Entity

The reporting entity is composed of the primary government. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For West Clermont Local School District, this includes general operations, food service, and student related activities of the School District.

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

Union Township, Pierce Township, and the Clermont County Public Library are separate bodies politic and corporate. Elected or appointed officials are independent of any District relationships, administer the provisions of each entity's services and act as the taxing authority for these services.

The following activities are included within the reporting entity:

Parochial Schools – Within the School District boundaries, St. Bernadette, St. Thomas More, St. Veronica (operated through the Cincinnati Catholic Diocese), Eastern Hills Educational Building and Hamlet Seventh Day Adventist Sacred Heart are operated as private schools. Current State legislation provides funding to these parochial and private schools. These monies are received and disbursed on behalf of the schools by the Treasurer of the School District, as directed by the schools. The activity of these State monies by the School District are reflected in a special revenue fund for financial reporting purposes.

The School District is associated with four organizations; two of which are defined as jointly governed organizations, one as an insurance purchasing pool, and one as a public entity risk pool. These organizations include the Hamilton Clermont Cooperative Association/Unified Purchasing, Great Oaks Joint Vocational School, the Ohio School Boards Association Workers' Compensation Group Rating Plan, and the Clermont County Health Trust.

MEASUREMENT FOCUS

Government-wide Financial Statements

The government-wide statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net assets. Fiduciary Funds are not included in entity-wide statements.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Fiduciary Funds are reported using the economic resources measurement focus.

FUND ACCOUNTING

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid 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. The various funds of the District are grouped into the categories governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental fund:

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

Proprietary Fund

Proprietary fund reporting focuses on the determination of operating income changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service; the District has no internal service funds.

Enterprise Funds – The enterprise fund may be used to account for any activity for which a fee is charged to external users for goods or services.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodian in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only trust fund is a private purpose trust which accounts for scholarship programs for students.

3. BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the actual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

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 fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, included 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 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 nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes available for advance, grants and interest.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

CASH AND CASH EQUIVALENTS

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as “equity in pooled cash and investments” on the financial statements. Investments are reported at fair value which is based on quoted market prices.

The District has invested funds in Money Market Funds, Commercial Paper, U.S. Agencies and in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2003. STAR Ohio is an investment pool managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule2A7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price the investment could be sold for on June 30, 2003.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2003 amounted to \$507,600.

For purposes of the statement of cash flows, the Enterprise Funds’ portion of pooled cash and investments is considered a cash equivalent because the District is able to withdraw resources from the enterprise funds without prior notice or penalty.

INVENTORY

Inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

Inventories consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

CAPITAL ASSETS

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital 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 two thousand five hundred dollars (\$2,500). The District does not possess any infrastructure. Improvements are capitalized; 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. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets are depreciated, except land. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is allocated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings	45 years	N/A
Building Improvements	20 years	N/A
Equipment	5 - 20 years	5 - 20 years

COMPENSATED ABSENCES

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time, when earned, for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the District's past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the expenditure for unpaid compensated absences are recognized when due. The related liability is recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The entire amount of compensated absences is reported as a fund liability in Proprietary Funds.

NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales for food service and uniform school supply. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

INTERFUND ACTIVITY

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

FUND EQUITY

Reserved fund balances indicate a portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, budgetary set-asides and property taxes. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The unreserved portion of fund equity, reflected for the Governmental Funds, is available for use within the specific purpose of those funds.

RESTRICTED ASSETS

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the assets. Such constraints are either imposed by creditors, contributors, grantors, laws of other government or imposed by enabling legislation. Restricted assets include the amount required by state statute to be set aside to create a reserve for textbooks and instructional material.

CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2003, the School District has implemented GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus", GASB Statement No. 38, "Certain Financial Statement Note Disclosures", GASB Statement No. 41, "Budgetary Comparison Schedules - Perspective Differences", and GASB Interpretation No. 6 "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."

GASB 34 creates new basic financial statements for reporting on the School District's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the school district not being able to present budgetary comparisons for the general and each major special revenue fund. The government-wide financial statements split the District's programs between business-type and governmental activities. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the Enterprise Funds from last year. The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at June 30, 2003.

RESTATEMENT OF FUND BALANCE

The implementation of these statements had the following effects on fund balance of the major and non-major funds of the District as they were previously reported. The transition from governmental fund balances to net assets of the governmental activities is also presented.

	<u>General</u>	<u>Nonmajor</u>	<u>Total</u>
Fund Balances, June 30, 2002	\$12,568,863	\$4,075,641	\$16,644,504
Fund Reclassification	<u>0</u>	<u>(5)</u>	<u>(5)</u>
Adjusted Fund Balances, June 30, 2002	<u>\$12,568,863</u>	<u>\$4,075,636</u>	<u>\$16,644,499</u>
GASB 34 Adjustments:			
Capital Assets			22,250,037
Accrued Interest Payable			(47,088)
Compensated Absences Payable			(528,599)
Deferred Revenue			211,293
Accrued Wages and Benefits			(262,654)
Long Term Liabilities			<u>(16,897,000)</u>
Governmental Activities Net Assets, June 30, 2002			<u>\$21,370,488</u>

At June 30, 2002, fixed assets were restated in the Enterprise Funds. This restatement had the following effect on fund equity as it was previously reported:

	<u>Enterprises Funds</u>
Fund Equity June 30, 2002	\$516,065
Fixed Assets	<u>141,140</u>
Adjusted Net Assets, June 30, 2002	<u>\$657,205</u>

4. CASH AND CASH EQUIVALENTS

The District maintains a cash and investment pool used by all funds. Each fund type's 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.

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 or securities issued by any federal governmental agency.
- (3) Repurchase agreements in the securities enumerated above.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.

- (5) Bonds, and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.

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

Deposits – At the year end, the carrying amount of the District's deposits was \$2,996,508. The bank balance of deposits was \$3,015,005 of which \$101,208 was covered by federal depository insurance. The remaining balance of \$2,913,797 was covered by 110% public depository pool, which was collateralized with securities held by the pledging financial institution's trust department but not in the District's name.

Investments – The District's investments are categorized to give an indication of the level of risk assumed by the entity at year end (GASB Statement 3):

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 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 department or agent, but not in the District's name.

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

<u>Description</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Amount/ Fair Value</u>
Money Market*	\$0	\$0	\$0	\$59,563
Commercial Paper	0	0	698,529	698,529
Federal Agency Security	0	0	11,790,491	11,790,491
State Treasury Pool*	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,215,127</u>
Total Investments	<u>\$0</u>	<u>\$0</u>	<u>\$12,489,020</u>	<u>\$13,763,710</u>

*The District's Investment in the Ohio State Treasury Pool and Money Market are not categorized because they are not evidenced by securities that exist in physical or book entry form.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of 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 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

Real property taxes collected in 2003 were levied in April on the assessed values as of January 1, 2002, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update ever third year.

Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 25 percent of true value (as defined). In 2003, 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 2003, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

The Clermont 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 June 30, 2003 and for which there is an enforceable legal claim. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2003. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2003, was \$3,072,400 for General Fund and \$217,500 for Debt Service, and is recognized as revenue, with a corresponding reserve to fund balance since the Board did not appropriate these receivables for fiscal year 2003 operations. The amount available for advance at June 30, 2002 was \$2,688,100 for General Fund and \$168,900 for Debt Service, with a corresponding reserve to fund balance since the Board did not appropriate those receivables for fiscal year 2002 operations.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2003 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,075,626,960
Public Utility Personal	39,994,710
Tangible Personal Property	<u>90,784,277</u>
 Total	 <u>\$1,206,405,947</u>

6. RECEIVABLES

Receivables at June 30, 2003, consisted of taxes, accounts (rent and student fees) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Government Activities				
Land	\$1,930,893	\$0	\$0	\$1,930,893
Buildings & Improvements	34,365,312	0	0	34,365,312
Equipment	<u>167,964</u>	<u>484,219</u>	<u>0</u>	<u>652,183</u>
Totals at Historical Cost	<u>\$36,464,169</u>	<u>\$484,219</u>	<u>\$0</u>	<u>\$36,948,388</u>
Less Accumulated Depreciation:				
Buildings & Improvements	\$13,926,156	\$724,550	\$0	\$14,650,706
Equipment	<u>287,976</u>	<u>47,890</u>	<u>0</u>	<u>335,866</u>
Total Accumulated Depreciation	<u>\$14,214,132</u>	<u>\$772,440</u>	<u>\$0</u>	<u>\$14,986,572</u>
Governmental Activities Capital Assets, Net	<u>\$22,250,037</u>	<u>(\$288,221)</u>	<u>\$0</u>	<u>\$21,961,816</u>
Business-Type Activities				
Equipment	<u>\$545,900</u>	<u>\$5,500</u>	<u>\$0</u>	<u>\$551,400</u>
Total at Historical Cost	<u>\$545,900</u>	<u>\$5,500</u>	<u>\$0</u>	<u>\$551,400</u>
Less Accumulated Depreciation:				
Equipment	<u>\$339,605</u>	<u>\$35,320</u>	<u>\$0</u>	<u>\$374,925</u>
Total Accumulated Depreciation	<u>\$339,605</u>	<u>\$35,320</u>	<u>\$0</u>	<u>\$374,925</u>
Business-Type Activities Capital Assets, Net	<u>\$206,295</u>	<u>(\$29,820)</u>	<u>\$0</u>	<u>\$176,475</u>

*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$742,820
Support Services:	
Instructional Staff	1,075
School Administration	6,178
Fiscal	1,880
Business	1,110
Operations and Maintenance	10,549
Pupil Transportation	2,020
Extracurricular Activities	<u>6,808</u>
Total Depreciation Expense	<u>\$772,440</u>

8. LONG-TERM LIABILITIES

	<u>Maturity Dates</u>	<u>Beginning Principal Outstanding</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Principal Outstanding</u>	<u>Due In One Year</u>
<u>Governmental Activities:</u>						
<u>General Obligation Bonds:</u>						
School Improvement 1995 6.69%	12/01/05	\$1,900,000	\$ 0	\$1,600,000	\$300,000	\$100,000
School Improvement 1995 6.04%	12/01/05	11,150,000	0	9,930,000	1,220,000	380,000
School Improvement Refund 2002 2-4.25%	12/01/19	<u>0</u>	<u>11,075,000</u>	<u>0</u>	<u>11,075,000</u>	<u>750,000</u>
Total General Obligation Bonds		13,050,000	11,075,000	11,530,000	12,595,000	1,230,000
Compensated Absences		659,524	277,065	0	936,589	149,234
Capital Leases		<u>3,847,000</u>	<u>457,906</u>	<u>75,793</u>	<u>4,229,113</u>	<u>82,975</u>
Total Governmental Activities Long-Term Liabilities		<u>\$17,556,524</u>	<u>\$11,550,906</u>	<u>\$11,605,793</u>	<u>\$17,760,702</u>	<u>\$1,462,209</u>
<u>Business-Type Activities:</u>						
Compensated Absences		<u>\$29,432</u>	<u>\$6,944</u>	<u>\$ 0</u>	<u>\$36,376</u>	<u>\$2,646</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. Capital lease obligations will be paid from the general fund.

Principal and interest requirements to retire general obligation debt outstanding at year end are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$1,230,000	\$447,448	\$1,677,448
2005	1,340,000	404,639	1,744,639
2006	1,415,000	357,551	1,772,551
2007	510,000	326,485	836,485
2008	535,000	314,560	849,560
2009-2013	3,320,000	1,246,051	4,566,051
2014-2018	2,090,000	3,125,975	5,215,975
2019-2020	<u>2,155,000</u>	<u>109,025</u>	<u>2,264,025</u>
Totals	<u>\$12,595,000</u>	<u>\$6,331,734</u>	<u>\$18,926,734</u>

9. ADVANCED REFUNDING

During the fiscal year of 2003, the District issued \$11,075,000 in General Obligation Bonds with an interest rate between 2 and 4.25 percent to advance refund \$1,500,000 of outstanding 1995 General Obligation Bond for School Improvements with an interest rate of 6.04 percent and to advanced refund \$9,575,000 of another outstanding 1995 School Improvement bond with an interest rate of 6.69 percent. The net proceeds of \$11,075,000 (after payment of underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the General Obligation Bonds. As a result, \$11,075,000 of the 1995 General Obligation Bonds are considered to be defeased and the liability for those bonds has been removed from the Statement of Net Assets.

The District advance refunded the 1995 General Obligation Bonds to reduce its total debt service payments over the next 16 years by \$364,367 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$335,910 or 7.81 percent of the old issue.

10. LEASES

CAPITAL LEASES

The District has entered into a new capital lease for June 30, 2003 for copiers.

The leases for Amelia High School, Energy Conservation and the copier's meet 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. Capital lease payments for the high school, energy conservation and copiers will be made from the General fund.

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

<u>Fiscal Year</u> <u>Ending June 30, 2003</u>	<u>Long-Term</u> <u>Debt</u>
2004	\$1,277,616
2005	236,104
2006	236,328
2007	236,328
2008	122,258
Thereafter	<u>3,631,164</u>
Total Minimum Lease Payments	5,739,798
Less: Amount Representing Interest	<u>(1,510,685)</u>
Present Value of Minimum Lease Payments	<u>\$4,229,113</u>

11. PENSION PLANS

SCHOOL EMPLOYEES RETIREMENT SYSTEM

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

Plan members are required to contribute 9% of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14% of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17% of annual covered salary was the portion being used to fund pension obligations. For fiscal year 2002, 5.46% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$914,292, \$848,304, and \$828,036 respectively; 49.1% has been contributed for fiscal year 2003 and 100% for fiscal year 2002 and 2001.

STATE TEACHERS RETIREMENT SYSTEM

The School District participates in State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3% of their annual covered salaries. The School District was required to contribute 14%; 13% was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5%. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for members and employer contributions.

The District's required contributions for pension obligations for the fiscal years ended June 30, 2003, 2002, and 2001 were \$4,522,248, \$3,833,508, and \$3,532,272 respectively; 82.1% has been contributed for fiscal year 2003 and 100% for fiscal year 2002 and 2001.

12. POST EMPLOYMENT BENEFITS

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

For STRS, all benefit recipients are required to pay a portion of 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 Board currently allocates employer contributions equal to 1% of covered payroll to the Health Care Reserve Fund for which payments for health care benefits are paid. For the District, this amount equaled \$1,453,580 during the 2003 fiscal year. As of July 1, 2003, eligible benefit recipients totaled 105,300. For the fiscal year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000.

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 2003 fiscal year, employer contributions to fund health care benefits were 5.83% of covered payroll, a decrease of 2.71% from fiscal year 2002. 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 fiscal year 2003, the minimum pay has been established at \$14,500. The surcharge rate added to the unallocated portion of the 14% employer contribution rate provides for maintenance of the asset target level for the health care fund. For the District, this amount equaled \$557,718 during the 2003 fiscal year. The number of participants currently receiving health care benefits is approximately 50,000. For the fiscal year ended June 30, 2002, net health care costs paid by SERS were \$182,946,777.

13. 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 as of June 30, 2003.

LITIGATION

The District's attorney estimates that all other potential claims against the District not covered by insurance resulting from all other litigation would not materially affect the financial statements of the District.

14. JOINTLY GOVERNED ORGANIZATIONS

The Hamilton Clermont Cooperative Association/Unified Purchasing Association

The Hamilton Clermont Cooperative Association/Unified Purchasing Association is a jointly governed organization among a two county consortium of school districts. The Unified Purchasing Cooperative was organized under the Hamilton Clermont Cooperative Association to benefit member districts with a more economically sound purchasing mechanism for general school, office and cafeteria supplies. The Unified Purchasing Cooperative organization is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility by the participating governments. Complete financial statements for H/CCA can be obtained from their administrative offices at 7615 Harrison Avenue, Cincinnati, Ohio 45231.

The Great Oaks Joint Vocational School District

The Great Oaks Joint Vocational School District, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the participating school district's elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. Great Oaks Joint Vocational School was formed for the purpose of providing vocational education opportunities to the students of the member school districts, which includes the students of the West Clermont Local School District. The School District has no ongoing financial interest in, nor responsibility for the Joint Vocational School. To obtain financial information, write to the Great Oaks Joint Vocational School, John Wahle, Treasurer, at 3254 East Kemper Rd. Cincinnati, Ohio 45241-1545.

15. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters. The District addresses these risks by maintaining a comprehensive risk management program through the purchase of various types of liability, inland marine, and property insurance from private carriers. Settled claims have not exceeded commercial coverage in any of the past three years.

A summary of significant coverage follows:

Building Contents-replacement cost (\$2,500 deductible)	\$110,589,600
Inland Marine Coverage (\$1,000 deductible)	338,800
Boiler and Machinery (\$1,000 deductible)	13,800,000
Automobile Liability (\$2,500 deductible)	2,000,000
Earthquake (\$2,500 deductible)	10,000,000
General Liability Per Occurrence	1,000,000
Employee Benefit Liability Total Per Year (Aggregate)	1,000,000

16. INSURANCE PURCHASING POOL

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

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

The Clermont County Health Trust (the Trust), an insurance purchasing pool, is a health trust formed to provide affordable and desirable dental, life, medical, and other disability group insurance for member's employees, eligible dependents and designated beneficiaries of such employees. The Board of Directors consists of one representative from each of the participating members and are elected by the vote of a majority of the member school districts. The School District pays premiums to a third party administrator, McElroy Minister, which in turn buys the insurance policies from various insurance companies. Upon termination, the School District shall be responsible for prompt payment of all plan liabilities accruing as a result of such termination and maintain no right to any assets of the Trust. The School District may terminate participation in the Trust for the benefit if its employees upon written notice to the Trustee delivered at least sixty days prior to the annual review date of the policy. Financial information can be obtained from the Clermont County Health Trust at P.O. Box 526 Middletown, Ohio 45042.

17. STATE SCHOOL FUNDING DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

18. COMPLIANCE AND ACCOUNTABILITY

The following individual funds had a deficit in fund balance at year end:

<u>Fund</u>	<u>Deficit</u>
Special Revenue:	
Disadvantaged Pupil Impact Aid	\$2,315
Title I	43,716
Preschool Grant	1,402
E-Rate	2,844
Miscellaneous Federal Grants	21,428

The deficit in fund balance was primarily due to accruals in GAAP. The general fund is liable for any deficit in these funds and will provide operating transfers when cash is required not when accruals occur.

19. FUND BALANCE RESERVES FOR SET-ASIDES

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

For fiscal year ended June 30, 2003, the School District was no longer required to set aside funds in the budget reserve set-aside, with the exception of refund monies received from the Bureau of Workers' Compensation, which must be spent for specified purposes.

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside Reserve Balance as of June 30, 2002	(\$93,989)	\$ 0	\$233,129
Current Year Set-aside Requirement	1,203,371	1,203,371	0
Qualified Disbursements	(1,345,955)	(517,315)	0
Current Year Offsets	<u>0</u>	<u>(686,056)</u>	<u>0</u>
Set-Aside Cash Carried Forward to Future Years	(\$236,573)	\$ 0	\$233,129
Set-Aside Reserve Balance as of June 30, 2003	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$233,129</u>

Qualified disbursements and offset credits for capital activity during the year exceeded the amount required for the set-aside. Qualifying disbursements and carryover from prior years for textbooks totaled \$1,439,944, resulting in \$236,573 for carryover to offset textbook requirements in future years.

20. INTERFUND TRANSACTIONS

Interfund transactions at June 30, 2003, consisted of the following individual fund receivables and payables:

Interfund Receivables/Payables:	Interfund Loan <u>Receivable</u>	Interfund Loan <u>Payable</u>
General Fund	\$460,434	
Special Revenue Fund:		
Public School Support	2,263	
Other Grants		\$18,164
Student Activities		10,697
Auxiliary Services		2,937
Teacher Development		39
Title VI-B		184,246
Title VI Innovative Projects		44,065
Drug-Free Schools		27,205
Preschool Grant	500	
E-Rate		2,844
Debt Service	_____	<u>173,000</u>
Total	<u>\$463,197</u>	<u>\$463,197</u>

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

West Clermont Local School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2003

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$27,168,950	\$27,350,277	\$27,350,277	\$0
Revenue in lieu of taxes	172,165	173,314	173,314	0
Interest	492,699	495,987	495,987	0
Intergovernmental	26,699,149	26,827,341	26,877,341	50,000
Other Revenues	231,652	233,198	233,198	0
Total Revenues	54,764,615	55,080,117	55,130,117	50,000
Expenditures:				
Current:				
Instruction:				
Regular	28,432,802	30,857,844	30,857,844	0
Special	6,313,792	6,847,257	6,847,257	0
Vocational	57,055	61,876	61,876	0
Support Services:				
Pupil	2,607,769	2,828,105	2,828,105	0
Instructional Staff	1,326,895	1,439,007	1,439,007	0
General Administration	48,626	52,734	52,734	0
School Administration	4,096,780	4,442,925	4,442,925	0
Fiscal	1,196,152	1,297,217	1,297,217	0
Business	36,648	39,745	39,745	0
Operations and Maintenance	4,664,320	5,058,418	5,058,418	0
Pupil Transportation	5,573,975	6,044,932	6,044,932	0
Central	736,506	798,735	798,735	0
Extracurricular Activities	705,862	765,502	765,502	0
Capital Outlay	118,361	128,362	128,362	0
Debt Service:				
Principal Retirement	75,793	75,793	75,793	0
Interest and Fiscal Charges	192,823	192,823	192,823	0
Total Expenditures	56,184,159	60,931,275	60,931,275	0
Excess of Revenues Over (Under) Expenditures	(1,419,544)	(5,851,158)	(5,801,158)	50,000
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	13,364	13,453	13,453	0
Advances In	197,302	198,619	198,619	0
Advances (Out)	(347,835)	(377,224)	(377,224)	0
Transfers In	249,544	251,209	251,209	0
Transfers (Out)	(252,610)	(273,954)	(273,954)	0
Total Other Financing Sources (Uses)	(140,235)	(187,897)	(187,897)	0
Net Change in Fund Balance	(1,559,779)	(6,039,055)	(5,989,055)	50,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	15,152,889	15,152,889	15,152,889	0
Fund Balance End of Year	\$13,593,110	\$9,113,834	\$9,163,834	\$50,000

See accompanying notes to required supplementary information.

1. BUDGETARY PROCESS

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2003.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Board during the year.

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 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual 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 as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and expendable trust funds (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	(\$5,376,078)
Net Adjustment for Revenue Accruals	(270,784)
Net Adjustment for Expenditure Accruals	406,256
Encumbrances	<u>(748,449)</u>
Budget Basis	<u>(\$5,989,055)</u>

**COMBINING STATEMENTS
AND INDIVIDUAL
FUND SCHEDULES**

West Clermont Local School District
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$1,297,126	\$1,747,375	\$1,904,555	\$4,949,056
Receivables:				
Taxes	0	1,782,990	0	1,782,990
Accounts	423	0	0	423
Intergovernmental	620,957	0	0	620,957
Interfund	2,763	0	0	2,763
Total Assets	1,921,269	3,530,365	1,904,555	7,356,189
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	110,380	0	22,754	133,134
Accrued Wages and Benefits	235,896	0	0	235,896
Interfund Payable	290,197	173,000	0	463,197
Deferred Revenue	271,515	1,565,490	0	1,837,005
Total Liabilities	907,988	1,738,490	22,754	2,669,232
Fund Balances:				
Reserved for Encumbrances	289,692	0	2,904	292,596
Reserved for Property Tax Advances	0	217,500	0	217,500
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	723,589	0	0	723,589
Debt Service Funds	0	1,574,375	0	1,574,375
Capital Projects Funds	0	0	1,878,897	1,878,897
Total Fund Balances	1,013,281	1,791,875	1,881,801	4,686,957
Total Liabilities and Fund Balances	\$1,921,269	\$3,530,365	\$1,904,555	\$7,356,189

West Clermont Local School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$0	\$1,699,637	\$0	\$1,699,637
Tuition and Fees	64,377	0	0	64,377
Investment Earnings	852	0	6,962	7,814
Intergovernmental	3,130,194	200,090	135,900	3,466,184
Extracurricular Activities	446,618	0	0	446,618
Other Revenues	661,185	0	0	661,185
Total Revenues	4,303,226	1,899,727	142,862	6,345,815
Expenditures:				
Current:				
Instruction:				
Regular	1,295,476	0	123,465	1,418,941
Special	902,702	0	0	902,702
Support Services:				
Pupil	529,241	0	0	529,241
Instructional Staff	1,071,306	0	19,922	1,091,228
School Administration	73,387	0	0	73,387
Fiscal	0	27,253	0	27,253
Operations and Maintenance	118	0	0	118
Central	173,740	0	0	173,740
Community Services	34,027	0	0	34,027
Extracurricular Activities	351,769	0	0	351,769
Debt Service:				
Principal Retirement	0	455,000	0	455,000
Interest and Fiscal Charges	0	694,088	0	694,088
Total Expenditures	4,431,766	1,176,341	143,387	5,751,494
Excess of Revenues Over (Under) Expenditures	(128,540)	723,386	(525)	594,321
Other Financing Sources (Uses):				
Refunding Bonds Issued	0	11,075,000	0	11,075,000
Payment to Refunding Bond Escrow	0	(11,075,000)	0	(11,075,000)
Transfers In	17,000	0	0	17,000
Total Other Financing Sources (Uses)	17,000	0	0	17,000
Net Change in Fund Balance	(111,540)	723,386	(525)	611,321
Fund Balance Beginning of Year	1,124,821	1,068,489	1,882,326	4,075,636
Fund Balance End of Year	\$1,013,281	\$1,791,875	\$1,881,801	\$4,686,957

West Clermont Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003

	Public School Support	Other Grants	District Managed Student Activities	Auxiliary Services	Career Development
Assets:					
Equity in Pooled Cash and Investments	\$199,711	\$464,926	\$116,803	\$252,938	\$0
Receivables:					
Accounts	103	0	320	0	0
Intergovernmental	0	0	0	0	0
Interfund	2,263	0	0	0	0
Total Assets	202,077	464,926	117,123	252,938	0
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	7,398	29,635	952	59,177	0
Accrued Wages and Benefits	0	12,237	0	37,299	0
Interfund Payable	0	18,164	10,697	2,937	0
Deferred Revenue	0	0	0	0	0
Total Liabilities	7,398	60,036	11,649	99,413	0
Fund Balances:					
Reserved for Encumbrances	16,080	68,204	29,432	116,095	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	178,599	336,686	76,042	37,430	0
Total Fund Balances	194,679	404,890	105,474	153,525	0
Total Liabilities and Fund Balances	\$202,077	\$464,926	\$117,123	\$252,938	\$0

Teacher Development	Education Management Information System	Disadvantaged Pupil Impact Aid	Network Connectivity	SchoolNet Professional Development	OhioReads	Summer Intervention
\$39	\$36,624	\$14,083	\$11,590	\$2,486	\$4,950	\$9,734
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
39	36,624	14,083	11,590	2,486	4,950	9,734
0	2,700	0	0	0	0	0
0	0	16,398	0	0	0	0
39	0	0	0	0	0	0
0	0	0	0	0	0	0
39	2,700	16,398	0	0	0	0
0	5,592	0	9,142	771	0	0
0	28,332	(2,315)	2,448	1,715	4,950	9,734
0	33,924	(2,315)	11,590	2,486	4,950	9,734
\$39	\$36,624	\$14,083	\$11,590	\$2,486	\$4,950	\$9,734

(continued)

West Clermont Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003

	Career Education State	Extended Learning	Miscellaneous State Grants	Eisenhower Professional Development	Title VIB
Assets:					
Equity in Pooled Cash and Investments	\$789	\$0	\$54,529	\$0	\$18,357
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	0	0	0	0	261,589
Interfund	0	0	0	0	0
Total Assets	789	0	54,529	0	279,946
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	150	0	806	0	3,003
Accrued Wages and Benefits	0	0	0	0	42,404
Interfund Payable	0	0	0	0	184,246
Deferred Revenue	0	0	0	0	35,000
Total Liabilities	150	0	806	0	264,653
Fund Balances:					
Reserved for Encumbrances	650	0	1,866	0	646
Unreserved, Undesignated, Reported in: Special Revenue Funds	(11)	0	51,857	0	14,647
Total Fund Balances	639	0	53,723	0	15,293
Total Liabilities and Fund Balances	\$789	\$0	\$54,529	\$0	\$279,946

Vocational Education	Title III	Title I	Title VI Innovative Projects	Emergency Immigrant Education Assistance	Drug Free Schools	Preschool Grant
\$0	\$0	\$36,822	\$1,898	\$1,422	\$10,761	\$4,151
0	0	0	0	0	0	0
0	0	124,975	0	0	28,775	0
0	0	0	0	0	0	500
0	0	161,797	1,898	1,422	39,536	4,651
0	0	0	1,549	0	0	0
0	0	90,719	0	0	0	6,053
0	0	0	44,065	0	27,205	0
0	0	60,215	0	0	0	0
0	0	150,934	45,614	0	27,205	6,053
0	0	1,249	0	201	2,480	0
0	0	9,614	(43,716)	1,221	9,851	(1,402)
0	0	10,863	(43,716)	1,422	12,331	(1,402)
\$0	\$0	\$161,797	\$1,898	\$1,422	\$39,536	\$4,651

(continued)

West Clermont Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003

	E-Rate	Goals 2000	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Assets:					
Equity in Pooled Cash and Investments	\$0	\$0	\$43,970	\$10,543	\$1,297,126
Receivables:					
Accounts	0	0	0	0	423
Intergovernmental	0	0	54,054	151,564	620,957
Interfund	0	0	0	0	2,763
Total Assets	0	0	98,024	162,107	1,921,269
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	0	0	3,825	1,185	110,380
Accrued Wages and Benefits	0	0	0	30,786	235,896
Interfund Payable	2,844	0	0	0	290,197
Deferred Revenue	0	0	24,736	151,564	271,515
Total Liabilities	2,844	0	28,561	183,535	907,988
Fund Balances:					
Reserved for Encumbrances	0	0	33,063	4,221	289,692
Unreserved, Undesignated, Reported in: Special Revenue Funds	(2,844)	0	36,400	(25,649)	723,589
Total Fund Balances	(2,844)	0	69,463	(21,428)	1,013,281
Total Liabilities and Fund Balances	\$0	\$0	\$98,024	\$162,107	\$1,921,269

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West Clermont Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	Public School Support	Other Grants	District Managed Student Activities	Auxiliary Services	Career Development
Revenues:					
Tuition and Fees	\$64,377	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	852	0
Intergovernmental	0	0	0	599,227	0
Extracurricular Activities	151,952	0	294,666	0	0
Other Revenues	192,332	459,000	75	0	0
Total Revenues	408,661	459,000	294,741	600,079	0
Expenditures:					
Current:					
Instruction:					
Regular	34,187	352,887	0	512,253	0
Special	504	0	0	75,083	0
Support Services:					
Pupil	378,968	0	0	28,355	593
Instructional Staff	0	41,517	0	10,054	0
School Administration	0	0	0	0	0
Operations and Maintenance	0	0	118	0	0
Central	0	0	0	0	0
Community Services	0	0	0	0	0
Extracurricular Activities	639	0	351,130	0	0
Total Expenditures	414,298	394,404	351,248	625,745	593
Excess of Revenues Over (Under) Expenditures	(5,637)	64,596	(56,507)	(25,666)	(593)
Other Financing Sources (Uses):					
Transfers In	0	0	17,000	0	0
Total Other Financing Sources (Uses)	0	0	17,000	0	0
Net Change in Fund Balance	(5,637)	64,596	(39,507)	(25,666)	(593)
Fund Balance Beginning of Year	200,316	340,294	144,981	179,191	593
Fund Balance End of Year	\$194,679	\$404,890	\$105,474	\$153,525	\$0

Teacher Development	Education Management Information System	Disadvantaged Pupil Impact Aid	Network Connectivity	SchoolNet Professional Development	OhioReads	Summer Intervention
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	33,102	106,599	35,000	4,600	8,000	0
0	0	0	0	0	0	0
1,659	0	0	0	0	0	0
1,659	33,102	106,599	35,000	4,600	8,000	0
0	0	0	67,810	264	0	8,119
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	103,302	0	9,841	9,236	0
0	45,704	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	45,704	103,302	67,810	10,105	9,236	8,119
1,659	(12,602)	3,297	(32,810)	(5,505)	(1,236)	(8,119)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
1,659	(12,602)	3,297	(32,810)	(5,505)	(1,236)	(8,119)
(1,659)	46,526	(5,612)	44,400	7,991	6,186	17,853
\$0	\$33,924	(\$2,315)	\$11,590	\$2,486	\$4,950	\$9,734

(continued)

West Clermont Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	Career Education State	Extended Learning	Miscellaneous State Grants	Eisenhower Professional Development	Title VI B
Revenues:					
Tuition and Fees	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	0	0
Intergovernmental	10,739	0	57,162	0	969,291
Extracurricular Activities	0	0	0	0	0
Other Revenues	0	8,119	0	0	0
Total Revenues	10,739	8,119	57,162	0	969,291
Expenditures:					
Current:					
Instruction:					
Regular	0	1,732	1,167	0	30,973
Special	0	0	0	0	260,614
Support Services:					
Pupil	14,007	0	0	0	0
Instructional Staff	0	0	5,214	5,629	661,194
School Administration	0	0	0	0	27,100
Operations and Maintenance	0	0	0	0	0
Central	0	0	0	0	0
Community Services	0	0	0	441	29,583
Extracurricular Activities	0	0	0	0	0
Total Expenditures	14,007	1,732	6,381	6,070	1,009,464
Excess of Revenues Over (Under) Expenditures	(3,268)	6,387	50,781	(6,070)	(40,173)
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	(3,268)	6,387	50,781	(6,070)	(40,173)
Fund Balance Beginning of Year	3,907	(6,387)	2,942	6,070	55,466
Fund Balance End of Year	\$639	\$0	\$53,723	\$0	\$15,293

Vocational Education	Title III	Title I	Title VI Innovative Projects	Emergency Immigrant Education Assistance	Drug Free Schools	Preschool Grant
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
16,295	14,344	679,085	57,056	0	45,676	33,614
0	0	0	0	0	0	0
0	0	0	0	0	0	0
16,295	14,344	679,085	57,056	0	45,676	33,614
0	0	3,564	0	0	0	0
0	14,344	543,623	1,549	978	0	0
15,309	0	0	0	0	38,599	0
0	0	20,286	118,280	0	0	30,056
0	0	0	0	0	583	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	3,069	0	934	0
0	0	0	0	0	0	0
15,309	14,344	567,473	122,898	978	40,116	30,056
986	0	111,612	(65,842)	(978)	5,560	3,558
0	0	0	0	0	0	0
0	0	0	0	0	0	0
986	0	111,612	(65,842)	(978)	5,560	3,558
(986)	0	(100,749)	22,126	2,400	6,771	(4,960)
\$0	\$0	\$10,863	(\$43,716)	\$1,422	\$12,331	(\$1,402)

(continued)

West Clermont Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	E-Rate	Goals 2000	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues:					
Tuition and Fees	\$0	\$0	\$0	\$0	\$64,377
Investment Earnings	0	0	0	0	852
Intergovernmental	47,883	0	345,868	66,653	3,130,194
Extracurricular Activities	0	0	0	0	446,618
Other Revenues	0	0	0	0	661,185
Total Revenues	47,883	0	345,868	66,653	4,303,226
Expenditures:					
Current:					
Instruction:					
Regular	0	0	250,469	32,051	1,295,476
Special	0	0	0	6,007	902,702
Support Services:					
Pupil	0	0	3,825	49,585	529,241
Instructional Staff	0	10,875	45,374	448	1,071,306
School Administration	0	0	0	0	73,387
Operations and Maintenance	0	0	0	0	118
Central	173,740	0	0	0	173,740
Community Services	0	0	0	0	34,027
Extracurricular Activities	0	0	0	0	351,769
Total Expenditures	173,740	10,875	299,668	88,091	4,431,766
Excess of Revenues Over (Under) Expenditures	(125,857)	(10,875)	46,200	(21,438)	(128,540)
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	17,000
Total Other Financing Sources (Uses)	0	0	0	0	17,000
Net Change in Fund Balance	(125,857)	(10,875)	46,200	(21,438)	(111,540)
Fund Balance Beginning of Year	123,013	10,875	23,263	10	1,124,821
Fund Balance End of Year	(\$2,844)	\$0	\$69,463	(\$21,428)	\$1,013,281

West Clermont Local School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2003

	Permanent Improvement	Building	SchoolNet	Individual Grant	Total Nonmajor Capital Projects Funds
Assets:					
Equity in Pooled Cash and Investments	\$1,822,309	\$0	\$73,139	\$9,107	\$1,904,555
Total Assets	1,822,309	0	73,139	9,107	1,904,555
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	0	0	22,754	0	22,754
Total Liabilities	0	0	22,754	0	22,754
Fund Balances:					
Reserved for Encumbrances	0	0	329	2,575	2,904
Unreserved, Undesignated, Reported in: Capital Projects Funds	1,822,309	0	50,056	6,532	1,878,897
Total Fund Balances	1,822,309	0	50,385	9,107	1,881,801
Total Liabilities and Fund Balances	\$1,822,309	\$0	\$73,139	\$9,107	\$1,904,555

West Clermont Local School District
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 Nonmajor Capital Projects Funds
 For the Fiscal Year Ended June 30, 2003

	Permanent Improvement	Building	SchoolNet	Individual Grant	Total Nonmajor Capital Projects Funds
Revenues:					
Investment Earnings	\$6,962	\$0	\$0	\$0	\$6,962
Intergovernmental	0	0	135,900	0	135,900
Total Revenues	<u>6,962</u>	<u>0</u>	<u>135,900</u>	<u>0</u>	<u>142,862</u>
Expenditures:					
Current:					
Instruction:					
Regular	0	2,883	120,582	0	123,465
Support Services:					
Instructional Staff	0	0	0	19,922	19,922
Total Expenditures	<u>0</u>	<u>2,883</u>	<u>120,582</u>	<u>19,922</u>	<u>143,387</u>
Net Change in Fund Balance	6,962	(2,883)	15,318	(19,922)	(525)
Fund Balance Beginning of Year	<u>1,815,347</u>	<u>2,883</u>	<u>35,067</u>	<u>29,029</u>	<u>1,882,326</u>
Fund Balance End of Year	<u>\$1,822,309</u>	<u>\$0</u>	<u>\$50,385</u>	<u>\$9,107</u>	<u>\$1,881,801</u>

West Clermont Local School District
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2003

	Food Service	Uniform School Supply	Total
Assets:			
Equity in Pooled Cash and Investments	\$413,655	\$163,809	\$577,464
Receivables:			
Accounts	0	1,188	1,188
Inventory	41,208	0	41,208
Total Current Assets	454,863	164,997	619,860
Depreciable Capital Assets, Net	176,475	0	176,475
Total Assets	631,338	164,997	796,335
Liabilities:			
Current Liabilities:			
Accounts Payable	118	4,364	4,482
Accrued Wages and Benefits	123,035	0	123,035
Compensated Absences	2,646	0	2,646
Deferred Revenue	8,481	0	8,481
Total Current Liabilities	134,280	4,364	138,644
Long-Term Liabilities:			
Compensated Absences	33,730	0	33,730
Total Liabilities	168,010	4,364	172,374
Net Assets:			
Invested in Capital Assets, Net of Related Debt	176,475	0	176,475
Unrestricted	286,853	160,633	447,486
Total Net Assets	\$463,328	\$160,633	\$623,961

West Clermont Local School District
 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
 Nonmajor Enterprise Funds
 For the Fiscal Year Ended June 30, 2003

	Food Service	Uniform School Supply	Total
Operating Revenues:			
Charges for Services	\$1,348,617	\$386,375	\$1,734,992
Total Operating Revenues	1,348,617	386,375	1,734,992
Operating Expenses:			
Personal Services	1,010,672	0	1,010,672
Contactual Services	28,813	0	28,813
Materials and Supplies	806,510	368,248	1,174,758
Depreciation	35,320	0	35,320
Other Expenses	122	0	122
Total Operating Expenses	1,881,437	368,248	2,249,685
Operating Income (Loss)	(532,820)	18,127	(514,693)
Non-Operating Revenues (Expenses):			
Investment Earnings	5,531	0	5,531
Donated Commodities	117,781	0	117,781
Operating Grants	354,050	0	354,050
Miscellaneous Non-Operating	3,912	175	4,087
Total Non-Operating Revenues (Expenses)	481,274	175	481,449
Change in Net Assets	(51,546)	18,302	(33,244)
Net Assets Beginning of Year	514,874	142,331	657,205
Net Assets End of Year	\$463,328	\$160,633	\$623,961

West Clermont Local School District
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2003

	Food Service	Uniform School Supply	Total
Cash Flows from Operating Activities:			
Cash Received from Customers	\$1,348,916	\$394,662	\$1,743,578
Cash Payments to Employees	(1,012,610)	0	(1,012,610)
Cash Payments to Suppliers	(740,582)	(364,200)	(1,104,782)
Other Cash Payments	(122)	0	(122)
Net Cash Provided (Used) by Operating Activities	(404,398)	30,462	(373,936)
Cash Flows from Noncapital Financing Activities:			
Operating Grants Received	403,445	0	403,445
Payments to Other Funds	0	(1,174)	(1,174)
Miscellaneous	3,912	175	4,087
Net Cash Provided (Used) by Noncapital Financing Activities	407,357	(999)	406,358
Cash Flows from Capital and Related Financing Activities:			
Payments for Capital Acquisitions	(5,500)	0	(5,500)
Net Cash Provided (Used) by Capital and Related Financing Activities	(5,500)	0	(5,500)
Cash Flows from Investing Activities:			
Earnings on Investments	5,531	0	5,531
Net Cash Provided (Used) by Cash Flows from Investing Activities	5,531	0	5,531
Net Increase (Decrease) in Cash and Cash Equivalents	2,990	29,463	32,453
Cash and Cash Equivalents Beginning of Year	410,665	134,346	545,011
Cash and Cash Equivalents End of Year	413,655	163,809	577,464
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(532,820)	18,127	(514,693)
Adjustments:			
Depreciation	35,320	0	35,320
Donated Commodities	117,781	0	117,781
Changes in Assets & Liabilities:			
(Increase) Decrease in Receivables	299	8,287	8,586
(Increase) Decrease in Inventory	(9,223)	0	(9,223)
Increase (Decrease) in Payables	118	4,048	4,166
Increase (Decrease) in Accrued Liabilities	(1,938)	0	(1,938)
Increase (Decrease) in Deferred Revenue	(13,935)	0	(13,935)
Net Cash Provided (Used) by Operating Activities	(\$404,398)	\$30,462	(\$373,936)
Schedule of Noncash Capital Activities:			
During the fiscal year, the Food Service Fund received contributed food commodities valued at	\$117,781		

West Clermont Local School District
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2003

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Restricted Cash and Investments	\$109,317	\$9,643	\$1,122	\$117,838
Total Assets	\$109,317	\$9,643	\$1,122	\$117,838
Liabilities:				
Accounts Payable	\$0	\$1,122	\$0	\$1,122
Other Liabilities	109,317	8,521	1,122	116,716
Total Liabilities	\$109,317	\$9,643	\$1,122	\$117,838

	District Agency			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Restricted Cash and Investments	\$3,534	\$1,122	\$1,122	\$3,534
Total Assets	\$3,534	\$1,122	\$1,122	\$3,534
Liabilities:				
Accounts Payable	\$0	\$1,122	\$0	\$1,122
Other Liabilities	3,534	0	1,122	2,412
Total Liabilities	\$3,534	\$1,122	\$1,122	\$3,534

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Restricted Cash and Investments	\$112,851	\$10,765	\$2,244	\$121,372
Total Assets	\$112,851	\$10,765	\$2,244	\$121,372
Liabilities:				
Accounts Payable	\$0	\$2,244	\$0	\$2,244
Deferred Revenue	112,851	8,521	2,244	119,128
Total Liabilities	\$112,851	\$10,765	\$2,244	\$121,372

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Public School Support Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Tuition and Fees	\$62,434	\$64,377	\$64,377	\$0
Extracurricular Activities	154,158	158,957	158,957	0
Other Revenues	187,367	193,199	193,199	0
Total Revenues	403,959	416,533	416,533	0
Expenditures:				
Current:				
Instruction:				
Regular	29,378	34,297	34,297	0
Support Services:				
Pupil	340,906	397,990	397,990	0
Extracurricular Activities	547	639	639	0
Total Expenditures	370,831	432,926	432,926	0
Excess of Revenues Over (Under) Expenditures	33,128	(16,393)	(16,393)	0
Other financing sources (uses):				
Advances (Out)	(2,906)	(3,393)	(3,393)	0
Transfers In	31,042	32,008	32,008	0
Transfers (Out)	(27,417)	(32,008)	(32,008)	0
Total Other Financing Sources (Uses)	719	(3,393)	(3,393)	0
Net Change in Fund Balance	33,847	(19,786)	(19,786)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	200,180	200,180	200,180	0
Fund Balance End of Year	\$234,027	\$180,394	\$180,394	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Other Grants Fund Variance from Final Budget
Revenues:				
Other Revenues	\$0	\$459,000	\$459,000	\$0
Total Revenues	0	459,000	459,000	0
Expenditures:				
Current:				
Instruction:				
Regular	556,091	397,100	397,100	0
Support Services:				
Instructional Staff	59,464	42,463	42,463	0
Total Expenditures	615,555	439,563	439,563	0
Excess of Revenues Over (Under) Expenditures	(615,555)	19,437	19,437	0
Other financing sources (uses):				
Advances In	0	18,164	18,164	0
Advances (Out)	(33,609)	(24,000)	(24,000)	0
Total Other Financing Sources (Uses)	(33,609)	(5,836)	(5,836)	0
Net Change in Fund Balance	(649,164)	13,601	13,601	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	365,121	365,121	365,121	0
Fund Balance End of Year	(\$284,043)	\$378,722	\$378,722	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	District Managed Student Activities Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Extracurricular Activities	\$357,664	\$295,929	\$295,929	\$0
Other Revenues	91	75	75	0
Total Revenues	357,755	296,004	296,004	0
Expenditures:				
Current:				
Support Services:				
Operations and Maintenance	104	118	118	0
Extracurricular Activities	336,851	380,958	380,958	0
Total Expenditures	336,955	381,076	381,076	0
Excess of Revenues Over (Under) Expenditures	20,800	(85,072)	(85,072)	0
Other financing sources (uses):				
Advances In	20,814	17,221	17,221	0
Advances (Out)	(5,961)	(6,741)	(6,741)	0
Transfers In	41,431	34,280	34,280	0
Transfers (Out)	(15,279)	(17,280)	(17,280)	0
Total Other Financing Sources (Uses)	41,005	27,480	27,480	0
Net Change in Fund Balance	61,805	(57,592)	(57,592)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	144,559	144,559	144,559	0
Fund Balance End of Year	\$206,364	\$86,967	\$86,967	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Auxiliary Services Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Interest	\$0	\$852	\$852	\$0
Intergovernmental	0	599,227	599,227	0
Total Revenues	0	600,079	600,079	0
Expenditures:				
Current:				
Instruction:				
Regular	589,826	609,108	609,108	0
Special	72,706	75,083	75,083	0
Support Services:				
Pupil	27,457	28,355	28,355	0
Instructional Staff	9,439	9,748	9,748	0
Total Expenditures	699,428	722,294	722,294	0
Excess of Revenues Over (Under) Expenditures	(699,428)	(122,215)	(122,215)	0
Other financing sources (uses):				
Advances In	0	2,937	2,937	0
Total Other Financing Sources (Uses)	0	2,937	2,937	0
Net Change in Fund Balance	(699,428)	(119,278)	(119,278)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	216,998	216,998	216,998	0
Fund Balance End of Year	(\$482,430)	\$97,720	\$97,720	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Career Development Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$0	\$0	\$0
Total Revenues	0	0	0	0
Expenditures:				
Current:				
Support Services:				
Pupil	593	593	593	0
Total Expenditures	593	593	593	0
Net Change in Fund Balance	(593)	(593)	(593)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	593	593	593	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Teacher Development Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Other Revenues	\$40,000	\$1,659	\$1,659	\$0
Total Revenues	40,000	1,659	1,659	0
Expenditures:				
Current:				
Instruction:				
Regular	0	0	0	0
Total Expenditures	0	0	0	0
Excess of Revenues Over (Under) Expenditures	40,000	1,659	1,659	0
Other financing sources (uses):				
Advances (Out)	(721)	(2,341)	(2,341)	0
Total Other Financing Sources (Uses)	(721)	(2,341)	(2,341)	0
Net Change in Fund Balance	39,279	(682)	(682)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	721	721	721	0
Fund Balance End of Year	\$40,000	\$39	\$39	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Education Management Information System Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$35,000	\$33,102	\$33,102	\$0
Total Revenues	35,000	33,102	33,102	0
Expenditures:				
Current:				
Support Services:				
School Administration	46,526	51,296	51,296	0
Total Expenditures	46,526	51,296	51,296	0
Net Change in Fund Balance	(11,526)	(18,194)	(18,194)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	46,526	46,526	46,526	0
Fund Balance End of Year	\$35,000	\$28,332	\$28,332	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Disadvantaged Pupil Impact Aid Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$108,000	\$106,599	\$106,599	\$0
Total Revenues	108,000	106,599	106,599	0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	74,619	98,375	98,375	0
Total Expenditures	74,619	98,375	98,375	0
Net Change in Fund Balance	33,381	8,224	8,224	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,859	5,859	5,859	0
Fund Balance End of Year	\$39,240	\$14,083	\$14,083	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Network Connectivity Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$3,000	\$35,000	\$35,000	\$0
Total Revenues	3,000	35,000	35,000	0
Expenditures:				
Current:				
Instruction:				
Regular	44,400	76,952	76,952	0
Total Expenditures	44,400	76,952	76,952	0
Net Change in Fund Balance	(41,400)	(41,952)	(41,952)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	44,400	44,400	44,400	0
Fund Balance End of Year	\$3,000	\$2,448	\$2,448	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	SchoolNet Professional Development Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$3,500	\$4,600	\$4,600	\$0
Total Revenues	3,500	4,600	4,600	0
Expenditures:				
Current:				
Instruction:				
Regular	194	264	264	0
Support Services:				
Instructional Staff	7,797	10,612	10,612	0
Total Expenditures	7,991	10,876	10,876	0
Net Change in Fund Balance	(4,491)	(6,276)	(6,276)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	7,991	7,991	7,991	0
Fund Balance End of Year	\$3,500	\$1,715	\$1,715	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	OhioReads Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$26,000	\$8,000	\$8,000	\$0
Total Revenues	26,000	8,000	8,000	0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	6,186	9,236	9,236	0
Total Expenditures	6,186	9,236	9,236	0
Net Change in Fund Balance	19,814	(1,236)	(1,236)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,186	6,186	6,186	0
Fund Balance End of Year	\$26,000	\$4,950	\$4,950	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Summer Intervention Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$55,000	\$0	\$0	\$0
Total Revenues	55,000	0	0	0
Expenditures:				
Current:				
Instruction:				
Regular	17,853	8,119	8,119	0
Total Expenditures	17,853	8,119	8,119	0
Net Change in Fund Balance	37,147	(8,119)	(8,119)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	17,853	17,853	17,853	0
Fund Balance End of Year	\$55,000	\$9,734	\$9,734	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Career Education State Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$107,739	\$10,739	(\$97,000)
Total Revenues	0	107,739	10,739	(97,000)
Expenditures:				
Current:				
Support Services:				
Pupil	12,550	14,627	14,627	0
Total Expenditures	12,550	14,627	14,627	0
Net Change in Fund Balance	(12,550)	93,112	(3,888)	(97,000)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,907	3,907	3,907	0
Fund Balance End of Year	(\$8,643)	\$97,019	\$19	(\$97,000)

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Extended Learning Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Other Revenues	\$20,000	\$8,119	\$8,119	\$0
Total Revenues	20,000	8,119	8,119	0
Expenditures:				
Current:				
Instruction:				
Regular	24	1,732	1,732	0
Total Expenditures	24	1,732	1,732	0
Excess of Revenues Over (Under) Expenditures	19,976	6,387	6,387	0
Other financing sources (uses):				
Advances (Out)	(89)	(6,500)	(6,500)	0
Total Other Financing Sources (Uses)	(89)	(6,500)	(6,500)	0
Net Change in Fund Balance	19,887	(113)	(113)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	113	113	113	0
Fund Balance End of Year	\$20,000	\$0	\$0	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Miscellaneous State Grants Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$5,000	\$58,762	\$58,762	\$0
Total Revenues	5,000	58,762	58,762	0
Expenditures:				
Current:				
Instruction:				
Regular	278	1,167	1,167	0
Support Services:				
Instructional Staff	1,576	6,606	6,606	0
Total Expenditures	1,854	7,773	7,773	0
Excess of Revenues Over (Under) Expenditures	3,146	50,989	50,989	0
Other financing sources (uses):				
Advances (Out)	(161)	(673)	(673)	0
Total Other Financing Sources (Uses)	(161)	(673)	(673)	0
Net Change in Fund Balance	2,985	50,316	50,316	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,015	2,015	2,015	0
Fund Balance End of Year	\$5,000	\$52,331	\$52,331	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Eisenhower Professional Development Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$62,000	\$0	\$0	\$0
Total Revenues	62,000	0	0	0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	3,636	5,713	5,713	0
Community Services	281	441	441	0
Total Expenditures	3,917	6,154	6,154	0
Net Change in Fund Balance	58,083	(6,154)	(6,154)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,154	6,154	6,154	0
Fund Balance End of Year	\$64,237	\$0	\$0	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Title VIB Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$681,049	\$742,702	\$742,702	\$0
Total Revenues	681,049	742,702	742,702	0
Expenditures:				
Current:				
Instruction:				
Regular	32,130	30,973	30,973	0
Special	268,279	258,621	258,621	0
Support Services:				
Instructional Staff	660,044	636,282	636,282	0
School Administration	28,112	27,100	27,100	0
Community Services	30,688	29,583	29,583	0
Total Expenditures	1,019,253	982,559	982,559	0
Excess of Revenues Over (Under) Expenditures	(338,204)	(239,857)	(239,857)	0
Other financing sources (uses):				
Advances In	168,951	184,246	184,246	0
Total Other Financing Sources (Uses)	168,951	184,246	184,246	0
Net Change in Fund Balance	(169,253)	(55,611)	(55,611)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	70,343	70,343	70,343	0
Fund Balance End of Year	(\$98,910)	\$14,732	\$14,732	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Vocational Education Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$25,000	\$16,295	\$16,295	\$0
Total Revenues	25,000	16,295	16,295	0
Expenditures:				
Current:				
Support Services:				
Pupil	16,369	15,309	15,309	0
Total Expenditures	16,369	15,309	15,309	0
Excess of Revenues Over (Under) Expenditures	8,631	986	986	0
Other financing sources (uses):				
Advances (Out)	(1,069)	(1,000)	(1,000)	0
Total Other Financing Sources (Uses)	(1,069)	(1,000)	(1,000)	0
Net Change in Fund Balance	7,562	(14)	(14)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	14	14	14	0
Fund Balance End of Year	<u>\$7,576</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Title III Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$14,344	\$14,344	\$0
Total Revenues	0	14,344	14,344	0
Expenditures:				
Current:				
Instruction:				
Special	14,344	14,344	14,344	0
Total Expenditures	14,344	14,344	14,344	0
Net Change in Fund Balance	(14,344)	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	(\$14,344)	\$0	\$0	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Title I Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$525,000	\$614,325	\$614,325	\$0
Total Revenues	525,000	614,325	614,325	0
Expenditures:				
Current:				
Instruction:				
Regular	4,345	3,564	3,564	0
Special	636,420	521,966	521,966	0
Support Services:				
Instructional Staff	24,840	20,373	20,373	0
Total Expenditures	665,605	545,903	545,903	0
Excess of Revenues Over (Under) Expenditures	(140,605)	68,422	68,422	0
Other financing sources (uses):				
Advances (Out)	(40,846)	(33,500)	(33,500)	0
Total Other Financing Sources (Uses)	(40,846)	(33,500)	(33,500)	0
Net Change in Fund Balance	(181,451)	34,922	34,922	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	651	651	651	0
Fund Balance End of Year	(\$180,800)	\$35,573	\$35,573	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Title VI Innovative Projects Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$76,101	\$76,390	\$76,390	\$0
Total Revenues	76,101	76,390	76,390	0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	111,349	118,280	118,280	0
Community Services	4,347	4,618	4,618	0
Total Expenditures	115,696	122,898	122,898	0
Excess of Revenues Over (Under) Expenditures	(39,595)	(46,508)	(46,508)	0
Other financing sources (uses):				
Advances In	43,899	44,065	44,065	0
Advances (Out)	(9,465)	(10,054)	(10,054)	0
Total Other Financing Sources (Uses)	34,434	34,011	34,011	0
Net Change in Fund Balance	(5,161)	(12,497)	(12,497)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	12,846	12,846	12,846	0
Fund Balance End of Year	\$7,685	\$349	\$349	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Emergency Immigrant Education Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$1,300	\$0	\$0	\$0
Total Revenues	1,300	0	0	0
Expenditures:				
Current:				
Instruction:				
Special	1,320	1,180	1,180	0
Total Expenditures	1,320	1,180	1,180	0
Net Change in Fund Balance	(20)	(1,180)	(1,180)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,400	2,400	2,400	0
Fund Balance End of Year	<u>\$2,380</u>	<u>\$1,220</u>	<u>\$1,220</u>	<u>\$0</u>

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Drug-Free Schools Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$21,075	\$16,901	\$16,901	\$0
Total Revenues	21,075	16,901	16,901	0
Expenditures:				
Current:				
Support Services:				
Pupil	48,688	41,079	41,079	0
School Administration	691	583	583	0
Community Services	1,107	934	934	0
Total Expenditures	50,486	42,596	42,596	0
Excess of Revenues Over (Under) Expenditures	(29,411)	(25,695)	(25,695)	0
Other financing sources (uses):				
Advances In	33,925	27,205	27,205	0
Total Other Financing Sources (Uses)	33,925	27,205	27,205	0
Net Change in Fund Balance	4,514	1,510	1,510	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,771	6,771	6,771	0
Fund Balance End of Year	\$11,285	\$8,281	\$8,281	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Preschool Grant Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$42,000	\$33,614	\$33,614	\$0
Total Revenues	42,000	33,614	33,614	0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	33,045	29,027	29,027	0
Total Expenditures	33,045	29,027	29,027	0
Excess of Revenues Over (Under) Expenditures	8,955	4,587	4,587	0
Other financing sources (uses):				
Advances (Out)	(569)	(500)	(500)	0
Total Other Financing Sources (Uses)	(569)	(500)	(500)	0
Net Change in Fund Balance	8,386	4,087	4,087	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	64	64	64	0
Fund Balance End of Year	\$8,450	\$4,151	\$4,151	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	E-Rate Fund			Variance from Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$75,000	\$47,883	\$47,883	\$0
Total Revenues	75,000	47,883	47,883	0
Expenditures:				
Current:				
Support Services:				
Central	125,857	173,740	173,740	0
Total Expenditures	125,857	173,740	173,740	0
Net Change in Fund Balance	(50,857)	(125,857)	(125,857)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	125,857	125,857	125,857	0
Fund Balance End of Year	\$75,000	\$0	\$0	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Goals 2000			
	Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$0	\$0	\$0
Total Revenues	0	0	0	0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	10,875	10,875	10,875	0
Total Expenditures	10,875	10,875	10,875	0
Net Change in Fund Balance	(10,875)	(10,875)	(10,875)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,875	10,875	10,875	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Improving Teacher Quality Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$165,000	\$316,550	\$316,550	\$0
Total Revenues	165,000	316,550	316,550	0
Expenditures:				
Current:				
Instruction:				
Regular	348,057	292,588	292,588	0
Support Services:				
Instructional Staff	58,615	49,274	49,274	0
Total Expenditures	406,672	341,862	341,862	0
Net Change in Fund Balance	(241,672)	(25,312)	(25,312)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	36,221	36,221	36,221	0
Fund Balance End of Year	(\$205,451)	\$10,909	\$10,909	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Miscellaneous Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$20,000	\$66,653	\$66,653	\$0
Total Revenues	20,000	66,653	66,653	0
Expenditures:				
Current:				
Instruction:				
Regular	152	528	528	0
Special	2,475	8,582	8,582	0
Support Services:				
Pupil	14,601	50,633	50,633	0
Instructional Staff	514	1,782	1,782	0
Total Expenditures	17,742	61,525	61,525	0
Net Change in Fund Balance	2,258	5,128	5,128	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10	10	10	0
Fund Balance End of Year	\$2,268	\$5,138	\$5,138	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$1,536,006	\$1,651,037	\$1,651,037	\$0
Intergovernmental	186,149	200,090	200,090	0
Total Revenues	1,722,155	1,851,127	1,851,127	0
Expenditures:				
Current:				
Support Services:				
Fiscal	56,399	27,253	27,253	0
Debt Service:				
Principal Retirement	455,000	455,000	455,000	0
Interest and Fiscal Charges	1,922,996	694,088	694,088	0
Total Expenditures	2,434,395	1,176,341	1,176,341	0
Net Change in Fund Balance	(712,240)	674,786	674,786	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,072,589	1,072,589	1,072,589	0
Fund Balance End of Year	\$360,349	\$1,747,375	\$1,747,375	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Permanent Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Interest	\$100,000	\$6,962	\$6,962	\$0
Total Revenues	100,000	6,962	6,962	0
Expenditures:				
Current:				
Instruction:				
Regular	150,000	0	0	0
Total Expenditures	150,000	0	0	0
Net Change in Fund Balance	(50,000)	6,962	6,962	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,815,347	1,815,347	1,815,347	0
Fund Balance End of Year	<u>\$1,765,347</u>	<u>\$1,822,309</u>	<u>\$1,822,309</u>	<u>\$0</u>

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Building Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Total Revenues	0	0	0	0
Expenditures:				
Current:				
Capital Outlay	0	2,883	2,883	0
Total Expenditures	0	2,883	2,883	0
Net Change in Fund Balance	0	(2,883)	(2,883)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,883	2,883	2,883	0
Fund Balance End of Year	<u>\$2,883</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	SchoolNet Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$150,000	\$135,900	\$135,900	\$0
Total Revenues	150,000	135,900	135,900	0
Expenditures:				
Current:				
Instruction:				
Regular	170,966	120,911	120,911	0
Total Expenditures	170,966	120,911	120,911	0
Net Change in Fund Balance	(20,966)	14,989	14,989	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	35,067	35,067	35,067	0
Fund Balance End of Year	\$14,101	\$50,056	\$50,056	\$0

West Clermont Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2003

	Individual Grant Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$35,000	\$0	\$0	\$0
Total Revenues	35,000	0	0	0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	29,029	22,497	22,497	0
Total Expenditures	29,029	22,497	22,497	0
Net Change in Fund Balance	5,971	(22,497)	(22,497)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	29,029	29,029	29,029	0
Fund Balance End of Year	\$35,000	\$6,532	\$6,532	\$0

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**STATISTICAL
SECTION**

West Clermont Local School District
 General Fund Operating Revenues By Source
 Last Ten Fiscal Years

Table 1

Fiscal Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Taxes	\$15,006,705	\$17,994,703	\$21,191,535	\$22,339,574	\$23,739,488	\$27,634,308	\$26,390,265	\$25,922,763	\$25,229,510	\$27,734,577
Intergovernmental	16,575,005	16,402,600	17,546,031	18,179,702	18,850,887	21,354,537	21,957,179	23,677,678	26,457,187	26,827,341
Investment Earnings	135,000	150,000	521,086	730,218	1,042,532	1,008,849	932,034	1,164,322	769,393	494,254
Tuition and Fees	93,138	92,500	96,046	55,321	314,165	173,313	148,395	134,819	218,312	149,345
Other Revenues	232,165	267,500	391,268	45,702	0	197,430	235,485	545,106	271,509	200,759
Total Revenues	\$32,042,013	\$34,907,303	\$39,745,966	\$41,350,517	\$43,947,072	\$50,368,437	\$49,663,358	\$51,444,688	\$52,945,911	\$55,406,276

Source: West Clermont Local School District records.

West Clermont Local School District
 General Fund Operating Expenditures by Function
 Last Ten Fiscal Years

Fiscal Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Instruction:										
Regular	\$17,812,411	\$19,587,454	\$20,690,475	\$21,850,219	\$23,473,723	\$24,653,657	\$25,756,566	\$27,261,503	\$28,853,761	\$31,687,817
Special	1,465,320	1,606,426	1,613,768	2,650,436	3,483,763	5,108,351	5,501,872	5,373,252	6,268,518	6,860,955
Vocational	1,189,050	1,109,000	230,369	105,021	182,480	196,271	128,207	151,507	211,064	58,122
Other	284,000	439,000	599,797	0	0	0	0	0	0	0
Support Services:										
Pupil	1,216,751	1,300,568	1,168,786	1,272,704	1,325,008	1,496,900	1,742,852	2,869,193	2,497,680	2,866,091
Instructional Staff	963,134	1,052,950	973,093	1,050,881	1,234,084	1,256,686	1,411,109	1,513,900	1,551,791	1,422,099
General Administration	55,100	57,120	55,039	54,193	45,620	32,144	45,832	46,113	63,856	59,854
School Administration	2,940,568	3,305,715	2,850,003	3,098,775	3,226,918	2,881,440	3,430,552	3,555,117	3,881,903	4,526,886
Fiscal	562,282	621,000	698,448	677,148	860,469	926,737	918,095	1,062,889	1,180,745	1,291,939
Business	0	0	33,347	39,479	36,281	33,010	41,491	42,192	46,186	39,702
Operations and Maintenance	3,496,632	3,577,470	3,788,692	3,917,544	4,258,244	3,930,779	4,035,069	4,509,315	4,448,800	5,086,833
Pupil Transportation	2,247,742	3,501,975	3,083,668	3,563,408	3,563,362	3,702,196	3,567,000	3,821,407	3,954,699	5,559,765
Central	29,550	31,580	0	14,786	81,662	53,575	128,941	116,036	378,342	724,460
Community Services	0	0	0	0	0	0	0	3,786	0	0
Extracurricular Activities	256,810	280,935	248,489	424,609	346,414	408,075	431,903	577,765	697,025	770,121
Capital Outlay	0	0	0	1,143,533	1,710,373	1,558,452	1,993,363	1,237,351	1,66,522	0
Debt Service:										
Principal Retirement	0	0	1,740,000	0	0	0	0	0	2,838,000	75,793
Interest and Fiscal Charges	0	0	47,228	0	0	0	1,883	0	11,954	192,823
Total Expenditures	\$32,518,350	\$36,471,193	\$37,821,202	\$39,862,736	\$43,828,401	\$46,238,273	\$49,134,735	\$52,141,326	\$57,050,846	\$61,223,260

Source: West Clermont Local School District records.

West Clermont Local School District
 Property Tax Levies and Collections - Real, Public Utility and Tangible Property
 Last Ten Collection (Calendar) Years

Table 3

Collection Year	Tax Levied (1)	Current Tax Collections (2)	Percent Collected	Delinquent Collection	Total Tax Collections	Percent Of Total Collections To Levy	Outstanding Delinquent Taxes (3)	Percent of Outstanding Delinquent Taxes To Tax Levied
1993	*	*	*	*	*	*	*	*
1994	*	*	*	*	*	*	*	*
1995	*	*	*	*	*	*	*	*
1996	\$22,700,348	\$21,438,181	94.44%	\$592,661	\$22,030,842	97.05%	\$0	0.00%
1997	23,897,763	22,179,707	92.81%	504,677	22,684,384	94.92%	0	0.00%
1998	25,023,325	23,395,073	93.49%	967,477	24,362,550	97.36%	0	0.00%
1999	25,357,215	23,839,127	94.01%	575,552	24,414,679	96.28%	0	0.00%
2000	36,562,659	24,887,230	68.07%	765,246	25,652,476	70.16%	0	0.00%
2001	27,199,570	25,755,144	94.69%	703,294	26,458,438	97.28%	627,587	2.31%
2002	27,422,382	25,918,595	94.52%	685,383	26,603,978	97.02%	881,998	3.22%

Source: Clermont County Auditor.

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

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

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

* Information unavailable from the Clermont County Auditor.

West Clermont Local School District
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Collection (Calendar) Years

Table 4

Collection Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total		
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1994	\$540,694,540	\$1,544,841,543	\$5,443,766	\$21,775,064	\$51,276,860	\$51,276,860	\$597,415,166	\$1,617,893,467	36.93%
1995	585,376,280	1,672,503,657	61,027,743	244,110,972	55,568,910	55,568,910	701,972,933	1,972,183,539	35.59%
1996	617,009,600	1,762,884,571	65,724,952	262,899,808	54,570,760	54,570,760	737,305,312	2,080,355,139	35.44%
1997	740,325,350	2,115,215,286	71,233,861	284,935,444	55,245,880	55,245,880	866,805,091	2,455,396,610	35.30%
1998	763,551,760	2,181,576,457	79,981,219	319,924,876	53,707,970	53,707,970	897,240,949	2,555,209,303	35.11%
1999	793,141,480	2,266,118,514	87,015,507	348,062,028	54,101,830	54,101,830	934,258,817	2,668,282,372	35.01%
2000	885,334,810	2,529,528,029	94,801,807	379,207,228	50,628,330	67,504,440	1,030,764,947	2,976,239,697	34.63%
2001	912,449,490	2,606,998,543	87,047,410	348,189,640	51,541,320	68,721,760	1,051,038,220	3,023,909,943	34.76%
2002	947,715,190	2,707,757,686	90,350,035	361,400,140	38,281,430	51,041,907	1,076,346,655	3,120,199,733	34.50%
2003	1,075,626,960	3,073,219,886	90,784,277	363,137,108	39,994,710	53,326,280	1,206,405,947	3,489,683,274	34.57%

Source: Clermont County Auditor.

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

Table 5

West Clermont Local School District
 Property Tax Rates (Per \$1,000 of Assessed Valuation)
 Direct and Overlapping Governments
 Last Ten Collection (Calendar) Years

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
West Clermont Local School District	\$40.70	\$49.45	\$49.45	\$49.45	\$49.15	\$49.15	\$49.15	\$49.15	\$49.15	\$49.15
Clermont County	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.35	8.60
Amelia Village	17.30	17.30	18.80	18.80	18.80	17.80	18.90	17.00	17.00	17.00
Pierce Township	11.30	11.30	11.30	13.30	14.00	14.00	14.00	16.90	16.90	16.90
Union Township	15.50	17.60	17.60	17.60	17.60	17.60	17.60	17.60	17.60	21.40
Great Oaks Joint Vocational School	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Central Joint Fire and EMS	*	*	*	*	*	*	*	*	5.50	5.50

Source: Clermont County Auditor.

* Information unavailable from the Clermont County Auditor.

West Clermont Local School District
 Ratio of Net General Bonded Debt to Assessed Value
 And Net Bonded Debt Per Capita
 Last Ten Fiscal Years

Year	Population	Total Assessed Value (1)	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value (%)	Estimated Net Bonded Debt Per Capita
1994	164,050	\$646,408,666	\$0	\$28,125	\$0	0.00%	\$0
1995	166,860	701,972,933	15,670,500	13,735,018	\$1,935,482	0.28%	12
1996	170,450	737,305,312	15,345,000	127,967	\$15,217,033	2.06%	89
1997	172,010	866,805,091	15,005,000	124,738	\$14,880,262	1.72%	87
1998	174,320	897,240,949	14,650,000	(48,356)	\$14,698,356	1.64%	84
1999	175,960	934,258,817	14,280,000	171,747	\$14,108,253	1.51%	80
2000	182,660	1,030,764,947	13,890,000	503,093	\$13,386,907	1.30%	73
2001	184,320	1,051,038,220	13,480,000	744,521	\$12,735,479	1.21%	69
2002	184,030	1,076,346,655	13,050,000	1,072,589	\$11,977,411	1.11%	65
2003	184,030	1,206,405,947	12,595,000	1,574,375	\$11,020,625	0.91%	60

Sources:

(1) Clermont County Auditor, calendar year basis.

West Clermont Local School District
 Computation of Legal Debt Margin
 June 30, 2003

Table 7

Assessed Valuation of District	<u>\$1,206,405,947</u>
<u>Overall Direct Debt Limitation</u>	
Direct debt limitation	
9% of assessed valuation	\$108,576,535
Amount available in Debt Service Fund	\$1,574,375
Gross indebtedness	<u>\$12,595,000</u>
Less: Debt exempt from limitation	0
Debt subject to 9% limitation	<u>\$12,595,000</u>
Legal debt margin within 9% limitation	<u>\$97,555,910</u>
<u>Unvoted Direct Debt Limitation</u>	
Unvoted debt limitation	
0.1% of assessed valuation	\$1,206,406
Amount available in Debt Service Fund	0
related to unvoted debt	
Gross indebtedness authorized by the Board	0
Less: Debt exempt from limitation	0
Debt subject to 0.1% limitation	<u>0</u>
Legal debt margin within 0.1% limitation	<u>\$1,206,406</u>
<u>Energy Conservation Bond Limitation</u>	
Ohio Revised Code Section 133.042	
Debt limitation	
0.9% of assessed valuation	\$10,857,654
Energy conservation notes authorized	
by the Board	<u>1,009,000</u>
Legal debt margin within 0.9% limitation	<u>\$9,848,654</u>

Source: West Clermont Local School District records.

West Clermont Local School District
 Computation of Direct and Overlapping Debt
 June 30, 2003

Table 8

Governmental Unit	Gross General Obligation	Percent Applicable to District (1)	Amount Applicable to District
Direct:			
West Clermont Local School District	\$12,595,000	100.00%	\$12,595,000
Overlapping:			
Clermont County	\$19,468,000	0.00%	\$0
Amelia Village	144,000	100.00%	144,000
Pierce Township	150,000	60.73%	91,095
Union Township	8,917,830	91.48%	8,158,031
Great Oaks Joint Vocational School	6,240,000	7.12%	444,288
Central Joint Fire and EMS	300,000	40.22%	120,660
Total overlapping:	\$35,219,830		\$8,958,074
Total direct and overlapping debt:	\$47,814,830		\$21,553,074

Source: Ohio Municipal Advisory Council

(1) Calculated by the Ohio Municipal Advisory Council

West Clermont Local School District
 Ratio of Annual Debt Service Expenditures
 For General Bonded Debt to Total General Fund Expenditures
 Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (%)
1994	\$28,125	\$0	\$28,125	\$32,518,350	0.09%
1995	0	54,117	54,117	36,471,193	0.15%
1996	456,500	1,038,397	1,494,897	37,821,202	3.95%
1997	340,000	981,097	1,321,097	39,862,736	3.31%
1998	1,855,000	962,713	2,817,713	43,828,401	6.43%
1999	370,000	936,435	1,306,435	46,238,273	2.83%
2000	390,000	905,590	1,295,590	49,134,735	2.64%
2001	410,000	896,813	1,306,813	52,141,326	2.51%
2002	430,000	837,717	1,267,717	57,050,846	2.22%
2003	530,793	886,911	1,417,704	61,223,260	2.32%

Source: West Clermont Local School District records.

West Clermont Local School District
Demographic Statistics
Last Ten Fiscal Years

Table 10

Year	Population (1)	School Enrollment (2)	Unemployment Rate Clermont County (3)
1994	164,050	8,869	5.1%
1995	166,860	8,894	4.3%
1996	170,450	8,948	4.2%
1997	172,010	9,027	4.1%
1998	174,320	8,936	3.5%
1999	175,960	9,004	3.7%
2000	182,660	8,859	3.3%
2001	184,320	8,959	4.1%
2002	184,030	8,903	4.5%
2003	184,030	8,738	4.5%

Sources: (1) Census data

(2) West Clermont Local School District records

(3) State of Ohio Bureau of Employment Services.
Rates are for Clermont County.

West Clermont Local School District
 Construction, Bank Deposits and Property Values
 Last Ten Calendar Years

Table 11

Calendar Year	Construction	Bank Deposits (1) (in Thousands)	Property Values (2)
1994	\$49,725,600	\$769,028	\$646,408,666
1995	84,134,820	28,834	701,972,933
1996	74,818,190	36,236	737,305,312
1997	805,247,650	39,399	866,805,091
1998	75,393,840	41,579	897,240,949
1999	73,591,350	46,728	934,258,817
2000	87,877,500	48,255	1,030,764,947
2001	82,997,470	66,879	1,051,038,220
2002	82,296,900	81,698	1,076,346,655
2003	99,109,910	91,192	1,206,405,947

- Sources:
- (1) Total deposits of all banks headquartered in Clermont County, Ohio. (includes national and state chartered banks.) Data was not available for the District only. [Federal Reserve Bank, Cleveland.]
 - (2) Clermont County Auditor, calendar year basis - real property assessed values.

Table 12

West Clermont Local School District
 Real Property
 Top Ten Principal Taxpayers
 June 30, 2003 (1)

<u>Name of Taxpayer</u>	<u>Real Property</u>	<u>% of Total Assessed Valuation</u>
Eastgate Company	\$17,505,360	1.45%
Amershop Biggs Place LLC	\$6,965,000	0.58%
OTR	\$6,047,320	0.50%
Eastgate Pavillion LTD	\$5,340,520	0.44%
Regency Centers LP	\$5,079,900	0.42%
Edward Rose Assoc. Inc.	\$4,876,100	0.40%
Eastgate Company Partnership	\$4,220,210	0.35%
Hills Real Estate Group	\$4,080,960	0.34%
Meijer Stores Limited Partnership	\$3,937,500	0.33%
SSC Eastgate Square GR LLC	\$3,766,050	0.31%
	<u>\$61,818,920</u>	<u>5.12%</u>

Source: Clermont County Auditor.

(1) Based on information available as of December 31, 2002.

West Clermont Local School District
Miscellaneous Statistical Data
June 30, 2003

Enrollment by Grade		1	2	3	4	5	6	7	8	9	10	11	12	Total
2002-03	K	697	694	693	689	695	742	752	713	780	716	423	428	8,738
The following are projections:														
2003-04		698	676	685	694	686	684	753	760	863	635	469	393	8,721
2004-05		707	677	667	685	690	675	694	761	919	702	416	436	8,775
2005-06		728	686	668	668	682	679	685	701	920	748	460	387	8,797
2006-07		766	706	677	669	665	671	690	692	848	749	490	428	8,807
2007-08		737	743	696	678	666	654	681	696	837	690	491	456	8,781
2008-09		737	715	733	697	674	655	664	688	843	681	452	456	8,751
2009-10		737	715	705	734	694	664	665	670	833	686	446	421	8,726
2010-11		737	715	706	706	730	683	674	672	811	677	449	415	8,731
2011-12		737	715	706	706	703	709	693	680	813	660	444	418	8,740
2012-13		737	715	706	706	703	691	729	700	823	661	432	413	8,772

Source: West Clermont Local School District records.



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WEST CLERMONT LOCAL SCHOOL DISTRICT

CLERMONT 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
MAY 11, 2004**