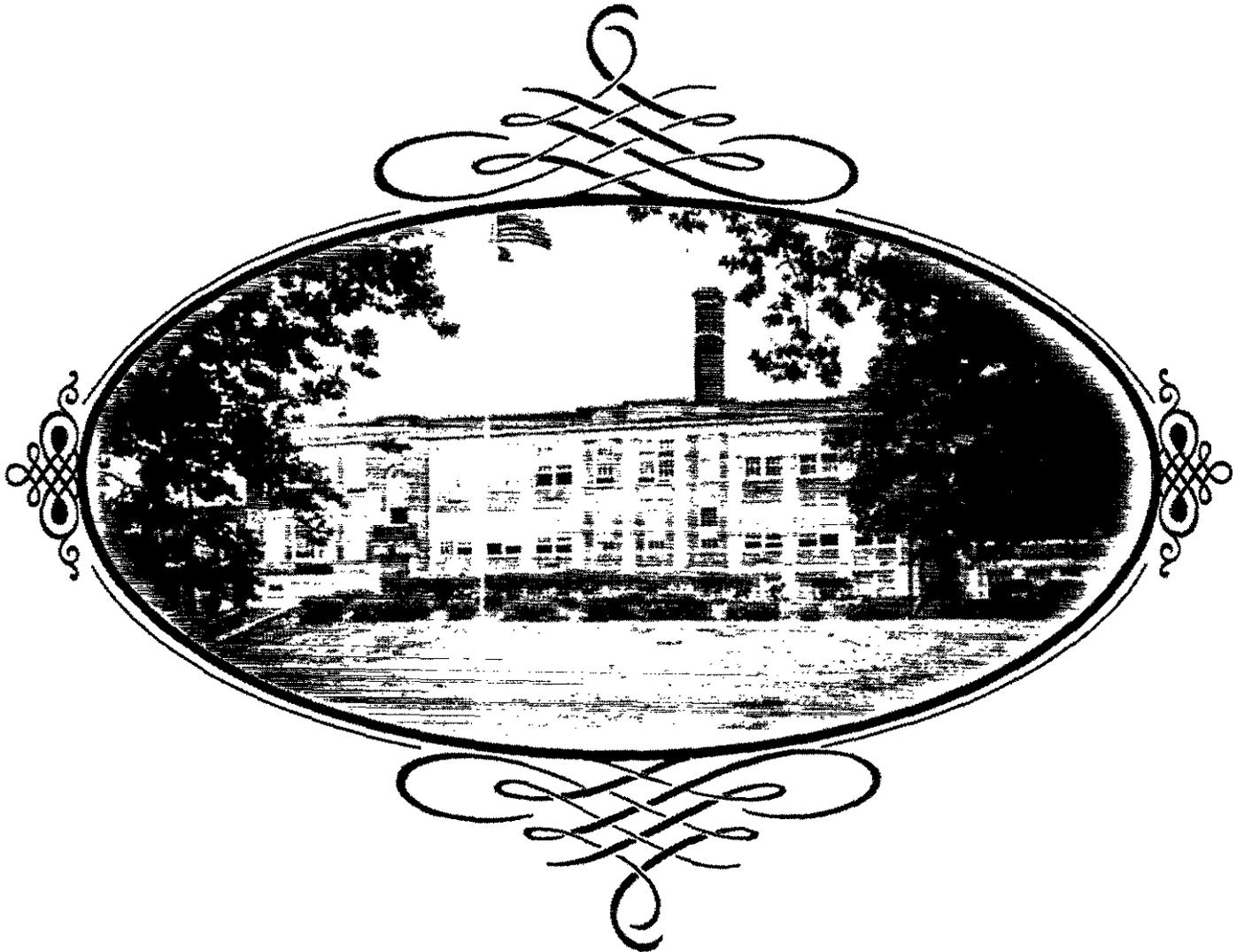


LEBANON CITY SCHOOL DISTRICT
LEBANON, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

LEBANON CITY SCHOOL DISTRICT
LEBANON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

PREPARED BY: OFFICE OF THE TREASURER

RYAN SLONE,
INTERIM TREASURER

**LEBANON CITY SCHOOL DISTRICT, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 1999**

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Lebanon City Schools

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

December 29, 1999

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

We are pleased to present the seventh Comprehensive Annual Financial Report (CAFR) of the Lebanon City School District (District) for the fiscal year ended June 30, 1999. This report was prepared by the Treasurer's Office, and contains financial statements, supplemental statements, and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 1998-99 fiscal year.

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

This report has been divided into three sections:

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

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

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

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

DESCRIPTION OF THE DISTRICT

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

During the 1998-99 school year, the District served 4,405 students enrolled in 3 elementary schools, 1 intermediate school, 1 middle school, and 1 high school. This enrollment increased 51 students from the 1997-98 school year. The preliminary enrollment for the 1999-2000 school year was 4,462, an increase of 57 students.

ORGANIZATION OF THE DISTRICT

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

The current Board members, their terms and years on the Board are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mrs. Katherine Poitinger	Jan. 1996 - Dec. 1999	3 - 1/2
Mr. Orville Robinson	Jan. 1998 - Dec. 2001	1 - 1/2
Mr. Walter Davis	Jan. 1996 - Dec. 1999	3 - 1/2
Mr. Norman Dreyer II	Jan. 1998 - Dec. 2001	1 - 1/2
Mrs. Valerie Reed	Jan. 1996 - Dec. 1999	7 - 1/2

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Dr. Robert Harvey served as Superintendent from August 1, 1995 until retiring effective August 12, 1999 after 31 years in education. Mr. James W. Sears was appointed Superintendent effective August 12, 1999.

The Treasurer is the chief financial officer of the District and is directly responsible to the Board for all financial operations, investments, custody of all District funds and assets, and serves as Secretary to the Board. Mr. Steven Hinshaw was appointed Treasurer effective March 1, 1996. Mr. Hinshaw resigned effective August 31, 1999 and Mr. Ryan Slone was named Interim Treasurer September 1, 1999.

ECONOMIC CONDITION AND OUTLOOK

The entire Lebanon City School District continued to experience growth during the 1998-99 year. The primary township, Turtlecreek, continued to experience large residential construction growth. The outlook for Turtlecreek Township and the 7 other townships is very positive. In addition to the City of Lebanon, the townships are also actively pursuing companies to develop a growing industrial base.

The economic condition and outlook for the City of Lebanon is very positive, as can be measured by the significant new construction experienced in the past decade. Evidence of this new construction is the increase in the number and value of building permits issued since 1990.

<u>Year</u>	<u>Residential Construction</u>		<u>Commercial Construction</u>	
	<u>Number of Permits</u>	<u>Value</u>	<u>Number of Permits</u>	<u>Value</u>
1990	100	\$3,156,492	58	\$11,417,957
1991	136	6,022,968	45	3,054,711
1992	192	8,198,299	42	4,575,812
1993	228	10,892,924	32	2,374,595
1994	192	8,573,264	49	22,151,935
1995	284	17,677,894	82	11,362,500
1996	351	20,637,230	78	6,356,055
1997	291	19,110,569	80	13,093,658
1998	267	15,298,503	82	16,028,448

As the table demonstrates, new construction in the City of Lebanon remained strong during 1998. During 1998, 267 new residential units were in various stages of development. Also, commercial development was strong with the completion of the Kroger Grocery Superstore and continued industrial park growth.

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

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

EMPLOYEE RELATIONS

The Board employs 442.23 full-time equivalent (FTE) employees. Of the Board's current employees, 281.62 FTE are certificated by the Ohio Department of Education serving as classroom teachers, education specialists, and administrators, all of whom have at least a bachelor's degree and 131 of whom hold advanced degrees. The number of FTE increased 22.42 from 1997-98, showing the District's commitment to keeping class sizes as low as possible to deliver a quality education.

The starting salary for a teacher with a bachelor's degree for the 1998-99 school year was \$24,834, and the maximum salary for a teacher with a master's degree and 30 years longevity was \$54,386. Certificated teachers and education specialists are represented by the Lebanon Education Association (LEA) which is a labor organization affiliated with the Ohio Education Association.

The 160.61 FTE classified employees are represented by the Ohio Association of Public School Employees, Chapter 511 (OAPSE) which is a labor organization affiliated with the American Federation of State, County and Municipal Employees (AFSCME).

MAJOR INITIATIVES FOR THE YEAR

Current Focus - Report Cards, Strategic Plan

This spring, the state issued a 1999 School District Report Card grading every district in the State of Ohio. That report card graded each district according to 18 standards, most of which were proficiency test cores for grades four, six, and nine. According to these standards, Lebanon ranks as a "continuous improvement" district accomplishing 11 of the 18 standards.

The District is working to address proficiency scores and overall curriculum through the continued implementation of the five – year review cycle for all courses of study and the Transitions Endorsement accreditation program which helps teachers target an individual student's strength and weakness areas.

In addition, the District is working on an aggressive program to reevaluate where we are, where we need to go and how we need to accomplish that task. To that end, school officials and others are working to identify and address other improvements that are needed. These improvements will result in improvements in achievement and learning for our students and have an ultimate, positive impact on proficiency test scores.

Aside from the test scores, the State Report Card also provides a district profile which compares Lebanon with similar districts in Ohio and state averages. Lebanon Schools are below average in the amount of

local, state and federal funding received while ranking above average in enrollment and median household income. In addition, the District ranks below average spent on administration costs, building operations, staff support, pupil support, instruction costs and per pupil spending.

Department Focus - North Central Accreditation

All six of our schools are currently accredited by the North Central Commission of Schools. The Lebanon City Schools have been selected to participate in a nationwide pilot program for the transitions model from the North Central Commission of Schools. This model will encourage our schools to evaluate how our students make the transition between grades, between schools, and between school to work. By evaluating our students at this level, we will be able to begin to educate the students in a way that will enable them to be successful in life.

FINANCIAL INFORMATION

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

Internal Controls

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

Federal and State Assistance

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

Budgetary Controls

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

General Fund

The following tables present the amount of revenues by source, including other financing sources, and expenditures by function, including other financing uses, for the General Fund for the fiscal year ended June 30, 1999 and the percentage of increases and decreases in relation to prior year revenues and expenditures.

Revenues by Source and Other Financing Sources

	<u>1998</u>	<u>1999</u>	<u>Percent of Total</u>	<u>Difference from 1998</u>	<u>Percent of Change</u>
Taxes	\$8,492,596	\$9,188,807	44.76%	\$696,211	8.20%
Intergovernmental	9,753,882	10,654,313	51.90%	900,431	9.23%
Investment	319,569	363,858	1.77%	44,289	13.86%
Tuition and Fees	96,928	161,894	0.79%	64,966	67.03%
Miscellaneous	152,969	158,845	0.77%	5,876	3.84%
Proceeds from					
Sale of Fixed Assets	<u>700</u>	<u>1,614</u>	<u>0.01%</u>	<u>914</u>	<u>130.57%</u>
Total	<u>\$18,816,644</u>	<u>\$20,529,331</u>	<u>100.00%</u>	<u>\$1,712,687</u>	<u>9.10%</u>

The District's 9.10% increase in revenues, including 8.20% increase in taxes and 9.23% increase in intergovernmental is largely attributed to the new construction and enrollment growth throughout the district. The 13.86% increase in interest is due to larger cash balances to invest at higher interest rates. The 67.03% increase in tuition and fees is attributable to tuition from neighboring districts.

Expenditures by Function and Other Financing Uses

	<u>1998</u>	<u>1999</u>	<u>Percent of Total</u>	<u>Difference from 1998</u>	<u>Percent of Change</u>
Instruction:					
Regular	\$9,447,680	\$10,481,150	52.61%	\$1,033,470	10.94%
Special	964,384	1,004,530	5.04%	40,146	4.16%
Other	116,920	236,461	1.19%	119,541	102.24%
Support Services:					
Pupils	794,923	923,111	4.63%	128,188	16.13%
Instructional Staff	786,587	1,003,996	5.04%	217,409	27.64%
Board of Education	38,333	35,645	0.18%	(2,688)	(7.01)%
Administration	1,515,813	1,793,433	9.00%	277,620	18.32%
Fiscal	482,323	534,601	2.68%	52,278	10.84%
Business	132,144	128,993	0.65%	(3,151)	2.38%
Operation and Maintenance					
of Plant	1,493,647	1,551,876	7.79%	58,229	3.90%
Pupil Transportation	1,361,744	1,457,646	7.32%	95,902	7.04%
Central	91,147	122,304	0.61%	31,157	34.18%
Operation of					
Non-Instructional Services	5,952	991	0.01%	(4,961)	(83.35)%
Extracurricular Activities	349,774	379,515	1.90%	29,741	8.50%
Facilities Acquisition					
and Construction Services	1,350	0	0.00%	(1,350)	(100.00)%
Operating Transfers Out	<u>256,964</u>	<u>269,780</u>	<u>1.35%</u>	<u>12,816</u>	<u>4.99%</u>
Total	<u>\$17,839,685</u>	<u>\$19,924,032</u>	<u>100.00%</u>	<u>\$2,084,347</u>	<u>11.68%</u>

The District's 11.68% increase in expenditures, including 10.94% increase in regular instruction and 27.64% increase in support services instructional staff is due to the continuing student enrollment growth of the District and the spending of money to meet the additional needs. Additional personnel were hired in all areas to address the needs to continue to provide a quality education to the students. The 102.24% increase in other instruction is primarily tuition paid to other districts for students who live in Lebanon, but attend other districts. Operating transfers out are included in this presentation because of the importance of the line item. These transfers primarily represent debt service payments.

Special Revenue Funds

Special Revenue Funds account for funds that derive revenue primarily from grants and entitlements restricted by law to expenditures for specific purposes. The fund balance for all Special Revenue Funds decreased \$85,683 during the 1999 fiscal year.

Capital Projects Funds

Capital Projects Funds account for the purchase of equipment and the financing of major improvement projects. The Capital Projects Funds ended the 1999 fiscal year with a fund balance of \$674,550.

Enterprise Funds

The District's two Enterprise Funds are the Food Service Fund and the Uniform School Supplies Fund. These funds are similar in nature to profit-making activities found in the private sector and are managed accordingly. The District's Enterprise Funds operated in 1999 with \$1,245,458 in total revenues and transfers in and recorded a net income of \$3,006.

Internal Service Funds

The District's two Internal Service Funds are the Employee Benefits Self-Insurance Fund and the Warren County Juvenile Detention Center Fund. In fiscal year 1999, these programs operated at a \$41,307 combined profit.

Debt Administration

The District has three debt issues outstanding at June 30, 1999. The first issue is \$7,375,000 of general obligation bonds issued for the construction of a new grades 4-5 elementary building and an 8-classroom addition to the high school. The bonds were issued on August 15, 1992 at an interest rate of 4.65%. The amount of outstanding bonds at June 30, 1999 is \$2,370,000. This issue will be retired on December 1, 2000.

The second issue is a \$1,440,000 general obligation bond issued for renovations made under the House Bill 264 program. The bonds were issued on May 15, 1995 at an interest rate of 5.25%. The amount of outstanding bonds at June 30, 1999 is \$1,080,000. This issue will be retired on December 1, 2005.

The third issue is a \$290,000 general obligation bond issued for school bus purchases. The bonds were issued on June 1, 1997 at an interest rate of 5.20%. The amount of outstanding bonds at June 30, 1999 is \$203,000. This issue will be retired on April 15, 2003.

Cash Management

The District operates a cash management program designed to provide safety, liquidity, and yield, in that order. Funds are invested in overnight savings accounts, certificates of deposit, in the Ohio State Treasurer's Investment Pool (Star Ohio), or in United States Government bills or notes. The amount of investment income in fiscal year 1999 for all District funds was \$507,860. A more detailed description of the District's investment functions is provided in Note 4 to the financial statements.

Risk Management

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

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

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

OTHER INFORMATION

Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. Plattenburg and Associates, Inc. conducted the District's audit for fiscal year 1999. The Auditor's report on the District's general purpose financial statements, and combining and individual fund statements and schedules is included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1998. The Certificate of Achievement is the highest form of recognition for excellence in state and local government reporting, and the award was the fifth for the District. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting a governmental unit must publish a Comprehensive Annual Financial Report, the contents of which are easily readable, efficiently organized, and conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The District believes our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

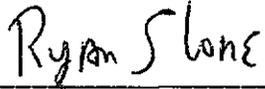
The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence on Financial Reporting for the fiscal year ended June 30, 1998 to the District. The award was the sixth for the District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 1998 substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after extensive review of the report by an expert panel of certified public accountants and practicing school business officials. The District believes our current report conforms to the ASBO's principles and standards, and we are submitting it to ASBO to determine its eligibility for a certificate.

The GFOA also awarded an Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended June 30, 1998 to the District. The award is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In fact, the District is the first school district in Ohio and second district in the nation to receive the award.

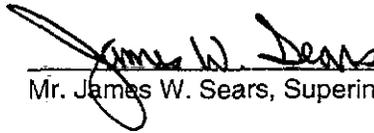
Acknowledgments

The preparation and publication of the 1999 Comprehensive Annual Financial Report of the Lebanon City School District was made possible by the combined efforts of the entire Treasurer's office staff. Sincere appreciation is extended to Mr. Richard Taylor for his exceptional individual efforts in preparing this report. Finally, this report would not have been possible without the support, commitment, and leadership of the Board of Education to continue the pursuit of excellence in financial reporting.

Sincerely,



Mr. Ryan Stone, Interim Treasurer



Mr. James W. Sears, Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

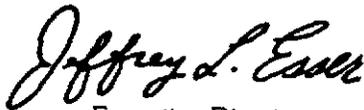
Lebanon City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1998

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




Cary Brueck
President


Jeffrey L. Esler
Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

LEBANON CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 1998

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

Glenn A. Franklin
President

Don L. Morgan
Executive Director

LEBANON CITY SCHOOL DISTRICT LIST OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS

President, Board of Education..... Mrs. Katherine Poitinger
Vice President, Board of Education..... Mr. Orville Robinson
Board Member..... Mr. Walter Davis
Board Member..... Mr. Norman Dreyer II
Board Member..... Mrs. Valerie Reed

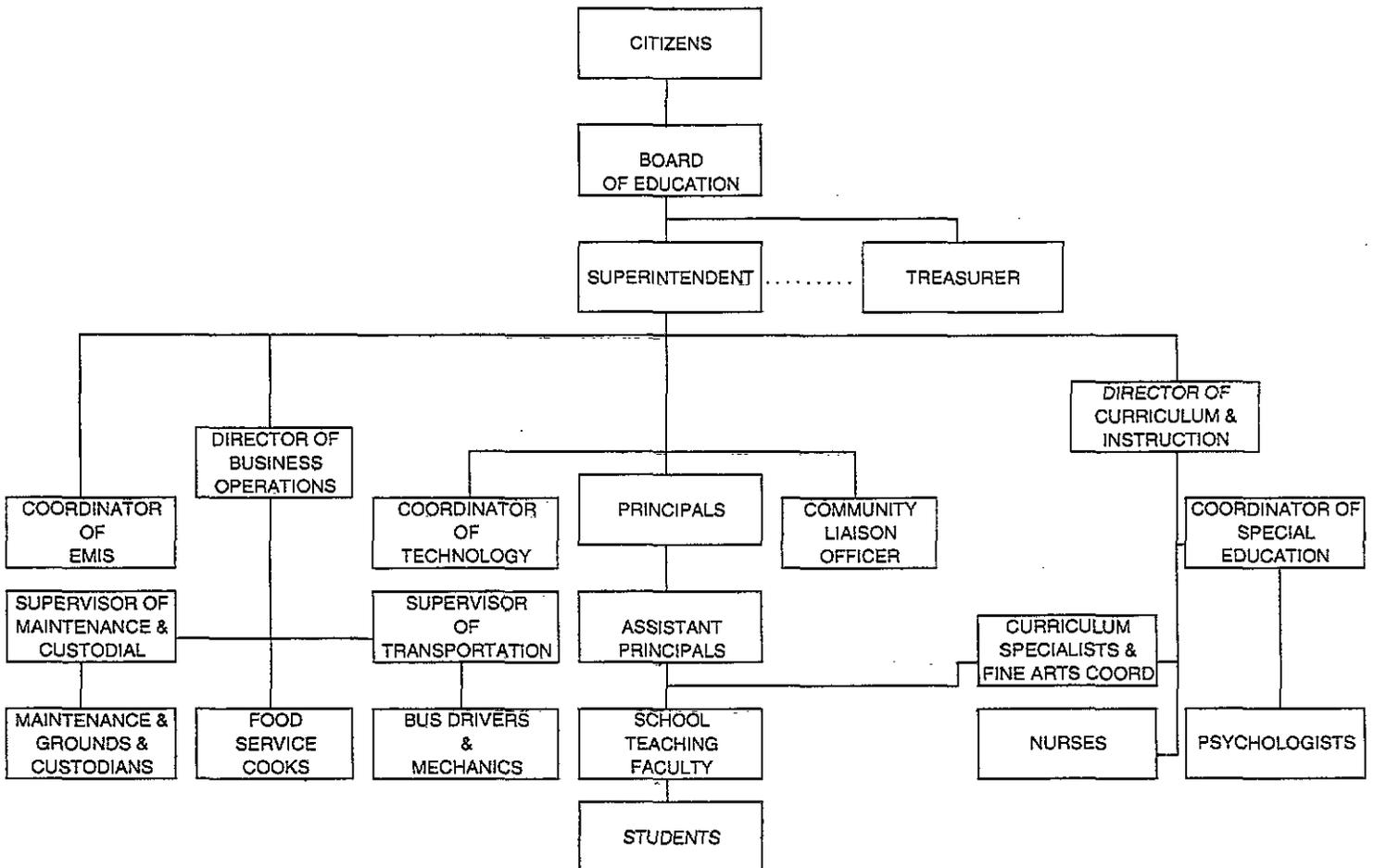
ADMINISTRATIVE OFFICIALS

Superintendent..... Mr. James W. Sears
Interim Treasurer..... Mr. Ryan Slone
Director of Curriculum, Instruction, Special Education..... Mrs. Peggy McClusky
Director of Business Operations..... Mr. R. Stuart Long
Supervisor of Maintenance..... Mr. James Cooper
Supervisor of Transportation..... Mr. Doug Keiter
Coordinator of Technology..... Mr. David Scoville
Community Liaison Officer Ms. Carole Dorn

OFFICE OF THE TREASURER

Interim Treasurer..... Mr. Ryan Slone
Payroll Specialist..... Ms. Linda Givens
Accounting Specialist..... Mrs. Pandora Henderson
Payroll Assistant..... Mrs. Terri Lenos
Accounting Specialist..... Mr. Richard Taylor

LEBANON CITY SCHOOL DISTRICT ORGANIZATIONAL CHART





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

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215

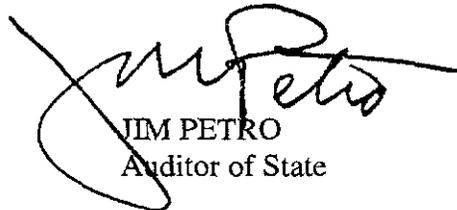
Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398

Board of Education
Lebanon City School District

We have reviewed the Independent Auditor's Report of the Lebanon City School District, Warren County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 1998 to June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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



JIM PETRO
Auditor of State

January 12, 2000



PLATTENBURG & ASSOCIATES, INC./CERTIFIED PUBLIC ACCOUNTANTS

8280 MONTGOMERY ROAD, SUITE 210 / CINCINNATI, OH 45236 • (513) 891-2722 • FAX (513) 891-2760
2211 SOUTH DIXIE AVENUE / DAYTON, OH 45409 • (937) 294-1505 • FAX (937) 294-1507

Independent Accountants' Report

December 21, 1999

Board of Education
Lebanon City School District
Lebanon, Ohio

We have audited the accompanying general purpose financial statements of the Lebanon City School District (the District), as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

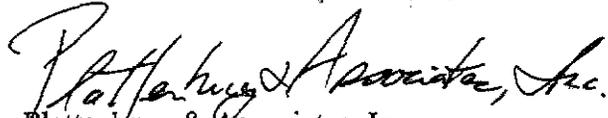
In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types and non-expendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Governmental Auditing Standards*, we have also issued a report dated December 21, 1999 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.

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

As described in the notes to the accompanying general purpose financial statements, the District changed its method of accounting for deferred compensation to conform with Governmental Accounting Standards Board (GASB) Statement No. 32.

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


Plattenburg & Associates, Inc.
Certified Public Accountants

GENERAL PURPOSE FINANCIAL STATEMENTS

The following general purpose financial statements, along with notes to general purpose financial statements, present an overview of the District's financial position at June 30, 1999 and the results of operations and cash flows of its proprietary and non-expendable trust funds for the year then ended.

LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 AS OF JUNE 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$5,311,555	\$515,218	\$2,118,299	\$664,804
Restricted Cash and Cash Equivalents	245,992	0	0	0
Receivables:				
Taxes	10,034,436	0	587,597	779,343
Accounts	5,982	0	0	0
Intergovernmental	0	40,948	0	0
Accrued Interest	860	0	0	0
Due From Other Funds	0	0	0	0
Prepaid Items	54,642	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$15,653,467	\$556,166	\$2,705,896	\$1,444,147
Liabilities, Fund Equity and Other Credits:				
Liabilities:				
Accounts Payable	\$75,471	\$28,432	50	\$39,285
Accrued Wages	1,569,257	54,451	0	0
Compensated Absences Payable	104,618	0	0	0
Due to Other Funds	102,245	1,736	0	0
Intergovernmental Payable	392,989	14,881	0	9
Deferred Revenue	9,443,229	0	515,272	730,303
Undistributed Monies	0	0	0	0
Due to Students	0	0	0	0
Claims Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	11,687,809	99,500	515,272	769,597
Fund Equity and Other Credits:				
Contributed Capital	0	0	0	0
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved (Deficit)	0	0	0	0
Fund Balance:				
Reserved for Property Tax Advances	591,207	0	72,325	49,040
Reserved for Set-aside	245,992	0	0	0
Reserved for Encumbrances	266,363	116,977	0	290,671
Reserved for Prepaid Items	54,642	0	0	0
Reserved for Contributions	0	0	0	0
Unreserved:				
Undesignated	2,807,454	339,689	2,118,299	334,839
Total Fund Equity and Other Credits	3,965,658	456,666	2,190,624	674,550
Total Liabilities, Fund Equity and Other Credits	\$15,653,467	\$556,166	\$2,705,896	\$1,444,147

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Types		Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations		
\$36,929	\$1,023,778	\$102,054	\$0	\$0	\$9,772,637	
0	0	0	0	0	245,992	
0	0	0	0	0	11,401,376	
0	0	0	0	0	5,982	
0	5,673	0	0	0	46,621	
0	0	401	0	0	1,261	
0	118,143	0	0	0	118,143	
0	0	0	0	0	54,642	
17,024	0	0	0	0	17,024	
4,956	0	0	0	0	4,956	
62,714	1,749	0	21,212,687	0	21,277,150	
0	0	0	0	2,190,624	2,190,624	
0	0	0	0	3,030,794	3,030,794	
<u>\$121,623</u>	<u>\$1,149,343</u>	<u>\$102,455</u>	<u>\$21,212,687</u>	<u>\$5,221,418</u>	<u>\$48,167,202</u>	
\$23,749	\$0	\$0	\$0	\$0	\$166,937	
0	17,976	0	0	0	1,641,684	
32,756	0	0	0	1,409,588	1,546,962	
11,486	2,676	0	0	0	118,143	
38,792	4,176	0	0	158,830	609,677	
9,210	0	0	0	0	10,698,014	
0	0	5,741	0	0	5,741	
0	0	65,986	0	0	65,986	
0	224,449	0	0	0	224,449	
0	0	0	0	3,653,000	3,653,000	
115,993	249,277	71,727	0	5,221,418	18,730,593	
29,439	0	0	0	0	29,439	
0	0	0	21,212,687	0	21,212,687	
(23,809)	900,066	0	0	0	876,257	
0	0	0	0	0	712,572	
0	0	0	0	0	245,992	
0	0	0	0	0	674,011	
0	0	0	0	0	54,642	
0	0	9,312	0	0	9,312	
0	0	21,416	0	0	5,621,697	
5,630	900,066	30,728	21,212,687	0	29,436,609	
<u>\$121,623</u>	<u>\$1,149,343</u>	<u>\$102,455</u>	<u>\$21,212,687</u>	<u>\$5,221,418</u>	<u>\$48,167,202</u>	

**LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$9,188,807	\$0	\$1,296,830	\$654,205
Intergovernmental	10,654,313	762,466	165,680	466,313
Investment	363,858	1,306	95,178	17,078
Tuition and Fees	161,894	20,844	0	0
Extracurricular Activities	0	454,247	0	0
Gifts and Donations	0	59,026	0	0
Miscellaneous	158,845	32,066	0	0
Total Revenues	20,527,717	1,329,955	1,557,688	1,137,596
Expenditures:				
Current:				
Instruction:				
Regular	10,481,150	334,076	0	368,968
Special	1,004,530	385,230	0	0
Other	236,461	0	0	0
Support Services:				
Pupils	923,111	51,624	0	0
Instructional Staff	1,003,996	74,408	0	0
Board of Education	35,645	0	0	0
Administration	1,793,433	23,275	2,206	1,309
Fiscal	534,601	0	19,783	9,510
Business	128,993	0	0	0
Operation and Maintenance of Plant	1,551,876	0	0	63,091
Pupil Transportation	1,457,646	0	0	0
Central	122,304	36,979	0	4,294
Operation of Non-Instructional Services	991	127,718	0	0
Extracurricular Activities	379,515	381,495	0	0
Facilities Acquisition and Construction Services	0	48	0	267,209
Debt Service:				
Principal Retirement	0	0	1,264,000	0
Interest and Fiscal Charges	0	0	208,718	0
Other Uses of Funds:				
Pass-through Payments	0	785	0	0
Total Expenditures	19,654,252	1,415,638	1,494,707	714,381
Excess (Deficiency) of Revenues Over (Under) Expenditures	873,465	(85,683)	62,981	423,215
Other Financing Sources (Uses):				
Proceeds from Sale of Fixed Assets	1,614	0	0	0
Refund of Prior Year Receipts	0	0	0	0
Operating Transfers - In	0	0	242,055	0
Operating Transfers - Out	(269,780)	0	0	0
Total Other Financing Sources (Uses)	(268,166)	0	242,055	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	605,299	(85,683)	305,036	423,215
Fund Balances at June 30, 1998	3,360,359	542,349	1,885,588	251,335
Fund Balances at June 30, 1999	\$3,965,658	\$456,666	\$2,190,624	\$674,550

See accompanying notes to the general purpose financial statements

Fiduciary Fund Type	Expendable Trust	Totals (Memorandum Only)
	\$0	\$11,139,842
	0	12,048,772
	44	477,464
	0	182,738
	0	454,247
	6,650	65,676
	0	190,911
	6,694	24,559,650
	0	11,184,194
	0	1,389,760
	0	236,461
	0	974,735
	0	1,078,404
	0	35,645
	0	1,820,223
	0	563,894
	0	128,993
	0	1,614,967
	0	1,457,646
	0	163,577
	0	126,709
	8,380	769,390
	0	267,257
	0	1,264,000
	0	208,718
	0	785
	8,380	23,287,358
	(1,686)	1,272,292
	0	1,614
	0	0
	0	242,055
	0	(269,780)
	0	(26,111)
	(1,686)	1,246,181
	3,557	6,043,188
	\$1,871	\$7,289,369

LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	General		Governmental Fund Types			
	Revised Budget	Actual	Fund Variance Favorable (Unfavorable)	Revised Budget	Special Revenue Actual	Funds Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$9,212,198	\$9,212,198	\$0	\$0	\$0	\$0
Intergovernmental	10,656,813	10,656,813	0	743,796	743,796	0
Interest	363,045	363,045	0	1,306	1,306	0
Tuition and Fees	163,357	163,357	0	20,844	20,844	0
Extracurricular Activities	0	0	0	454,247	454,247	0
Gifts and Donations	0	0	0	59,026	59,026	0
Miscellaneous	110,035	110,035	0	26,190	26,190	0
Total Revenues	20,505,448	20,505,448	0	1,305,409	1,305,409	0
Expenditures:						
Current:						
Instruction:						
Regular	10,527,021	10,527,021	0	355,269	355,269	0
Special	1,001,573	1,001,573	0	380,324	380,324	0
Other	239,637	239,637	0	0	0	0
Support Services:						
Pupils	908,672	908,672	0	52,532	52,532	0
Instructional Staff	1,005,560	1,005,560	0	80,394	80,394	0
Board of Education	34,079	34,079	0	0	0	0
Administration	1,767,005	1,767,005	0	24,097	24,097	0
Fiscal	548,832	548,832	0	0	0	0
Business	126,101	126,101	0	0	0	0
Operation and Maintenance of Plant	1,614,224	1,614,224	0	0	0	0
Pupil Transportation	1,509,685	1,509,685	0	0	0	0
Central	137,209	137,209	0	50,637	50,637	0
Operation of Non-Instructional Services	1,541	1,541	0	152,537	152,537	0
Extracurricular Activities	378,630	378,630	0	448,747	448,747	0
Facilities Acquisition and Construction Services	0	0	0	48	48	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Other Uses of Funds:						
Pass-through Payments	0	0	0	785	785	0
Total Expenditures	19,799,769	19,799,769	0	1,545,370	1,545,370	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	705,679	705,679	0	(239,961)	(239,961)	0
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	1,614	1,614	0	0	0	0
Refund of Prior Year Expenditures	49,246	49,246	0	5,876	5,876	0
Refund of Prior Year Receipts	0	0	0	(9,592)	(9,592)	0
Advances - In	130,825	130,825	0	0	0	0
Advances - Out	0	0	0	0	0	0
Operating Transfers - In	0	0	0	0	0	0
Operating Transfers - Out	(269,780)	(269,780)	0	0	0	0
Total Other Financing Sources (Uses)	(88,095)	(88,095)	0	(3,716)	(3,716)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	617,584	617,584	0	(243,677)	(243,677)	0
Fund Balances at June 30, 1998	4,199,406	4,199,406	0	534,366	534,366	0
Prior Year Encumbrances Appropriated	412,305	412,305	0	80,922	80,922	0
Fund Balances at June 30, 1999	\$5,229,295	\$5,229,295	\$0	\$371,611	\$371,611	\$0

See accompanying notes to the general purpose financial statements

----- G o v e r n m e n t a l F u n d T y p e s -----

Debt Service Fund			Capital Projects Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$1,329,209	\$1,329,209	\$0	\$639,507	\$639,507	\$0
165,679	165,679	0	466,313	466,313	0
106,612	106,612	0	17,078	17,078	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,601,500	1,601,500	0	1,122,898	1,122,898	0
0	0	0	416,650	416,650	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
2,205	2,205	0	1,309	1,309	0
19,783	19,783	0	9,510	9,510	0
0	0	0	0	0	0
0	0	0	112,092	112,092	0
0	0	0	0	0	0
0	0	0	4,548	4,548	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	534,603	534,603	0
1,264,000	1,264,000	0	0	0	0
208,718	208,718	0	0	0	0
0	0	0	0	0	0
1,494,706	1,494,706	0	1,078,712	1,078,712	0
106,794	106,794	0	44,186	44,186	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
242,055	242,055	0	(130,825)	(130,825)	0
0	0	0	0	0	0
242,055	242,055	0	(130,825)	(130,825)	0
348,849	348,849	0	(86,639)	(86,639)	0
1,769,450	1,769,450	0	406,138	406,138	0
0	0	0	35,480	35,480	0
\$2,118,299	\$2,118,299	\$0	\$354,979	\$354,979	\$0

Continued

LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (CONTINUED)

	----- Expendable Trust Funds -----			Totals (Memorandum Only) -----		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$0	\$0	\$0	\$11,180,914	\$11,180,914	\$0
Intergovernmental	0	0	0	12,032,601	12,032,601	0
Interest	56	56	0	488,097	488,097	0
Tuition and Fees	0	0	0	184,201	184,201	0
Extracurricular Activities	0	0	0	454,247	454,247	0
Gifts and Donations	6,650	6,650	0	65,676	65,676	0
Miscellaneous	0	0	0	136,225	136,225	0
Total Revenues	6,706	6,706	0	24,541,961	24,541,961	0
Expenditures:						
Current:						
Instruction:						
Regular	0	0	0	11,298,940	11,298,940	0
Special	0	0	0	1,381,897	1,381,897	0
Other	0	0	0	239,637	239,637	0
Support Services:						
Pupils	0	0	0	961,204	961,204	0
Instructional Staff	0	0	0	1,085,954	1,085,954	0
Board of Education	0	0	0	34,079	34,079	0
Administration	0	0	0	1,794,616	1,794,616	0
Fiscal	0	0	0	578,125	578,125	0
Business	0	0	0	126,101	126,101	0
Operation and Maintenance of Plant	0	0	0	1,726,316	1,726,316	0
Pupil Transportation	0	0	0	1,509,685	1,509,685	0
Central	0	0	0	192,394	192,394	0
Operation of Non-Instructional Services	0	0	0	154,078	154,078	0
Extracurricular Activities	8,380	8,380	0	835,757	835,757	0
Facilities Acquisition and Construction Services	0	0	0	534,651	534,651	0
Debt Service:						
Principal Retirement	0	0	0	1,264,000	1,264,000	0
Interest and Fiscal Charges	0	0	0	208,718	208,718	0
Other Uses of Funds:						
Pass-through Payments	0	0	0	785	785	0
Total Expenditures	8,380	8,380	0	23,926,937	23,926,937	0
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(1,674)	(1,674)	0	615,024	615,024	0
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	0	0	0	1,614	1,614	0
Refund of Prior Year Expenditures	0	0	0	55,122	55,122	0
Refund of Prior Year Receipts	0	0	0	(9,592)	(9,592)	0
Advances - In	0	0	0	130,825	130,825	0
Advances - Out	0	0	0	(130,825)	(130,825)	0
Operating Transfers - In	0	0	0	242,055	242,055	0
Operating Transfers - Out	0	0	0	(269,780)	(269,780)	0
Total Other Financing Sources (Uses)	0	0	0	19,419	19,419	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,674)	(1,674)	0	634,443	634,443	0
Fund Balances at June 30, 1998	3,516	3,516	0	6,912,876	6,912,876	0
Prior Year Encumbrances Appropriated	0	0	0	528,707	528,707	0
Fund Balances at June 30, 1999	\$1,842	\$1,842	\$0	\$8,076,026	\$8,076,026	\$0

See accompanying notes to the general purpose financial statements

LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS/FUND BALANCE
 ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
Operating Revenues:				
Sales	\$963,428	\$0	\$0	\$963,428
Tuition	0	202,226	0	202,226
Charges for Services	0	1,400,224	0	1,400,224
Investment	0	0	1,125	1,125
Total Operating Revenues	963,428	1,602,450	1,125	2,567,003
Operating Expenses:				
Salaries	347,626	100,499	0	448,125
Fringe Benefits	117,674	63,178	0	180,852
Purchased Services	95,601	172,233	0	267,834
Materials and Supplies	61,091	5,169	0	66,260
Cost of Sales	615,286	0	0	615,286
Depreciation	5,174	87	0	5,261
Claims	0	1,249,248	0	1,249,248
Other Operating Expenses	0	0	850	850
Total Operating Expenses	1,242,452	1,590,414	850	2,833,716
Operating Income (Loss)	(279,024)	12,036	275	(266,713)
Non-Operating Revenues:				
Federal Donated Commodities	45,656	0	0	45,656
Operating Grants	208,649	0	0	208,649
Investment	0	29,271	0	29,271
Total Non-Operating Revenues	254,305	29,271	0	283,576
Net Income (Loss) Before Operating Transfers	(24,719)	41,307	275	16,863
Operating Transfers - In	27,725	0	0	27,725
Net Income (Loss)	3,006	41,307	275	44,588
Retained Earnings/Fund Balance at June 30, 1998	(26,815)	858,759	28,582	860,526
Retained Earnings (Deficit)/Fund Balance at June 30, 1999	(\$23,809)	\$900,066	\$28,857	\$905,114

See accompanying notes to the general purpose financial statements

LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
Increase (Decrease) in Cash and Cash Equivalents:				
Cash Flows from Operating Activities:				
Cash Received from Customers	\$963,428	\$0	\$0	\$963,428
Cash Received from Tuition Payments	0	246,248	0	246,248
Cash Received from Other Operations	0	1,406,652	0	1,406,652
Cash Payments to Employees for Services	(351,491)	(120,372)	0	(471,863)
Cash Payments for Employee Benefits	(122,848)	(44,701)	0	(167,549)
Cash Payments for Claims	0	(1,224,471)	0	(1,224,471)
Cash Payments for Purchased Services	(528,736)	(172,233)	0	(700,969)
Cash Payments for Materials and Supplies	(204,247)	(5,169)	0	(209,416)
Cash Payments for Other Expenses	0	0	(850)	(850)
Net Cash Provided by (Used for) Operating Activities	(243,894)	85,954	(850)	(158,790)
Cash Flows from Noncapital Financing Activities:				
Operating Grants Received	208,650	0	0	208,650
Operating Transfers - In	27,725	0	0	27,725
Net Cash Provided by Noncapital Financing Activities	236,375	0	0	236,375
Cash Flows from Capital and Related Financing Activities:				
Payments for Capital Acquisitions	0	(1,836)	0	(1,836)
Net Cash (Used for) Capital and Related Financing Activities	0	(1,836)	0	(1,836)
Cash Flows from Investing Activities:				
Investment Revenue	0	29,271	1,209	30,480
Net Cash Provided by Investing Activities	0	29,271	1,209	30,480
Net Increase (Decrease) in Cash and Cash Equivalents	(7,519)	113,389	359	106,229
Cash and Cash Equivalents at June 30, 1998	44,448	910,389	28,126	982,963
Cash and Cash Equivalents at June 30, 1999	\$36,929	\$1,023,778	\$28,485	\$1,089,192

Continued

LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (CONTINUED)

	Proprietary Fund Types		Fiduciary Fund Type	Totals
	Enterprise	Internal Service	Nonexpendable Trust	(Memorandum Only)
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	(\$279,024)	\$12,036	\$275	(\$266,713)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	5,174	87	0	5,261
Interest Received in Nonexpendable Trust Funds	0	0	(1,209)	(1,209)
Donated Commodities Used During the Year	45,656	0	0	45,656
Changes in Assets and Liabilities:				
(Increase)/Decrease in Intergovernmental Receivable	0	44,022	0	44,022
(Increase)/Decrease in Accrued Interest Receivable	0	0	84	84
(Increase)/Decrease in Due From Other Funds	0	6,428	0	6,428
(Increase)/Decrease in Inventory Held for Resale	(1,259)	0	0	(1,259)
(Increase)/Decrease in Materials and Supplies Inventory	1,100	0	0	1,100
Increase/(Decrease) in Accounts Payable	(5,193)	0	0	(5,193)
Increase/(Decrease) in Accrued Wages	0	(1,897)	0	(1,897)
Increase/(Decrease) in Compensated Absences Payable	(3,865)	0	0	(3,865)
Increase/(Decrease) in Deferred Revenue	(1,309)	0	0	(1,309)
Increase/(Decrease) in Due to Other Funds	2,692	441	0	3,133
Increase/(Decrease) in Intergovernmental Payable	(7,866)	60	0	(7,806)
Increase/(Decrease) in Claims Payable	0	24,777	0	24,777
Total Adjustments	35,130	73,918	(1,125)	107,923
Net Cash Provided by (Used for) Operating Activities	(\$243,894)	\$85,954	(\$850)	(\$158,790)

Reconciliation of Nonexpendable Trust Funds to Balance Sheet:

Cash and Cash Equivalents - All Fiduciary Funds	\$102,054
Cash and Cash Equivalents - Expendable Trust and Agency Funds	(73,569)
Cash and Cash Equivalents - Nonexpendable Trust Funds	\$28,485

See accompanying notes to the general purpose financial statements

LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Proprietary Fund Types					
	Enterprise Funds			Internal Service Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Sales	\$963,428	\$963,428	\$0	\$0	\$0	\$0
Tuition	0	0	0	246,248	246,248	0
Charges for Services	0	0	0	1,406,191	1,406,191	0
Interest	0	0	0	29,271	29,271	0
Operating Grants	208,649	208,649	0	0	0	0
Refund of Prior Year Expenses	0	0	0	461	461	0
Total Revenues	1,172,077	1,172,077	0	1,682,171	1,682,171	0
Expenses:						
Salaries	351,491	351,491	0	120,372	120,372	0
Fringe Benefits	122,848	122,848	0	44,701	44,701	0
Purchased Services	528,736	528,736	0	172,233	172,233	0
Materials and Supplies	224,417	224,417	0	4,693	4,693	0
Capital Outlay	0	0	0	2,312	2,312	0
Other	0	0	0	1,224,471	1,224,471	0
Total Expenses	1,227,492	1,227,492	0	1,568,782	1,568,782	0
Excess (Deficiency) of Revenues Over (Under) Expenses	(55,415)	(55,415)	0	113,389	113,389	0
Operating Transfers - in	27,725	27,725	0	0	0	0
Excess (Deficiency) of Revenues and Operating Transfers Over (Under) Expenses	(27,690)	(27,690)	0	113,389	113,389	0
Fund Equity at June 30, 1998	28,601	28,601	0	910,389	910,389	0
Prior Year Encumbrances Appropriated	15,847	15,847	0	0	0	0
Fund Equity at June 30, 1999	\$16,758	\$16,758	\$0	\$1,023,778	\$1,023,778	\$0

See accompanying notes to the general purpose financial statements

----- Fiduciary Fund Type -----			Totals		
----- Nonexpendable Trust Funds -----			(Memorandum Only) -----		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$963,428	\$963,428	\$0
0	0	0	246,248	246,248	0
0	0	0	1,406,191	1,406,191	0
1,209	1,209	0	30,480	30,480	0
0	0	0	208,649	208,649	0
0	0	0	461	461	0
1,209	1,209	0	2,855,457	2,855,457	0
0	0	0	471,863	471,863	0
0	0	0	167,549	167,549	0
0	0	0	700,969	700,969	0
0	0	0	229,110	229,110	0
0	0	0	2,312	2,312	0
850	850	0	1,225,321	1,225,321	0
850	850	0	2,797,124	2,797,124	0
359	359	0	58,333	58,333	0
0	0	0	27,725	27,725	0
359	359	0	86,058	86,058	0
28,126	28,126	0	967,116	967,116	0
0	0	0	15,847	15,847	0
\$28,485	\$28,485	\$0	\$1,069,021	\$1,069,021	\$0

**LEBANON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

NOTE 1 - DESCRIPTION OF THE SCHOOL

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

The District operates under a locally-elected five member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the District's six instructional facilities, staffed by 160.6 FTE classified personnel and 281.6 FTE certificated teaching and administrative personnel to provide services to students and other community members.

In terms of enrollment, the District is the 2nd largest in Warren County among 8 districts and 87th largest in the State of Ohio among 611 districts. It currently operates three elementary schools (K-3), one intermediate school (4-5), one middle school (6-8), and one high school (9-12).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

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

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

The District is a participating member of the Southwestern Ohio Computer Association (SWOCA), a three-county consortium of school districts. SWOCA provides data processing services needed by participating school districts. The Butler County Joint Vocational School District serves as the fiscal agent. This is a jointly-governed organization and the District's participation is discussed in Note 15.

The District is not involved in the budgeting or management of the Warren County Career Center. The school district is a separate body politic and corporate, established by the Ohio Revised Code. This is a jointly-governed organization and the District's participation is discussed in Note 15.

LEBANON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation - Fund Accounting

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

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

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

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

Governmental Funds

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

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

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

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

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

Proprietary Funds

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

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

LEBANON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fiduciary Funds

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

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

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

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

Account Groups

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

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

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

C. Measurement Focus and Basis of Accounting

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

All proprietary and non-expendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary and nonexpendable trust funds' operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

**LEBANON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The District considers revenues available if they are collected within sixty days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, tuition, grants and entitlements (if intended to finance current year operations), property taxes available for advance, and student fees.

The District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. The portion of property taxes that is measurable at June 30, 1999 but intended to finance fiscal year 1999 operations, has been recorded as deferred revenue. Delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2000 operations, have been recorded as deferred revenue.

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary and nonexpendable trust funds. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. There were no unbilled service charges receivable at year end. 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.

With respect to proprietary activities, the District has adopted GASB 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Units That Use Proprietary Fund Accounting". The District has elected to apply all applicable GASB pronouncements, as well as Financial Accounting Standards Board pronouncements and Accounting Principles Board Opinions issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements.

D. Budgetary Data

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

LEBANON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tax Budget:

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

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

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year do not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final Amended Certificate issued during fiscal year 1999.

Appropriations:

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

Encumbrances:

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

Lapsing of Appropriations:

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

LEBANON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Basis of Accounting

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

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

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

Excess (Deficiency) of Revenues and Other Financing Sources
 Over (Under) Expenditures and Other Financing Uses

Governmental Fund Types and Expendable Trust Funds

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>
GAAP Basis	\$605,299	(\$85,683)	\$305,036	\$423,215	(\$1,686)
Net Adjustment for Revenue Accruals	26,977	(18,670)	43,813	(14,698)	12
Advances - In	130,825	0	0	0	0
Net Adjustment for Expenditure Accruals	182,735	4,283	0	(54,506)	0
Advances - Out	0	0	0	(130,825)	0
Adjustment for Encumbrances	<u>(328,252)</u>	<u>(143,607)</u>	<u>0</u>	<u>(309,825)</u>	<u>0</u>
Budget Basis	<u>\$617,584</u>	<u>(\$243,677)</u>	<u>\$348,849</u>	<u>(\$86,639)</u>	<u>(\$1,674)</u>

**LEBANON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Income (Loss)/Excess (Deficiency) of Revenues and Operating Transfers Over/(Under) Expenses

Proprietary Fund Types and Nonexpendable Trust Funds

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trust</u>
GAAP Basis	\$3,006	\$41,307	\$275
Net Adjustment for Revenue Accruals	0	50,451	84
Commodities Received	(45,656)	0	0
Loss on Disposal of Fixed Assets	0	0	0
Net Adjustment for Expense Accruals	29,957	21,544	0
Depreciation	5,174	87	0
Adjustment for Encumbrances	<u>(20,171)</u>	<u>0</u>	<u>0</u>
Budget Basis	<u>(\$27,690)</u>	<u>\$113,389</u>	<u>\$359</u>

E. Cash and Cash Equivalents

Cash received by the District is pooled for investment purposes in one of three bank accounts with individual fund cash balance integrity maintained through the District's financial records. Monies for all funds are maintained in these accounts or temporarily used to purchase short-term investments. During fiscal year 1999 investments were limited to overnight accounts, certificates of deposit, obligations of the U.S. Treasury, and STAR Ohio, the State Treasurer's Investment Pool. These investments are stated at fair value as determined by quoted market prices. Under existing Ohio statutes, all investment earnings accrue to the General Fund, except those specifically related to auxiliary services agency funds, certain trust funds, and those funds individually authorized by Board resolution. Investment income earned in fiscal year 1999 totaled \$507,860.

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

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

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

LEBANON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Inventory

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 1999 are recorded as prepaid items.

H. Fixed Assets and Depreciation

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

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

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

I. Intergovernmental Revenues

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

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

Entitlements

General Fund

State Foundation

Non-Reimbursable Grants

Special Revenue Funds

Venture Capital

Phonics Demonstration

Professional Development

Financial Literacy

LEBANON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-Reimbursable Grants

Special Revenue Funds (continued)

Education Management Information Systems
SchoolNet Professional Development
Textbooks/Instructional Materials Subsidy
Eisenhower
Title VI-B
Title I
Title VI
Drug Free Schools Program
Public School Preschool
Telecomm Act - FCC E-Rate

Capital Projects

SchoolNet

Reimbursable Grants

General Fund

School Bus Purchase Reimbursement
Driver Education Reimbursement

Proprietary Funds

National School Lunch and Milk Programs
Government Donated Commodities

Grants and entitlements amounted to approximately 45 percent of the District's operating revenue during the 1999 fiscal year.

J. Short-Term Interfund Assets/Liabilities

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

1. Routine transfers of resources from one fund to another fund through which resources to be expended are recorded as operating transfers;
2. Reimbursements from one fund to another fund are treated as expenditures or expenses in the reimbursing fund and as a reduction in expenditures or expenses in the reimbursed fund;
3. Short-term interfund loans are reflected as interfund loans payable/receivable, while long-term interfund loans (greater than one year in length) are recorded as advances to/from other funds. The District has no long-term advances as of June 30, 1999.

An analysis of interfund transactions is presented in Note 13.

K. Compensated Absences

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

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

**LEBANON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

L. Long-Term Debt

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

M. Fund Balance Reserves

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

N. Total Columns on General Purpose Financial Statements

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

O. Estimates

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

NOTE 3 - FUND DEFICIT

The Food Service enterprise fund had a deficit fund balance of (\$21,852) as of June 30, 1999. The fund deficit resulted from adjustments for accrued liabilities. The General Fund is liable for any deficit in this fund and provides operating transfers when cash is required, not when accruals occur.

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes require the classification of monies held by the District into three categories.

Category 1 consists of "active" monies, those monies required to be kept in a "cash" or "near-cash" status for immediate use by the District. Such monies must be maintained either as cash in the District Treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

LEBANON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Category 2 consists of "inactive" monies, those monies not required for use within the current two-year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook accounts.

Category 3 consists of "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. Interim monies may be invested or deposited in the following securities provided they mature or are redeemable within two years from the date of purchase:

1. Bonds, notes, or other obligations of, or guaranteed by, the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including by not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the 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 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.

**LEBANON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

In addition to the investments listed, any Board of Education, by a two-thirds vote of its members, may authorize the treasurer to invest up to twenty-five percent of the interim monies of the Board, available for investment at any one time, in either of the following:

1. Commercial paper notes issued by any corporation for profit that is incorporated under the laws of the United States or any state and has assets exceeding five hundred million dollars, and to which all of the following apply to their notes:
 - a. The notes are rated at the time of purchase in the highest classification established by at least two standard rating services;
 - b. The aggregate value of the notes does not exceed 10 percent of the aggregate value of the outstanding commercial paper of the issuing corporation; and
 - c. The notes mature no later than 180 days after purchase.
2. Bankers' acceptances of banks that are members of the Federal Deposit Insurance Corporation to which all of the following apply to their obligations:
 - a. The obligations are eligible for purchase by the Federal Reserve System; and
 - b. The obligations mature no later than 180 days after purchase.

Protection of District cash and investments is provided by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 110 percent of public funds deposited. Collateral is held by trustees, including the Federal Reserve Bank and designated third-party trustees of the financial institutions.

Deposits: The District is required to categorize deposits and investments according to GASB Statement No. 3, "Deposits with Financial Institutions, Investments, and Reverse Repurchase Agreements". At year-end, the carrying amount of the District's deposits was \$238,761. The bank balance was \$371,142. Of the bank balance, \$216,072 was covered by federal depository insurance, and the remaining amount was covered by collateral held by the pledging banks' trust department pursuant to Section 135.181, Ohio Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions. Ohio Revised Code Section 135.181 Uniform Depository Act authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure payment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance. Although the pledging bank has an investment and securities pool used to collateralize all public deposits which are held in the financial institutions name, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC. The deposits not covered by federal depository insurance are considered uninsured and uncollateralized under the provisions of GASB Statement No. 3.

Investments: The District's investments are categorized below to give an indication of the level of risk assumed by the District at year-end:

- Category 1 includes investments that are insured or registered, or for which the securities are held by the District or its agent in the District's name;

**LEBANON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent but not in the District's name; and

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

Based on the above criteria, the District's investments at June 30, 1999 are classified as follows:

Description	Category			Carrying Value / Fair Value
	1	2	3	
Overnight Treasury	\$0	\$0	\$39,036	\$39,036
STAR Ohio (1)	N/A	N/A	N/A	9,740,832
	<u>\$0</u>	<u>\$0</u>	<u>\$39,036</u>	<u>\$9,779,868</u>

(1) The District's investments in STAR Ohio are not categorized because they are not evidenced by securities that exist in physical or book entry form.

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9.

A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents	Deposits/Investments	Total
GASB Statement 9	\$10,018,629	\$0	\$10,018,629
Overnight Treasury	(39,036)	39,036	0
STAR Ohio	(9,740,832)	9,740,832	0
GASB Statement 3	<u>\$238,761</u>	<u>\$9,779,868</u>	<u>\$10,018,629</u>

NOTE 5 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year.

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

**LEBANON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

NOTE 5 - PROPERTY TAXES (continued)

The assessed values upon which the fiscal year 1999 taxes were collected are:

	1998 Second- Half Collections		1999 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$342,775,310	86.06%	\$368,094,830	86.27%
Public Utility Personal	28,547,430	7.17%	29,967,060	7.02%
Tangible Personal Property	<u>26,982,036</u>	<u>6.77%</u>	<u>28,631,100</u>	<u>6.71%</u>
Total Assessed Value	<u>\$398,304,776</u>	<u>100.00%</u>	<u>\$426,692,990</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation		\$51.13		\$50.03

Real property taxes are payable annually or semiannually. If paid annually, payment is due January 20; if paid semiannually, the first payment is due January 20 with the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

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

The District receives property taxes from Warren County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 1999 are available to finance fiscal year 1999 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property, and public utility taxes which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 1999 was \$712,572 and is recognized as revenue. The amount available for advance at June 30, 1998 was \$753,644.

NOTE 6 - RECEIVABLES

Receivables at June 30, 1999 consisted of taxes, accounts receivable, intergovernmental receivables, and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current-year guarantee of Federal Funds. A summary of the principal items of receivables follows:

	Taxes	Accounts	Intergovernmental	Interest
General	\$10,034,436	\$5,982	\$0	\$860
Special Revenue	0	0	40,948	0
Debt Service	587,597	0	0	0
Capital Projects	779,343	0	0	0
Internal Service	0	0	5,673	0
Trust and Agency	<u>0</u>	<u>0</u>	<u>0</u>	<u>401</u>
Totals	<u>\$11,401,376</u>	<u>\$5,982</u>	<u>\$46,621</u>	<u>\$1,261</u>

**LEBANON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

NOTE 7 - FIXED ASSETS

A summary of the Proprietary Funds' fixed assets at June 30, 1999, follows:

	<u>Enterprise</u>	<u>Internal Service</u>
Furniture and Equipment	\$168,221	\$1,837
Less accumulated depreciation	<u>(105,507)</u>	<u>(88)</u>
Net Fixed Assets	<u>\$ 62,714</u>	<u>\$1,749</u>

A summary of the changes in general fixed assets during fiscal year 1999 follows:

	<u>Balance June 30, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1999</u>
Land	\$975,486	\$0	\$0	\$975,486
Buildings	14,341,336	352,503	0	14,693,839
Furniture and Equipment	3,052,775	600,216	109,035	3,543,956
Vehicles	<u>2,050,446</u>	<u>3,988</u>	<u>55,028</u>	<u>1,999,406</u>
Totals	<u>\$20,420,043</u>	<u>\$956,707</u>	<u>\$164,063</u>	<u>\$21,212,687</u>

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 1999, the District contracted with Nationwide Insurance Company for general liability insurance with a \$2,000,000 single occurrence limit and a \$5,000,000 aggregate with a \$1,000 deductible.

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

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

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

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

The District provides life insurance and accidental death and dismemberment coverage to all employees. The life insurance is \$40,000 for certified and administrative staff and \$25,000 for non-certified staff. Medical Life, a division of Community Mutual, is the life insurance carrier for the District.

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

**LEBANON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

NOTE 8 - RISK MANAGEMENT (continued)

The District and employees pay into the Employee Benefits Self-Insurance Internal Service Fund \$559.82 for family coverage or \$226.36 for individual coverage per month, which represents the entire premium required. The premium is paid by the fund that pays the salary for the employee and is based on historical cost information.

In an effort to curb health care spending, a Preferred Provider Organization (PPO) medical plan was established. This provides a network of physicians and hospitals the employees may elect to utilize to reduce their out-of-pocket expenditures on health care. With this plan, the District and employees pay into the Employee Benefits Self-Insurance Internal Service Fund \$376.79 for family coverage or \$144.92 for individual coverage per month, which represents the entire premium required. Dental coverage is also provided on a self-insured basis by the District with Harrington Benefits Services serving as the third-party administrator. Premiums for this coverage are \$55.31 for family coverage or \$21.27 for individual coverage. The District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the plan document.

The liability for unpaid claims cost of \$224,449 reported in the Employee Benefits Self-Insurance Fund at June 30, 1999, is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amount in 1998 and 1999 were:

	Balance at Beginning of Year	Current Year Claim	Claims Payments	Balance at End of Year
Fiscal Year 1998	\$181,235	\$1,215,135	\$1,196,698	\$199,672
Fiscal Year 1999	199,672	1,249,248	1,224,471	224,449

NOTE 9 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

Plan members are required to contribute 9% of their annual covered salary, and the District is required to contribute 14%; 9.02% was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's contributions to SERS during the years ending June 30, 1999, 1998, and 1997 were \$461,136, \$427,512, and \$370,704, respectively; 50.0% has been contributed for fiscal year 1999 and 100% for the fiscal year 1998 and 1997. \$225,150 representing the unpaid contribution for fiscal year 1999 is recorded as a liability within the respective funds and the general long-term debt account group.

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS

**LEBANON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3% of their annual covered salary, and the District is required to contribute 14%; 10.5% was the portion to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's contributions to STRS during the years ending June 30, 1999, 1998, and 1997 were \$1,637,248, \$1,416,768, and \$1,265,916, respectively; 83.3% has been contributed for fiscal year 1999 and 100% for the fiscal year 1998 and 1997. \$296,208 representing the unpaid contribution for fiscal year 1999 is recorded as a liability within the respective funds.

NOTE 10 - POSTEMPLOYMENT BENEFITS

For the State Teachers Retirement System, no premiums are currently paid by retirees or primary benefit recipients; however, monthly payments are required for covered spouses and other dependents. Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions to the System equal to two percent of covered payroll. For the District, the amount equaled \$233,893 during the 1999 fiscal year. As of July 1, 1998 (the latest information available), eligible benefit recipients totaled 91,999 for the System as a whole.

For the School Employees Retirement System, all retirees with a retirement date prior to July 1, 1986 are eligible to receive benefits. Retirees with a retirement date on or after July 1, 1986 must have ten years of service credit to be eligible to receive benefits. Retirees with retirement dates on or after July 1, 1989 who have ten to twenty-five years of service credit must pay a portion of their own coverage. Retirees with a retirement date prior to July 1, 1989, and retirees with a retirement date on or after July 1, 1989 with more than twenty-five years of service credit, do not pay a premium. Premium payments are required for all covered spouses and dependents. For fiscal year 1998, employer contributions to fund health care benefits were 4.98 percent of covered payroll.

As of June 30, 1998 (the latest information available), the number of retirees and covered dependents currently receiving benefits was approximately 50,000. The District's actual contributions for the 1999 fiscal year were \$164,033. Actuarial contribution requirements are determined for the SERS as a whole, not for individual employers. Net assets available for payment of health care benefits at June 30, 1998 (the latest information available) were \$160.3 million for the System.

NOTE 11 - LONG-TERM DEBT

Long-term obligations activity of the District for the year ended June 30, 1999 was as follows:

	Principal Outstanding June 30, 1998	Additions	Deductions	Principal Outstanding June 30, 1999
General Obligation Bonds:				
Construction of New Building / Addition 1992 4.65%	\$3,465,000	\$0	\$1,095,000	\$2,370,000
House Bill 264 Renovation 1995 5.25%	1,205,000	0	125,000	1,080,000

**LEBANON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

NOTE 11 - LONG-TERM DEBT (continued)

School Bus Acquisition Bonds 1998 5.20%	247,000	0	44,000	203,000
Pension Obligations	160,828	0	1,998	158,830
Compensated Absences	<u>1,377,143</u>	<u>32,445</u>	<u>0</u>	<u>1,409,588</u>
Total General Long-Term Obligations	<u>\$6,454,971</u>	<u>\$32,445</u>	<u>\$1,265,998</u>	<u>\$5,221,418</u>

The District's voted legal debt margin at June 30, 1999 was \$38,402,369, with an unvoted debt margin of \$426,693.

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.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 1999 are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	1,362,000	146,705	1,508,705
2001	1,375,000	82,047	1,457,047
2002	197,000	44,390	241,390
2003	209,000	33,733	242,733
2004	160,000	22,575	182,575
2005	170,000	13,913	183,913
2006	<u>180,000</u>	<u>4,725</u>	<u>184,725</u>
Total	<u>\$3,653,000</u>	<u>\$348,088</u>	<u>\$4,001,088</u>

NOTE 12 - CONTRIBUTED CAPITAL

Changes to the Enterprise Fund's contributed capital for the year ended June 30, 1999 are as follows:

	<u>Balance June 30, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1999</u>
Furniture and Equipment	<u>\$29,439</u>	<u>\$0</u>	<u>\$0</u>	<u>\$29,439</u>

NOTE 13 - INTERFUND TRANSACTIONS

Interfund balances at June 30, 1999 consisted of the following individual fund receivables and payables:

DUE FROM / DUE TO OTHER FUNDS:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$0	\$102,245
Special Revenue Funds:		
Auxiliary	0	324
Title VI-B	0	1,004
Title I	0	408

LEBANON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

NOTE 13 - INTERFUND TRANSACTIONS (continued)

Enterprise Fund:		
Food Service	0	11,486
Internal Service Funds:		
Warren County Juvenile Detention Center	0	2,676
Employee Benefits Self-Insurance	118,143	0
Total	\$118,143	\$118,143

NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains two Enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects in a summarized format the more significant financial data relating to the Enterprise Funds of the District as of, and for the fiscal year ended, June 30, 1999.

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$765,331	\$198,097	\$963,428
Operating Expenses Before Depreciation	1,035,434	201,844	1,237,278
Depreciation	5,174	0	5,174
Operating (Loss)	(275,277)	(3,747)	(279,024)
Donated Commodities	45,656	0	45,656
Operating Grants	208,649	0	208,649
Operating Transfers In	7,533	20,192	27,725
Net Income (Loss)	(13,439)	16,445	3,006
Net Working Capital	(84,566)	27,482	(57,084)
Total Assets	84,694	36,929	121,623
Total Fund Equity (Deficit)	(21,852)	27,482	5,630
Encumbrances at June 30, 1999	0	20,171	20,171

NOTE 15 - JOINTLY-GOVERNED ORGANIZATIONS

A. Southwestern Ohio Computer Association

Southwestern Ohio Computer Association (SWOCA) is a jointly-governed organization among a three-county consortium of school districts. The jointly-governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports SWOCA based upon a per pupil charge dependent upon the software package utilized. SWOCA is governed by a Board of Directors consisting of the Superintendents and Treasurers of member school districts. The degree of control exercised by any participating school district is limited to its representation on the Board. The Board consists of one representative from each of the participating 29 school districts. During the 1999 fiscal year, the District paid \$39,380 to SWOCA for services. Financial information can be obtained from Michael Crumley, Director, 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

B. Warren County Career Center

The Warren County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each participating school district's elected board, which possesses its own budgeting and taxing authority. Accordingly, the Warren County Career Center is

**LEBANON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

NOTE 15 - JOINTLY-GOVERNED ORGANIZATIONS (Continued)

not part of the District, and its operations are not included as part of the reporting entity. The District does not provide any funding to the Warren County Career Center. Financial information can be obtained from Evelyn Sellman, Treasurer, 3525 North State Route 48, Lebanon, Ohio 45036.

NOTE 16 - CONTINGENCIES

Grants:

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 1999.

NOTE 17 - UNCERTAINTIES

On March 24, 1998, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the District. During the fiscal year ended June 30, 1999, the District received \$9,462,982 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1998, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. At this time, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, School Districts are still operating under the laws that the Court of Common Pleas declared unconstitutional. As of the date of these financial statements, the District is unable to determine what effect, if any, this decision will have on its future state funding under this program and on its financial operations.

NOTE 18 - YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations.

The District has completed an inventory of computer systems and other equipment necessary to conducting District operations and has identified such systems as being financial accounting, payroll/personnel, student information, grant reporting, and other administrative systems.

The District uses the State of Ohio Uniform School Accounting System software for its financial reporting, and the State of Ohio Uniform Staff Payroll System software for its payroll and employee benefits. The State is responsible for remediating these systems and is solely responsible for any costs associated with the system software.

**LEBANON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

NOTE 18 – YEAR 2000 ISSUE (continued)

The State of Ohio distributes a substantial sum of money to the District in the form of "Foundation" and federal and state grant payments. Further, the State processes a significant amount of financial and non-financial information about the District through the State's Education Management and Information System (EMIS). The State is responsible for remediating these systems. The State is solely responsible for any costs associated with the Foundation processing and EMIS systems.

Warren County collects property taxes for distribution to the District. Warren County is responsible for remediating the tax collection system and is solely responsible for any costs associated with the tax collection system project.

Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District is or will be year 2000 ready, that the school district's remediation efforts will be successful in whole or in part, or that parties with whom the school district does business will be year 2000 ready.

NOTE 19 – STATUTORY RESERVES

The District is required by state law to set aside general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 1999, the reserve activity (cash-basis) was as follows:

	<u>Textbook Reserve</u>	<u>Capital Maintenance Reserve</u>	<u>Budget Stabilization Reserve</u>
Balance, 7/1/98	\$ 0	\$ 0	\$ 80,137
Required Set-Aside	331,711	331,711	165,855
Qualifying Expenditures	(331,711)	(331,711)	0
Offset Credits	0	0	0
Balance, 6/30/99	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 245,992</u>

Expenditures for textbook and capital activity during the year were \$469,658 and \$605,390, respectively, which exceeded the required set-aside reserve.

NOTE 20 – CHANGE IN ACCOUNTING PRINCIPLE

The Internal Revenue Code previously required that Section 457 deferred compensation plan assets remain the property of the employer government until available to the employee or beneficiary. Under these regulations, plan assets are recorded in the District's Deferred Compensation agency fund.

Recent changes to the Internal Revenue Code require Section 457 plan assets to be held in trust for the exclusive benefit of the employees. These plans were required to establish trust agreements prior to January 1, 1999. GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans" requires that such assets held in trust, not be reflected on the government's financial statements.

During fiscal 1999, the Ohio Public Employees Deferred Compensation Plan adopted trust agreements. Accordingly, agency fund assets as of July 1, 1999 have been reduced by \$70,447.

GENERAL FUND

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

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$9,212,198	\$9,212,198	\$0
Intergovernmental	10,656,813	10,656,813	0
Interest	363,045	363,045	0
Tuition and Fees	163,357	163,357	0
Miscellaneous	110,035	110,035	0
Total Revenues	20,505,448	20,505,448	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	7,850,657	7,850,657	0
Fringe Benefits	1,843,877	1,843,877	0
Purchased Services	248,047	248,047	0
Materials and Supplies	482,781	482,781	0
Capital Outlay - New	68,526	68,526	0
Capital Outlay - Replacement	32,843	32,843	0
Other	290	290	0
Total Regular	10,527,021	10,527,021	0
Special:			
Salaries and Wages	785,656	785,656	0
Fringe Benefits	202,259	202,259	0
Purchased Services	2,240	2,240	0
Materials and Supplies	10,654	10,654	0
Capital Outlay - New	764	764	0
Total Special	1,001,573	1,001,573	0
Other:			
Purchased Services	239,637	239,637	0
Total Other	239,637	239,637	0
Total Instruction	11,768,231	11,768,231	0
Support Services:			
Pupils:			
Salaries and Wages	642,515	642,515	0
Fringe Benefits	151,012	151,012	0
Purchased Services	100,768	100,768	0
Materials and Supplies	10,358	10,358	0
Capital Outlay - New	1,951	1,951	0
Capital Outlay - Replacement	2,028	2,028	0
Other	40	40	0
Total Pupils	908,672	908,672	0

Continued

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (CONTINUED)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Instructional Staff:			
Salaries and Wages	\$698,949	\$698,949	\$0
Fringe Benefits	212,024	212,024	0
Purchased Services	9,134	9,134	0
Materials and Supplies	45,445	45,445	0
Capital Outlay - New	23,278	23,278	0
Capital Outlay - Replacement	5,132	5,132	0
Other	11,598	11,598	0
Total Instructional Staff	1,005,560	1,005,560	0
Board of Education:			
Salaries and Wages	6,000	6,000	0
Fringe Benefits	708	708	0
Purchased Services	9,431	9,431	0
Materials and Supplies	220	220	0
Other	17,720	17,720	0
Total Board of Education	34,079	34,079	0
Administration:			
Salaries and Wages	1,070,369	1,070,369	0
Fringe Benefits	316,711	316,711	0
Purchased Services	219,022	219,022	0
Materials and Supplies	7,593	7,593	0
Capital Outlay - New	11,863	11,863	0
Capital Outlay - Replacement	5,369	5,369	0
Other	136,078	136,078	0
Total Administration	1,767,005	1,767,005	0
Fiscal:			
Salaries and Wages	206,002	206,002	0
Fringe Benefits	68,281	68,281	0
Purchased Services	63,532	63,532	0
Materials and Supplies	7,465	7,465	0
Capital Outlay - New	26,804	26,804	0
Capital Outlay - Replacement	4,750	4,750	0
Other	171,998	171,998	0
Total Fiscal	548,832	548,832	0
Business:			
Salaries and Wages	91,507	91,507	0
Fringe Benefits	23,546	23,546	0
Purchased Services	4,082	4,082	0
Materials and Supplies	1,251	1,251	0
Capital Outlay - New	2,737	2,737	0
Capital Outlay - Replacement	2,493	2,493	0
Other	485	485	0
Total Business	126,101	126,101	0

Continued

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (CONTINUED)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation and Maintenance of Plant:			
Salaries and Wages	\$747,331	\$747,331	\$0
Fringe Benefits	215,224	215,224	0
Purchased Services	516,181	516,181	0
Materials and Supplies	133,265	133,265	0
Capital Outlay - New	2,223	2,223	0
Total Operation and Maintenance of Plant	1,614,224	1,614,224	0
Pupil Transportation:			
Salaries and Wages	891,211	891,211	0
Fringe Benefits	265,949	265,949	0
Purchased Services	163,590	163,590	0
Materials and Supplies	185,815	185,815	0
Capital Outlay - New	3,120	3,120	0
Total Pupil Transportation	1,509,685	1,509,685	0
Central:			
Salaries and Wages	38,979	38,979	0
Fringe Benefits	12,383	12,383	0
Purchased Services	80,834	80,834	0
Materials and Supplies	4,333	4,333	0
Capital Outlay - New	680	680	0
Total Central	137,209	137,209	0
Total Support Services	7,651,367	7,651,367	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	1,541	1,541	0
Total Operation of Non-Instructional Services	1,541	1,541	0
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	34,906	34,906	0
Fringe Benefits	5,591	5,591	0
Other	1,655	1,655	0
Total Academic and Subject Oriented Activities	42,152	42,152	0
Occupational Oriented Activities:			
Salaries and Wages	2,306	2,306	0
Fringe Benefits	378	378	0
Total Occupational Oriented Activities	2,684	2,684	0

Continued

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (CONTINUED)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Sports Oriented Activities:			
Salaries and Wages	\$259,291	\$259,291	\$0
Fringe Benefits	52,934	52,934	0
Purchased Services	2,506	2,506	0
Total Sports Oriented Activities	314,731	314,731	0
School and Public Service Co-Curricular Activities:			
Salaries and Wages	16,372	16,372	0
Fringe Benefits	2,691	2,691	0
Total School and Public Service Co-Curricular Activities	19,063	19,063	0
Total Extracurricular Activities	378,630	378,630	0
Total Expenditures	19,799,769	19,799,769	0
Excess of Revenues Over Expenditures	705,679	705,679	0
Other Financing Sources (Uses):			
Proceeds from Sale of Fixed Assets	1,614	1,614	0
Refund of Prior Year Expenditures	49,246	49,246	0
Advances - In	130,825	130,825	0
Operating Transfers - Out	(269,780)	(269,780)	0
Total Other Financing Sources (Uses)	(88,095)	(88,095)	0
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	617,584	617,584	0
Fund Balance at June 30, 1998	4,199,406	4,199,406	0
Prior Year Encumbrances Appropriated	412,305	412,305	0
Fund Balance at June 30, 1999	\$5,229,295	\$5,229,295	\$0

SPECIAL REVENUE FUNDS

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

Public School Support:

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

Miscellaneous Local Grants:

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

Venture Capital:

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

Athletic:

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

Auxiliary Services:

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

Phonics Demonstration:

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

Professional Development:

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

Financial Literacy:

To account for state funds provided to assist students (K-3) in making better decisions as spenders, savers, borrowers, and managers of money.

Management Information System:

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

SchoolNet Professional Development:

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

SPECIAL REVENUE FUNDS (continued)

Textbooks/Instructional Materials Subsidy:

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

Eisenhower:

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

Title VI-B:

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

Title I:

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

Title VI:

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

Drug Free Schools:

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

Public School Preschool:

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

Telecomm Act. FCC E - Rate:

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

Miscellaneous Federal Grants:

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

**LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 AS OF JUNE 30, 1999**

	Public School Support Fund	Miscellaneous Local Grants Fund	Venture Capital Fund	Athletic Fund
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$109,872	\$5,323	\$3,707	\$119,380
Receivables:				
Intergovernmental	0	0	0	0
Total Assets	\$109,872	\$5,323	\$3,707	\$119,380
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$6,927	\$277	\$134	\$15,156
Accrued Wages	0	0	0	0
Due to Other Funds	0	0	0	0
Intergovernmental Payable	0	0	0	52
Total Liabilities	6,927	277	134	15,208
Fund Balances:				
Reserved for Encumbrances	12,347	0	1,794	69,058
Unreserved:				
Undesignated	90,598	5,046	1,779	35,114
Total Fund Balances	102,945	5,046	3,573	104,172
Total Liabilities and Fund Balances	\$109,872	\$5,323	\$3,707	\$119,380

Auxiliary Services Fund	Phonics Demonstration Fund	Professional Development Fund	Financial Literacy Fund	Management Information System Fund	SchoolNet Professional Development Fund
\$38,289	\$71	\$3,185	\$0	\$7,555	\$27,827
0	0	0	0	0	0
<u>\$38,289</u>	<u>\$71</u>	<u>\$3,185</u>	<u>\$0</u>	<u>\$7,555</u>	<u>\$27,827</u>
\$5,193	\$0	\$453	\$0	\$31	\$0
6,278	0	0	0	275	154
324	0	0	0	0	0
6,107	0	0	0	378	0
<u>17,902</u>	<u>0</u>	<u>453</u>	<u>0</u>	<u>684</u>	<u>154</u>
28,257	0	2,732	0	25	186
(7,870)	71	0	0	6,846	27,487
<u>20,387</u>	<u>71</u>	<u>2,732</u>	<u>0</u>	<u>6,871</u>	<u>27,673</u>
<u>\$38,289</u>	<u>\$71</u>	<u>\$3,185</u>	<u>\$0</u>	<u>\$7,555</u>	<u>\$27,827</u>

Continued

LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 AS OF JUNE 30, 1999
 (CONTINUED)

	Textbooks/ Instructional Materials Subsidy Fund	Eisenhower Fund	Title VI-B Fund	Title I Fund
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$126,130	\$14,683	\$21,529	\$21,775
Receivables:				
Intergovernmental	0	0	15,554	25,394
Total Assets	\$126,130	\$14,683	\$37,083	\$47,169
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$0	\$0	\$261	\$0
Accrued Wages	0	0	15,317	32,427
Due to Other Funds	0	0	1,004	408
Intergovernmental Payable	0	5	2,984	5,307
Total Liabilities	0	5	19,566	38,142
Fund Balances:				
Reserved for Encumbrances	0	0	712	173
Unreserved:				
Undesignated	126,130	14,678	16,805	8,854
Total Fund Balances	126,130	14,678	17,517	9,027
Total Liabilities and Fund Balances	\$126,130	\$14,683	\$37,083	\$47,169

Title VI Fund	Drug Free Schools Fund	Public School Preschool Fund	Telecomm Act FCC E-Rate Fund	Miscellaneous Federal Grants Fund	Totals
\$2,617	\$11,115	\$0	\$2,160	\$0	\$515,218
0	0	0	0	0	40,948
<u>\$2,617</u>	<u>\$11,115</u>	<u>\$0</u>	<u>\$2,160</u>	<u>\$0</u>	<u>\$556,166</u>
\$0	\$0	\$0	\$0	\$0	\$28,432
0	0	0	0	0	54,451
0	0	0	0	0	1,736
0	31	0	0	17	14,881
<u>0</u>	<u>31</u>	<u>0</u>	<u>0</u>	<u>17</u>	<u>99,500</u>
1,693	0	0	0	0	116,977
924	11,084	0	2,160	(17)	339,689
<u>2,617</u>	<u>11,084</u>	<u>0</u>	<u>2,160</u>	<u>(17)</u>	<u>456,666</u>
<u>\$2,617</u>	<u>\$11,115</u>	<u>\$0</u>	<u>\$2,160</u>	<u>\$0</u>	<u>\$556,166</u>

**LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	Public School Support Fund	Miscellaneous Local Grants Fund	Venture Capital Fund	Athletic Fund
Revenues:				
Intergovernmental	\$0	\$0	\$50,000	\$0
Interest	0	0	0	0
Tuition and Fees	20,844	0	0	0
Extracurricular Activities	191,633	350	0	262,264
Gifts and Donations	52,841	315	0	5,870
Miscellaneous	3,206	25,365	0	349
Total Revenues	268,524	26,030	50,000	268,483
Expenditures:				
Current:				
Instruction:				
Regular	219,903	15,563	58,124	0
Special	199	0	0	0
Support Services:				
Pupils	158	0	0	0
Instructional Staff	0	5,513	0	0
Administration	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0
Extracurricular Activities	20,029	2,243	0	359,223
Facilities Acquisition and Construction Services	0	0	0	48
Other Uses of Funds:				
Pass-through Payments	0	0	0	0
Total Expenditures	240,287	23,319	58,124	359,271
Excess (Deficiency) of Revenues Over (Under) Expenditures	28,237	2,711	(8,124)	(90,788)
Fund Balances at June 30, 1998	74,708	2,335	11,697	194,960
Fund Balances at June 30, 1999	\$102,945	\$5,046	\$3,573	\$104,172

Auxiliary Services Fund	Phonics Demonstration Fund	Professional Development Fund	Financial Literacy Fund	Management Information System Fund	SchoolNet Professional Development Fund
\$112,409	\$5,000	\$19,224	\$0	\$12,468	\$10,000
1,306	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
3,146	0	0	0	0	0
<u>116,861</u>	<u>5,000</u>	<u>19,224</u>	<u>0</u>	<u>12,468</u>	<u>10,000</u>
0	2,091	0	30,425	0	0
0	0	453	0	0	0
0	0	0	0	0	0
0	4,519	17,791	18,000	0	5,767
0	0	93	0	0	0
0	0	0	0	11,697	25,282
117,092	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	785	0	0	0
<u>117,092</u>	<u>6,610</u>	<u>19,122</u>	<u>48,425</u>	<u>11,697</u>	<u>31,049</u>
(231)	(1,610)	102	(48,425)	771	(21,049)
<u>20,618</u>	<u>1,681</u>	<u>2,630</u>	<u>48,425</u>	<u>6,100</u>	<u>48,722</u>
<u>\$20,387</u>	<u>\$71</u>	<u>\$2,732</u>	<u>\$0</u>	<u>\$6,871</u>	<u>\$27,673</u>

Continued

**LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999
 (CONTINUED)**

	Textbooks/ Instructional Materials Subsidy Fund	Eisenhower Fund	Title VI-B Fund	Title I Fund
Revenues:				
Intergovernmental	\$63,894	\$14,997	\$155,540	\$267,221
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenues	63,894	14,997	155,540	267,221
Expenditures:				
Current:				
Instruction:				
Regular	0	3,437	0	0
Special	0	0	99,398	285,180
Support Services:				
Pupils	0	0	21,357	0
Instructional Staff	0	7,161	0	0
Administration	0	0	23,182	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	4,444	5,379
Extracurricular Activities	0	0	0	0
Facilities Acquisition and Construction Services	0	0	0	0
Other Uses of Funds:				
Pass-through Payments	0	0	0	0
Total Expenditures	0	10,598	148,381	290,559
Excess (Deficiency) of Revenues Over (Under) Expenditures	63,894	4,399	7,159	(23,338)
Fund Balances at June 30, 1998	62,236	10,279	10,358	32,365
Fund Balances at June 30, 1999	\$126,130	\$14,678	\$17,517	\$9,027

Title VI Fund	Drug Free Schools Fund	Public School Preschool Fund	Telecomm Act FCC E Rate Fund	Miscellaneous Federal Grants Fund	Totals
\$16,696	\$19,222	\$3,549	\$2,160	\$10,086	\$762,466
0	0	0	0	0	1,306
0	0	0	0	0	20,844
0	0	0	0	0	454,247
0	0	0	0	0	59,026
0	0	0	0	0	32,066
16,696	19,222	3,549	2,160	10,086	1,329,955
0	0	0	0	4,533	334,076
0	0	0	0	0	385,230
9,000	8,939	8,787	0	3,385	51,624
9,427	0	0	0	6,230	74,408
0	0	0	0	0	23,275
0	0	0	0	0	36,979
803	0	0	0	0	127,718
0	0	0	0	0	381,495
0	0	0	0	0	48
0	0	0	0	0	785
19,230	8,939	8,787	0	14,148	1,415,638
(2,534)	10,283	(5,238)	2,160	(4,062)	(85,683)
5,151	801	5,238	0	4,045	542,349
\$2,617	\$11,084	\$0	\$2,160	(\$17)	\$456,666

LEBANON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Tuition and Fees	\$20,844	\$20,844	\$0
Extracurricular Activities	191,634	191,634	0
Gifts and Donations	52,841	52,841	0
Miscellaneous	825	825	0
Total Revenues	266,144	266,144	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries	248	248	0
Fringe Benefits	35	35	0
Purchased Services	71,838	71,838	0
Materials and Supplies	100,089	100,089	0
Capital Outlay - New	11,501	11,501	0
Capital Outlay - Replacement	177	177	0
Other	52,503	52,503	0
Total Regular	236,391	236,391	0
Special:			
Materials and Supplies	45	45	0
Other	155	155	0
Total Special	200	200	0
Support Services:			
Pupils:			
Salaries	124	124	0
Fringe Benefits	17	17	0
Materials and Supplies	15	15	0
Total Pupils	156	156	0
Extracurricular Activities:			
School and Public Service Co-Curricular Activities:			
Purchased Services	2,691	2,691	0
Materials and Supplies	618	618	0
Other	17,770	17,770	0
Total Extracurricular Activities	21,079	21,079	0
Total Expenditures	257,826	257,826	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,318	8,318	0
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	2,382	2,382	0
Refund of Prior Year Receipts	(12)	(12)	0
Total Other Financing Sources (Uses)	2,370	2,370	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Use:	10,688	10,688	0
Fund Balance at June 30, 1998	65,098	65,098	0
Prior Year Encumbrances Appropriated	15,677	15,677	0
Fund Balance at June 30, 1999	\$91,463	\$91,463	\$0

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MISCELLANEOUS LOCAL GRANTS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Extracurricular Activities	\$350	\$350	\$0
Gifts and Donations	315	315	0
Miscellaneous	25,365	25,365	0
Total Revenues	26,030	26,030	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased Services	6,474	6,474	0
Materials and Supplies	8,705	8,705	0
Capital Outlay - New	201	201	0
Other	180		
Total Regular	15,560	15,380	0
Support Services:			
Instructional Staff:			
Purchased Services	2,098	2,098	0
Materials and Supplies	3,624	3,624	0
Total Instructional Staff	5,722	5,722	0
Extracurricular Activities:			
Occupation Oriented Activities:			
Purchased Services	36	36	0
Capital Outlay - New	507	507	0
Other	1,701	1,701	0
Total Extracurricular Activities	2,244	2,244	0
Total Expenditures	23,526	23,346	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,504	2,684	180
Other Financing Sources (Uses):			
Refund of Prior Year Receipts	(97)	(97)	0
Total Other Financing Sources (Uses)	(97)	(97)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,407	2,407	0
Fund Balance at June 30, 1998	2,342	2,342	0
Prior Year Encumbrances Appropriated	297	297	0
Fund Balance at June 30, 1999	\$5,046	\$5,046	\$0

**LEBANON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VENTURE CAPITAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$50,000	\$50,000	\$ 0
Total Revenues	50,000	50,000	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	18,118	18,118	0
Fringe Benefits	2,537	2,537	0
Purchased Services	17,677	17,677	0
Materials and Supplies	5,440	5,440	0
Capital Outlay - New	17,043	17,043	0
Total Regular	60,815	60,815	0
Total Expenditures	60,815	60,815	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,815)	(10,815)	0
Fund Balance at June 30, 1998	11,798	11,798	0
Prior Year Encumbrances Appropriated	795	795	0
Fund Balance at June 30, 1999	\$1,778	\$1,778	\$ 0

**LEBANON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ATHLETIC FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Extracurricular Activities	\$262,263	\$262,263	\$0
Gifts and Donations	5,870	5,870	0
Total Revenues	268,133	268,133	0
Expenditures:			
Current:			
<i>Extracurricular Activities:</i>			
<i>Sports Oriented Activities:</i>			
Purchased Services	89,120	89,120	0
Materials and Supplies	95,386	95,386	0
Capital Outlay - New	168,706	168,706	0
Other	72,212	72,212	0
Total Sports Oriented Activities	425,424	425,424	0
Capital Outlay:			
<i>Building Acquisition & Construction Service:</i>			
Capital Outlay - New	48	48	0
Total Capital Outlay	48	48	0
Total Expenditures	425,472	425,472	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(157,339)	(157,339)	0
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	348	348	0
Refund of Prior Year Receipts	(8,706)	(8,706)	0
Total Other Financing Sources (Uses)	(8,358)	(8,358)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(165,697)	(165,697)	0
Fund Balance at June 30, 1998	177,102	177,102	0
Prior Year Encumbrances Appropriated	24,698	24,698	0
Fund Balance at June 30, 1999	\$36,103	\$36,103	\$0

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 AUXILIARY SERVICES FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$112,408	\$112,408	\$0
Interest	1,306	1,306	0
Total Revenues	113,714	113,714	0
Expenditures:			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries	40,172	40,172	0
Fringe Benefits	8,293	8,293	0
Purchased Services	14,544	14,544	0
Materials and Supplies	75,166	75,166	0
Capital Outlay - New	2,875	2,875	0
Total Community Services	141,050	141,050	0
Total Expenditures	141,050	141,050	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,336)	(27,336)	0
Other Financing (Uses):			
Refund of Prior Year Expenditures	3,146	3,146	0
Total Other Financing (Uses)	3,146	3,146	0
Excess (Deficiency) of Revenues and Other Financing Uses Over (Under) Expenditures	(24,190)	(24,190)	0
Fund Balance at June 30, 1998	28,925	28,925	0
Prior Year Encumbrances Appropriated	104	104	0
Fund Balance at June 30, 1999	4,839	4,839	0

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PHONICS DEMONSTRATION FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$5,000	\$5,000	\$0
Total Revenues	5,000	5,000	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries	300	300	0
Fringe Benefits	42	42	0
Materials and Supplies	1,749	1,749	0
Total Regular	2,091	2,091	0
Support Services:			
Pupils:			
Purchased Services	1,981	1,981	0
Other	2,538	2,538	0
Total Pupils	4,519	4,519	0
Total Expenditures	6,610	6,610	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,610)	(1,610)	0
<i>Fund Balance at June 30, 1998</i>	<i>1,681</i>	<i>1,681</i>	<i>0</i>
Prior Year Encumbrances Appropriated	0	0	0
Fund Balance at June 30, 1999	\$71	\$71	\$0

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PROFESSIONAL DEVELOPMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$19,223	\$19,223	\$0
Total Revenues	19,223	19,223	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Salaries	4,690	4,690	0
Fringe Benefits	672	672	0
Purchased Services	14,109	14,109	0
Materials and Supplies	1,504	1,504	0
Total Instructional Staff	20,975	20,975	0
Administration:			
Salaries	82	82	0
Fringe Benefits	11	11	0
Total Administration	93	93	0
Other Uses of Funds:			
Pass-through Payments	785	785	0
Total Other	785	785	0
Total Expenditures	21,853	21,853	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,630)	(2,630)	0
Fund Balance at June 30, 1998	2,339	2,339	0
Prior Year Encumbrances Appropriated	291	291	0
Fund Balance at June 30, 1999	\$0	\$0	\$0

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 FINANCIAL LITERACY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Total Revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and Supplies	33,211	33,211	0
Total Regular	33,211	33,211	0
Support Services:			
Pupils:			
Purchased Services	18,000	18,000	0
Total Pupils	18,000	18,000	0
Total Expenditures	51,211	51,211	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,211)	(51,211)	0
Fund Balance at June 30, 1998	27,255	27,255	0
Prior Year Encumbrances Appropriated	23,956	23,956	0
Fund Balance at June 30, 1999	\$0	\$0	\$0

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MANAGEMENT INFORMATION SYSTEM FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$12,468	\$12,468	\$0
Total Revenues	12,468	12,468	0
Expenditures:			
Current:			
Support Services:			
Central:			
Salaries and Wages	7,314	7,314	0
Fringe Benefits	1,938	1,938	0
Materials and Supplies	148	148	0
Capital Outlay - New	2,395	2,395	0
Total Central	11,795	11,795	0
Total Expenditures	11,795	11,795	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	673	673	0
Fund Balance at June 30, 1998	6,826	6,826	0
Fund Balance at June 30, 1999	\$7,499	\$7,499	\$0

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SCHOOLNET PROFESSIONAL DEVELOPMENT FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$10,000	\$10,000	\$0
Total Revenues	10,000	10,000	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Salaries	4,989	4,989	0
Fringe Benefits	777	777	0
Total Instructional Staff	5,766	5,766	0
Support Services:			
Central:			
Purchased Services	519	519	0
Materials and Supplies	5,191	5,191	0
Capital Outlay - New	33,132	33,132	0
Total Central	38,842	38,842	0
Total Expenditures	44,608	44,608	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(34,608)	(34,608)	0
Fund Balance at June 30, 1998	52,062	52,062	0
Prior Year Encumbrances Appropriated	10,188	10,188	0
Fund Balance at June 30, 1999	\$27,642	\$27,642	\$0

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TEXTBOOKS/INSTRUCTIONAL MATERIALS SUBSIDY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$63,895	\$63,895	\$0
Total Revenues	63,895	63,895	0
Total Expenditures	0	0	0
Excess of Revenues Over Expenditures	63,895	63,895	0
Fund Balance at June 30, 1998	62,236	62,236	0
Fund Balance at June 30, 1999	\$126,131	\$126,131	\$0

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EISENHOWER FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$14,997	\$14,997	\$0
Total Revenues	14,997	14,997	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and Supplies	3,437	3,437	0
Total Regular:	3,437	3,437	0
Support Services:			
Instructional Staff:			
Salaries and Wages	2,883	2,883	0
Fringe Benefits	419	419	0
Purchased Services	3,859	3,859	0
Total Instructional Staff	7,161	7,161	0
Total Expenditures	10,598	10,598	0
Excess of Revenues Over Expenditures	4,399	4,399	0
Fund Balance at June 30, 1998	9,797	9,797	0
Prior Year Encumbrances Appropriated	487	487	0
Fund Balance at June 30, 1999	\$14,683	\$14,683	\$0

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TITLE VI-B FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$139,986	\$139,986	\$0
Total Revenues	139,986	139,986	0
Expenditures:			
Current:			
Special:			
Salaries and Wages	75,178	75,178	0
Fringe Benefits	19,679	19,679	0
Purchased Services	2,834	2,834	0
Materials and Supplies	1,230	1,230	0
Total Special	98,921	98,921	0
Support Services:			
Pupils:			
Salaries and Wages	17,297	17,297	0
Fringe Benefits	2,802	2,802	0
Materials and Supplies	127	127	0
Total Pupils	20,226	20,226	0
Administration:			
Salaries and Wages	17,422	17,422	0
Fringe Benefits	3,189	3,189	0
Purchased Services	1,047	1,047	0
Materials and Supplies	246	246	0
Capital Outlay - New	2,100	2,100	0
Total Administration	24,004	24,004	0
Total Current			
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	4,444	4,444	0
Total Community Services	4,444	4,444	0
Total Expenditures	147,595	147,595	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,609)	(7,609)	0
Fund Balance at June 30, 1998	28,165	28,165	0
Fund Balance at June 30, 1999	\$20,556	\$20,556	\$0

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TITLE I FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$264,104	\$264,104	\$0
Total Revenues	264,104	264,104	0
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and Wages	239,026	239,026	0
Fringe Benefits	36,510	36,510	0
Purchased Services	1,185	1,185	0
Materials and Supplies	3,206	3,206	0
Capital Outlay - New	1,276	1,276	0
Total Special	281,203	281,203	0
Operation of Non-Instructional Services:			
Community Services:			
Salaries	5,578	5,578	0
Fringe Benefits	525	525	0
Purchased Services	81	81	0
Materials and Supplies	56	56	0
Total Community Services	6,240	6,240	0
Total Expenditures	287,443	287,443	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,339)	(23,339)	0
Fund Balance at June 30, 1998	44,941	44,941	0
Fund Balance at June 30, 1999	\$21,602	\$21,602	\$0

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 TITLE VI FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$16,696	\$16,696	\$0
Total Revenues	16,696	16,696	0
Expenditures:			
Current:			
Support Services:			
Pupils:			
Purchased Services	9,000	9,000	0
Total Pupils	9,000	9,000	0
Instructional Staff:			
Materials and Supplies	12,044	12,044	0
Total Instructional Staff	12,044	12,044	0
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	803	803	0
Total Community Services	803	803	0
Total Expenditures	21,847	21,847	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,151)	(5,151)	0
Fund Balance at June 30, 1998	1,645	1,645	0
Prior Year Encumbrances Appropriated	4,429	4,429	0
Fund Balance at June 30, 1999	\$923	\$923	\$0

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DRUG FREE SCHOOLS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$19,223	\$19,223	\$0
Total Revenues	19,223	19,223	0
Expenditures:			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	8,627	8,627	0
Fringe Benefits	1,630	1,630	0
Purchased Services	385	385	0
Materials and Supplies	336	336	0
Total Pupils	10,978	10,978	0
Total Expenditures	10,978	10,978	0
Excess of Revenues Over Expenditures	8,245	8,245	0
Fund Balance at June 30, 1998	2,870	2,870	0
Fund Balance at June 30, 1999	\$11,115	\$11,115	\$0

LEBANON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL PRESCHOOL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$3,549	\$3,549	\$0
Total Revenues	3,549	3,549	0
Expenditures:			
Current:			
Support Services:			
Pupils:			
Purchased Services	8,787	8,787	0
Total Pupils	8,787	8,787	0
Total Expenditures	8,787	8,787	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,238)	(5,238)	0
Fund Balance at June 30, 1998	5,238	5,238	0
Fund Balance at June 30, 1999	\$0	\$0	\$0

LEBANON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TELECOM ACT - FCC E-RATE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
	-----	-----	-----
Revenues:			
Intergovernmental	\$2,160	\$2,160	\$0
Total Revenues	2,160	2,160	0
	-----	-----	-----
Total Expenditures	0	0	0
	-----	-----	-----
Excess of Revenues Over Expenditures	2,160	2,160	0
Fund Balance at June 30, 1998	0	0	0
	-----	-----	-----
Fund Balance at June 30, 1999	\$2,160	\$2,160	\$0
	=====	=====	=====

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MISCELLANEOUS FEDERAL GRANTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$10,087	\$10,087	\$0
Total Revenues	10,087	10,087	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and Wages	186	186	0
Fringe Benefits	26	26	0
Purchased Services	275	275	0
Materials and Supplies	3,277	3,277	0
Total Regular	3,764	3,764	0
Support Services:			
Pupils:			
Salaries and Wages	62	62	0
Purchased Services	3,323	3,323	0
Total Pupils	3,385	3,385	0
Instructional Staff:			
Salaries and Wages	260	260	0
Fringe Benefits	14	14	0
Purchased Services	761	761	0
Materials and Supplies	5,172	5,172	0
Total Instructional Staff	6,207	6,207	0
Total Expenditures	13,356	13,356	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,269)	(3,269)	0
Other Financing Sources (Uses):			
Refund of Prior Year Receipts	(777)	(777)	0
Total Other Financing Sources (Uses)	(777)	(777)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Use:	(4,046)	(4,046)	0
Fund Balance at June 30, 1998	- 4,046	4,046	0
Fund Balance at June 30, 1999	\$0	\$0	\$0

DEBT SERVICE FUND

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

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$1,329,209	\$1,329,209	\$0
Intergovernmental	165,679	165,679	0
Interest	106,612	106,612	0
Total Revenues	1,601,500	1,601,500	0
Expenditures:			
Current:			
Support Services:			
Administration:			
Other	2,205	2,205	0
Total Administration	2,205	2,205	0
Fiscal:			
Other	19,783	19,783	0
Total Fiscal	19,783	19,783	0
Total Support Services	21,988	21,988	0
Debt Service:			
Principal Retirement	1,264,000	1,264,000	0
Interest and Fiscal Charges	208,718	208,718	0
Total Debt Service	1,472,718	1,472,718	0
Total Expenditures	1,494,706	1,494,706	0
Excess of Revenues Over Expenditures	106,794	106,794	0
Other Financing Sources (Uses):			
Operating Transfers - In	242,055	242,055	0
Total Other Financing Sources (Uses)	242,055	242,055	0
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	348,849	348,849	0
Fund Balance at June 30, 1998	1,769,450	1,769,450	0
Fund Balance at June 30, 1999	\$2,118,299	\$2,118,299	\$0

CAPITAL PROJECTS FUNDS

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

Capital Projects:

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

SchoolNet:

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

LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECTS FUNDS
 AS OF JUNE 30, 1999

	Capital Projects Fund	SchoolNet Fund	Totals
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$487,331	\$177,473	\$664,804
Receivables:			
Taxes	779,343	0	779,343
Total Assets	\$1,266,674	\$177,473	\$1,444,147
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$39,285	\$0	\$39,285
Intergovernmental Payable	0	9	9
Deferred Revenue	730,303	0	730,303
Total Liabilities	769,588	9	769,597
Fund Balances:			
Reserved for Property Tax Advances	49,040	0	49,040
Reserved for Encumbrances	274,946	15,725	290,671
Unreserved:			
Undesignated	173,100	161,739	334,839
Total Fund Balances	497,086	177,464	674,550
Total Liabilities and Fund Balances	\$1,266,674	\$177,473	\$1,444,147

**LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 ALL CAPITAL PROJECTS FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

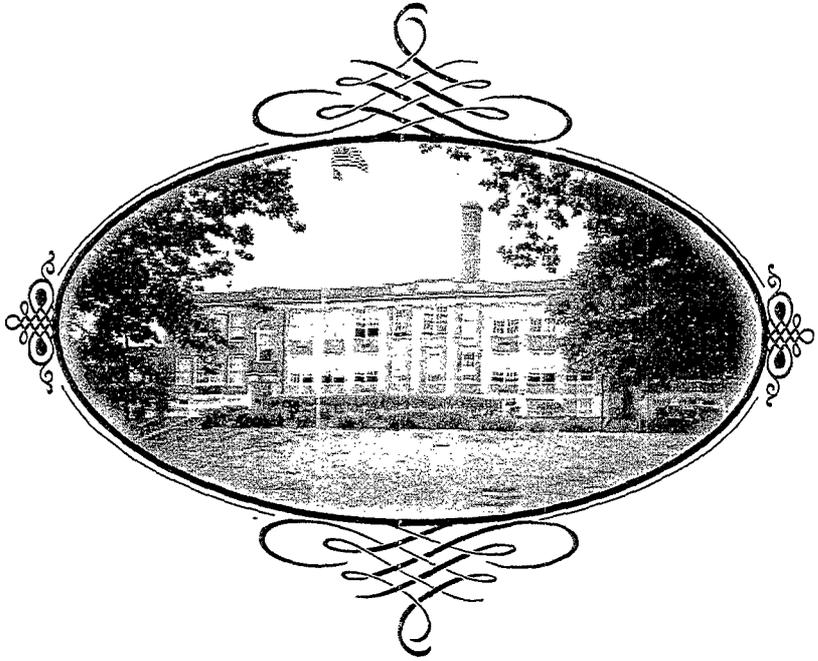
	Capital Projects Fund	SchoolNet Fund	Totals
Revenues:			
Taxes	\$654,205	\$0	\$654,205
Intergovernmental	77,119	389,194	466,313
Investment	17,078	0	17,078
Total Revenues	748,402	389,194	1,137,596
Expenditures:			
Current:			
Instruction:			
Regular	88,497	280,471	368,968
Support Services:			
Administration	1,309	0	1,309
Fiscal	9,510	0	9,510
Operation and Maintenance of Plant	63,091	0	63,091
Central	0	4,294	4,294
Facilities Acquisition and Construction Services	267,209	0	267,209
Total Expenditures	429,616	284,765	714,381
Excess of Revenues Over Expenditures	318,786	104,429	423,215
Fund Balances at June 30, 1998	178,300	73,035	251,335
Fund Balances at June 30, 1999	\$497,086	\$177,464	\$674,550

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 CAPITAL PROJECTS FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$639,507	\$639,507	\$0
Intergovernmental	77,119	77,119	0
Interest	17,078	17,078	0
Total Revenues	733,704	733,704	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Capital Outlay - New	105,404	105,404	0
Total Regular	105,404	105,404	0
Support Services:			
Administration:			
Other	1,309	1,309	0
Total Administration	1,309	1,309	0
Fiscal:			
Other	9,510	9,510	0
Total Fiscal	9,510	9,510	0
Operation and Maintenance of Plant:			
Purchased Services	100,174	100,174	0
Materials and Supplies	677	677	0
Capital Outlay - Replacement	11,241	11,241	0
Total Operation and Maintenance of Plant	112,092	112,092	0
Capital Outlay:			
Site Improvement Services:			
Capital Outlay - Replacement	192,800	192,800	0
Building Improvement Services:			
Purchased Services	5,328	5,328	0
Capital Outlay - New	336,475	336,475	0
Total Capital Outlay	534,603	534,603	0
Total Expenditures	762,918	762,918	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,214)	(29,214)	0
Other Financing Sources (Uses):			
Advances - Out	(130,825)	(130,825)	0
Total Other Financing Sources (Uses)	(130,825)	(130,825)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(160,039)	(160,039)	0
Fund Balance at June 30, 1998	325,482	325,482	0
Prior Year Encumbrances Appropriated	27,788	27,788	0
Fund Balance at June 30, 1999	\$193,231	\$193,231	\$0

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 SCHOOLNET FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	389,194	389,194	0
Total Revenues	\$389,194	\$389,194	\$0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries	2,288	2,288	0
Fringe Benefits	359	359	0
Purchased Services	3,030	3,030	0
Materials and Supplies	21,715	21,715	0
Capital Outlay - New	283,854	283,854	0
Total Regular	311,246	311,246	0
Support Services:			
Central:			
Purchased Services	38	38	0
Materials and Supplies	357	357	0
Capital Outlay - New	4,153	4,153	0
Total Central	4,548	4,548	0
Total Expenditures	315,794	315,794	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	73,400	73,400	0
Fund Balance at June 30, 1998	80,656	80,656	0
Prior Year Encumbrances Appropriated	7,692	7,692	0
Fund Balance at June 30, 1999	\$161,748	\$161,748	\$0



ENTERPRISE FUNDS

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

Food Service:

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

Uniform School Supplies:

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

**LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 AS OF JUNE 30, 1999**

	Food Service Fund	Uniform School Supplies Fund	Totals
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$0	\$36,929	\$36,929
Inventory Held For Resale	17,024	0	17,024
Materials and Supplies Inventory	4,956	0	4,956
Fixed Assets (Net of Accumulated Depreciation)	62,714	0	62,714
Total Assets	\$84,694	\$36,929	\$121,623
Liabilities and Fund Equity:			
Liabilities:			
Accounts Payable	\$14,302	\$9,447	\$23,749
Compensated Absences Payable	32,756	0	32,756
Due to Other Funds	11,486	0	11,486
Intergovernmental Payable	38,792	0	38,792
Deferred Revenue	9,210	0	9,210
Total Liabilities	106,546	9,447	115,993
Fund Equity:			
Contributed Capital	29,439	0	29,439
Retained Earnings: Unreserved (Deficit)	(51,291)	27,482	(23,809)
Total Fund Equity (Deficit)	(21,852)	27,482	5,630
Total Liabilities and Fund Equity	\$84,694	\$36,929	\$121,623

LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 ALL ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Food Service Fund	Uniform School Supplies Fund	Totals
Operating Revenues:			
Sales	\$765,331	\$198,097	\$963,428
Total Operating Revenues	765,331	198,097	963,428
Operating Expenses:			
Salaries	347,626	0	347,626
Fringe Benefits	117,674	0	117,674
Purchased Services	95,601	0	95,601
Materials and Supplies	61,091	0	61,091
Cost of Sales	413,442	201,844	615,286
Depreciation	5,174	0	5,174
Total Operating Expenses	1,040,608	201,844	1,242,452
Operating (Loss)	(275,277)	(3,747)	(279,024)
Non-Operating Revenues:			
Federal Donated Commodities	45,656	0	45,656
Operating Grants	208,649	0	208,649
Total Non-Operating Revenues	254,305	0	254,305
Net (Loss) Before Operating Transfers	(20,972)	(3,747)	(24,719)
Operating Transfers - In	7,533	20,192	27,725
Net Income (Loss)	(13,439)	16,445	3,006
Retained Earnings (Deficit) at June 30, 1998	(37,852)	11,037	(26,815)
Retained Earnings (Deficit) at June 30, 1999	(\$51,291)	\$27,482	(\$23,809)

LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINING STATEMENT OF CASH FLOWS
 ALL ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Food Service Fund	Uniform School Supplies Fund	Totals
Increase (Decrease) in Cash and Cash Equivalents:			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$765,331	\$198,097	\$963,428
Cash Payments to Employees for Services	(351,491)	0	(351,491)
Cash Payments for Employee Benefits	(122,848)	0	(122,848)
Cash Payments for Purchased Services	(528,736)	0	(528,736)
Cash Payments for Materials and Supplies	(1,585)	(202,662)	(204,247)
Net Cash (Used for) Operating Activities	(239,329)	(4,565)	(243,894)
Cash Flows from Noncapital Financing Activities:			
Operating Grants Received	208,650	0	208,650
Operating Transfers - In	7,533	20,192	27,725
Net Cash Provided by Noncapital Financing Activities	216,183	20,192	236,375
Net Increase (Decrease) in Cash and Cash Equivalents	(23,146)	15,627	(7,519)
Cash and Cash Equivalents at June 30, 1998	23,146	21,302	44,448
Cash and Cash Equivalents at June 30, 1999	\$0	\$36,929	\$36,929
Reconciliation of Operating (Loss) to Net Cash (Used for) Operating Activities:			
Operating (Loss)	(\$275,277)	(\$3,747)	(\$279,024)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities:			
Depreciation	5,174	0	5,174
Donated Commodities Used During the Year	45,656	0	45,656
Changes in Assets and Liabilities:			
(Increase)/Decrease in Inventory Held for Resale	(1,259)	0	(1,259)
(Increase)/Decrease in Materials and Supplies Inventory	1,100	0	1,100
Increase/(Decrease) in Accounts Payable	(4,375)	(818)	(5,193)
Increase/(Decrease) in Compensated Absences Payable	(3,865)	0	(3,865)
Increase/(Decrease) in Due to Other Funds	2,692	0	2,692
Increase/(Decrease) in Deferred Revenue	(1,309)	0	(1,309)
Increase/(Decrease) in Intergovernmental Payable	(7,866)	0	(7,866)
Total Adjustments	35,948	(818)	35,130
Net Cash (Used for) Operating Activities	(\$239,329)	(\$4,565)	(\$243,894)

**LEBANON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Sales	\$765,331	\$765,331	\$0
Operating Grants	208,649	\$208,649	\$0
Total Revenues	973,980	973,980	0
Expenses:			
Salaries:			
Food Service Operations	351,491	351,491	0
Total Salaries	351,491	351,491	0
Fringe Benefits:			
Food Service Operations	122,848	122,848	0
Total Fringe Benefits	122,848	122,848	0
Purchased Services:			
Operation and Maintenance of Plant	872	872	0
Food Service Operations	527,864	527,864	0
Total Purchased Services	528,736	528,736	0
Materials and Supplies:			
Food Service Operations	1,585	1,585	0
Total Materials and Supplies	1,585	1,585	0
Total Expenses	1,004,660	1,004,660	0
Operating Income (Loss)	(30,680)	(30,680)	0
Operating Transfers - In	7,533	7,533	0
Excess (Deficiency) of Revenues Over (Under) Expenses	(23,147)	(23,147)	0
Fund Equity at June 30, 1998	23,147	23,147	0
Fund Equity at June 30, 1999	\$0	\$0	\$0

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN FUND EQUITY
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 UNIFORM SCHOOL SUPPLIES FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Sales	\$198,097	\$198,097	\$0
Total Revenues	198,097	198,097	0
Expenses:			
Materials and Supplies: Regular Instruction	222,832	222,832	0
Total Materials and Supplies	222,832	222,832	0
Total Expenses	222,832	222,832	0
Excess (Deficiency) of Revenues Over (Under) Expenses	(24,735)	(24,735)	0
Operating Transfers - In	20,192	20,192	0
Excess (Deficiency) of Revenues and Operating Transfers Over (Under) Expenses	(4,543)	(4,543)	0
Fund Equity at June 30, 1998	5,454	5,454	0
Prior Year Encumbrances Appropriated	15,847	15,847	0
Fund Equity at June 30, 1999	\$16,758	\$16,758	\$0

INTERNAL SERVICE FUNDS

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

Warren County Juvenile Detention Center:

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

Employee Benefits Self-Insurance:

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

LEBANON CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 ALL INTERNAL SERVICE FUNDS
 AS OF JUNE 30, 1999

	Warren County Juvenile Detention Center Fund	Employee Benefits Self-Insurance Fund	Totals
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$274,276	\$749,502	\$1,023,778
Receivables:			
Intergovernmental	5,673	0	5,673
Due From Other Funds	0	118,143	118,143
Fixed Assets (Net of Accumulated Depreciation)	1,749	0	1,749
Total Assets	\$281,698	\$867,645	\$1,149,343
Liabilities and Fund Equity:			
Accrued Wages	\$17,976	\$0	\$17,976
Due to Other Funds	2,676	0	2,676
Intergovernmental Payable	4,176	0	4,176
Claims Payable	0	224,449	224,449
Total Liabilities	24,828	224,449	249,277
Fund Equity:			
Retained Earnings:			
Unreserved	256,870	643,196	900,066
Total Fund Equity	256,870	643,196	900,066
Total Liabilities and Fund Equity	\$281,698	\$867,645	\$1,149,343

LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 ALL INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Warren County Juvenile Detention Center Fund	Employee Benefits Self-Insurance Fund	Totals
Operating Revenues:			
Tuition	\$202,226	\$0	\$202,226
Charges for Services	0	1,400,224	1,400,224
Total Operating Revenues	202,226	1,400,224	1,602,450
Operating Expenses:			
Salaries	100,499	0	100,499
Fringe Benefits	63,178	0	63,178
Purchased Services	14,109	158,124	172,233
Materials and Supplies	3,424	1,745	5,169
Depreciation	87	0	87
Claims	0	1,249,248	1,249,248
Total Operating Expenses	181,297	1,409,117	1,590,414
Operating Income	20,929	(8,893)	12,036
Non-Operating Revenues:			
Investment	0	29,271	29,271
Total Non-Operating Revenues	0	29,271	29,271
Net Income	20,929	20,378	41,307
Retained Earnings at June 30, 1998	235,941	622,818	858,759
Retained Earnings at June 30, 1999	\$256,870	\$643,196	\$900,066

LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINING STATEMENT OF CASH FLOWS
 ALL INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Warren County Juvenile Detention Center Fund	Employee Benefits Self-Insurance Fund	Totals
Increase in Cash and Cash Equivalents:			
Cash Flows from Operating Activities:			
Cash Received from Tuition Payments	\$246,248	\$0	\$246,248
Cash Received from Other Operations	0	1,406,652	1,406,652
Cash Payments to Employees for Services	(120,372)	0	(120,372)
Cash Payments for Employee Benefits	(44,701)	0	(44,701)
Cash Payments for Claims	0	(1,224,471)	(1,224,471)
Cash Payments for Purchased Services	(14,109)	(158,124)	(172,233)
Cash Payments for Materials and Supplies	(3,424)	(1,745)	(5,169)
Net Cash Provided by Operating Activities	<u>63,642</u>	<u>22,312</u>	<u>85,954</u>
Cash Flows from Capital and Related Financing Activities:			
Payments for Capital Acquisitions	(1,836)	0	(1,836)
Net Cash (Used for) Capital and Related Financing Activities	<u>(1,836)</u>	<u>0</u>	<u>(1,836)</u>
Cash Flows from Investing Activities:			
Investment Revenue	0	29,271	29,271
Net Cash Provided by Investing Activities	<u>0</u>	<u>29,271</u>	<u>29,271</u>
Net Increase in Cash and Cash Equivalents	61,806	51,583	113,389
Cash and Cash Equivalents at June 30, 1998	212,470	697,919	910,389
Cash and Cash Equivalents at June 30, 1999	<u>\$274,276</u>	<u>\$749,502</u>	<u>\$1,023,778</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	<u>\$20,929</u>	<u>(\$8,893)</u>	<u>\$12,036</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	87	0	87
Changes in Assets and Liabilities:			
(Increase)/Decrease in Intergovernmental Receivable	44,022	0	44,022
(Increase)/Decrease in Due From Other Funds	0	6,428	6,428
Increase/(Decrease) in Accrued Wages	(1,897)	0	(1,897)
Increase/(Decrease) in Due to Other Funds	441	0	441
Increase/(Decrease) in Intergovernmental Payable	60	0	60
Increase/(Decrease) in Claims Payable	0	24,777	24,777
Total Adjustments	<u>42,713</u>	<u>31,205</u>	<u>73,918</u>
Net Cash Provided by Operating Activities	<u>\$63,642</u>	<u>\$22,312</u>	<u>\$85,954</u>

LEBANON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
WARREN COUNTY JUVENILE DETENTION CENTER FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>			
Tuition	\$246,248	\$246,248	\$0
Total Revenues	246,248	246,248	0
<i>Expenses:</i>			
<i>Salaries:</i>			
Special Instruction	120,372	120,372	0
Total Salaries	120,372	120,372	0
<i>Fringe Benefits:</i>			
Special Instruction	44,701	44,701	0
Total Fringe Benefits	44,701	44,701	0
<i>Purchased Services:</i>			
Support Services - Administration	14,109	14,109	0
Total Purchased Services	14,109	14,109	0
<i>Materials and Supplies:</i>			
Special Instruction	2,949	2,949	0
Total Materials and Supplies	2,949	2,949	0
<i>Capital Outlay:</i>			
Special Instruction	2,312	2,312	0
Total Capital Outlay	2,312	2,312	0
Total Expenses	184,443	184,443	0
<i>Excess of Revenues Over Expenses</i>	61,805	61,805	0
Fund Equity at June 30, 1998	212,470	212,470	0
Fund Equity at June 30, 1999	\$274,275	\$274,275	\$0

LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN FUND EQUITY
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 EMPLOYEE BENEFITS SELF-INSURANCE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$1,406,191	\$1,406,191	\$0
Refund of Prior Year Expenses	\$29,271	\$29,271	\$0
	461	461	0
Total Revenues	1,435,923	1,435,923	0
Expenses:			
Purchased Services:			
Support Services - Central	158,124	158,124	0
Total Purchased Services	158,124	158,124	0
Materials and Supplies:			
Support Services - Central	1,744	1,744	0
Total Materials and Supplies	1,744	1,744	0
Other:			
Medical and Dental Claims	1,224,471	1,224,471	0
Total Other	1,224,471	1,224,471	0
Total Expenses	1,384,339	1,384,339	0
Excess of Revenues Over Expenses	51,584	51,584	0
Fund Equity at June 30, 1998	697,919	697,919	0
Fund Equity at June 30, 1999	\$749,503	\$749,503	\$0

FIDUCIARY FUNDS

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

EXPENDABLE TRUST FUND

Scholarship:

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

NONEXPENDABLE TRUST FUND

Endowment:

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

AGENCY FUNDS

Summer Insurance:

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

Student Activity:

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

LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL FIDUCIARY FUNDS
 AS OF JUNE 30, 1999

	Expendable -----Trust-----	Nonexpendable -----Trust-----	-----Agency-----
	Scholarship Fund	Endowment Fund	Summer Insurance Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$1,842	\$28,485	\$5,741
Receivables:			
Accrued Interest	29	372	0
Total Assets	\$1,871	\$28,857	\$5,741
Liabilities and Fund Balances:			
Liabilities:			
Undistributed Monies	\$0	\$0	\$5,741
Due to Students	0	0	0
Total Liabilities	0	0	5,741
Fund Balances:			
Reserved for Contributions	0	9,312	0
Unreserved:			
Undesignated	1,871	19,545	0
Total Fund Balances	1,871	28,857	0
Total Liabilities and Fund Balances	\$1,871	\$28,857	\$5,741

Continued

LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 ALL FIDUCIARY FUNDS
 AS OF JUNE 30, 1999
 (CONTINUED)

	-----Agency-----	
	Student Activity Fund	Totals
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$65,986	\$102,054
Receivables:		
Accrued Interest	0	401
Total Assets	\$65,986	\$102,455
Liabilities and Fund Balances:		
Liabilities:		
Undistributed Monies	\$0	\$5,741
Due to Students	65,986	65,986
Total Liabilities	65,986	71,727
Fund Balances:		
Reserved for Contributions	0	9,312
Unreserved:		
Undesignated	0	21,416
Total Fund Balances	0	30,728
Total Liabilities and Fund Balances	\$65,986	\$102,455

LEBANON CITY SCHOOL DISTRICT, OHIO
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	Beginning Balance July 1, 1998	Additions	Deductions	Ending Balance June 30, 1999
SUMMER INSURANCE				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$11,777	\$5,747	\$11,783	\$5,741
Total Assets	\$11,777	\$5,747	\$11,783	\$5,741
Liabilities:				
Undistributed Monies	\$11,777	\$5,747	\$11,783	\$5,741
Total Liabilities	\$11,777	\$5,747	\$11,783	\$5,741
STUDENT ACTIVITY				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$83,992	\$137,300	\$155,306	\$65,986
Total Assets	\$83,992	\$137,300	\$155,306	\$65,986
Liabilities:				
Due to Students	\$83,992	\$137,300	\$155,306	\$65,986
Total Liabilities	\$83,992	\$137,300	\$155,306	\$65,986
TOTAL ALL AGENCY FUNDS				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$95,769	\$143,047	\$167,089	\$71,727
Total Assets	\$95,769	\$143,047	\$167,089	\$71,727
Liabilities:				
Undistributed Monies	\$11,777	\$5,747	\$11,783	\$5,741
Due to Students	83,992	137,300	155,306	65,986
Total Liabilities	\$95,769	\$143,047	\$167,089	\$71,727

GENERAL FIXED ASSETS ACCOUNT GROUP

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

**LEBANON CITY SCHOOL DISTRICT, OHIO
 SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
 AS OF JUNE 30, 1999**

General Fixed Assets:

Land	\$975,486
Buildings	14,693,839
Furniture and Equipment	3,543,956
Vehicles	1,999,406
Total General Fixed Assets	\$21,212,687

Investment in General Fixed Assets by source:

General Fund	\$856,131
Special Revenue Funds	371,518
Capital Projects Funds	11,863,046
Expendable Trust Funds	10,147
Agency Funds	4,559
Donations	178,860
Acquired Before July 1, 1992*	7,928,426
Total Investment in General Fixed Assets	\$21,212,687

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

**LEBANON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
AS OF JUNE 30, 1999**

Function	Land	Buildings	Furniture and Equipment	Vehicles	Total
Instruction:					
Regular	\$230,060	\$5,675,046	\$2,175,763	\$0	\$8,080,869
Special	0	0	56,041	0	56,041
Support Services:					
Pupils	0	0	25,106	0	25,106
Instructional Staff	0	0	154,546	0	154,546
Board of Education	0	0	3,030	0	3,030
Administration	0	0	156,417	0	156,417
Fiscal Services	0	0	85,144	0	85,144
Business	0	0	14,291	0	14,291
Operation and Maintenance of Plant	2,000	7,527	121,734	64,881	196,142
Pupil Transportation	0	24,308	94,412	1,934,525	2,053,245
Central	0	0	182,314	0	182,314
Operation of Non-Instructional Services	0	0	9,819	0	9,819
Extracurricular Activities	0	94,096	191,760	0	285,856
Facilities Acquisition and Construction Services	743,426	8,892,862	293,579	0	9,929,867
Total General Fixed Assets	\$975,486	\$14,693,839	\$3,543,956	\$1,999,406	\$21,212,687

**LEBANON CITY SCHOOL DISTRICT, OHIO
SCHEDULE OF CHANGES IN FIXED ASSETS
BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

Function	Balance at June 30, 1998	Additions	Deletions	Balance at June 30, 1999
Instruction:				
Regular	\$7,750,362	\$396,994	\$66,487	\$8,080,869
Special	54,386	1,655	0	56,041
Support Services:				
Pupils	21,370	6,106	2,370	25,106
Instructional Staff	152,099	4,951	2,504	154,546
Board of Education	3,030	0	0	3,030
Administration	155,730	7,466	6,779	156,417
Fiscal Services	65,144	0	0	65,144
Business	11,060	3,231	0	14,291
Operation and Maintenance of Plant	196,060	910	828	196,142
Pupil Transportation	2,066,630	41,643	55,028	2,053,245
Central	158,799	52,813	29,298	182,314
Operation of Non-Instructional Services	9,139	680	0	9,819
Extracurricular Activities	160,434	125,422	0	285,856
Facilities Acquisition and Construction Services	9,615,800	314,836	769	9,929,867
Total General Fixed Assets	\$20,420,043	\$956,707	\$164,063	\$21,212,687



STATISTICAL TABLES

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

LEBANON CITY SCHOOL DISTRICT, OHIO
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS (1)

TABLE 1

	1999 Fiscal	1998 Fiscal	1997 Fiscal	1996 Fiscal	1995 Fiscal	1994 Fiscal	1993 Fiscal	1992 Fiscal	1991 Fiscal	1990 Fiscal
Instruction										
Regular	\$10,481,150	\$9,447,680	\$9,074,349	\$8,050,942	\$7,267,645	\$7,137,849	\$6,952,518	\$6,452,004	\$5,834,424	\$5,235,383
Special	1,004,530	964,384	864,330	830,695	807,103	821,989	814,158	613,093	534,113	487,160
Vocational	0	0	0	0	35	37,448	35,942	34,578	68,502	38,296
Other Instruction	236,461	116,920	85,077	63,245	32,448	28,402	37,011	38,433	20,972	30,109
Support Services										
Pupils	923,111	794,923	714,520	680,123	621,576	615,653	571,883	566,559	500,326	378,265
Instructional	1,003,996	786,587	648,241	453,747	405,437	401,952	368,726	366,481	314,615	254,466
Board of Education	35,645	38,333	30,535	30,021	24,924	29,205	30,692	22,914	22,505	15,368
Administration	1,793,433	1,515,813	1,307,847	1,272,240	1,195,089	1,232,700	1,233,049	1,065,244	919,820	864,419
Fiscal	534,601	482,323	416,031	387,569	333,250	287,845	264,410	268,703	197,625	177,109
Business	126,993	132,144	99,592	82,915	25,048	3,957	3,169	2,718	29,791	22,408
Maintenance/Operations	1,551,876	1,493,647	1,501,384	1,364,480	1,191,445	1,126,983	1,140,145	1,031,199	1,058,029	921,151
Pupil Transportation	1,457,646	1,361,744	1,311,953	967,301	922,470	882,055	852,575	900,139	742,700	645,623
Central	122,304	91,147	136,754	56,894	26,508	25,105	25,131	39,494	1,255	108
Non-Instructional Services										
Extracurricular Activities	379,515	349,774	267,657	273,404	243,537	252,847	244,016	227,966	189,472	163,835
Facilities Acquisition	0	1,350	5,050	4,900	0	0	0	8,344	6,767	150
Debt Service	0	0	0	6,113	17,662	2,092	0	0	0	0
Total	\$19,654,252	\$17,582,721	\$16,467,086	\$14,531,527	\$13,121,776	\$12,890,752	\$12,579,387	\$11,644,564	\$10,442,577	\$9,236,571

Source: Lebanon City School District Financial Records.

(1) 1993, 1994, 1995, 1996, 1997, 1998, 1999 fiscal years reported on GAAP basis; all prior years reported on cash basis.

LEBANON CITY SCHOOL DISTRICT, OHIO
GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS (1)

TABLE 2

	1999 Fiscal	1998 Fiscal	1997 Fiscal	1996 Fiscal	1995 Fiscal	1994 Fiscal	1993 Fiscal	1992 Fiscal	1991 Fiscal	1990 Fiscal
Taxes	\$9,188,807	\$8,492,596	\$8,366,475	\$7,844,594	\$6,674,473	\$5,276,542	\$4,880,966	\$4,654,352	\$4,273,353	\$4,039,849
Intergovernmental	10,654,313	9,753,882	8,944,101	8,022,558	7,410,115	6,560,268	6,192,902	5,971,761	5,552,455	5,090,713
Investment	363,858	319,569	258,947	168,857	87,497	185,001	184,925	120,352	229,398	259,515
Tuition and Fees	161,894	96,928	23,049	8,138	87,221	73,599	85,474	45,580	10,300	8,200
Rentals	0	250	475	863						
Charges for Services	0	27								
Miscellaneous	158,845	152,969	53,191	67,622	63,544	62,082	53,825	26,930	137,811	39,708
Total	\$20,527,717	\$18,815,944	\$17,645,763	\$16,111,769	\$14,322,850	\$12,157,492	\$11,398,092	\$10,819,225	\$10,203,792	\$9,438,875

Source: Lebanon City School District Financial Records.

(1) 1993, 1994, 1995, 1996, 1997, 1998, 1999 fiscal years are reported on GAAP basis; all prior years are reported on cash basis.

**LEBANON CITY SCHOOL DISTRICT, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
REAL AND TANGIBLE PERSONAL PROPERTY (1)
LAST TEN CALENDAR YEARS**

TABLE 3

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Current Levy
1998	\$11,898,841	\$442,536	\$12,341,377	\$11,546,561	97.04%	\$358,200	\$11,904,761	100.05%
1997	11,753,899	447,367	12,201,266	11,391,223	96.91%	370,332	11,761,555	100.07%
1996	10,709,130	435,700	11,144,830	10,435,163	97.44%	304,586	10,739,749	100.29%
1995	10,010,886	415,007	10,425,893	9,764,558	97.54%	264,582	10,029,140	100.18%
1994	7,534,998	398,115	7,933,113	7,427,544	98.57%	290,941	7,718,485	102.44%
1993	6,791,121	450,808	7,241,929	6,599,781	97.18%	317,780	6,917,561	101.86%
1992	5,746,625	344,843	6,091,468	5,585,225	97.19%	184,443	5,769,668	100.40%
1991	5,079,209	0	5,079,209	5,242,019	103.21%	0	5,242,019	103.21%
1990	4,824,909	0	4,824,909	4,869,417	100.92%	0	4,869,417	100.92%
1989	4,445,745	0	4,445,745	4,585,366	103.14%	0	4,585,366	103.14%

Source: Warren County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

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

(2) Represents collection year. 1999 information cannot be presented because all collections have not been made by June 30.

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

**LEBANON CITY SCHOOL DISTRICT, OHIO
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN CALENDAR YEARS**

TABLE 4

Year (1)	Real Property		Public Utility Personal Property		Tangible Personal Property		Total		Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1999	\$368,094,830	\$1,051,699,514	\$28,631,100	\$114,524,400	\$29,967,060	\$119,868,240	\$426,692,990	\$1,286,092,154	33%
1998	342,775,310	979,358,029	28,547,430	32,440,261	26,982,036	107,928,144	398,304,776	1,119,726,434	36%
1997	288,144,380	823,269,657	30,027,200	34,121,818	27,767,713	111,070,852	345,939,293	968,462,327	36%
1996	267,676,730	764,790,657	29,801,640	33,865,500	23,863,426	95,453,704	321,341,796	894,109,861	36%
1995	251,283,640	717,953,257	31,032,240	35,263,909	21,631,948	86,527,792	303,947,828	839,744,958	36%
1994	207,718,010	593,480,029	28,934,920	32,880,591	18,866,154	75,464,616	255,519,084	701,825,236	36%
1993	199,964,620	571,327,486	22,643,318	25,731,043	19,559,991	78,239,964	242,167,929	675,298,493	36%
1992	196,968,130	562,766,086	20,185,010	22,937,511	20,063,139	77,165,919	237,216,279	662,869,516	36%
1991	165,969,220	474,197,771	17,166,500	19,507,386	17,366,250	64,319,444	200,501,970	558,024,602	36%
1990	158,086,700	451,676,286	16,214,490	18,425,557	17,688,479	63,173,139	191,989,669	533,274,982	36%

Source: Warren County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

(1) Represents tax collection year.

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

TABLE 5

Entity	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
Lebanon City School District	\$50.03	\$51.13	\$51.13	\$51.13	\$51.13	\$44.62	\$45.12	\$40.90	\$40.90	\$40.60
Warren County	5.25	5.00	5.50	7.07	7.07	7.10	7.10	7.10	7.10	5.10
Warren County Career Center	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	3.50
Warren-Clinton Mental Health	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Lebanon Corporation	6.32	6.32	6.52	6.62	6.62	6.70	6.80	6.95	7.05	7.35
Middletown Corporation	5.01	4.96	4.96	5.16	5.16	5.18	5.18	5.28	5.28	5.40
Mason Corporation	7.39	1.87	1.89	1.89	1.89	1.90	1.90	1.90	1.90	2.10
Clearcreek Township	11.62	11.62	11.62	11.62	11.62	11.60	11.80	11.80	11.80	11.60
Salem Township	6.72	6.72	6.72	4.72	4.72	5.70	5.70	5.70	5.70	5.80
Turtlecreek Township	5.62	5.62	5.62	5.62	5.62	5.60	5.60	5.60	5.60	5.60
Union Township	6.20	5.20	5.20	6.20	6.20	6.20	6.20	5.20	5.20	5.70
Washington Township	4.78	4.78	4.78	4.78	4.78	3.76	3.76	3.76	3.76	3.86
Wayne Township	7.07	7.07	7.07	7.07	7.07	7.05	5.25	7.95	5.25	5.45

Source: Warren County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

**LEBANON CITY SCHOOL DISTRICT, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
AS OF JUNE 30, 1999**

TABLE 6

Jurisdiction	General Obligation Debt Outstanding (2)	Percentage Applicable to School District (1)	Amount Applicable to School District
Direct:			
Lebanon City School District	\$3,653,000	100.00%	\$3,653,000
Overlapping:			
Warren County	19,002,201	15.23%	2,894,035
City of Lebanon	14,268,224	94.60%	13,497,740
City of Mason	7,272,000	0.25%	18,180
City of Middletown	18,859,961	0.30%	56,580
City of Monroe	7,227,100	2.09%	151,046
Deerfield Township	0	0.12%	0
Union Township	80,000	25.81%	15,366
Total	\$70,342,486		\$20,285,947

Source: Ohio Municipal Advisory Council.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 1998 collection year.

(2) The amount outstanding represents General Obligation Bonds that are payable from property taxes.

LEBANON CITY SCHOOL DISTRICT, OHIO
 RATIO OF GENERAL OBLIGATION BONDED DEBT TO
 ASSESSED VALUE AND BONDED DEBT PER CAPITA
 LAST TEN YEARS

TABLE 7

Year	General Obligation Bonded Debt	Assessed Value	District Population	Ratio of Debt to Assessed Value	Net Debt Per Capita
1999	\$3,653,000	\$426,692,990	21,071	0.86%	\$173
1998	\$4,917,000	\$398,304,776	21,071	1.23%	\$233
1997	6,065,000	345,939,293	21,071	1.75%	288
1996	6,795,000	321,341,796	21,071	2.11%	322
1995	7,620,000	303,947,828	21,071	2.51%	362
1994	6,875,000	255,519,084	21,071	2.69%	326
1993	7,375,000	242,167,929	21,071	3.05%	350
1992	0	237,216,279	21,071	0.00%	0
1991	0	200,501,970	21,071	0.00%	0
1990	0	191,989,669	21,071	0.00%	0

Source: Lebanon Chamber of Commerce and Lebanon City School District Financial Records.

LEBANON CITY SCHOOL DISTRICT, OHIO
 COMPUTATION OF LEGAL DEBT MARGIN
 AS OF JUNE 30, 1999

TABLE 8

Assessed Valuation		\$426,692,990
<hr/>		
OVERALL DIRECT DEBT LIMITATION		
Direct Debt Limitation 9% of Assessed Valuation		\$38,402,369
Amount Available in Debt Service Fund		2,118,299
Gross Indebtedness	3,653,000	
Less: Debt Exempt from Limitation	1,080,000	
	<hr/>	
Debt Subject to 9% Limitation		(2,573,000)
Legal Debt Margin within 9% Limitation		<hr/> <hr/> \$37,947,668
<hr/>		
UNVOTED DIRECT DEBT LIMITATION		
Unvoted Debt Limitation 0.1% of Assessed Valuation		\$426,693
Amount available in Debt Service Fund related to unvoted debt		0
Gross Indebtedness Authorized by the Board	0	
Less: Debt Exempt from Limitation	0	
	<hr/>	
Debt Subject to 0.1% Limitation		0
Legal Debt Margin within 0.1% Limitation		<hr/> <hr/> \$426,693
<hr/>		
ENERGY CONSERVATION BOND LIMITATION		
Ohio Revised Code Section 133.042		
Debt Limitation 0.9% of Assessed Valuation		\$3,840,237
Energy Conservation Notes Authorized by the Board		(1,080,000)
Legal Debt Margin within 0.9% Limitation		<hr/> <hr/> \$2,760,237

Source: Lebanon City School District Financial Records.

LEBANON CITY SCHOOL DISTRICT, OHIO
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS (1)

TABLE 9

Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
1999	\$1,264,000	\$208,718	\$1,472,718	\$19,654,252	7.49%
1998	1,148,000	262,727	1,410,727	17,582,721	8.02%
1997	1,020,000	300,547	1,320,547	16,467,086	8.02%
1996	825,000	347,150	1,172,150	14,531,527	8.07%
1995	695,000	303,529	998,529	13,121,776	7.61%
1994	500,000	331,312	831,312	12,890,752	6.45%
1993	0	272,445	272,445	12,579,387	2.17%
1992	0	0	0	11,644,564	0.00%
1991	0	0	0	10,442,577	0.00%
1990	0	0	0	9,236,571	0.00%

Source: Lebanon City School District Financial Records.

(1) 1993, 1994, 1995, 1996, 1997, 1998, 1999 fiscal years are reported on GAAP basis; all prior years are reported on cash basis.

LEBANON CITY SCHOOL DISTRICT, OHIO
PROPERTY VALUE, FINANCIAL INSTITUTION DEPOSITS AND BUILDING PERMITS
LAST TEN CALENDAR YEARS

TABLE 10

Year	Property Value (Real Estate Only)	County Bank Deposits (1)	City Bank Deposits (1)	Value of Building Permits Issued (2)
1998	\$342,775,310	\$524,246,000	\$433,072,000	\$31,326,951
1997	288,144,380	523,595,000	427,736,000	32,204,227
1996	267,676,730	465,584,000	379,213,000	26,993,285
1995	251,283,640	460,950,000	370,414,000	29,040,394
1994	207,718,010	422,581,000	346,078,000	30,725,199
1993	199,964,620	411,164,000	333,849,000	13,267,519
1992	196,968,130	367,097,000	305,529,000	12,774,111
1991	165,969,220	342,162,000	236,605,000	9,077,679
1990	158,086,700	309,303,000	210,652,000	14,574,449
1989	151,957,480	305,297,000	185,600,000	12,104,458

Sources:

(1) Federal Reserve Bank of Cleveland. Amounts are as of June 30.

(2) City of Lebanon Building Department.

**LEBANON CITY SCHOOL DISTRICT, OHIO
PRINCIPAL TAXPAYERS**

TABLE 11

Name of Taxpayer	Type of Business	Assessed Value (1)	Percent of Total Assessed Value
Cincinnati Gas and Electric	Public Utility	\$12,322,700	2.89%
CNG Transmission	Public Utility	5,949,620	1.39%
United Telephone	Public Utility	5,570,270	1.31%
Southern Ohio Gun District, Inc.	Gun Distributor	2,838,490	0.67%
Johnson and Hardin Enterprises	Commercial Printer	2,760,340	0.65%
Fujitec America, Inc.	Manufacturer of Elevators	2,313,380	0.54%
Harts Plaza Partners	Strip Mall	1,894,990	0.44%
Lebanon Park Towne Homes	Real Estate Developer	1,669,190	0.39%
Texas Eastern Transmission	Public Utility	1,579,980	0.37%
Don Leathery	Retail Store	1,205,530	0.28%
	Sub-Total	38,104,490	8.93%
	All others	388,588,500	91.07%
	Grand Total	\$426,692,990	100.00%

Source: Warren County Auditor.

(1) Assessed values are for the 1999 collection year.

**LEBANON CITY SCHOOL DISTRICT, OHIO
LARGEST EMPLOYERS**

TABLE 12

Employer	Type of Business	Number of Employees
County of Warren	County	720
Lebanon Correctional Institute	Prison	510
Otterbein Home	Retirement/Adult Day Care Center	430
Lucas Sumitomo Brakes	Manufacturer of brakes	410
Lebanon City School District	School	404
Johnson and Hardin Enterprises	Commercial Printer	362
Fujitec America, Inc.	Manufacturer of elevators	325
Warren County Correctional Institute	Prison	320
Amtex Inc.	Molder of automobile carpeting	250
Cinmar L.P.	Mail order catalogue	240

Source: Lebanon Chamber of Commerce.

School Year	Grade	All Funds Cost Per Pupil		Comparison (1)
		Lebanon CSD (1)	State Average (1)	
1998-99 (2)	12	\$5,244	\$6,642	(\$1,398)
1997-98 (2)	11	4,932	5,985	(\$1,053)
1996-97 (3)	10	4,667	5,939	(1,272)
1995-96	9	4,248	5,545	(1,297)
1994-95	8	3,897	5,117	(1,220)
1993-94	7	3,939	4,882	(943)
1992-93	6	3,943	4,822	(879)
1991-92	5	3,705	4,436	(731)
1990-91	4	3,391	4,390	(999)
1989-90	3	3,073	4,166	(1,093)
1988-89	2	2,892	3,852	(960)
1987-88	1	2,857	3,563	(706)
1986-87	K	2,713	3,337	(624)
		\$49,501	\$62,676	(\$13,175)

Source: Lebanon City School District Financial Records.

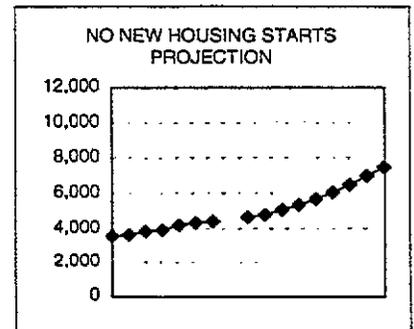
- (1) Reported on a cash basis.
- (2) The Department of Education adopted a new calculation for per pupil spending. Beginning in 1997-98, per pupil spending is based upon the department's expenditures flow model.
- (3) Prior year's amounts have been restated to reflect current available information.

LEBANON CITY SCHOOL DISTRICT, OHIO
ENROLLMENT PROJECTIONS

TABLE 14

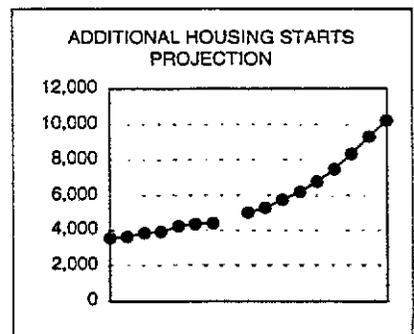
NO NEW HOUSING STARTS APPROVED BY CITY OR TOWNSHIPS FROM 1996 PROJECTION

ACTUAL	K	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
1992-93	301	331	287	278	279	280	295	281	267	255	241	223	231	3,549
1993-94	285	339	297	290	285	291	272	305	291	260	260	240	212	3,627
1994-95	310	322	328	296	310	297	297	313	313	284	266	262	240	3,838
1995-96	333	342	318	345	322	330	318	324	299	300	283	197	192	3,903
1996-97	332	357	325	335	347	332	343	325	331	309	305	301	272	4,214
1997-98	336	397	346	330	313	346	330	346	322	335	327	326	300	4,354
1998-99	321	398	380	339	340	313	351	325	355	334	348	297	299	4,405
PROJECTED														
1999-00	370	511	399	404	370	329	337	365	295	321	322	287	335	4,645
2000-01	379	440	505	441	420	386	322	353	317	309	337	280	323	4,812
2001-02	389	457	437	560	452	434	391	338	306	347	325	300	347	5,083
2002-03	399	472	462	489	573	470	440	424	290	343	356	280	356	5,354
2003-04	407	488	480	520	503	595	479	478	386	339	349	303	349	5,676
2004-05	420	501	500	546	536	529	609	523	433	433	334	294	399	6,057
2005-06	425	522	516	572	573	570	546	664	473	493	456	280	406	6,496
2006-07	438	532	541	594	602	611	594	602	603	547	518	403	407	6,992
2007-08	450	553	557	627	628	646	640	660	553	700	573	456	451	7,494



ADDITIONAL HOUSING STARTS APPROVED BY CITY OR TOWNSHIPS PROJECTION

ACTUAL	K	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
1992-93	301	331	287	278	279	280	295	281	267	255	241	223	231	3,549
1993-94	285	339	297	290	285	291	272	305	291	260	260	240	212	3,627
1994-95	310	322	328	296	310	297	297	313	313	284	266	262	240	3,838
1995-96	333	342	318	345	322	330	318	324	299	300	283	197	192	3,903
1996-97	332	357	325	335	347	332	343	325	331	309	305	301	272	4,214
1997-98	336	397	346	330	313	346	330	346	322	335	327	326	300	4,354
1998-99	321	398	380	339	340	313	351	325	355	334	348	297	299	4,405
PROJECTED														
1999-00	392	559	457	474	386	344	353	381	311	337	337	303	352	4,986
2000-01	405	493	583	528	501	418	338	369	334	325	352	297	341	5,284
2001-02	418	522	523	678	552	537	440	353	323	364	340	318	364	5,732
2002-03	432	545	564	616	702	594	560	488	305	356	369	296	369	6,196
2003-04	443	569	596	673	642	756	623	620	458	350	360	319	360	6,769
2004-05	461	592	631	719	704	705	798	694	578	520	345	310	407	7,464
2005-06	470	624	663	769	777	786	755	889	648	663	555	296	412	8,307
2006-07	489	645	707	815	832	870	854	853	833	753	704	508	410	9,273
2007-08	504	678	739	878	886	938	948	976	811	974	799	640	449	10,220



Source: Lebanon City School District Records.

**LEBANON CITY SCHOOL DISTRICT, OHIO
LEVY HISTORY**

TABLE 15

Date of Election	Type of Issue	Mills	For	Against	% For
11/05/74	Bond Issue	3.40	2,016	2,843	41.49%
11/04/75	Bond Issue	3.20	2,056	2,255	47.69%
03/08/76	Bond Issue	3.20	1,292	1,336	49.16%
06/08/76	Emergency Operating	3.70	2,108	1,037	67.03%
11/02/76	Emergency Operating	5.00	3,078	2,937	51.17%
06/06/78	Capital Projects - 5 year	4.80	837	701	54.42%
06/03/80	Emergency Operating	5.30	1,789	1,929	48.12%
08/08/80	Emergency Operating	5.30	894	1,389	39.16%
11/04/80	Emergency Operating	5.30	1,654	877	65.35%
11/08/83	Capital Projects - 5 year	2.50	3,254	1,952	62.50%
11/08/88	Capital Projects - 5 year	2.30	5,053	2,318	68.55%
06/02/92	Bond Issue	4.22	2,286	1,879	54.89%
11/02/93	Capital Projects - 5 year	1.80	3,147	1,618	66.04%
05/03/94	Continuing Operating	6.50	1,967	1,980	49.84%
08/02/94	Continuing Operating	6.50	2,735	2,135	56.16%
11/05/96	Bond Issue	9.75	3,963	5,773	40.70%
05/06/97	Bond Issue	6.26	1,890	3,132	37.63%
05/05/98	Continuing Capital Projects	2.60	2,261	2,489	47.60%
11/03/98	Capital Projects - 5 year	2.00	4,453	3,682	54.74%
05/04/99	Operating - 5 year	3.52	1,872	1,763	51.50%

Source: Lebanon City School District Records.

**LEBANON CITY SCHOOL DISTRICT, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN CALENDAR YEARS**

TABLE 16

Year	Warren County Population (1)	Lebanon City Population (1)	School Enrollment (2)	Unemployment Rate Warren County (3)	Unemployment Rate State of Ohio (3)
1999	113,909	10,423	4,405	3.20%	4.50%
1998	113,909	10,423	4,354	2.60%	4.40%
1997	113,909	10,423	4,214	2.60%	4.50%
1996	113,909	10,423	3,988	3.90%	5.00%
1995	113,909	10,423	3,842	4.20%	4.60%
1994	113,909	10,423	3,632	4.90%	5.40%
1993	113,909	10,423	3,536	5.70%	5.80%
1992	113,909	10,423	3,408	6.50%	7.60%
1991	113,909	10,423	3,319	5.90%	6.40%
1990	113,909	10,423	3,246	4.80%	5.70%

Sources:

(1) 1980 Census and 1990 Census.

(2) Lebanon City School District Records.

(3) Ohio Bureau Employment Services; Prior years' amounts have been restated to reflect current available information.

Data for 1999 based upon June.

**LEBANON CITY SCHOOL DISTRICT, OHIO
MISCELLANEOUS STATISTICAL DATA**

TABLE 17

Year of Present Charter:	1967
Form of Government:	Public School District Five member Board of Education
Area of District:	81.9 Square Miles
Full-time Equivalent Certificated Staff	281.62
Full-time Equivalent Classified Staff	160.61
Full-time Equivalent Total Staff	442.23
Number of Certificated Staff with Advanced Degrees	118.00

School Building	Address	Principal	Grades	Enrollment
Francis Dunlavy Elementary School	501 North Water Street	Mr. Ken Williams	1 - 3	372
Alfred Holbrook Elementary School	700 Holbrook Avenue	Mrs. Becky Hill	K - 3	639
Louisa Wright Elementary School	600 South East Street	Mr. Charlie Little	1 - 3	432
Donovan Intermediate School	401 Justice Drive	Mr. Mike McClusky	4 - 5	653
Lucile Berry Middle School	23 Oakwood Avenue	Mrs. Kathy Diblasi-Ward	6 - 8	1031
Lebanon High School	160 Miller Road	Dr. Samuel Ison	9 - 12	1,278
				<u>4,405</u>

LEBANON CITY SCHOOL DISTRICT VISION STATEMENT:

Lebanon City Schools will become the educational leader in Ohio, known for having the most stimulating and supportive learning environment that enables students to effectively transition throughout their lives.

LEBANON CITY SCHOOL DISTRICT MISSION STATEMENT:

We are committed to providing:

- * a diversity of programs for our students
- * an excellent and innovative staff who reflect the values of our community
- * a safe, clean and caring learning environment
- * life-long skills that lead to the development of each student's potential
- * an educational system of which all community members can be proud
- * the opportunity for parent and family involvement.

Source: Lebanon City School District Records and Lebanon City School District Strategic Plan.

LEBANON CITY SCHOOL DISTRICT

Single Audit Reports

June 30, 1999



PLATTENBURG & ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS
CINCINNATI/DAYTON



PLATTENBURG & ASSOCIATES, INC./CERTIFIED PUBLIC ACCOUNTANTS

8280 MONTGOMERY ROAD, SUITE 210 / CINCINNATI, OH 45236 • (513) 891-2722 • FAX (513) 891-2760
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**Report on compliance and on internal control over financial reporting
based on an audit of financial statements performed in accordance with
*Government Auditing Standards***

December 21, 1999

Board of Education
Lebanon City School District

We have audited the general purpose financial statements of the Lebanon City School District, (the District), as of and for the year ended June 30, 1999, and have issued our report thereon dated December 21, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

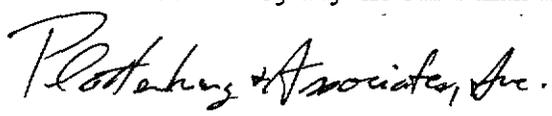
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the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

Internal Control Over Financial Reporting

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

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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



Plattenburg & Associates, Inc.
Certified Public Accountants



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

December 21, 1999

Board of Education
Lebanon City School District

Compliance

We have audited the compliance of the District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 1999. The District's major federal program is identified in the summary of auditor's results portion of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

Internal Control Over Compliance

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

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

Schedule of Federal Awards Expenditures

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 1999, and have issued our report thereon dated December 21, 1999. Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the District taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by *OMB Circular A-133* and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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



Plattenburg & Associates, Inc.
Certified Public Accountants

LEBANON CITY SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED June 30, 1999

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursement
U.S. DEPARTMENT OF AGRICULTURE						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
Food Distribution Program	03-PU	10.550	\$0	\$50,551	\$0	\$44,346
National School Lunch Program	04-PU	10.555	193,505	0	193,504	0
Special Milk Program	02-PU	10.556	6,018	0	6,018	0
Total U.S. Department of Agriculture - Nutrition Cluster			<u>199,523</u>	<u>50,551</u>	<u>199,522</u>	<u>44,346</u>
U.S. DEPARTMENT OF EDUCATION						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Title VI - B Grant	6B-SF	84.027	139,986	0	146,621	0
Preschool Grant	PG-S1	84.173	3,549	0	8,787	0
Total Special Education Cluster			<u>143,535</u>	<u>0</u>	<u>155,408</u>	<u>0</u>
Eisenhower Grant	MS-S1	84.281	14,997	0	10,598	0
Title I Grant	C1-S0	84.010	264,105	0	287,270	0
Title VI	C2-S1	84.298	16,696	0	20,153	0
Drug Free Schools Grant	DR-S1	84.186	19,222	0	10,978	0
Goals 2000	G2-S2	84.276	0	0	3,269	0
Total Department of Education			<u>458,555</u>	<u>0</u>	<u>487,676</u>	<u>0</u>
U.S. DEPARTMENT OF LABOR						
Employment Services and Job Training, Pilot, and Demonstration Programs						
School to Work Grant	n/a	17.249	11,469	0	10,086	0
Total Department of Labor			<u>11,469</u>	<u>0</u>	<u>10,086</u>	<u>0</u>
Total Federal Assistance			<u>\$669,547</u>	<u>\$50,551</u>	<u>\$697,284</u>	<u>\$44,346</u>

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B -- FOOD DISTRIBUTION

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

**LEBANON CITY SCHOOL DISTRICT
JUNE 30, 1999**

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None Noted

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None Noted

LEBANON CITY SCHOOL DISTRICT
JUNE 30, 1999

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

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



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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**LEBANON CITY SCHOOL DISTRICT
WARREN COUNTY**

CLERK'S CERTIFICATION

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

By: *Susan Babbitt*

Date: JAN 25 2000