

**LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**SINGLE AUDIT**

**FOR FISCAL YEAR ENDED JUNE 30, 2001**



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



**LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY**

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LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2001

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Distribution	03-PU-00/01	10.550	\$0	\$122,311	\$0	\$112,334
School Breakfast Program	05-PU-00/01	10.553	61,022	0	61,022	0
National School Lunch Program	04-PU-00/01	10.555	497,286	0	497,286	0
Total United States Department of Agriculture - Nutrition Cluster			<b>558,308</b>	<b>122,311</b>	<b>558,308</b>	<b>112,334</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education-Grants to States	6B-SF-00/01P	84.027	351,311	0	352,164	0
Special Education -Preschool Grants	PG-S1-00P/01P	84.173	17,359	0	18,419	0
Total Special Education Cluster			<b>368,670</b>	<b>0</b>	<b>370,583</b>	<b>0</b>
Title I Grants to Local Educational Agencies	C1-S1-00/00C/01	84.010	997,890	0	1,086,291	0
Adult Education-State Grant Program	AB-S1-00/00C/01	84.002	106,380	0	124,656	0
Vocational Education-Basic Grants to States	20-C1	84.048	80,213	0	106,255	0
Title V1	C1-S1_00	84.151	0		16,652	
Safe and Drug-Free Schools and Communities - State Grants	DR-S1-00/00C/01	84.186	27,223	0	30,450	0
Goals 2000	G-S1-00	84.276	76,000		30,963	
Eisenhower Professional Development State Grants	MS-S1-99C//00/00C/01	84.281	35,782	0	19,441	0
Innovative Education Program Strategies	C2-S1-00/00C/01	84.298	40,102	0	38,545	0
Reading Excellence	RE-S1-01	84.338	359,565		345,553	
Family Literacy Initiative	FV-S1-01P	84.314	7,000	0	5,149	0
Class Size Reduction (B)	CR-S1-01	84.340	224,960	0	194,836	0
Total Department of Education			<b>2,323,785</b>	<b>0</b>	<b>2,369,374</b>	<b>0</b>
<b>Totals</b>			<b>\$2,882,093</b>	<b>\$122,311</b>	<b>\$2,927,682</b>	<b>\$112,334</b>

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

**LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2001**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes 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, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2001, the District had no significant food commodities in inventory.



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

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Columbus, Ohio 43215  
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## REPORT ON ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Board of Education  
Lancaster City School District  
Fairfield County  
111 South Broad Street  
Lancaster, Ohio 43130

We have audited the general-purpose financial statements of Lancaster City School District, Fairfield County, Ohio, (the District) as of and for the year ended June 30, 2001, and have issued our report thereon dated November 30, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

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

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated November 30, 2001.

Board of Education  
Lancaster City School District  
Fairfield County  
Report on Compliance and on Internal Control Required by  
*Government Auditing Standards*  
Page 2

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

**JIM PETRO**  
Auditor of State

November 30, 2001



STATE OF OHIO  
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133 AND SCHEDULE  
OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES**

Board of Education  
Lancaster City School District  
Fairfield County  
111 South Broad Street  
Lancaster, Ohio 43130

**Compliance**

We have audited the compliance of Lancaster City School District, Fairfield County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

**Internal Control Over Compliance**

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

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

### **Schedule of Federal Awards Receipts and Expenditures**

We have audited the general-purpose financial statements of the District as of and for the year ended June 30, 2001, and have issued our report thereon dated November 30, 2001. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards receipts and expenditures is presented for purposes of additional analysis as required by *OMB Circular A-133* and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

**JIM PETRO**  
Auditor of State

November 30, 2001

**LANCASTER CITY SCHOOL DISTRICT  
FAIRFIELD COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2001**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Special Education Cluster : Special Education Grants to States CFDA# 84.027 Special Education Preschool Grants CFDA# 84.173 Title I CFDA# 84.010
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: >\$300,000 Type B: All others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

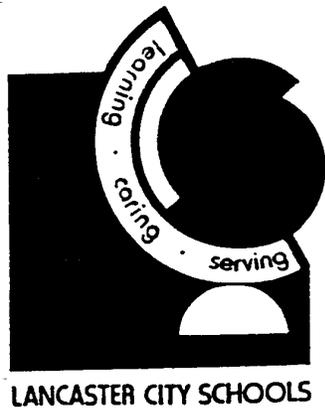
None

**3. FINDINGS FOR FEDERAL AWARDS**

None



# **Lancaster City School District, Ohio**



## **Comprehensive Annual Financial Report**

For the Fiscal Year Ended June 30, 2001



Susan Tave Zelman

March 19, 2001

Superintendent of Public Instruction

Mr. Thomas B. Maher  
Lancaster City School District  
111 S. Broad Street  
Lancaster, Ohio 43130

Dear Superintendent Maher:

The Lancaster City School District has been identified by the Ohio Department of Education as being among the most improved school districts in the State. Student achievement has improved significantly over the last two years, and the Department is eager to learn what your district has done to achieve such success.

Therefore, the Ohio Department of Education has contracted with the Indiana Center for Evaluation, a research center at Indiana University, to conduct a study entitled, "A Case Study of Key Effective Practices in Ohio's Improved School Districts." The first step will be to identify factors that select individuals in your district believe are most responsible for the improvement.

Within a few days you will be contacted for the names of two candidates (and one alternative) you believe can best identify key effective practices responsible for improvement. We encourage you to identify someone at the district level and someone at the building level able to contribute information about classrooms, students, and parents. As the information will be collected on line, we need individuals who have access to the internet and are comfortable using it as well as knowledgeable about the causes of improved student achievement in your district.

If you have questions about this key effective practices study, feel free to contact the Indiana Center for Evaluation's researcher, Aaron Kercheval at 1(800)511-6575.

Congratulations on your success to date in increasing student achievement! We look forward to identifying those dynamic practices you have found to be most effective.

Sincerely,

Susan Tave Zelman  
Superintendent of Public Instruction

**Lancaster City  
School District, Ohio**

**Comprehensive Annual  
Financial Report**

For the Fiscal Year Ended  
June 30, 2001



Issued by:  
Treasurer's Office

C. R. Asher  
Treasurer

**LANCASTER CITY SCHOOL DISTRICT, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001  
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# Introductory

## Section



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# Lancaster Board of Education

111 South Broad Street      Lancaster, Ohio 43130-4376

David S. Smith, President  
Ron E. Burris, Vice-President  
Amie G. Cohen  
Robin L. Rhodes  
Rudy A. Touvell  
C. R. Asher, Treasurer

November 30, 2001

Board of Education Members and Citizens  
Lancaster City School District

## CITIZENS OF LANCASTER CITY SCHOOL DISTRICT, OHIO

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of Lancaster City School District. This CAFR includes an opinion from the State Auditor and conforms to Generally Accepted Accounting Principles (GAAP) as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District.

## EXPLANATION OF CAFR SECTIONS

This report will provide the taxpayers of Lancaster City School District with comprehensive financial data in a format that enables them to gain a clearer understanding of the School District's finances. Copies will be made available to the Fairfield County Public Library, major taxpayers, financial rating services, and other interested parties. We are proud to be one of the first school districts in Fairfield County to issue a CAFR and intend to continue financial reporting improvements based on management experience and reader input. Comments on the report are respectfully requested.

The comprehensive annual financial report is presented in three sections as follows:

1. The Introductory Section includes this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting, the School District's organization chart, and a list of principal officials.
2. The Financial Section begins with the Independent Auditor's Report and includes the General Purpose Financial Statements and Notes to the General Purpose Financial Statements that provide an overview of the School District's financial position and operating results and the combining, individual fund, and account group financial statements and schedules.
3. The Statistical Section presents selected social and economic data, financial trends, and the fiscal capacity of Lancaster City School District.

## **THE SCHOOL DISTRICT AND SERVICES PROVIDED**

Lancaster City School District is located in the residential-commercial community of Lancaster, the county seat of Fairfield County, which is approximately thirty miles south of Columbus.

Lancaster was founded November 10, 1800, by Colonel Ebenezer Zane, a trail blazer who, in 1797, laid out "Zane's Trace," a trail through Ohio which stretches from Wheeling, West Virginia, to Limestone, Kentucky. His sons, Noah and John, laid out the original town from Pearl Street on the east to Front Street (now Memorial Drive) on the west and included Chestnut, Main, Wheeling, and Mulberry Streets running east and west between Pearl and Front Streets. The town was named New Lancaster at the request of the early German settlers from Lancaster, Pennsylvania, but was shortened to Lancaster in 1805.

General William Tecumseh Sherman was born in Lancaster, and his home on downtown Main Street is maintained by the State of Ohio as a Civil War Museum. Thomas Ewing, born in Lancaster in 1789, was one of the first graduates of Ohio University and later became a lawyer, a United States Senator, Secretary of the Treasury, and an advisor to President Lincoln.

Lancaster is home to the annual Lancaster Festival and the Zane Square Festival as well as the Heritage Tour, an annual tour of the beautiful and historic buildings and homes in Lancaster.

The Lancaster City School District was organized in the mid 1850's and continues to operate in the picturesque and historical setting of the Lancaster area. Over the years, in order to meet the needs of a growing community, the School District has expanded many times, and particularly in the mid 1950's and 1960's undertook initiatives to construct several new buildings as well as to modernize and enlarge several current buildings. The School District is now comprised of a modern high school (serving about 1200 students in grades 10-12) which houses an extensive physical education complex, a freshman school, two junior high schools (serving grades 7-8) appropriately named General Sherman Junior High and Thomas Ewing Junior High, and nine elementary schools. To date, the citizens of Lancaster have an investment of \$36,274,156 in School District land, buildings, furniture and equipment, vehicles, and books.

Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide education services authorized by charter, and further mandated by State and/or Federal agencies. The School District operates under a locally elected Board of Education which consists of five members. The Board controls the School District's thirteen instructional support facilities staffed by 290 non-certified employees, 437 certificated personnel, and 33 administrative employees who provide services to 6,230 students.

The School District provides a wide range of educational and support services as mandated by State statute or public desires. These include regular and vocational instruction, special instructional programs, student guidance services, and extracurricular activities. Enterprise fund services include bookstore sales (Uniform School Supplies) and food service operations.

## THE REPORTING ENTITY

The School District's reporting entity is comprised of the primary government and other organizations which are included to ensure that the financial statements are not misleading. The reporting entity has been defined in accordance with the principles established by the Governmental Accounting Standards Board (GASB) in Statement Number 14, "The Financial Reporting Entity".

Component units are legally separate organizations for which the School District is financially accountable. Financial accountability exists if the School District appoints a voting majority of the component unit's governing board and (1) the School District is able to significantly influence the programs or services performed or provided; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated in some manner to finance the deficits of, or provide financial support to the organization, or the School District is obligated for the debt of the organization. The School District has no component units.

The School District participates in the following jointly governed organizations: Metropolitan Educational Council, Fairfield County Council for Educational Collaboration, Coalition of Rural and Appalachian Schools, Central Ohio Special Education Regional Resource Center, Fairfield County Family, Adult and Children First Council, Teenage Pregnancy Program Board, and the Fairfield County Multi-System Youth Committee. Disclosure of the jointly governed organizations is presented in Note 18 to the General Purpose Financial Statements.

The School District takes part in the Ohio School Boards Association Workers' Compensation Group Rating Plan which is considered an insurance purchasing pool. Information pertaining to the pool is presented in Note 19 to the General Purpose Financial Statements.

## ECONOMIC CONDITION AND OUTLOOK

Located in the south-central portion of the State, Lancaster, and Fairfield County of which it is a part, borders or buffers the urban expansion of Columbus (the capital city of Ohio) and the picturesque beauty of southeastern Ohio with its scenic attractions and rolling hills.

Lancaster has remained relatively stable for a number of years in population, but has changed more significantly within the past decade. In the 2000 census, the Lancaster community showed a population of 35,335 which is up from the 1990 census of 34,507. However, there are signs of increased growth activity, which if fully realized, could have a significant impact on the School District.

Signs of increased economical and numerical growth:

- 1) Development Housing activity in general remains strong. A total of 125 building permits for new home construction were issued in 2000. The greatest activity remained in Dominion Homes' and Rockford Homes' River Valley Highlands subdivision lying adjacent to the US 33 Northwest Corridor. All nine sections for this subdivision were designed or are in some stage of construction. The build-out of the original three preliminary plat areas of this subdivision is occurring in approximately one-half the time originally expected due to stronger demand than anticipated. Two additional preliminary plats, for a total of 476 lots, were under review at the end of 2000.

Subdivision activity is also occurring in other parts of the City. On the North side, work was underway on Ewing Run Estates for 20 single-residence lots, and in the Sheridan Rainbow Subdivision for a 15 lot single-residence development. There was also a 31 lot development off of Hamburg Road on the City's south side.

- 2) Commercial Commercial development in the US Route 33 Northwest, north Memorial Drive, Corridor remained active in 2000. Holiday Inn Express, a national hotel chain, constructed and opened a new 72-unit hotel along Riverway Drive in the River Valley Complex.

Farther south on North Memorial Drive, the long vacant Union 76 building was redeveloped. The filling station and car wash at the southwest corner of Memorial Drive and Fair Avenue was demolished and a four-unit retail center was constructed in its place. The center is already fully leased.

Commercial activity also continued on the eastside:

- a. Tim Horton's planned and built a second restaurant on East Main Street.
- b. Granville Milling built a new facility on East Main Street to relocate from its South Broad Street location.
- c. Lancaster Bingo on Quarry Road began its second addition. A two-story, 10,959 square foot addition is being added to the original building built in 1991, and previously expanded in 1996.

On the other end of the downtown along Columbus Street, North End Press began a major expansion of its facility. A new structure north of its existing facility will add 18,480 square feet to the existing 12,700 square feet of space that it operates in now. The addition will allow the business to double its staff.

Health care facilities were also expanded in the past year. Construction of Altercare of Lancaster at the northeast corner of Monmouth and Chartwell Drives was completed. It has a 50-bed conventional nursing home, 20-bed Alzheimer care facility and a 42-unit assisted living facility.

- 3) Industrial Preliminary planning for industrial sites on the City's west side was underway in anticipation of the US Route 33 Lancaster Bypass. The Lancaster Area Community Improvement Corporation continued its efforts to expand the Rock Mill Corporate South to State Route 188.

In the last year in the Rock Mill Corporate Park, Porta-Kleen opened a new office and maintenance facility on Mill Park Drive. Across Mill Park Drive, Dysart constructed its fifth building of 160,000 square feet to further expand its operations. Norwesco, an older facility in the corporate park, was planning an addition to its existing building.

- 4) An Air of Expectancy There seems to be an "air" of expectancy among the community in Lancaster. The growth in housing, in commerce, in industry, in hospital/nursing homes, and in the schools has (in a sense) awakened the community to change ... hopefully, a welcome change from the past.

The City of Lancaster's economic outlook continued to improve. During 2000, when the State and the nation experienced an unemployment rate of 4.3% and 4.6% respectively, the City of Lancaster continued to experience an estimated average unemployment rate of 4.5%.

The School District The economics of the School District at the beginning of the fiscal 2000-2001 school year continued to improve. With slightly increased funding from the State and with the additional funds provided by the community, the School District has been able to:

1. Work out a contract with classified staff and give reasonable increases in staff salaries and benefits.
2. Replace needed textbooks and instructional materials. We are working heavily with staff to replace textbooks in every instructional area within the next five years.
3. Continue our development of computer technology (equipment plus training of staff).
4. Continue our renovation projects within the buildings (replacement of roofs, windows, etc. where needed). Continue to work on our communication systems such as telephones, master clocks, and public address systems.

Economically, we are still counting on the re-structuring of the State of Ohio school financing structure so we will receive more funds from that source...as indicated by the Ohio State Supreme Court. It has grown somewhat in the last couple of years. The community recently renewed a 7.9 mill levy. The levy was renewed on a continuing basis so it will not have to be voted again.

Summary While there are challenges in the operation of a community and in its schools, there are also some advantages. There is a spirit of cooperation between the City, the County, the schools, and the Ohio University branch to improve the quality of life in Lancaster. Other advantages are the location of Lancaster, favorable taxation rates, excellent city services, an excellent public school system, and the optimism of its leaders and its citizens.

## **MAJOR INITIATIVES**

The setting and reaching of either individual or "corporate" goals is a common method of striving for excellence in the Lancaster City School District and occurs in all areas of our school community.

There has been a significant thrust within the last few years to restructure our curricular programs, to replace all of our textbooks, to bring the School District into the computer age with large portions of the appropriations going to new computer equipment and to the training of staff, and to acknowledge and prepare for the growth that is coming to the School District. This past year we saw continuations within all of those areas.

There were a number of specific initiatives and accomplishments made during the fiscal year ended June 30, 2001. Some of those were as follows:

1. Teachers in the School District are using a new "road map" this year to help keep the curriculum consistent across the School District. Serving as a road map for teachers, Pacing Guides have been developed in the School District for grades kindergarten through sixth. The idea of pacing guides was suggested by teachers themselves. The guides were developed by a community of three to four teachers at each grade level. Since Lancaster's elementary schools have students moving between schools, the guides will help each elementary school maintain the same time line in their curriculum.

2. Also, in the area of curriculum design, the School District studied the whole reading program and developed new staffing procedures that started during the 2001-2002 school year. Each classroom teacher will now have back-up with special reading resource teachers who will assist the teacher and may also work with individual students or in small groups of students.
3. Every building in the School District has been evaluated as to the needs or renovations needed to bring it up to current standards and to where it can be truly functional for its purpose. MKC Associates, an architectural firm assisted the District. Residents, parents, staff members, media, administrators, and the Board were involved.

A bond issue was presented to the community in November, 2000, in the amount of \$44,000,000. Unfortunately, that did not pass. Levies typically do not pass the first time in this community. The School District will look at various alternatives and will consider placing the levy on a future ballot. The School District has not had a building levy for over thirty-five years.

4. As a result of the failure of the Bond Issue, and other reasons, the School District worked with an outside firm to prepare a survey for the community. That survey was presented, received, and analyzed. It is providing a variety of data concerning the community's feelings on building concerns, curriculum, etc. which will be very valuable to the School District for their planning.
5. A new three year contract, July 1, 2001 through June 30, 2004, was successfully negotiated with our non-teaching staff and their organization, the Lancaster School Support Association.
6. Plans have been put in place to develop a new five year Strategic Plan for the School District...the results of the community survey will help much in this regard.

Along with the major initiatives listed above, all teachers and administrators have set goals for their classrooms and buildings or departments. All of the goals, whether individual or district-wide, have one common purpose---excellence in education for the students of the Lancaster City School District.

## **FINANCIAL INFORMATION**

### **Fund Accounting**

The School District's accounting system is organized on a "fund" basis. Each fund or account group is a distinct self-balancing accounting entity. Records of general governmental operations are reported on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Records of the proprietary operations are reported on the accrual basis in which revenues are recognized when earned and expenses recorded when the related liability is incurred.

## Accounting System and Budgetary Control

In developing the School District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The School District utilizes a fully automated accounting system as well as an automated system of control for fixed assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

The Board of Education adopts the annual budget for the School District in early January. All disbursements and transfers of cash between funds require appropriation authority from the Board. All purchase order requests must be approved by the Treasurer; necessary appropriations are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional funds are secured. The School District's current accounting system provides interim financial reports which detail year-to-date expenditures and encumbrances versus appropriations and are available for review prior to authorizing additional purchases.

In addition to interim financial statements, each administrator is currently furnished with reports showing the status of the accounts for which they are responsible. The reports detail monthly revenue and expenditure transactions.

The basis of accounting and various funds and account groups the Lancaster City School District utilizes are fully described in Note 2 to the General Purpose Financial Statements. Additional information on the School District's budgetary accounting can also be found in Notes 2 and 5.

### General Fund

The following schedules represent the amount of revenues by source and expenditures by function for the General Fund for the fiscal year ended June 30, 2001, with increases and (decreases) from the fiscal year ended June 30, 2000.

	2000 <u>Amount</u>	2001 <u>Amount</u>	2000 <u>% of Total</u>	<u>Change</u>	Percent <u>Change</u>
Revenues:					
Property Taxes	\$22,523,694	\$21,071,030	52.91%	(\$1,452,664)	(6.45)%
Intergovernmental	16,391,071	17,354,836	43.57	963,765	5.88
Interest	740,831	729,488	1.83	(11,343)	(1.53)
Tuition and Fees	136,531	398,763	1.00	262,232	192.07
Rent	59,644	57,207	.14	(2,437)	(4.09)
Extracurricular					
Activities	136,831	98,998	.25	(37,833)	(27.65)
Gifts and Donations	2,100	650	.00	(1,450)	(69.05)
Miscellaneous	<u>35,806</u>	<u>118,896</u>	<u>.30</u>	<u>83,090</u>	<u>232.06</u>
Total	<u>\$40,026,508</u>	<u>\$39,829,868</u>	<u>100.00%</u>	<u>(\$196,640)</u>	<u>(0.49)%</u>

The revenue in the General Fund has remained almost the same as the previous year...dropping by 0.49%...or less than half a percent. Taxes and intergovernmental receipts are the major components of the School District's revenues, usually representing 96-98% of the total. These include the Ohio school foundation funds and offsets on taxes by the State. The amounts received through taxes are based on the assessed valuations in the School District of all real and personal property. This year the assessed valuation of the School District for all categories increased from \$689,621,751 in 2000 to \$706,726,488 in 2001, or a total of 2.5%. Although the assessed valuations increased, the School District's actual personal property tax collections decreased due to an increase in personal property tax delinquencies in fiscal year 2001.

Intergovernmental revenues increased 5.88% primarily because funds from the State school foundation allocation were higher. Adjustments being made across the State of Ohio for school districts in the way the State portion of school funds are being allocated and dispersed. The decrease in revenue through interest was due to fluctuation of interest rates. We have been fortunate the last two years that interest rates have been relatively high and that we have enjoyed a good carry-over balance.

Tuition and fees, rent, and gifts and donations tend to fluctuate from year to year, plus all of them together usually make up 1-1.5% of total revenues. While the tuition appears to have increased greatly, we really have about the same number of students...the change comes in the way the State is now requiring each district to report tuition costs. Extracurricular revenue will vary from year to year because of the success of fund-raisers, or the sales of tickets, etc. Rent and Other (miscellaneous) are going to fluctuate each year, and because of their small amount, will often show large increases or decreases in percentage points. We did provide the State more service this year in their local correctional facility which would cause other income to grow.

<u>Expenditures:</u>	<u>2000 Amount</u>	<u>2001 Amount</u>	<u>2001 % of Total</u>	<u>Change</u>	<u>Percent Change</u>
Instruction:					
Regular	\$16,234,568	\$18,167,773	43.39%	\$1,933,205	11.91%
Special	3,877,485	4,477,723	10.69	600,238	15.48
Vocational	2,311,165	2,286,961	5.46	(24,204)	(1.05)
Adult/Continuing	58,628	55,211	.13	(3,417)	(5.83)
Support Services:					
Pupils	1,914,507	2,166,870	5.17	252,363	13.18
Instructional Staff	2,406,051	2,548,355	6.09	142,304	5.91
Board of Education	41,759	47,867	.11	6,108	14.63
Administration	3,475,062	3,695,899	8.83	220,837	6.35
Fiscal	845,760	1,007,946	2.41	162,186	19.18
Business	380,951	424,996	1.01	44,045	11.56
Operation and Maintenance of Plant	3,621,686	4,370,916	10.44	749,230	20.69
Pupil					
Transportation	1,646,420	1,852,323	4.42	205,903	12.51
Central	207,554	221,876	.53	14,322	6.90
Extracurricular					
Activities	420,013	449,863	1.07	29,850	7.11
Capital Outlay	208,157	0	.00	(208,157)	(100.00)
Debt Service					
Principal Retirement	184,945	92,014	.22	(92,931)	(50.25)
Interest and Fiscal Charges	<u>22,591</u>	<u>12,314</u>	<u>.03</u>	<u>(10,277)</u>	<u>(45.49)</u>
Total	<u>\$37,857,302</u>	<u>\$41,878,907</u>	<u>100.00%</u>	<u>\$4,021,605</u>	10.62%

The expenditures increased by \$4,021,605 in fiscal year 2001 over the previous year, or 10.62%, in the General fund of the School District. That is greater than the increase in the previous year (4.79%) and we need to review some of the factors which caused those increases:

1. More than normal increases for staff, both certified and classified.
2. We have made a considerable effort to update our curriculum. That has caused some new programs with additional positions needing to be added.
3. We have made an effort during the past year to appropriate the following:
  - a. \$600,000 per year for the replacement of textbooks.
  - b. \$600,000 per year for the addition/replacement of computers and related equipment. We now have approximately 1,900 computers within the School District with necessary systems to both train in their operation, and to use them in the operational programs.
  - c. \$600,000 per year for the replacement of other equipment/furniture.
  - d. \$600,000 per year for projects throughout the buildings such as roofs, windows, blacktop, etc.
4. Because of an unusual year in medical claims, and because we are self-funded in our medical insurance program, we had to transfer an additional \$800,000 into our self-funded program.

All of these; the increases in staff salaries and wages, the addition of new curricular programs and necessary additions of staff, the extra efforts on textbooks and equipment, and the efforts at building restoration would be spread throughout the various functions under instruction and also support services.

Transportation continues to grow because we are in the process of replacing our bus fleet. We replaced ten buses during the current fiscal year. Extracurricular activities grew because our athletic programs are growing and more supplementary positions for coaches as well as other curricular programs are necessary. The operation and maintenance expenditures have grown because of increases in salaries and benefits, but also because we are putting more money in upkeep kinds of expenditures.

The debt retirement follows a pre-determined course for principal payment, and we are approaching the pay-out of our modest indebtedness within a couple of years.

Financial Highlights - General Fund In May, 1997, the community approved an additional tax levy of 7.9 mills for a period of five years. Recently, the community replaced the 1997 levy with a 7.9 mills levy for a continuing period of time.

In addition, the whole structure of how the State provides funds for each of its school districts is being studied due to a ruling through the Ohio State Supreme Court. While no school district knows yet what the complete re-structuring will do to its own individual funds, the belief is that it will considerably assist each school district.

The support of the community, and the re-structuring by the State of its school foundation program, and the fact that the assessed valuation within the School District is growing, brightens the financial outlook of the Lancaster City School District.

Financial Highlights - Proprietary Funds Food Service and Uniform School Supplies Funds are classified as enterprise operations since they resemble those activities in private industry. Management periodically desires to determine the amount of profit/loss resulting from operations that are significantly financed from user fees. Enterprise operations had a net income of \$24,054 for the fiscal year ended June 30, 2001. The Food Service Enterprise Fund had fund equity of \$63,595 at June 30, 2001. Lunch prices were not increased for fiscal year 2001, but an effort to strengthen the Food Service Fund through scrutiny of expenses and numbers of staff continued through a district-wide commitment.

At the conclusion of 2001, the only internal service fund carried on the financial records related to self-insurance. This fund accounts for revenues and expenses for health care benefits provided to School District employees. The internal service fund had an operating loss of \$1,466,798 for the fiscal year ended June 30, 2001, and retained earnings at June 30, 2001, of (\$1,397,512). During fiscal year 2001, the School District increased the insurance rates in September, 2000 and February, 2001. The third party administrator has determined that an additional increase in premiums was necessary in fiscal year 2002; therefore, the School District increased rates in September, 2001. At a later date, the internal service fund will be analyzed to determine if another increase is necessary.

Financial Highlights - Trust and Agency Funds The two trust funds carried on the financial records represent donations given for specific purposes. The agency funds represent money held by the School District for a variety of student groups.

General Fixed Assets The general fixed assets of the Lancaster City School District are used to conduct the main education and support function of the system and are not financial resources available for expenditures. The total general fixed assets at June 30, 2001, was \$36,274,156. Such assets are accounted for at historical cost. Depreciation is not recognized on general fixed assets. For insurance purposes, it has been actuarially estimated that the replacement cost of these general fixed assets would be \$110,009,800.

## **DEBT ADMINISTRATION**

At June 30, 2001, the Lancaster City School District had outstanding debt as listed below:

Note for Energy Management Program	<u>\$990,000</u>
------------------------------------	------------------

The outstanding debt is repaid through general fund tax revenues allocated to the bond retirement debt service fund. The tax revenues allocated to the bond retirement debt service fund vary each year depending on the principal retirement needed for the current fiscal year.

## **CASH MANAGEMENT**

The School District operates a cash management program designed to provide safety, liquidity, and yield. Funds are invested or deposited in Ohio State Treasurer's Investment Pool (STAR Ohio), daily repurchase agreements and demand deposit accounts. The total interest earned represents an annual interest yield of approximately 1.85 percent of the total fiscal year receipts. The cash management program is particularly successful because of access to daily balances which enables the School District to maintain minimum balance accounts and invest to the maximum extent.

A majority of the School District's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of the public funds on deposit. The collateral is held by trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions. The School District regularly reviews the market value of the pool to insure that adequate collateral is being provided.

## **PENSION PLANS**

All School District employees are covered by either of the state-wide systems, School Employees Retirement System of Ohio (SERS) or State Teachers Retirement System of Ohio (STRS). The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system. The School District's contribution requirements for pension and health care benefits were \$3,210,042 paid as the employer portion to STRS and \$916,469 paid as the employer portion to SERS. See Note 11 and 12 to the General Purpose Financial Statements for complete details.

## **RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries; and natural disasters. The School District addressed these various types of risk by contracting with Nationwide Mutual Insurance Company for fleet, liability, and property and crime insurance.

General liability insurance is maintained in the amount of \$2,000,000 for each occurrence and \$5,000,000 in the aggregate. Other liability insurance includes \$2,000,000 for automotive liability with a \$500 deductible for collision and comprehensive, and \$2,000,000 for uninsured motorist liability with no deductible.

In addition, the School District maintains replacement cost insurance on buildings and contents in the amount of \$110,009,800 with a \$1,000 deductible. Musical instruments are insured for \$690,600 with a \$250 deductible.

The School District also maintains \$25,000 on premises crime insurance and \$25,000 on messenger crime insurance.

## **INDEPENDENT AUDIT**

State statute requires the School District to submit to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, rendered an opinion on the School District's financial statements for fiscal year 2001. Pursuant to statute, the State prescribed a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for 1979.

## **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lancaster City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2000. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, with contents conforming to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Lancaster City School District has received a Certificate of Achievement for nine years out of the last ten years. The School District did not submit a CAFR for the fiscal year ended June 30, 1995. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

## **ACKNOWLEDGMENTS**

The publication of this report is a major step toward the commitment to professionalizing the financial reporting of the Lancaster City School District and significantly increases the accountability of the School District to the taxpayers.

The accomplishment of this report would not have been possible without the assistance, support, and efforts of the staff of the Treasurer's office, and various administrators and employees of the School District. A special thank you is extended to State Auditor Jim Petro's office for assistance in planning, designing, preparing, and reviewing this financial report.

Finally, sincere appreciation is extended to the Superintendent and to the Board of Education, where the commitment to excellence begins. Without their support this CAFR would not have been possible.

Respectfully Submitted,



C. R. Asher  
Lancaster City School District Treasurer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lancaster City School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2000

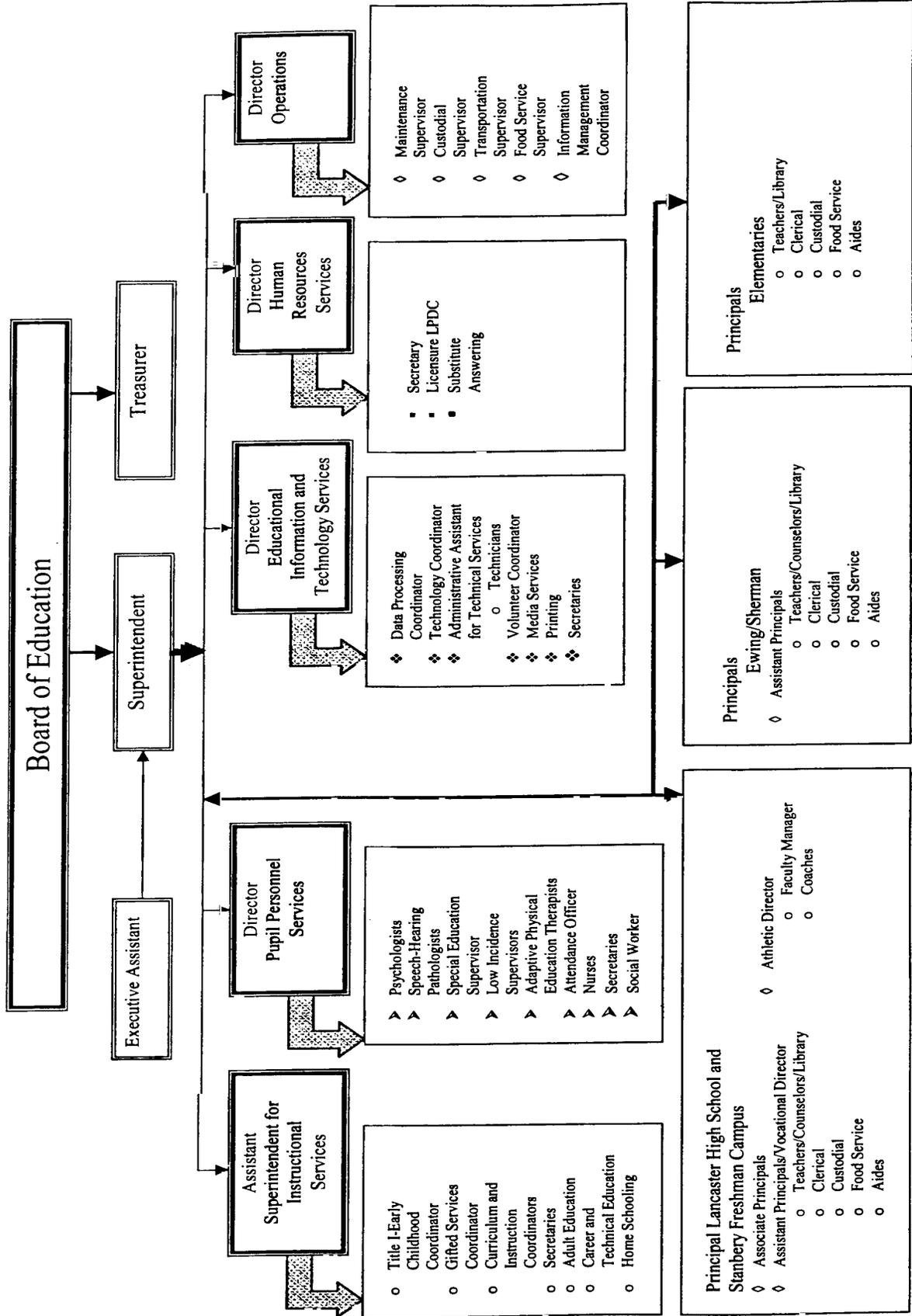
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



*Thomas D. Arue*  
President

*Jeffrey L. Esler*  
Executive Director

# Lancaster City Schools Leadership Team



**LANCASTER CITY SCHOOL DISTRICT, OHIO**  
**ORGANIZATION CHART**  
(Continued)

CENTRAL OFFICE  
ADMINISTRATORS

- Secretary
- Custodian

PRINCIPALS, ASSISTANT PRINCIPALS  
VOCATIONAL DIRECTOR

- Teachers
- Guidance Counselors
- Librarians
- Tutors
- Secretaries
- Educational Assistants
- Custodians

TREASURER

- Assistant Treasurer
- Payroll Clerk
- Account Clerk
- Secretary

PUPIL PERSONNEL  
DIRECTOR

- School Psychologists
- Supervisors, Special Education
- Coordinators, Special Education
- Occupational Therapist
- Physical Therapist
- Adaptive Physical Education Teacher
- Nurses
- Secretaries
- Custodians

DIRECTORS, SUPERVISORS  
COORDINATORS

- Secretary
- Custodian

FOOD SERVICE  
SUPERVISOR

- Managing Cooks
- Cooks
- Cashiers
- Secretary
- Account Clerk

MAINTENANCE/CUSTODIAL SUPERVISOR

- Journeyman
- Maintenance II
- Maintenance I
- Secretary
- Security Personnel

TRANSPORTATION SUPERVISOR

- Bus Driver
- Mechanic
- Wash Rack Attendant
- Secretary

**LANCASTER CITY SCHOOL DISTRICT, OHIO  
PRINCIPAL OFFICIALS  
JUNE 30, 2001**

BOARD OF EDUCATION

Mr. Ron E. Burris . . . . . President  
Mr. David S. Smith . . . . . Vice President  
Mr. Rudy A. Touvell . . . . . Member  
Mrs. Rosemary Hajost . . . . . Member  
Dr. Robin L. Rhodes . . . . . Member

Treasurer

C.R. Asher

Administration

Mr. Thomas B. Maher . . . . . Superintendent  
Mrs. Linda Deeds . . . . . Associate Superintendent, Curriculum/Instruction  
Mr. Rob Walker . . . . . Director of Human Resources  
Dr. Jacalyn R. Osborne . . . . . Director of Operations  
Mr. Steven Clippinger . . . . . Director of Educational Information and Technology  
Mr. Stanley Krulia . . . . . Director of Pupil Personnel

**Financial**

**Section**



LANCASTER CITY SCHOOLS

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

35 North Fourth Street  
Columbus, Ohio 43215  
Telephone 614-466-3402  
800-443-9275  
Facsimile 614-728-7199  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

## **REPORT OF INDEPENDENT ACCOUNTANTS**

Board of Education  
Lancaster City School District  
Fairfield County  
111 South Broad Street  
Lancaster, Ohio 43130

We have audited the accompanying general-purpose financial statements of Lancaster City School District, Fairfield County, Ohio (the District) as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Lancaster City School District, Fairfield County, Ohio as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

**JIM PETRO**  
Auditor of State

November 30, 2001

## GENERAL PURPOSE FINANCIAL STATEMENTS

The following general purpose financial statements, along with the notes to the general purpose financial statements, present an overview of the School District's financial position at June 30, 2001, and the results of operations and cash flows of its proprietary and similar trust funds for the year then ended.

**Lancaster City School District, Ohio**

Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits:</u>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$8,657,907	\$1,227,129	\$109	\$62,143
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0
<u>Receivables:</u>				
Taxes	22,546,728	0	352,879	0
Accounts	1,396	4,827	0	0
Intergovernmental	117,202	318,682	0	0
Interfund	328,114	0	0	0
Due from Other Funds	0	0	0	0
Materials and Supplies Inventory	216,435	3,859	0	0
Inventory Held for Resale	0	0	0	0
Prepaid Items	382,371	20,399	0	0
<u>Restricted Assets:</u>				
Cash and Cash Equivalents	230,172	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<u>Other Debits:</u>				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
<b>Total Assets and Other Debits</b>	<b>\$32,480,325</b>	<b>\$1,574,896</b>	<b>\$352,988</b>	<b>\$62,143</b>

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$136,873	\$134,018	\$149,035	\$0	\$0	\$10,367,214
0	92,625	0	0	0	92,625
0	53,058	0	0	0	53,058
0	0	0	0	0	22,899,607
2,892	1,541	0	0	0	10,656
76,084	0	0	0	0	511,968
0	0	0	0	0	328,114
252	0	206	0	0	458
11,339	0	0	0	0	231,633
79,191	0	0	0	0	79,191
13,337	0	0	0	0	416,107
0	0	0	0	0	230,172
105,068	0	0	36,274,156	0	36,379,224
0	0	0	0	5,764	5,764
0	0	0	0	4,843,942	4,843,942
<u>\$425,036</u>	<u>\$281,242</u>	<u>\$149,241</u>	<u>\$36,274,156</u>	<u>\$4,849,706</u>	<u>\$76,449,733</u>

(Continued)

**Lancaster City School District, Ohio**

Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 2001  
(Continued)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, Fund Equity and Other Credits:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$299,026	\$32,231	\$0	\$0
Contracts Payable	6,672	0	0	0
Accrued Salaries and Benefits Payable	3,685,693	346,773	0	0
Intergovernmental Payable	734,164	54,578	0	0
Interfund Payable	0	28,114	0	0
Due to Other Funds	458	0	0	0
Due to Others	0	0	0	0
Due to Students	0	0	0	0
Deferred Revenue	22,182,392	125,055	347,224	0
Compensated Absences Payable	166,251	0	0	0
Claims Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
Energy Conservation Notes Payable	0	0	0	0
<b>Total Liabilities</b>	<b>27,074,656</b>	<b>586,751</b>	<b>347,224</b>	<b>0</b>
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
<u>Retained Earnings:</u>				
Unreserved (Deficit)	0	0	0	0
<u>Fund Balances:</u>				
Reserved for Encumbrances	747,829	231,765	0	0
Reserved for Budget Stabilization	230,172	0	0	0
Reserved for Property Taxes	361,587	0	5,655	0
Reserved for Inventory	216,435	3,859	0	0
Reserved for Endowment	0	0	0	0
<u>Unreserved:</u>				
Undesignated	3,849,646	752,521	109	62,143
<b>Total Fund Equity (Deficit) and Other Credits</b>	<b>5,405,669</b>	<b>988,145</b>	<b>5,764</b>	<b>62,143</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$32,480,325</b>	<b>\$1,574,896</b>	<b>\$352,988</b>	<b>\$62,143</b>

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	
\$5,186	\$0	\$232	\$0	\$0	\$336,675
0	0	0	0	0	6,672
109,864	0	0	0	0	4,142,330
70,251	0	0	0	307,718	1,166,711
0	300,000	0	0	0	328,114
0	0	0	0	0	458
0	0	8,694	0	0	8,694
0	0	77,146	0	0	77,146
57,184	315,423	0	0	0	23,027,278
55,808	0	0	0	3,449,512	3,671,571
0	1,063,331	0	0	0	1,063,331
0	0	0	0	102,476	102,476
0	0	0	0	990,000	990,000
<u>298,293</u>	<u>1,678,754</u>	<u>86,072</u>	<u>0</u>	<u>4,849,706</u>	<u>34,921,456</u>
0	0	0	36,274,156	0	36,274,156
54,837	0	0	0	0	54,837
71,906	(1,397,512)	0	0	0	(1,325,606)
0	0	0	0	0	979,594
0	0	0	0	0	230,172
0	0	0	0	0	367,242
0	0	0	0	0	220,294
0	0	37,345	0	0	37,345
<u>0</u>	<u>0</u>	<u>25,824</u>	<u>0</u>	<u>0</u>	<u>4,690,243</u>
<u>126,743</u>	<u>(1,397,512)</u>	<u>63,169</u>	<u>36,274,156</u>	<u>0</u>	<u>41,528,277</u>
<u>\$425,036</u>	<u>\$281,242</u>	<u>\$149,241</u>	<u>\$36,274,156</u>	<u>\$4,849,706</u>	<u>\$76,449,733</u>

**Lancaster City School District, Ohio**  
 Combined Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 All Governmental Fund Types and Similar Trust Fund  
 For the Fiscal Year Ended June 30, 2001

	Governmental Fund		
	General	Special Revenue	Debt Service
<b>Revenues:</b>			
Property Taxes	\$21,071,030	\$0	\$349,369
Intergovernmental	17,354,836	4,319,204	0
Interest	729,488	0	0
Tuition and Fees	398,763	26,794	0
Rent	57,207	365	0
Extracurricular Activities	98,998	353,739	0
Gifts and Donations	650	29,340	0
Miscellaneous	118,896	3,476	0
<b>Total Revenues</b>	<b>39,829,868</b>	<b>4,732,918</b>	<b>349,369</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	18,167,773	769,217	0
Special	4,477,723	1,272,054	0
Vocational	2,286,961	86,853	0
Adult/Continuing	55,211	68,940	0
<b>Support Services:</b>			
Pupils	2,166,870	322,825	0
Instructional Staff	2,548,355	807,439	0
Board of Education	47,867	0	0
Administration	3,695,899	142,872	0
Fiscal	1,007,946	16,525	0
Business	424,996	0	0
Operation and Maintenance of Plant	4,370,916	7,462	0
Pupil Transportation	1,852,323	28,179	0
Central	221,876	62,264	0
Operation of Non-Instructional Services	0	672,913	0
Extracurricular Activities	449,863	268,316	0
Capital Outlay	0	6,126	0
<b>Debt Service:</b>			
Principal Retirement	92,014	0	305,000
Interest and Fiscal Charges	12,314	0	51,984
<b>Total Expenditures</b>	<b>41,878,907</b>	<b>4,531,985</b>	<b>356,984</b>
Excess of Revenues Over (Under) Expenditures	(2,049,039)	200,933	(7,615)
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Fixed Assets	3,084	0	0
Operating Transfer In	0	2,736	0
Inception of a Capital Lease	13,420	0	0
Operating Transfer Out	(802,736)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(786,232)</b>	<b>2,736</b>	<b>0</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,835,271)	203,669	(7,615)
Fund Balances at Beginning of Year	8,249,749	788,019	13,379
Decrease in Reserve for Inventory	(8,809)	(3,543)	0
<b>Fund Balances at End of Year</b>	<b>\$5,405,669</b>	<b>\$988,145</b>	<b>\$5,764</b>

See accompanying notes to the general purpose financial statements

Types	Fiduciary Fund Type	Totals
Capital Projects	Expendable Trust	(Memorandum Only)
\$0	\$0	\$21,420,399
231,560	0	21,905,600
0	1,129	730,617
0	0	425,557
0	0	57,572
0	0	452,737
723	2,375	33,088
0	0	122,372
<u>232,283</u>	<u>3,504</u>	<u>45,147,942</u>
24,845	0	18,961,835
0	0	5,749,777
0	0	2,373,814
0	0	124,151
0	0	2,489,695
19,456	0	3,375,250
0	0	47,867
0	0	3,838,771
0	0	1,024,471
0	0	424,996
20,888	0	4,399,266
0	0	1,880,502
0	0	284,140
0	1,904	674,817
0	0	718,179
171,815	0	177,941
0	0	397,014
0	0	64,298
<u>237,004</u>	<u>1,904</u>	<u>47,006,784</u>
<u>(4,721)</u>	<u>1,600</u>	<u>(1,858,842)</u>
0	0	3,084
0	0	2,736
0	0	13,420
0	0	(802,736)
<u>0</u>	<u>0</u>	<u>(783,496)</u>
(4,721)	1,600	(2,642,338)
66,864	21,416	9,139,427
<u>0</u>	<u>0</u>	<u>(12,352)</u>
<u>\$62,143</u>	<u>\$23,016</u>	<u>\$6,484,737</u>

**Lancaster City School District, Ohio**  
 Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types and Similar Trust Fund  
 For the Fiscal Year Ended June 30, 2001

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<b>Revenues:</b>			
Property Taxes	\$20,960,511	\$21,420,682	\$460,171
Intergovernmental	17,595,260	17,358,039	(237,221)
Interest	500,000	729,946	229,946
Tuition and Fees	138,200	390,691	252,491
Rent	60,000	57,419	(2,581)
Extracurricular Activities	128,500	98,998	(29,502)
Gifts and Donations	3,000	650	(2,350)
Miscellaneous	13,800	116,054	102,254
<b>Total Revenues</b>	<b>39,399,271</b>	<b>40,172,479</b>	<b>773,208</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	19,464,981	17,795,746	1,669,235
Special	4,754,138	4,415,619	338,519
Vocational	2,562,871	2,306,649	256,222
Adult/Continuing	63,000	55,085	7,915
Other	930,683	926,985	3,698
<b>Support Services:</b>			
Pupils	2,471,545	2,183,715	287,830
Instructional Staff	3,020,512	2,701,330	319,182
Board of Education	53,096	44,591	8,505
Administration	4,042,466	3,767,198	275,268
Fiscal	1,035,601	1,020,836	14,765
Business	487,267	440,078	47,189
Operation and Maintenance of Plant	4,917,991	4,789,138	128,853
Pupil Transportation	1,944,375	1,885,806	58,569
Central	269,698	226,439	43,259
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	487,444	448,926	38,518
Capital Outlay	0	0	0
<b>Debt Service:</b>			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>46,505,668</b>	<b>43,008,141</b>	<b>3,497,527</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(7,106,397)</b>	<b>(2,835,662)</b>	<b>4,270,735</b>
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Fixed Assets	2,000	3,084	1,084
Advances In	200,000	308,000	108,000
Operating Transfer In	0	0	0
Advances Out	(30,000)	(28,114)	1,886
Operating Transfer Out	(802,736)	(802,736)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(630,736)</b>	<b>(519,766)</b>	<b>110,970</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(7,737,133)</b>	<b>(3,355,428)</b>	<b>4,381,705</b>
Fund Balances at Beginning of Year	9,746,509	9,746,509	0
Prior Year Encumbrances Appropriated	1,478,704	1,478,704	0
<b>Fund Balances at End of Year</b>	<b>\$3,488,080</b>	<b>\$7,869,785</b>	<b>\$4,381,705</b>

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$356,984	\$356,984	\$0
4,544,885	4,196,773	(348,112)	0	0	0
0	0	0	0	0	0
28,800	26,867	(1,933)	0	0	0
2,100	365	(1,735)	0	0	0
524,503	354,064	(170,439)	0	0	0
34,637	29,340	(5,297)	0	0	0
0	3,812	3,812	0	0	0
<u>5,134,925</u>	<u>4,611,221</u>	<u>(523,704)</u>	<u>356,984</u>	<u>356,984</u>	<u>0</u>
1,176,151	799,224	376,927	0	0	0
1,566,942	1,258,096	308,846	0	0	0
89,241	86,738	2,503	0	0	0
79,473	71,228	8,245	0	0	0
0	0	0	0	0	0
408,370	351,795	56,575	0	0	0
1,061,354	836,364	224,990	0	0	0
0	0	0	0	0	0
260,980	159,098	101,882	0	0	0
39,795	18,280	21,515	0	0	0
200	0	200	0	0	0
9,449	8,618	831	0	0	0
56,998	32,400	24,598	0	0	0
113,010	65,862	47,148	0	0	0
884,943	825,046	59,897	0	0	0
494,167	280,659	213,508	0	0	0
6,955	6,126	829	0	0	0
0	0	0	305,000	305,000	0
0	0	0	51,984	51,984	0
<u>6,248,028</u>	<u>4,799,534</u>	<u>1,448,494</u>	<u>356,984</u>	<u>356,984</u>	<u>0</u>
<u>(1,113,103)</u>	<u>(188,313)</u>	<u>924,790</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0	0
0	28,114	28,114	0	0	0
0	2,736	2,736	0	0	0
(8,000)	(8,000)	0	0	0	0
0	0	0	0	0	0
<u>(8,000)</u>	<u>22,850</u>	<u>30,850</u>	<u>0</u>	<u>0</u>	<u>0</u>
(1,121,103)	(165,463)	955,640	0	0	0
924,627	924,627	0	109	109	0
204,781	204,781	0	0	0	0
<u>\$8,305</u>	<u>\$963,945</u>	<u>\$955,640</u>	<u>\$109</u>	<u>\$109</u>	<u>\$0</u>

(Continued)

**Lancaster City School District, Ohio**  
 Combined Statement of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual (Budget Basis)  
 All Governmental Fund Types and Similar Trust Fund  
 For the Fiscal Year Ended June 30, 2001  
 (Continued)

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Property Taxes	\$0	\$0	\$0
Intergovernmental	231,560	231,560	0
Interest	0	0	0
Tuition and Fees	0	0	0
Rent	0	0	0
Extracurricular Activities	0	0	0
Gifts and Donations	10,000	723	(9,277)
Miscellaneous	0	0	0
<b>Total Revenues</b>	<b>241,560</b>	<b>232,283</b>	<b>(9,277)</b>
<u>Expenditures:</u>			
<u>Current:</u>			
<u>Instruction:</u>			
Regular	185,451	185,217	234
Special	0	0	0
Vocational	0	0	0
Adult/Continuing	0	0	0
Other	0	0	0
<u>Support Services:</u>			
Pupils	0	0	0
Instructional Staff	31,183	31,099	84
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Business	0	0	0
Operation and Maintenance of Plant	21,811	20,888	923
Pupil Transportation	0	0	0
Central	39,000	0	39,000
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	8,217	0	8,217
Capital Outlay	12,962	0	12,962
<u>Debt Service:</u>			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>298,624</b>	<b>237,204</b>	<b>61,420</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(57,064)</b>	<b>(4,921)</b>	<b>52,143</b>
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	0	0	0
Advances In	0	0	0
Operating Transfer In	0	0	0
Advances Out	0	0	0
Operating Transfer Out	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>(57,064)</b>	<b>(4,921)</b>	<b>52,143</b>
Fund Balances at Beginning of Year	57,737	57,737	0
Prior Year Encumbrances Appropriated	9,327	9,327	0
<b>Fund Balances at End of Year</b>	<b>\$10,000</b>	<b>\$62,143</b>	<b>\$52,143</b>

See accompanying notes to the general purpose financial statements

Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$21,317,495	\$21,777,666	\$460,171
0	0	0	22,371,705	21,786,372	(585,333)
1,000	1,061	61	501,000	731,007	230,007
0	0	0	167,000	417,558	250,558
0	0	0	62,100	57,784	(4,316)
0	0	0	653,003	453,062	(199,941)
1,800	2,375	575	49,437	33,088	(16,349)
200	0	(200)	14,000	119,866	105,866
<u>3,000</u>	<u>3,436</u>	<u>436</u>	<u>45,135,740</u>	<u>45,376,403</u>	<u>240,663</u>
0	0	0	20,826,583	18,780,187	2,046,396
0	0	0	6,321,080	5,673,715	647,365
0	0	0	2,652,112	2,393,387	258,725
0	0	0	142,473	126,313	16,160
0	0	0	930,683	926,985	3,698
0	0	0	2,879,915	2,535,510	344,405
2,294	0	2,294	4,115,343	3,568,793	546,550
0	0	0	53,096	44,591	8,505
0	0	0	4,303,446	3,926,296	377,150
0	0	0	1,075,396	1,039,116	36,280
0	0	0	487,467	440,078	47,389
0	0	0	4,949,251	4,818,644	130,607
0	0	0	2,001,373	1,918,206	83,167
0	0	0	421,708	292,301	129,407
5,965	2,189	3,776	890,908	827,235	63,673
0	0	0	989,828	729,585	260,243
0	0	0	19,917	6,126	13,791
0	0	0	305,000	305,000	0
0	0	0	51,984	51,984	0
<u>8,259</u>	<u>2,189</u>	<u>6,070</u>	<u>53,417,563</u>	<u>48,404,052</u>	<u>5,013,511</u>
<u>(5,259)</u>	<u>1,247</u>	<u>6,506</u>	<u>(8,281,823)</u>	<u>(3,027,649)</u>	<u>5,254,174</u>
0	0	0	2,000	3,084	1,084
0	0	0	200,000	336,114	136,114
0	0	0	0	2,736	2,736
0	0	0	(38,000)	(36,114)	1,886
0	0	0	(802,736)	(802,736)	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(638,736)</u>	<u>(496,916)</u>	<u>141,820</u>
(5,259)	1,247	6,506	(8,920,559)	(3,524,565)	5,395,994
21,701	21,701	0	10,750,683	10,750,683	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>1,692,812</u>	<u>1,692,812</u>	<u>0</u>
<u>\$16,442</u>	<u>\$22,948</u>	<u>\$6,506</u>	<u>\$3,522,936</u>	<u>\$8,918,930</u>	<u>\$5,395,994</u>

**Lancaster City School District, Ohio**  
 Combined Statement of Revenues,  
 Expenses, and Changes in Fund Equity  
 All Proprietary Fund Types and Similar Trust Fund  
 For the Fiscal Year Ended June 30, 2001

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Non-Expendable Trust	
<u>Operating Revenues:</u>				
Sales	\$984,127	\$0	\$0	\$984,127
Charges for Services	0	3,949,681	0	3,949,681
Interest	0	0	2,276	2,276
<b>Total Operating Revenues</b>	<b>984,127</b>	<b>3,949,681</b>	<b>2,276</b>	<b>4,936,084</b>
<u>Operating Expenses:</u>				
Salaries	649,850	0	0	649,850
Fringe Benefits	263,264	0	0	263,264
Purchased Services	1,175	370,667	0	371,842
Claims	0	5,045,812	0	5,045,812
Materials and Supplies	65,144	0	0	65,144
Cost of Sales	681,897	0	0	681,897
Other Operating Expenses	4,319	0	2,188	6,507
Depreciation	17,986	0	0	17,986
<b>Total Operating Expenses</b>	<b>1,683,635</b>	<b>5,416,479</b>	<b>2,188</b>	<b>7,102,302</b>
<b>Operating Income (Loss)</b>	<b>(699,508)</b>	<b>(1,466,798)</b>	<b>88</b>	<b>(2,166,218)</b>
<u>Non-Operating Revenues:</u>				
Federal Donated Commodities	112,334	0	0	112,334
Operating Grants	599,087	0	0	599,087
Interest Income	604	0	0	604
Other Non-Operating Revenues	11,537	25,753	0	37,290
<b>Total Non-Operating Revenues</b>	<b>723,562</b>	<b>25,753</b>	<b>0</b>	<b>749,315</b>
<b>Income (Loss) Before Operating Transfers</b>	<b>24,054</b>	<b>(1,441,045)</b>	<b>88</b>	<b>(1,416,903)</b>
<b>Operating Transfers In</b>	<b>0</b>	<b>800,000</b>	<b>0</b>	<b>800,000</b>
<b>Net Income (Loss)</b>	<b>24,054</b>	<b>(641,045)</b>	<b>88</b>	<b>(616,903)</b>
<b>Retained Earnings (Deficit)/Fund Balance at Beginning of Year</b>	<b>47,852</b>	<b>(756,467)</b>	<b>40,065</b>	<b>(668,550)</b>
<b>Retained Earnings (Deficit)/Fund Balance at End of Year</b>	<b>71,906</b>	<b>(1,397,512)</b>	<b>40,153</b>	<b>(1,285,453)</b>
<b>Contributed Capital at Beginning and End of Year</b>	<b>54,837</b>	<b>0</b>	<b>0</b>	<b>54,837</b>
<b>Fund Equity at End of Year</b>	<b>\$126,743</b>	<b>(\$1,397,512)</b>	<b>\$40,153</b>	<b>(\$1,230,616)</b>

See accompanying notes to the general purpose financial statements

**Lancaster City School District, Ohio**  
 Combined Statement of Revenues, Expenses, and Changes in  
 Fund Equity - Budget and Actual (Budget Basis)  
 All Proprietary Fund Types and Similar Trust Fund  
 For the Fiscal Year Ended June 30, 2001

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$967,700	\$984,267	\$16,567
Charges for Services	0	0	0
Interest	0	352	352
Contributions and Donations	0	0	0
Operating Grants	617,400	592,235	(25,165)
Other Non-Operating Revenues	0	9,537	9,537
<b>Total Revenues</b>	<b>1,585,100</b>	<b>1,586,391</b>	<b>1,291</b>
<u>Expenses:</u>			
Salaries	676,500	654,954	21,546
Fringe Benefits	278,000	276,973	1,027
Purchased Services	9,160	1,654	7,506
Materials and Supplies	674,016	632,397	41,619
Other Operating Expenses	4,650	4,319	331
Capital Outlay	22,003	15,607	6,396
<b>Total Expenses</b>	<b>1,664,329</b>	<b>1,585,904</b>	<b>78,425</b>
Excess of Revenues Over (Under) Expenses	(79,229)	487	79,716
Operating Transfer In	0	0	0
Advances Out	0	0	0
<b>Total Advances and Transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess of Revenues Over (Under) Expenses, Advances, and Transfers	(79,229)	487	79,716
Fund Equity at Beginning of Year	134,459	134,459	0
Prior Year Encumbrances Appropriated	575	575	0
<b>Fund Equity at End of Year</b>	<b>\$55,805</b>	<b>\$135,521</b>	<b>\$79,716</b>

(Continued)

**Lancaster City School District, Ohio**  
 Combined Statement of Revenues, Expenses, and Changes in  
 Fund Equity - Budget and Actual (Budget Basis)  
 All Proprietary Fund Types and Similar Trust Fund  
 For the Fiscal Year Ended June 30, 2001  
 (Continued)

	Internal Service Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<u>Revenues:</u>			
Sales	\$0	\$0	\$0
Charges for Services	4,950,000	3,986,947	(963,053)
Interest	0	0	0
Contributions and Donations	0	0	0
Operating Grants	0	0	0
Other Non-Operating Revenues	50,000	51,987	1,987
<b>Total Revenues</b>	<b>5,000,000</b>	<b>4,038,934</b>	<b>(961,066)</b>
<u>Expenses:</u>			
Salaries	0	0	0
Fringe Benefits	0	0	0
Purchased Services	386,479	354,671	31,808
Materials and Supplies	0	0	0
Other Operating Expenses	4,673,537	4,673,261	276
Capital Outlay	0	0	0
<b>Total Expenses</b>	<b>5,060,016</b>	<b>5,027,932</b>	<b>32,084</b>
Excess of Revenues Over (Under) Expenses	(60,016)	(988,998)	(928,982)
Operating Transfer In	0	800,000	800,000
Advances Out	(563,000)	(300,000)	263,000
<b>Total Advances and Transfers</b>	<b>(563,000)</b>	<b>500,000</b>	<b>1,063,000</b>
Excess of Revenues Over (Under) Expenses, Advances, and Transfers	(623,016)	(488,998)	134,018
Fund Equity at Beginning of Year	623,016	623,016	0
Prior Year Encumbrances Appropriated	0	0	0
<b>Fund Equity at End of Year</b>	<b>\$0</b>	<b>\$134,018</b>	<b>\$134,018</b>

See accompanying notes to the general purpose financial statements

Non-Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$967,700	\$984,267	\$16,567
0	0	0	4,950,000	3,986,947	(963,053)
2,800	2,138	(662)	2,800	2,490	(310)
200	0	(200)	200	0	(200)
0	0	0	617,400	592,235	(25,165)
0	0	0	50,000	61,524	11,524
<u>3,000</u>	<u>2,138</u>	<u>(862)</u>	<u>6,588,100</u>	<u>5,627,463</u>	<u>(960,637)</u>
0	0	0	676,500	654,954	21,546
0	0	0	278,000	276,973	1,027
0	0	0	395,639	356,325	39,314
0	0	0	674,016	632,397	41,619
4,359	2,188	2,171	4,682,546	4,679,768	2,778
0	0	0	22,003	15,607	6,396
<u>4,359</u>	<u>2,188</u>	<u>2,171</u>	<u>6,728,704</u>	<u>6,616,024</u>	<u>112,680</u>
<u>(1,359)</u>	<u>(50)</u>	<u>1,309</u>	<u>(140,604)</u>	<u>(988,561)</u>	<u>(847,957)</u>
0	0	0	0	800,000	800,000
0	0	0	(563,000)	(300,000)	263,000
0	0	0	(563,000)	500,000	1,063,000
(1,359)	(50)	1,309	(703,604)	(488,561)	215,043
40,065	40,065	0	797,540	797,540	0
0	0	0	575	575	0
<u>\$38,706</u>	<u>\$40,015</u>	<u>\$1,309</u>	<u>\$94,511</u>	<u>\$309,554</u>	<u>\$215,043</u>

**Lancaster City School District, Ohio**  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types and Similar Trust Fund  
 For the Fiscal Year Ended June 30, 2001

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non- Expendable Trust</u>	
Increase (Decrease) in <u>Cash and Cash Equivalents</u>				
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$984,267	\$0	\$0	\$984,267
Cash Received from Quasi-External Operating Transactions with Other Funds	0	3,986,947	0	3,986,947
Cash Payments for Employee Services and Benefits	(931,927)	0	0	(931,927)
Cash Payments for Goods and Services	(637,734)	(359,992)	0	(997,726)
Cash Payments for Claims	0	(4,758,174)	0	(4,758,174)
Other Non-Operating Revenues	9,537	51,987	0	61,524
Other Operating Expenses	(4,319)	0	(2,188)	(6,507)
<u>Net Cash Used for Operating Activities</u>	<u>(580,176)</u>	<u>(1,079,232)</u>	<u>(2,188)</u>	<u>(1,661,596)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>				
Acquisition of Capital Assets	(10,572)	0	0	(10,572)
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Grants Received	592,235	0	0	592,235
Operating Transfers In	0	800,000	0	800,000
Advances Out	0	(300,000)	0	(300,000)
<u>Net Cash Provided by Noncapital Financing Activities</u>	<u>592,235</u>	<u>500,000</u>	<u>0</u>	<u>1,092,235</u>
<u>Cash Flows from Investing Activities:</u>				
Interest	352	0	2,138	2,490
<u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	<u>1,839</u>	<u>(579,232)</u>	<u>(50)</u>	<u>(577,443)</u>
Cash and Cash Equivalents Beginning of Year	135,034	858,933	40,065	1,034,032
Cash and Cash Equivalents End of Year	<u>\$136,873</u>	<u>\$279,701</u>	<u>\$40,015</u>	<u>\$456,589</u>

(Continued)

**Lancaster City School District, Ohio**  
 Combined Statement of Cash Flows  
 All Proprietary Fund Types and Similar Trust Fund  
 For the Fiscal Year Ended June 30, 2001  
 (Continued)

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non- Expendable Trust</u>	
Reconciliation of Operating Income (Loss) to Net Cash <u>Used for Operating Activities:</u>				
Operating Income (Loss)	(\$699,508)	(\$1,466,798)	\$88	(\$2,166,218)
Adjustments to Reconcile Operating Income (Loss) to Net <u>Cash Used for Operating Activities:</u>				
Other Non-Operating Revenues	9,537	51,987	0	61,524
Interest	0	0	(2,276)	(2,276)
Donated Commodities Used During the Year	112,334	0	0	112,334
Depreciation Expense	17,986	0	0	17,986
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(57)	(1,541)	0	(1,598)
Decrease in Due From Other Funds	197	0	0	197
Increase in Materials and Supplies Inventory	(3,189)	0	0	(3,189)
Increase in Inventory Held for Resale	(3,374)	0	0	(3,374)
(Increase) Decrease in Prepays	(1,870)	15,997	0	14,127
Increase in Accounts Payable	5,186	0	0	5,186
Increase in Accrued Salaries and Benefits Payable	1,311	0	0	1,311
Decrease in Compensated Absences Payable	(3,456)	0	0	(3,456)
Decrease in Due to Other Funds	0	(3,781)	0	(3,781)
Decrease in Intergovernmental Payable	(15,273)	0	0	(15,273)
Increase in Deferred Revenue	0	37,266	0	37,266
Increase in Claims Payable	0	287,638	0	287,638
Net Cash Used for Operating Activities	<u>(\$580,176)</u>	<u>(\$1,079,232)</u>	<u>(\$2,188)</u>	<u>(\$1,661,596)</u>
Reconciliation of Non-Expendable Trust Fund Cash and Cash Equivalents				
Cash and Cash Equivalents - All Fiduciary Funds			\$149,035	
Cash and Cash Equivalents - Agency Funds and Expendable Trust Fund			<u>(109,020)</u>	
Cash and Cash Equivalents - Non-Expendable Trust Fund			<u>\$40,015</u>	

See accompanying notes to the general purpose financial statements

**NOTES TO THE  
GENERAL PURPOSE FINANCIAL STATEMENTS**

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Lancaster City School District (the "School District"), created in the 1850's, is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and/or federal guidelines.

The Board controls the School District's thirteen instructional support facilities staffed by 290 non-certificated employees, 437 certificated personnel, and 33 administrative employees who provide services to 6,230 students and other community members.

**Reporting Entity:**

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

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

The following activities are included within the reporting entity:

**Private Schools** - William V. Fisher Catholic School, Saint Bernadette School, Faith Academy, Fairfield Christian Academy, Seventh Day Adventist School, and Saint Mary's School are private schools operated within the School District boundaries. Current State legislation provides funding to these private schools. These monies are received and disbursed on behalf of the private schools by the Treasurer of the School District, as directed by the private schools. This activity is presented in a special revenue fund.

The School District participates in seven jointly governed organizations and one insurance purchasing pool. These organizations are the Metropolitan Educational Council, Fairfield County Council for Educational Collaboration, Coalition of Rural and Appalachian Schools, Central Ohio Special Education Regional Resource Center, Fairfield County Family, Adult and Children First Council, Teenage Pregnancy Program Board, Fairfield County Multi-System Youth Committee and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 18 and 19 to the general purpose financial statements.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Lancaster City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

**A. Basis Of Presentation - Fund Accounting**

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

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories: governmental, proprietary, and fiduciary.

**Governmental Fund Types:**

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

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

**Special Revenue Funds** - 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.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

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

**Proprietary Fund Types:**

Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following are the School District's proprietary fund types:

**Enterprise Funds** - Enterprise funds are used to account for School District activities that are financed and operated in a manner similar to private business enterprises where the intent 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 it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Internal Service Fund** - The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis.

**Fiduciary Fund Types:**

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The following are the School District's fiduciary fund types:

**Expendable Trust Fund** - This fund is accounted for in essentially the same manner as governmental funds.

**Non-Expendable Trust Fund** - This fund is accounted for in essentially the same manner as proprietary funds; the principal of the trust must be preserved intact.

**Agency Funds** - These funds are purely custodial (assets equal liabilities) and 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:

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

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

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

**B. 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 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 funds and nonexpendable trust fund 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 fund types and nonexpendable trust fund operating statements present increases (i.e., revenues) and decreases (i.e., 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.

The modified accrual basis of accounting is followed for the governmental and agency funds. The full accrual basis of accounting is followed for the proprietary funds.

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 7.) Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, student fees and rentals.

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

Property taxes for which there is an enforceable legal claim as of June 30, 2001, but which were levied to finance fiscal year 2002 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On a modified accrual basis, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

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

**C. Budgetary Process**

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. The primary level of budgetary control is at the function level within each fund.

**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 Fairfield County Budget Commission for rate determination.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Estimated Resources:**

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any 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 School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2001.

**Appropriations:**

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the fund and function 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 School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, 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 treasurer allocates appropriations among objects within a fund and function during the fiscal year. 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 other than agency funds, 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. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal 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.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Lapsing of Appropriations:**

At the close of each fiscal 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.

**D. Cash and Cash Equivalents**

To improve cash management, cash received by the School District Treasurer is pooled. Monies for all funds, including enterprise funds and some internal service monies, are maintained in this pool. Individual fund integrity is maintained through School District's records. Each fund's interest in the pool is presented as "Cash and Cash Equivalents" on the balance sheet.

During fiscal year 2001, investments were limited to STAR Ohio and repurchase agreements.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2001. Repurchase agreements are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2001 amounted to \$729,488, which includes \$78,213 assigned from other School District funds.

The School District has a segregated bank account for the self insurance internal service fund held separate from the School District's central bank account. This depository account is presented in the combined balance sheet as "cash and cash equivalents in segregated accounts" since it is not required to be deposited into the School District treasury.

The School District's self insurance internal service fund has a balance on hand at the third party administrators of the medical and dental self insurance programs which is presented as "cash and cash equivalents with fiscal agents" on the balance sheet.

For purposes of the combined statement of cash flows and for presentation of the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

**E. Receivables and Payables**

Receivables and payables to be recorded on the School District's financial statements are recorded to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also, by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**F. Inventory**

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2001, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

**H. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by State statute to be set-aside to create a reserve for budget stabilization. See Note 20 for the calculation of the year end restricted asset balance and the corresponding fund balance reserve.

**I. 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 the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the 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 School District maintains a capitalization threshold of five hundred dollars. The School District does not have any infrastructure.

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. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the enterprise funds is computed using the straight-line method over an estimated useful life of ten years.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**J. Interfund Assets/Liabilities**

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables".

**K. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees with ten or more years of service.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable 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.

**L. Accrued Liabilities and Long-Term Obligations**

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than two months after fiscal year end are considered not to have used current available financial resources. Long-term notes and capital leases payable are reported as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**M. Interfund Transactions**

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**N. Fund Balance Reserves**

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventories of materials and supplies, property taxes, budget stabilization, and endowments.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures. The reserve for endowments signifies the legal restrictions on the use of principal.

**O. Contributed Capital**

Contributed capital represents resources from other funds, other governments, and private sources provided to proprietary funds that is not subject to repayment. These assets are recorded at their fair market value on the date donated. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

Because the School District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1991, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings.

**P. Estimates**

The preparation of the 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.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Q. Total Columns on General Purpose Financial Statements**

Total columns on the general purpose financial statements are captioned "Total - (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.

**NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES**

For fiscal year 2001, the School District has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No. 36, "Reporting for Certain Shared Nonexchange Revenues." The implementation of the new accounting principles had no effect on fund balance at June 30, 2000.

**NOTE 4 - ACCOUNTABILITY**

The following funds had a deficit fund balance/retained earnings as of June 30, 2001:

	<u>Deficit Fund Balance/ Retained Earnings</u>
<u>Special Revenue Funds:</u>	
Adult Basic Education	(\$7,743)
Reducing Class Size	(359)
Vocational Education	(8,720)
<u>Internal Service Fund:</u>	
Employee Benefits Self-Insurance	(1,397,512)

The deficits in the special revenue funds and internal service fund are the result of the recognition of payables in accordance with Generally Accepted Accounting Principles. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur. The School District is in the process of implementing an increase in premiums to the internal service fund. If there is no improvement in the internal service fund after premiums are increased, an additional premium increase may be implemented or management may deem it necessary for the general fund to provide an operating transfer to the internal service fund.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balances/retained earnings 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 (Budget Basis) - All Governmental Fund Types and Similar Trust Fund and the Combined Statement of Revenues, Expenses, and Changes in Fund Balances - Budget and Actual (Budget Basis) - All Proprietary Fund Types and Similar Trust Fund 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 are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).
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).
5. Proceeds from and principal payments on bond anticipation notes 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.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING** (continued)

Excess of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses  
All Governmental Fund Types and Similar Trust Fund

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	(\$2,835,271)	\$203,669	(\$7,615)	(\$4,721)	\$1,600
Revenue Accruals	342,611	(121,697)	7,615	0	(68)
Expenditure Accruals	(76,489)	1,354	0	(200)	(285)
Prepaid Items	(47,871)	(5,719)	0	0	0
Advances In	308,000	28,114	0	0	0
Advances Out	(28,114)	(8,000)	0	0	0
Encumbrances	(1,018,294)	(263,184)	0	0	0
Budget Basis	<u>(\$3,355,428)</u>	<u>(\$165,463)</u>	<u>\$0</u>	<u>(\$4,921)</u>	<u>\$1,247</u>

Net Income (Loss)/Excess of Revenues Over (Under) Expenses, Advances, and  
Transfers  
All Proprietary Fund Types and Similar Trust Fund

	Enterprise	Internal Service	Non- Expendable Trust
GAAP Basis	\$24,054	(\$641,045)	\$88
Revenue Accrual	(8,964)	(26,734)	(138)
Expense Accrual	(12,232)	372,550	0
Materials and Supplies Inventory	(3,189)	0	0
Inventory Held for Resale	(3,374)	0	0
Capital Outlay	(10,572)	0	0
Prepaid Items	(1,870)	15,997	0
Depreciation Expense	17,986	0	0
Advance Out	0	(300,000)	0
Non-Budgeted Activity	0	90,234	0
Encumbrances	(1,352)	0	0
Budget Basis	<u>\$487</u>	<u>(\$488,998)</u>	<u>(\$50)</u>

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 6 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are 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 deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including pass book accounts.

Protection of School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but 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;

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

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 from the purchase date in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and
8. Under limited circumstances, corporate debt interests rated in either the two highest rating classification by at least two nationally recognized rating agencies.

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

**Cash On Hand:** At year end, the School District had \$11,352 in undeposited cash on hand which is included on the balance sheet of the School District as part of "cash and cash equivalents".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

At June 30, 2001, the School District's internal service fund had a cash balance of \$53,058 with Medical Mutual of Ohio, a third party administrator (See Note 10). The money is held by the third party administrator in a pooled account which is representative of numerous entities and therefore cannot be classified by risk under GASB Statement 3. To obtain financial information about Medical Mutual of Ohio, write to Medical Mutual of Ohio, Eastern Region, P.O. Box 5900, Cleveland, Ohio 44101-0900.

**Deposits:** At fiscal year end, the carrying amount of the School District's deposits was (\$633,123) and the bank balance was \$92,893. All of the bank balance was covered by federal depository insurance.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 6 - DEPOSITS AND INVESTMENTS** (continued)

**Investments:** The School District's investments are categorized below to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investment in STAR Ohio, an investment pool operated by the Ohio State Treasurer, is unclassified investments since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying and Fair Value
Repurchase Agreement	\$1,227,182	\$1,227,182
STAR Ohio		10,084,600
Totals		\$11,311,782

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, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$10,743,069	\$0
Investments of the Cash Management Pool:		
Cash on Hand	(11,352)	0
Cash with Fiscal Agent	(53,058)	0
Repurchase Agreements	(1,227,182)	1,227,182
STAR Ohio	(10,084,600)	10,084,600
GASB Statement 3	(\$633,123)	\$11,311,782

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 7 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2001 for real and public utility property taxes represents collections of calendar 2000 taxes. Property tax payments received during calendar 2001 for tangible personal property (other than public utility property) is for calendar 2001 taxes.

2001 real property taxes are levied after April 1, 2001, on the assessed value as of January 1, 2001, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value. First half 2001 real property taxes are collected in and intended to finance fiscal year 2002.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2001 public utility property taxes became a lien December 31, 2000, are levied after April 1, 2001 and are collected in 2002 with real property taxes.

2001 tangible personal property taxes are levied after April 1, 2000, on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are twenty-five percent of true value.

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate 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 April 30 payment is usually distributed to the School District before June 30, but for fiscal year 2001 the final payment was not received until August, 2001.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 7 - PROPERTY TAXES** (continued)

The assessed values upon which fiscal year 2001 taxes were collected are:

	<u>2000 Second- Half Collections</u>		<u>2001 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$565,619,400	82%	\$575,134,650	81%
Public Utility	27,774,830	4	27,143,180	4
Tangible Personal Property	96,227,521	14	104,448,658	15
Total Assessed Value	<u>\$689,621,751</u>	<u>100%</u>	<u>\$706,726,488</u>	<u>100%</u>
Tax rate per \$1,000 of assessed valuation	\$64.60		\$64.60	

The School District receives property taxes from Fairfield County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2001, are available to finance fiscal year 2001 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2001, and for which there is an enforceable legal claim. 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 fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not 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. Also intended to finance current fiscal year operations is the June personal property tax and manufactured home settlements that were not received until July and August, 2001 in the amount of \$79,736 in the general fund. The amount available as an advance at June 30, 2001, was \$361,587 in the general fund and \$5,655 in the bond retirement debt service fund.

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2001, consisted of property taxes, accounts (rent, billings for user charged services, and student fees), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 8 - RECEIVABLES** (continued)

A summary of the principal items of intergovernmental receivables follows:

	Amounts
General Fund	
Excess Costs	\$82,057
Staff Services Reimbursements	13,409
Worker's Compensation Refund	12,373
Transportation Reimbursement	4,238
Miscellaneous Reimbursement	3,035
Homestead/Rollback	2,090
Total General Fund	117,202
Special Revenue Funds	
Reading Excellence	158,802
Title I	64,469
Title VI-B	31,737
Adult Basic Education	24,909
Vocational Education	15,175
Title III	16,726
Vocational Career Education	4,389
Economic Education	2,400
Miscellaneous Reimbursement	75
Total Special Revenue Funds	318,682
Enterprise Fund	
National School Lunch	76,084
Total Intergovernmental Receivables	\$511,968

**NOTE 9 - FIXED ASSETS**

A summary of the enterprise fund's fixed assets at June 30, 2001, follows:

Furniture and Equipment	\$652,988
Less Accumulated Depreciation	(547,920)
Net Fixed Assets	\$105,068

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 9 - FIXED ASSETS** (continued)

A summary of the changes in general fixed assets during fiscal year 2001 follows:

Asset Category	Balance at 6/30/00	Additions	Deletions	Balance at 6/30/01
Land and Improvements	\$900,854	\$0	\$0	\$900,854
Buildings	13,884,244	250,000	0	14,134,244
Furniture and Equipment	12,571,713	1,022,112	0	13,593,825
Vehicles	1,647,985	642,019	190,619	2,099,385
Textbooks and Library Books	4,806,119	1,139,729	400,000	5,545,848
Totals	<u>\$33,810,915</u>	<u>\$3,053,860</u>	<u>\$590,619</u>	<u>\$36,274,156</u>

**NOTE 10 - RISK MANAGEMENT**

The School 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 2001, the School District contracted with Nationwide Mutual Insurance Company for its insurance. Coverages provided by insurance are as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$110,009,800
Crime Insurance (\$100 deductible)-Premises	25,000
Crime Insurance (\$100 deductible)-Messenger	25,000
Automobile Liability (\$500 deductible for collision and Comprehensive)	2,000,000
Uninsured Motorists (No deductible)	2,000,000
General Liability Per Occurrence	2,000,000
General Liability Aggregate Limit	5,000,000
Musical Instruments (\$250 deductible)	690,600

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in coverage from last year.

For fiscal year 2001, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 10 - RISK MANAGEMENT** (continued)

The School District provides a limited medical and dental insurance program for its employees. Premiums are paid directly to the third party administrator out of the School District's self-insurance internal service fund. Central Benefits, Inc. services all medical claims and Medical Mutual services all dental claims submitted by employees. The internal service fund presented in the financial statements reflects the premiums paid into the self-insurance internal service fund by the same funds that pay the employees' salaries. The School District pays monthly medical premiums of up to \$514 for certified and classified employees for family coverage and up to \$188 for certified and classified employees for single coverage. The School District pays monthly dental premiums of up to \$37.80 for family and single coverage for certified and classified employees. The premiums paid into the internal service fund are used for claims, claim reserves, and administrative costs. The School District has a stop loss coverage insurance policy which covers individual claims in excess of \$100,000 per employee per year for medical claims. The School District has no stop loss coverage for the dental claims.

The claims liability of \$1,063,331 reported in the internal service fund at June 30, 2001, is based on an estimate provided by the third party administrator. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two fiscal years are as follows:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2000	\$516,763	\$3,475,107	\$3,216,177	\$775,693
2001	775,693	5,045,812	4,758,174	1,063,331

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS** (continued)

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2001, 4.2 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2000, 5.5 percent was used to fund the pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$254,229, \$301,388 and \$403,430 respectively; 51 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$123,724 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the general long-term obligations account group.

**B. State Teachers Retirement System**

The School District participates in the School Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides basic retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone 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.

For the fiscal year ended June 30, 2001, plan members are required to contribute 9.3 percent of their annual covered salaries. The School District is required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. For fiscal year 2000, the portion used to fund pension obligations was 6 percent. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$2,178,243, \$1,278,171 and \$1,224,291, respectively; 82 percent has been contributed for fiscal year 2001, and 100 percent for fiscal years 2000 and 1999. \$396,534 represents the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

**NOTE 12 - POSTEMPLOYMENT BENEFITS**

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

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 12 - POSTEMPLOYMENT BENEFITS** (continued)

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care cost will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2001, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$1,031,799 for fiscal year 2001.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2000, (the latest information available) the balance in the Fund was \$3.419 billion. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.8 percent of covered payroll, an increase of 1.3 percent for fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay has been established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2001 fiscal year equaled \$662,240.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2000, (the latest information available), were \$140,696,340 and the target level was \$211.0 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants receiving health care benefits.

**NOTE 13 - EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators, who work 260 days per year, earn ten to twenty-five days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators who work less than 260 days per year do not earn vacation time.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 13 - EMPLOYEE BENEFITS** (continued)

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave accumulation is unlimited. Upon retirement, payment is made for one-third of accrued, but unused sick leave credit to a maximum of 65 days for classified and certified employees. If a certified employee retires within one hundred days of their first year of eligible retirement, then the maximum retirement payment is 100 days.

**B. Life Insurance**

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Medical Mutual in an amount of \$25,000 to \$75,000 depending upon the employee's position.

**C. Deferred Compensation**

School District employees participate in a statewide deferred compensation plan that was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

**NOTE 14 - CAPITAL LEASES**

The School District entered into capitalized leases for computers and cisco router equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the General Purpose Financial Statements for the governmental funds. The items acquired by lease have been capitalized in the general fixed assets account group in the amount of \$360,907, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in 2001 totaled \$92,014.

Future minimum lease payments through 2003 are as follows:

<u>Year</u>	<u>Amount</u>
2002	\$97,129
2003	<u>14,146</u>
Total	111,275
Less: Amount Representing Interest	<u>(8,799)</u>
Present Value of Net Minimum Lease Payments	<u>\$102,476</u>

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

**NOTE 15 - LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 2001 were as follows:

	Outstanding 6/30/00	Additions	Deductions	Outstanding 6/30/01
Energy Conservation Note 1993 - 4.55%	\$1,295,000	\$0	\$305,000	\$990,000
Pension Obligation	320,719	307,718	320,719	307,718
Capital Leases	181,070	13,420	92,014	102,476
Compensated Absences	3,252,015	337,780	140,283	3,449,512
Total General Long-Term Obligations	<u>\$5,048,804</u>	<u>\$658,918</u>	<u>\$858,016</u>	<u>\$4,849,706</u>

Energy Conservation Long-Term Note - On July 15, 1993, Lancaster City School District issued \$2,850,000 in unvoted general obligation notes, at an interest rate of 4.55%, for the purpose of installing energy conservation improvements for the School District, under the authority of Ohio Revised Code sections 133.06(G) and 3313.372. The notes were issued for a ten year period with final maturity during fiscal year 2004. The debt will be retired through reductions in energy consumption and cost savings attributed to the installation of the energy conservation improvements. The general fund allocates tax revenues to the bond retirement debt service fund to meet current fiscal year obligations.

Compensated absences and the pension obligation, which represents the contractually required pension contribution paid outside the available period, will be paid from the fund from which the employees' salaries are paid. Capital lease obligations will be paid from the fund that maintains custody of the related asset.

The School District's overall legal debt margin was \$63,605,384 with an unvoted debt margin of \$706,726 at June 30, 2001.

Principal and interest requirements to retire the Energy Conservation Long-Term Note at June 30, 2001, are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total
2002	\$315,000	\$37,879	\$352,879
2003	330,000	23,205	353,205
2004	345,000	7,849	352,849
Total	<u>\$990,000</u>	<u>\$68,933</u>	<u>\$1,058,933</u>

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 16 - INTERFUND ACTIVITY**

As of June 30, 2001, receivables and payables that resulted from various interfund transactions were as follows:

Interfund Receivable/Payable

	<u>Receivable</u>	<u>Payable</u>
<u>General Fund</u>	<u>\$328,114</u>	<u>\$0</u>
<u>Special Revenue Funds:</u>		
Consumer and Economic Education	0	2,400
Adult Basic Education	0	9,800
Reading Improvement	0	8,925
Vocational Education	<u>0</u>	<u>6,989</u>
Total Special Revenue Funds	<u>0</u>	<u>28,114</u>
<u>Internal Service Fund:</u>		
Employee Benefits Self-Insurance	<u>0</u>	<u>300,000</u>
Total All Funds	<u><u>\$328,114</u></u>	<u><u>\$328,114</u></u>

Due from/Due to Other Funds

	<u>Receivable</u>	<u>Payable</u>
<u>General Fund</u>	<u>\$0</u>	<u>\$458</u>
<u>Enterprise Fund:</u>		
Food Service	<u>252</u>	<u>0</u>
<u>Expendable Trust Fund:</u>		
Scholarship Memorial	<u>68</u>	<u>0</u>
<u>Non-Expendable Trust Fund:</u>		
Endowment	<u>138</u>	<u>0</u>
Total All Funds	<u><u>\$458</u></u>	<u><u>\$458</u></u>

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 17 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects the more significant financial data relating to the enterprise funds of the Lancaster City School District as of and for the fiscal year ended June 30, 2001.

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total Enterprise Funds</u>
Operating Revenues	\$926,068	\$58,059	\$984,127
Depreciation Expense	17,986	0	17,986
Operating Income (Loss)	(703,918)	4,410	(699,508)
Donated Commodities	112,334	0	112,334
Operating Grants	599,087	0	599,087
Interest Income	604	0	604
Other Non-Operating Revenues	11,537	0	11,537
Net Income	19,644	4,410	24,054
Fixed Asset Additions	10,572	0	10,572
Deletions from Fixed Assets	12,713	0	12,713
Net Working Capital	14,335	63,148	77,483
Total Assets	357,203	67,833	425,036
Long-Term Liabilities Paid from Fund Revenues	55,808	0	55,808
Total Equity	63,595	63,148	126,743
Encumbrances Outstanding at June 30, 2001	777	575	1,352

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS**

**A. Metropolitan Educational Council**

The Metropolitan Educational Council (MEC) is a jointly governed organization. The organization is composed of over one hundred members which includes school districts, joint vocational schools, educational service centers, and libraries covering 24 counties in Central Ohio. The MEC helps its members purchase services, insurances, supplies, and other items at a discounted rate. MEC also provides a variety of services through its data processing center to thirty-one member districts ("C" sites) in the Ohio Counties of Fairfield, Franklin, Madison, Pickaway, and Union with the major emphasis being placed on fiscal services. MEC also provides services to the School District including pupil scheduling, attendance reporting, and grade reporting. The governing board of MEC is composed of either the superintendent, a designated representative or a member of the board of education for each participating school district in Franklin County (18 school districts), and one representative from each county. MEC is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for MEC. Financial statements for MEC can be obtained from the Metropolitan Educational Council, at 1600 Channingway Boulevard Suite 604, Columbus, Ohio 43232. The School District's payments to MEC in fiscal year 2001 were \$53,850.

**B. Fairfield County Council for Educational Collaboration**

Fairfield County Council of Educational Collaboration (FCCEC) is a jointly governed organization operated by a Board which consists of superintendents, or a designated representative, from nine boards of education and the Ohio University-Lancaster Campus within Fairfield County. The purpose of the FCCEC is to bring together the public school systems and the public institutions for higher education in Fairfield County so that they can collectively devise and provide for enhanced educational opportunities for the students and citizens of our community. The areas of interest that may be addressed by the Council include, but are not limited to, student programming, school management issues, and other collaborative projects deemed appropriate by the governing body of the Council. The Council is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Council. The School District made no contributions to FCCEC during fiscal year 2001.

**C. Coalition of Rural and Appalachian Schools**

The Coalition of Rural and Appalachian Schools is a jointly governed organization including over 100 hundred school districts in southeastern Ohio. The Coalition is operated by a Board which is composed of fourteen members. The board members are composed of one superintendent from each county elected by the school districts within that county. The Coalition provides various inservice for school district administrative personnel; gathers of data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent on the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Coalition. The School District paid a membership fee of \$300 in fiscal year 2001.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS** (continued)

**D. Central Ohio Special Education Regional Resource Center**

The Central Ohio Special Education Regional Resource Center (COSERRC) is a jointly governed organization operated by a Governing Board that is composed of superintendents of member school districts in Central Ohio (which comprise sixty percent of the Board), two parents of children with disabilities, one representative of a chartered nonpublic school, one representative of a county board of Mental Retardation and Developmental Disabilities, and representatives of universities. The School District participates in the following services of COSERRC: Identification and Program Development Project, Regional Educational Assessment Programming Project, Instructional Resource Center Project, Early Childhood Services Project, and the Ohio Resource Center for Low Incidence and Severely Handicapped Project. These services are to assist the School District in complying with mandates of Public Law 99-457 for educating children with disabilities. There is no financial commitment made by the districts involved in COSERRC. COSERRC is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for COSERRC. The School District made no contributions to COSERRC during fiscal year 2001.

**E. Fairfield County Family, Adult and Children First Council**

The Fairfield County Family, Adult and Children First Council is a jointly governed organization created under Ohio Revised Code Section 121.37. The Council is made up of the following members: Director of the Fairfield County Community Mental Health and Recovery Services Board, Health Commissioner of the Fairfield County Health Department, Health Commissioner of the City of Lancaster Health Department, Director of the Fairfield County Human Services, Director of the Children Services Department, Superintendent of the Fairfield County Mental Retardation and Development Disabilities, the Fairfield County Juvenile Court Judge, Superintendent of Lancaster City Schools, Superintendent of Fairfield County Board of Education, a representative of the City of Lancaster, Chair of the Fairfield County Commissioners, State Department of Youth Services Regional representative, representative from the County Head Start Agencies, a representative of the County's early intervention collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 1986", and a least three individuals representing the interests of families in the County. When possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership. In fiscal year 2001, the School District made no contributions to the Council. Continued existence of the Council is not dependent on the School District's continued participation, no equity interest exists, and no debt is outstanding.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS** (continued)

**F. Teenage Pregnancy Program Board**

The Teenage Pregnancy Program Board is a jointly governed organization created to plan and coordinate programming designed to reduce teen pregnancy in Fairfield County. The Board is composed of seventeen members. The Board consists of representatives from the following organizations: Fairfield County Juvenile Court, Fairfield County Children Services Board, Lancaster City Schools, Fairfield County Schools, Department of Human Services, Fairfield County Health Department, Fairfield County Community Action Program, four representatives from the Fairfield County Commissioners, four representatives from the nominating committee of the Teenage Pregnancy Program Board, and two young persons appointed by the Teen Advisory Board. In fiscal year 2001, the School District made no contributions to the Board. Continued existence of the Board is not dependent upon the School District's continued participation, no equity interest exists, and no debt is outstanding.

**G. Fairfield County Multi-System Youth Committee**

The Fairfield County Multi-System Youth Committee is a group of agencies that coordinate the provision of services to multi-need youth in the area. Members of the Committee include representatives of the Fairfield County Youth Services, Fairfield County Board of MR/DD, Fairfield County Mental Health and Recovery Services Board, Fairfield County Children Services, Fairfield County Health Department, New Horizons, the local office of the Rehabilitation Services Commission, Fairfield County Drug and Alcohol Recovery Services, the Lancaster City Health Department, and the Lancaster City Board of Education. The Committee received no additional monies during fiscal year 2001. Operations were paid from the previous existing balance that had accumulated from State and federal grants. No debt is currently outstanding. The Committee is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Committee.

**NOTE 19 - INSURANCE PURCHASING POOL**

**Ohio School Boards Association Workers' Compensation Group Rating Plan**

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

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 20 - SET-ASIDES**

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

The School District was also required to set aside money for budget stabilization. Senate Bill 345, effective April 10, 2001, eliminated future set-aside requirements for the budget stabilization, reduced requirements related to the current set-aside, and placed restrictions on current budget stabilization money relating to the worker's compensation refunds. The full amount of the budget stabilization was not expended by June 30, 2001.

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

	Textbooks	Capital Acquisition	Budget Stabilization
Set-aside Cash Balance as of June 30, 2000	(\$421,348)	\$0	\$626,441
Current Year Set-aside Requirement	975,243	975,243	0
Reduction in Budget Stabilization based on Statutory Revision	0	0	(396,269)
Qualifying Disbursements	(2,116,480)	(2,360,725)	0
Totals	<u>(\$1,562,585)</u>	<u>(\$1,385,482)</u>	<u>\$230,172</u>
Balance Carried Forward to FY 2002	<u>(\$1,562,585)</u>	<u>\$0</u>	<u>\$230,172</u>
Cash balances to carry forward to FY 2002	<u>\$0</u>	<u>\$0</u>	<u>\$230,172</u>

The School District had qualifying disbursements and offsets during the fiscal year that reduced the textbook and capital improvements set-aside amounts below zero. The extra amount in the textbooks may be used to reduce the set-aside requirements in future fiscal years. The extra amount in capital acquisition may not be carried forward. The total reserve balance for the three set-asides at the end of the fiscal year was \$230,172.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 21 - CONTINGENCIES**

**A. Grants**

The School 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 School District at June 30, 2001.

**B. Litigation**

The School District is currently not a party to any material legal proceedings.

**NOTE 22 - STATE FOUNDATION FUNDING**

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

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

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

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of November 30, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision and the reconsideration will have on its future State funding and on its financial operations.

**Lancaster City School District, Ohio**  
Notes to the General Purpose Financial Statements  
For the Fiscal Year Ended June 30, 2001

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**NOTE 23 - SUBSEQUENT EVENTS**

In September, 2001, the School District increased insurance premiums to the internal service fund.

On November 6, 2001, the residents of the Lancaster City School District successfully renewed a 7.9 mill operating levy. The levy is now a continuous levy.

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

## GENERAL FUND

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

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Property Taxes	\$20,960,511	\$21,420,682	\$460,171
Intergovernmental	17,595,260	17,358,039	(237,221)
Interest	500,000	729,946	229,946
Tuition and Fees	138,200	390,691	252,491
Rent	60,000	57,419	(2,581)
Extracurricular Activities	128,500	98,998	(29,502)
Gifts and Donations	3,000	650	(2,350)
Miscellaneous	13,800	116,054	102,254
	<hr/>	<hr/>	<hr/>
Total Revenues	39,399,271	40,172,479	773,208
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	13,308,636	12,366,678	941,958
Fringe Benefits	3,401,200	3,171,373	229,827
Purchased Services	92,341	64,274	28,067
Materials and Supplies	2,039,332	1,607,301	432,031
Capital Outlay - New	167,960	150,920	17,040
Capital Outlay - Replacement	443,512	434,218	9,294
Other	12,000	982	11,018
	<hr/>	<hr/>	<hr/>
Total Regular	19,464,981	17,795,746	1,669,235
Special:			
Salaries and Wages	3,575,800	3,247,185	328,615
Fringe Benefits	1,059,800	1,055,815	3,985
Purchased Services	3,850	1,472	2,378
Materials and Supplies	81,478	78,289	3,189
Capital Outlay - New	20,108	19,981	127
Capital Outlay - Replacement	13,102	12,877	225
	<hr/>	<hr/>	<hr/>
Total Special	4,754,138	4,415,619	338,519
Vocational:			
Salaries and Wages	1,865,000	1,705,051	159,949
Fringe Benefits	502,127	449,784	52,343
Purchased Services	17,000	10,224	6,776
Materials and Supplies	72,783	64,699	8,084
Capital Outlay - New	28,141	25,002	3,139
Capital Outlay - Replacement	77,820	51,889	25,931
	<hr/>	<hr/>	<hr/>
Total Vocational	\$2,562,871	\$2,306,649	\$256,222

(Continued)

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2001  
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Adult/Continuing:			
Salaries and Wages	\$50,000	\$45,892	\$4,108
Fringe Benefits	10,000	7,451	2,549
Materials and Supplies	3,000	1,742	1,258
Total Adult/Continuing	63,000	55,085	7,915
Other:			
Purchased Services	930,683	926,985	3,698
Total Other	930,683	926,985	3,698
Total Instruction	27,775,673	25,500,084	2,275,589
Support Services:			
Pupils:			
Salaries and Wages	1,330,800	1,165,194	165,606
Fringe Benefits	428,300	320,999	107,301
Purchased Services	533,000	518,246	14,754
Materials and Supplies	179,445	179,276	169
Total Pupils	2,471,545	2,183,715	287,830
Instructional Staff:			
Salaries and Wages	1,713,000	1,552,608	160,392
Fringe Benefits	733,869	680,585	53,284
Purchased Services	214,799	126,203	88,596
Materials and Supplies	274,132	260,121	14,011
Capital Outlay - New	12,017	11,675	342
Capital Outlay - Replacement	69,940	68,266	1,674
Other	2,755	1,872	883
Total Instructional Staff	3,020,512	2,701,330	319,182
Board of Education:			
Salaries and Wages	6,400	6,400	0
Fringe Benefits	400	255	145
Materials and Supplies	465	465	0
Other	45,831	37,471	8,360
Total Board of Education	\$53,096	\$44,591	\$8,505

(Continued)

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2001  
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Administration:</b>			
Salaries and Wages	\$2,784,000	\$2,609,597	\$174,403
Fringe Benefits	811,000	727,039	83,961
Purchased Services	325,133	314,209	10,924
Materials and Supplies	22,137	18,091	4,046
Capital Outlay - New	41,530	41,396	134
Capital Outlay - Replacement	49,334	49,284	50
Other	9,332	7,582	1,750
<b>Total Administration</b>	<b>4,042,466</b>	<b>3,767,198</b>	<b>275,268</b>
<b>Fiscal:</b>			
Salaries and Wages	268,500	263,775	4,725
Fringe Benefits	90,111	90,111	0
Purchased Services	96,790	91,639	5,151
Materials and Supplies	16,200	13,813	2,387
Capital Outlay - Replacement	7,100	6,890	210
Other	556,900	554,608	2,292
<b>Total Fiscal</b>	<b>1,035,601</b>	<b>1,020,836</b>	<b>14,765</b>
<b>Business:</b>			
Salaries and Wages	82,700	82,007	693
Fringe Benefits	48,400	46,809	1,591
Purchased Services	288,889	268,872	20,017
Materials and Supplies	67,278	42,390	24,888
<b>Total Business</b>	<b>487,267</b>	<b>440,078</b>	<b>47,189</b>
<b>Operation and Maintenance of Plant:</b>			
Salaries and Wages	1,658,100	1,616,488	41,612
Fringe Benefits	620,289	580,803	39,486
Purchased Services	2,138,797	2,137,833	964
Materials and Supplies	388,403	343,886	44,517
Capital Outlay - New	1,500	1,500	0
Capital Outlay - Replacement	110,902	108,628	2,274
<b>Total Operation and Maintenance of Plant</b>	<b>\$4,917,991</b>	<b>\$4,789,138</b>	<b>\$128,853</b>

(Continued)

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2001  
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Pupil Transportation:</b>			
Salaries and Wages	\$805,030	\$797,902	\$7,128
Fringe Benefits	309,500	290,887	18,613
Purchased Services	79,199	48,024	31,175
Materials and Supplies	148,664	148,512	152
Capital Outlay - New	3,722	3,722	0
Capital Outlay - Replacement	598,260	596,759	1,501
<b>Total Pupil Transportation</b>	<b>1,944,375</b>	<b>1,885,806</b>	<b>58,569</b>
<b>Central:</b>			
Salaries and Wages	72,000	65,952	6,048
Fringe Benefits	39,844	34,556	5,288
Purchased Services	74,965	47,721	27,244
Materials and Supplies	17,804	14,599	3,205
Capital Outlay - New	41,225	41,186	39
Capital Outlay - Replacement	22,860	22,400	460
Other	1,000	25	975
<b>Total Central</b>	<b>269,698</b>	<b>226,439</b>	<b>43,259</b>
<b>Total Support Services</b>	<b>18,242,551</b>	<b>17,059,131</b>	<b>1,183,420</b>
<b>Extracurricular Activities:</b>			
<b>Academic and Subject Oriented Activities:</b>			
Salaries and Wages	55,000	47,348	7,652
Fringe Benefits	11,000	6,994	4,006
Purchased Services	1,032	1,032	0
Materials and Supplies	1,815	1,773	42
Other	2,260	1,610	650
<b>Total Academic and Subject Oriented Activities</b>	<b>71,107</b>	<b>58,757</b>	<b>12,350</b>
<b>Occupational Oriented Activities:</b>			
Salaries and Wages	6,000	2,384	3,616
Fringe Benefits	600	409	191
<b>Total Occupational Oriented Activities</b>	<b>\$6,600</b>	<b>\$2,793</b>	<b>\$3,807</b>

(Continued)

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund  
For the Fiscal Year Ended June 30, 2001  
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Sports Oriented Activities:			
Salaries and Wages	\$311,800	\$311,570	\$230
Fringe Benefits	63,200	47,538	15,662
Total Sports Oriented Activities	<u>375,000</u>	<u>359,108</u>	<u>15,892</u>
School and Public Service Co-Curricular Activities:			
Salaries and Wages	29,087	23,650	5,437
Fringe Benefits	4,600	3,578	1,022
Materials and Supplies	1,050	1,040	10
Total School and Public Service Co-Curricular Activities	<u>34,737</u>	<u>28,268</u>	<u>6,469</u>
Total Extracurricular Activities	<u>487,444</u>	<u>448,926</u>	<u>38,518</u>
Total Expenditures	<u>46,505,668</u>	<u>43,008,141</u>	<u>3,497,527</u>
Excess of Revenues Under Expenditures	<u>(7,106,397)</u>	<u>(2,835,662)</u>	<u>4,270,735</u>
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	2,000	3,084	1,084
Advances In	200,000	308,000	108,000
Advances Out	(30,000)	(28,114)	1,886
Operating Transfers Out	(802,736)	(802,736)	0
Total Other Financing Sources (Uses)	<u>(630,736)</u>	<u>(519,766)</u>	<u>110,970</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	<u>(7,737,133)</u>	<u>(3,355,428)</u>	<u>4,381,705</u>
Fund Balance at Beginning of Year	9,746,509	9,746,509	0
Prior Year Encumbrances Appropriated	<u>1,478,704</u>	<u>1,478,704</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,488,080</u></u>	<u><u>\$7,869,785</u></u>	<u><u>\$4,381,705</u></u>

## SPECIAL REVENUE FUNDS

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

### Public School Support

To account for specific local revenue sources (other than taxes) generated by individual school buildings. Expenditures include field trips, assemblies, materials and other items to supplement co-curricular and extra-curricular programs.

### Community Grants

To account for grants received from a private foundation which provides funds for the development of teaching staff.

### School Improvement Models

To account for State revenues awarded the School District for venture capital grants designed around a school improvement theme developed by the individual building staff.

### District Managed Student Activity

To account for student activity programs which have student participation in the activity but do not have student management of programs.

### Auxiliary Services

To account for funds which provide services and materials to pupils attending non-public schools within the School District.

### Consumer and Economic Education

To account for State revenues awarded the School District to provide for consumer education projects.

### Teacher Development

To account for State revenues awarded the School District for providing assistance in the development of in-service programs.

### Education Management Information Systems

To account for hardware and software development, or other costs associated with the requirements of the management information system.

(Continued)

**SPECIAL REVENUE FUNDS**  
(Continued)

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Data Communications

To account for State revenues awarded the School District to provide for data communication.

SchoolNet Professional Development

To account for State funds awarded to the School District to provide for a limited number of staff professional development subsidies.

Summer School Intervention

To account for State funds awarded to the School District to provide special summer school classes for students needing additional assistance.

Safe Schools Hotline

To account for funds awarded to the School District by the State to promote safety in the School District.

Family Partnership Grant

To account for State funds awarded to the School District to promote educational linking to the family.

Adult Basic Education

To account for instructional programs for persons sixteen years of age and older who are not enrolled in school and who have less than a twelfth grade education or its equivalent.

Title III

To account for federal monies provided for strengthening instruction in science, mathematics, modern foreign languages, English, the arts, and computer learning.

Title VI

To account for federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service training, and staff development.

Drug Free Grant

To account for federal revenues which support the implementation of programs for drug abuse education and prevention.

(Continued)

## **SPECIAL REVENUE FUNDS**

(Continued)

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### Telecommunications E-Rate

To account for monies received from the Federal Government to the School District to offset services received and charged from the local telecommunication service provider.

### Goals 2000

To account for monies received from the Federal Government to enhance the School District's Continuous Improvement Goals.

### Reducing Class Size

To account for funds awarded to the School District by the Federal Government for the specific purpose of reducing class size at the primary level.

### Reading Improvement

To account for funds awarded to the School District from State and Federal revenues for the purpose of promoting the improvement of reading. This fund is the consolidation of the following funds for GAAP reporting purposes: Ohio Reads, Extended Learning Opportunities, Reading Improvement Grant, Ohio Family Literacy, and Reading Excellence Grant.

### Special Education

To account for monies which are provided for the improvement of the educational and cultural status of disadvantaged pupils and to meet the special needs of educationally deprived children. This fund is the consolidation of the following funds for GAAP reporting purposes: Title VI-B, Title I, and Disadvantaged Pupil Impact Aid.

### Vocational Education

To account for funds for the development of vocational education career development programs and for adults to acquire adequate employment skills. This fund is the consolidation of the Career Development, Vocational Education Professional Development, and Vocational Education funds for GAAP reporting purposes.

### Preschool

To account for federal and State revenues awarded to the School District for the improvement and expansion of services provided for preschool children and handicapped preschool children. This fund is the consolidation of the Public School Preschool and Preschool Handicapped funds for GAAP reporting purposes.

## Lancaster City School District, Ohio

Combining Balance Sheet  
All Special Revenue Funds  
June 30, 2001

	Public School Support	Community Grants	School Improvement Models	District Managed Student Activity
<u>Assets:</u>				
Cash and Cash Equivalents	\$69,653	\$21,831	\$50,443	\$101,179
Receivables:				
Accounts	0	0	0	3,475
Intergovernmental	0	0	0	75
Materials and Supplies Inventory	3,859	0	0	0
Prepaid Items	368	0	0	118
<b>Total Assets</b>	<b>\$73,880</b>	<b>\$21,831</b>	<b>\$50,443</b>	<b>\$104,847</b>
<u>Liabilities:</u>				
Accounts Payable	\$27	\$0	\$1,274	\$933
Accrued Salaries and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	0	52
Interfund Payable	0	0	0	0
Deferred Revenue	0	0	0	0
<b>Total Liabilities</b>	<b>27</b>	<b>0</b>	<b>1,274</b>	<b>985</b>
<u>Fund Equity:</u>				
Fund Balances:				
Reserved for Encumbrances	13,150	909	6,003	11,464
Reserved for Inventory	3,859	0	0	0
Unreserved:				
Undesignated (Deficits)	56,844	20,922	43,166	92,398
<b>Total Fund Equity (Deficits)</b>	<b>73,853</b>	<b>21,831</b>	<b>49,169</b>	<b>103,862</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$73,880</b>	<b>\$21,831</b>	<b>\$50,443</b>	<b>\$104,847</b>

<u>Auxiliary Services</u>	<u>Consumer and Economic Education</u>	<u>Teacher Development</u>	<u>Educational Management Information Systems</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>
\$140,018	\$2	\$31,134	\$32,111	\$39,000	\$2,956
30	0	0	0	0	0
0	2,400	0	0	0	0
0	0	0	0	0	0
2,411	0	0	0	0	849
<u>\$142,459</u>	<u>\$2,402</u>	<u>\$31,134</u>	<u>\$32,111</u>	<u>\$39,000</u>	<u>\$3,805</u>
\$13,021	\$0	\$1,170	\$0	\$0	\$0
31,666	0	0	360	0	0
5,140	0	0	0	0	0
0	2,400	0	0	0	0
0	0	0	0	0	0
<u>49,827</u>	<u>2,400</u>	<u>1,170</u>	<u>360</u>	<u>0</u>	<u>0</u>
88,475	0	7,280	0	0	0
0	0	0	0	0	0
<u>4,157</u>	<u>2</u>	<u>22,684</u>	<u>31,751</u>	<u>39,000</u>	<u>3,805</u>
<u>92,632</u>	<u>2</u>	<u>29,964</u>	<u>31,751</u>	<u>39,000</u>	<u>3,805</u>
<u>\$142,459</u>	<u>\$2,402</u>	<u>\$31,134</u>	<u>\$32,111</u>	<u>\$39,000</u>	<u>\$3,805</u>

(Continued)

**Lancaster City School District, Ohio**

Combining Balance Sheet  
All Special Revenue Funds  
June 30, 2001  
(Continued)

	<u>Summer School Intervention</u>	<u>Family Partnership Grant</u>	<u>Adult Basic Education</u>	<u>Title III</u>
<u>Assets:</u>				
Cash and Cash Equivalents	\$49,041	\$193	\$4,947	\$28,921
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	0	24,909	16,726
Materials and Supplies Inventory	0	0	0	0
Prepaid Items	0	0	127	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$49,041</u>	<u>\$193</u>	<u>\$29,983</u>	<u>\$45,647</u>
 <u>Liabilities:</u>				
Accounts Payable	\$169	\$0	\$1,246	\$3,212
Accrued Salaries and Benefits Payable	0	0	0	0
Intergovernmental Payable	0	0	1,771	116
Interfund Payable	0	0	9,800	0
Deferred Revenue	0	0	24,909	9,422
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>169</u>	<u>0</u>	<u>37,726</u>	<u>12,750</u>
 <u>Fund Equity:</u>				
<u>Fund Balances:</u>				
Reserved for Encumbrances	0	106	3,820	21,253
Reserved for Inventory	0	0	0	0
<u>Unreserved:</u>				
Undesignated (Deficits)	48,872	87	(11,563)	11,644
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity (Deficits)	<u>48,872</u>	<u>193</u>	<u>(7,743)</u>	<u>32,897</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity	<u>\$49,041</u>	<u>\$193</u>	<u>\$29,983</u>	<u>\$45,647</u>

<u>Title VI</u>	<u>Drug Free Grant</u>	<u>Telecom- munications E-Rate</u>	<u>Goals 2000</u>	<u>Reducing Class Size</u>	<u>Reading Improvement</u>
\$1,564	\$1,073	\$79,459	\$45,037	\$32,462	\$134,997
0	0	0	0	0	0
0	0	0	0	0	158,802
0	0	0	0	0	0
0	0	0	0	1,992	1,519
<u>\$1,564</u>	<u>\$1,073</u>	<u>\$79,459</u>	<u>\$45,037</u>	<u>\$34,454</u>	<u>\$295,318</u>
\$0	\$0	\$0	\$0	\$0	\$6,977
0	0	0	0	30,304	26,321
0	0	0	0	4,509	4,194
0	0	0	0	0	8,925
0	0	0	0	0	9,913
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,813</u>	<u>56,330</u>
0	0	562	0	0	42,933
0	0	0	0	0	0
<u>1,564</u>	<u>1,073</u>	<u>78,897</u>	<u>45,037</u>	<u>(359)</u>	<u>196,055</u>
<u>1,564</u>	<u>1,073</u>	<u>79,459</u>	<u>45,037</u>	<u>(359)</u>	<u>238,988</u>
<u>\$1,564</u>	<u>\$1,073</u>	<u>\$79,459</u>	<u>\$45,037</u>	<u>\$34,454</u>	<u>\$295,318</u>

(Continued)

**Lancaster City School District, Ohio**

Combining Balance Sheet  
All Special Revenue Funds  
June 30, 2001  
(Continued)

	<u>Special Education</u>	<u>Vocational Education</u>	<u>Preschool</u>	<u>Totals</u>
<u>Assets:</u>				
Cash and Cash Equivalents	\$280,741	\$4,819	\$75,548	\$1,227,129
Receivables:				
Accounts	0	0	1,322	4,827
Intergovernmental	96,206	19,564	0	318,682
Materials and Supplies Inventory	0	0	0	3,859
Prepaid Items	11,071	0	1,944	20,399
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$388,018</u>	<u>\$24,383</u>	<u>\$78,814</u>	<u>\$1,574,896</u>
 <u>Liabilities:</u>				
Accounts Payable	\$0	\$3,806	\$396	\$32,231
Accrued Salaries and Benefits Payable	230,739	6,679	20,704	346,773
Intergovernmental Payable	35,446	454	2,896	54,578
Interfund Payable	0	6,989	0	28,114
Deferred Revenue	64,469	15,175	1,167	125,055
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>330,654</u>	<u>33,103</u>	<u>25,163</u>	<u>586,751</u>
 <u>Fund Equity:</u>				
<u>Fund Balances:</u>				
Reserved for Encumbrances	19,813	1,014	14,983	231,765
Reserved for Inventory	0	0	0	3,859
<u>Unreserved:</u>				
Undesignated (Deficits)	37,551	(9,734)	38,668	752,521
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Equity (Deficits)	<u>57,364</u>	<u>(8,720)</u>	<u>53,651</u>	<u>988,145</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity	<u>\$388,018</u>	<u>\$24,383</u>	<u>\$78,814</u>	<u>\$1,574,896</u>

**Lancaster 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, 2001

	Public School Support	Community Grants	School Improvement Models	District Managed Student Activity	Auxiliary Services
<u>Revenues:</u>					
Intergovernmental	\$0	\$0	\$100,000	\$0	\$627,076
Tuition and Fees	568	0	0	0	0
Rent	365	0	0	0	0
Extracurricular Activities	68,564	0	0	285,175	0
Gifts and Donations	8,403	20,937	0	0	0
Miscellaneous	0	0	0	3,476	0
<b>Total Revenues</b>	<u>77,900</u>	<u>20,937</u>	<u>100,000</u>	<u>288,651</u>	<u>627,076</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	37,127	10,036	31,052	0	0
Special	0	0	0	0	0
Vocational	0	0	0	0	0
Adult/Continuing	0	1,048	0	0	0
Support Services:					
Pupils	1,572	0	0	0	0
Instructional Staff	2	493	38,573	0	0
Administration	14,293	0	0	0	0
Fiscal	0	0	0	0	0
Operation and Maintenance of Plant	103	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	10,073	0	0	0	613,191
Extracurricular Activities	0	0	0	268,316	0
Capital Outlay	0	1,126	0	5,000	0
<b>Total Expenditures</b>	<u>63,170</u>	<u>12,703</u>	<u>69,625</u>	<u>273,316</u>	<u>613,191</u>
Excess of Revenues Over (Under) Expenditures	14,730	8,234	30,375	15,335	13,885
<u>Other Financing Sources:</u>					
Operating Transfers-In	0	0	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	14,730	8,234	30,375	15,335	13,885
Fund Balances (Deficit) at Beginning of Year	62,666	13,597	18,794	88,527	78,747
Decrease in Reserve for Inventory	<u>(3,543)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances (Deficits) at End of Year	<u>\$73,853</u>	<u>\$21,831</u>	<u>\$49,169</u>	<u>\$103,862</u>	<u>\$92,632</u>

(Continued)

**Lancaster 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, 2001  
(Continued)

	Consumer and Economic Education	Teacher Development	Educational Management Information Systems	Data Communications
<u>Revenues:</u>				
Intergovernmental	\$14,400	\$37,314	\$24,398	\$39,000
Tuition and Fees	0	0	0	0
Rent	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<b>Total Revenues</b>	<b>14,400</b>	<b>37,314</b>	<b>24,398</b>	<b>39,000</b>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	0	0	0
Special	0	0	0	0
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	0	0	0	0
Instructional Staff	15,303	33,811	0	0
Administration	0	0	0	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	20,251	28,205
Operation of Non-Instructional Services	0	2,206	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
<b>Total Expenditures</b>	<b>15,303</b>	<b>36,017</b>	<b>20,251</b>	<b>28,205</b>
Excess of Revenues Over (Under) Expenditures	(903)	1,297	4,147	10,795
<u>Other Financing Sources:</u>				
Operating Transfers-In	0	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(903)	1,297	4,147	10,795
Fund Balances (Deficit) at Beginning of Year	905	28,667	27,604	28,205
Decrease in Reserve for Inventory	0	0	0	0
<b>Fund Balances (Deficits) at End of Year</b>	<b>\$2</b>	<b>\$29,964</b>	<b>\$31,751</b>	<b>\$39,000</b>

SchoolNet Professional Development	Summer School Intervention	Safe Schools Hotline	Family Partnership Grant	Adult Basic Education	Title III
\$9,000	\$49,041	\$6,204	\$2,857	\$106,380	\$43,086
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>9,000</u>	<u>49,041</u>	<u>6,204</u>	<u>2,857</u>	<u>106,380</u>	<u>43,086</u>
0	169	0	1,829	0	18,065
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	67,892	0
0	0	0	835	23,185	0
5,195	0	0	0	33,239	6,407
1,000	0	0	0	0	0
0	0	0	0	1,446	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	6,425	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>6,195</u>	<u>169</u>	<u>6,425</u>	<u>2,664</u>	<u>125,762</u>	<u>24,472</u>
2,805	48,872	(221)	193	(19,382)	18,614
0	0	0	0	0	0
2,805	48,872	(221)	193	(19,382)	18,614
1,000	0	221	0	11,639	14,283
0	0	0	0	0	0
<u>\$3,805</u>	<u>\$48,872</u>	<u>\$0</u>	<u>\$193</u>	<u>(\$7,743)</u>	<u>\$32,897</u>

(Continued)

**Lancaster 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, 2001  
(Continued)

	Title VI	Drug Free Grant	Telecom- munications E-Rate	Goals 2000
<u>Revenues:</u>				
Intergovernmental	\$40,102	\$27,223	\$2,441	\$76,000
Tuition and Fees	0	0	0	0
Rent	0	0	0	0
Extracurricular Activities	0	0	0	0
Gifts and Donations	0	0	0	0
Miscellaneous	0	0	0	0
Total Revenues	<u>40,102</u>	<u>27,223</u>	<u>2,441</u>	<u>76,000</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	33,656	0	0	30,963
Special	0	0	0	0
Vocational	0	0	0	0
Adult/Continuing	0	0	0	0
Support Services:				
Pupils	16,227	26,163	0	0
Instructional Staff	0	0	0	0
Administration	0	0	8,000	0
Fiscal	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional				
Services	5,315	4,300	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>55,198</u>	<u>30,463</u>	<u>8,000</u>	<u>30,963</u>
Excess of Revenues Over (Under) Expenditures	(15,096)	(3,240)	(5,559)	45,037
<u>Other Financing Sources:</u>				
Operating Transfers-In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(15,096)	(3,240)	(5,559)	45,037
Fund Balances (Deficit) at Beginning of Year	16,660	4,313	85,018	0
Decrease in Reserve for Inventory	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances (Deficits) at End of Year	<u>\$1,564</u>	<u>\$1,073</u>	<u>\$79,459</u>	<u>\$45,037</u>

Reducing Class Size	Reading Improvement	Special Education	Vocational Education	Preschool	Totals
\$224,960	\$801,354	\$1,827,476	\$115,454	\$145,438	\$4,319,204
0	0	0	0	26,226	26,794
0	0	0	0	0	365
0	0	0	0	0	353,739
0	0	0	0	0	29,340
0	0	0	0	0	3,476
<u>224,960</u>	<u>801,354</u>	<u>1,827,476</u>	<u>115,454</u>	<u>171,664</u>	<u>4,732,918</u>
206,593	322,382	0	0	77,345	769,217
0	0	1,272,021	0	33	1,272,054
0	0	0	86,853	0	86,853
0	0	0	0	0	68,940
0	68,346	122,843	27,843	35,811	322,825
0	222,532	369,437	34,649	47,798	807,439
0	0	103,373	0	16,206	142,872
0	0	14,952	0	127	16,525
0	0	0	0	7,359	7,462
0	0	0	0	28,179	28,179
0	0	0	6,441	942	62,264
0	0	37,828	0	0	672,913
0	0	0	0	0	268,316
0	0	0	0	0	6,126
<u>206,593</u>	<u>613,260</u>	<u>1,920,454</u>	<u>155,786</u>	<u>213,800</u>	<u>4,531,985</u>
18,367	188,094	(92,978)	(40,332)	(42,136)	200,933
0	0	0	2,736	0	2,736
18,367	188,094	(92,978)	(37,596)	(42,136)	203,669
(18,726)	50,894	150,342	28,876	95,787	788,019
0	0	0	0	0	(3,543)
<u>(\$359)</u>	<u>\$238,988</u>	<u>\$57,364</u>	<u>(\$8,720)</u>	<u>\$53,651</u>	<u>\$988,145</u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Public School Support Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Tuition and Fees	\$8,800	\$568	(\$8,232)
Rent	2,100	365	(1,735)
Extracurricular Activities	112,020	68,964	(43,056)
Gifts and Donations	13,600	8,403	(5,197)
<b>Total Revenues</b>	<u>136,520</u>	<u>78,300</u>	<u>(58,220)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased Services	30,449	17,929	12,520
Materials and Supplies	84,943	28,779	56,164
Capital Outlay - New	5,605	1,754	3,851
Capital Outlay - Replacement	3,050	786	2,264
Other	1,408	1,208	200
<b>Total Regular</b>	<u>125,455</u>	<u>50,456</u>	<u>74,999</u>
Support Services:			
Pupils:			
Purchased Services	3,400	1,504	1,896
Materials and Supplies	100	68	32
Capital Outlay - Replacement	1,000	0	1,000
<b>Total Pupils</b>	<u>4,500</u>	<u>1,572</u>	<u>2,928</u>
Instructional Staff:			
Purchased Services	2,500	0	2,500
Materials and Supplies	1,500	70	1,430
<b>Total Instructional Staff</b>	<u>4,000</u>	<u>70</u>	<u>3,930</u>
Administration:			
Purchased Services	9,055	4,290	4,765
Materials and Supplies	7,250	2,570	4,680
Capital Outlay - New	2,900	0	2,900
Capital Outlay - Replacement	1,500	0	1,500
Other	14,732	7,525	7,207
<b>Total Administration</b>	<u>35,437</u>	<u>14,385</u>	<u>21,052</u>
Business:			
Purchased Services	200	0	200
<b>Total Business</b>	<u>\$200</u>	<u>\$0</u>	<u>\$200</u>

(Continued)

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Public School Support Fund  
For the Fiscal Year Ended June 30, 2001  
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation and Maintenance of Plant: Purchased Services	\$2,020	\$1,259	\$761
Total Operation and Maintenance of Plant	2,020	1,259	761
 Total Support Services	 46,157	 17,286	 28,871
Operation of Non-Instructional Services:			
Food Service Operations:			
Purchased Services	200	0	200
Materials and Supplies	19,219	10,431	8,788
Total Food Service Operations	19,419	10,431	8,988
Community Services:			
Materials and Supplies	919	299	620
Total Community Services	919	299	620
Total Operation of Non-Instructional Services	20,338	10,730	9,608
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Materials and Supplies	1,000	0	1,000
Total Academic and Subject Oriented Activities	1,000	0	1,000
School and Public Service Co-Curricular Activities:			
Other	70	0	70
Total School and Public Service Co-Curricular Activities	70	0	70
Total Extracurricular Activities	1,070	0	1,070
Capital Outlay:			
Other Facilities Acquisition and Construction Services:			
Materials and Supplies	\$147	\$0	\$147

(Continued)

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Public School Support Fund  
For the Fiscal Year Ended June 30, 2001  
(Continued)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total Other Facilities Acquisition and Construction Services	<u>\$147</u>	<u>\$0</u>	<u>\$147</u>
Total Capital Outlay	<u>147</u>	<u>0</u>	<u>147</u>
Total Expenditures	<u>193,167</u>	<u>78,472</u>	<u>114,695</u>
Excess of Revenues Under Expenditures	(56,647)	(172)	56,475
Fund Balance at Beginning of Year	49,319	49,319	0
Prior Year Encumbrances Appropriated	<u>7,328</u>	<u>7,328</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$56,475</u></u>	<u><u>\$56,475</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Community Grants Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Gifts and Donations	<u>\$21,037</u>	<u>\$20,937</u>	<u>(\$100)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	3,640	2,008	1,632
Fringe Benefits	702	319	383
Materials and Supplies	26,374	8,246	18,128
Other	<u>372</u>	<u>372</u>	<u>0</u>
Total Regular	<u>31,088</u>	<u>10,945</u>	<u>20,143</u>
Adult/Continuing:			
Salaries and Wages	1,179	982	197
Fringe Benefits	<u>152</u>	<u>152</u>	<u>0</u>
Total Adult/Continuing	<u>1,331</u>	<u>1,134</u>	<u>197</u>
Total Instruction	<u>32,419</u>	<u>12,079</u>	<u>20,340</u>
Support Services:			
Instructional Staff:			
Purchased Services	27	27	0
Materials and Supplies	<u>466</u>	<u>466</u>	<u>0</u>
Total Instructional Staff	<u>493</u>	<u>493</u>	<u>0</u>
Capital Outlay:			
Architecture and Engineering Services:			
Purchased Services	<u>1,808</u>	<u>1,126</u>	<u>682</u>
Total Architecture and Engineering Services	<u>1,808</u>	<u>1,126</u>	<u>682</u>
Total Capital Outlay	<u>1,808</u>	<u>1,126</u>	<u>682</u>
Total Expenditures	<u>\$34,720</u>	<u>\$13,698</u>	<u>\$21,022</u> (Continued)

**Lancaster City School District, Ohio**  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Community Grants Fund  
 For the Fiscal Year Ended June 30, 2001  
 (Continued)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess of Revenues Over (Under) Expenditures	(\$13,683)	\$7,239	\$20,922
Fund Balance at Beginning of Year	11,875	11,875	0
Prior Year Encumbrances Appropriated	<u>1,808</u>	<u>1,808</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$20,922</u></u>	<u><u>\$20,922</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
School Improvement Models Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	33,297	20,518	12,779
Capital Outlay - New	<u>23,198</u>	<u>16,948</u>	<u>6,250</u>
Total Regular	<u>56,495</u>	<u>37,466</u>	<u>19,029</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	16,803	7,190	9,613
Fringe Benefits	4,134	1,098	3,036
Purchased Services	28,049	22,270	5,779
Materials and Supplies	<u>14,849</u>	<u>8,847</u>	<u>6,002</u>
Total Instructional Staff	<u>63,835</u>	<u>39,405</u>	<u>24,430</u>
Total Expenditures	<u>120,330</u>	<u>76,871</u>	<u>43,459</u>
Excess of Revenues Over (Under) Expenditures	(20,330)	23,129	43,459
Fund Balance at Beginning of Year	15,699	15,699	0
Prior Year Encumbrances Appropriated	<u>4,631</u>	<u>4,631</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$43,459</u></u>	<u><u>\$43,459</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
District Managed Student Activity Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Extracurricular Activities	\$412,483	\$285,100	(\$127,383)
Miscellaneous	0	3,812	3,812
<b>Total Revenues</b>	<u>412,483</u>	<u>288,912</u>	<u>(123,571)</u>
<u>Expenditures:</u>			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	175	175	0
Purchased Services	126,666	12,963	113,703
Materials and Supplies	48,060	13,692	34,368
Capital Outlay - New	19,600	2,951	16,649
Capital Outlay - Replacement	13,944	0	13,944
Other	27,000	13,366	13,634
<b>Total Academic and Subject Oriented Activities</b>	<u>235,445</u>	<u>43,147</u>	<u>192,298</u>
Sports Oriented Activities:			
Salaries and Wages	18,300	17,799	501
Purchased Services	73,760	71,126	2,634
Materials and Supplies	125,906	114,715	11,191
Capital Outlay - New	1,000	943	57
Other	26,600	21,176	5,424
<b>Total Sports Oriented Activities</b>	<u>245,566</u>	<u>225,759</u>	<u>19,807</u>
School and Public Service Co-Curricular Activities:			
Purchased Services	8,126	8,126	0
Materials and Supplies	3,960	3,627	333
<b>Total School and Public Service Co-Curricular Activities</b>	<u>12,086</u>	<u>11,753</u>	<u>333</u>
<b>Total Extracurricular Activities</b>	<u>\$493,097</u>	<u>\$280,659</u>	<u>\$212,438</u> (Continued)

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
District Managed Student Activity Fund  
For the Fiscal Year Ended June 30, 2001  
(Continued)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Capital Outlay:			
Other Facilities Acquisition and Construction Services:			
Capital Outlay - Replacement	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$0</u>
Total Other Facilities Acquisition and Construction Services	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Total Capital Outlay	<u>5,000</u>	<u>5,000</u>	<u>0</u>
Total Expenditures	<u>498,097</u>	<u>285,659</u>	<u>212,438</u>
Excess of Revenues Over (Under) Expenditures	(85,614)	3,253	88,867
Fund Balance at Beginning of Year	70,656	70,656	0
Prior Year Encumbrances Appropriated	<u>14,958</u>	<u>14,958</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$88,867</u></u>	<u><u>\$88,867</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Auxiliary Services Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	<u>\$627,076</u>	<u>\$627,076</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	207,420	180,611	26,809
Fringe Benefits	60,678	54,122	6,556
Purchased Services	54,030	53,836	194
Materials and Supplies	326,770	322,222	4,548
Capital Outlay - New	131,432	130,803	629
Capital Outlay - Replacement	777	777	0
Other	23,452	23,452	0
Total Community Services	<u>804,559</u>	<u>765,823</u>	<u>38,736</u>
Total Expenditures	<u>804,559</u>	<u>765,823</u>	<u>38,736</u>
Excess of Revenues Under Expenditures	(177,483)	(138,747)	38,736
Fund Balance at Beginning of Year	96,261	96,261	0
Prior Year Encumbrances Appropriated	<u>81,222</u>	<u>81,222</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$38,736</u></u>	<u><u>\$38,736</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Consumer and Economic Education Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$14,400</u>	<u>\$12,000</u>	<u>(\$2,400)</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	1,050	1,050	0
Materials and Supplies	<u>14,255</u>	<u>14,253</u>	<u>2</u>
Total Instructional Staff	<u>15,305</u>	<u>15,303</u>	<u>2</u>
Total Expenditures	<u>15,305</u>	<u>15,303</u>	<u>2</u>
Excess of Revenues Under Expenditures	<u>(905)</u>	<u>(3,303)</u>	<u>(2,398)</u>
<u>Other Financing Sources (Uses):</u>			
Advances In	0	2,400	2,400
Advances Out	<u>(2,400)</u>	<u>(2,400)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(2,400)</u>	<u>0</u>	<u>2,400</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(3,305)	(3,303)	2
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	<u>3,305</u>	<u>3,305</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$2</u></u>	<u><u>\$2</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Teacher Development Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$37,314</u>	<u>\$37,314</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	5,000	0	5,000
Purchased Services	17,929	12,429	5,500
Materials and Supplies	11,145	11,038	107
Capital Outlay - New	<u>29,637</u>	<u>17,624</u>	<u>12,013</u>
Total Instructional Staff	<u>63,711</u>	<u>41,091</u>	<u>22,620</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	1,135	1,135	0
Materials and Supplies	<u>1,135</u>	<u>1,071</u>	<u>64</u>
Total Community Services	<u>2,270</u>	<u>2,206</u>	<u>64</u>
Total Expenditures	<u>65,981</u>	<u>43,297</u>	<u>22,684</u>
Excess of Revenues Under Expenditures	(28,667)	(5,983)	22,684
Fund Balance at Beginning of Year	<u>28,667</u>	<u>28,667</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$22,684</u></u>	<u><u>\$22,684</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Educational Management Information Systems Fund  
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$0	\$24,398	\$24,398
<u>Expenditures:</u>			
Current:			
Support Services:			
Central:			
Salaries and Wages	17,025	17,018	7
Purchased Services	4,575	649	3,926
Materials and Supplies	2,015	1,045	970
Capital Outlay - New	5,000	2,190	2,810
Total Central	28,615	20,902	7,713
Total Expenditures	28,615	20,902	7,713
Excess of Revenues Over (Under) Expenditures	(28,615)	3,496	32,111
Fund Balance at Beginning of Year	28,615	28,615	0
Fund Balance at End of Year	\$0	\$32,111	\$32,111

**Lancaster City School District, Ohio**  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Data Communications Fund  
 For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$39,000	\$39,000	\$0
<u>Expenditures:</u>			
Current:			
Support Services:			
Central:			
Purchased Services	67,205	28,205	39,000
Total Central	67,205	28,205	39,000
Total Expenditures	67,205	28,205	39,000
Excess of Revenues Over (Under) Expenditures	(28,205)	10,795	39,000
Fund Balance at Beginning of Year	28,205	28,205	0
Fund Balance at End of Year	\$0	\$39,000	\$39,000

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
SchoolNet Professional Development Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$9,000</u>	<u>\$9,000</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	<u>9,000</u>	<u>6,044</u>	<u>2,956</u>
Total Instructional Staff	<u>9,000</u>	<u>6,044</u>	<u>2,956</u>
Administration:			
Purchased Services	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Total Administration	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Total Support Services	<u>10,000</u>	<u>7,044</u>	<u>2,956</u>
Total Expenditures	<u>10,000</u>	<u>7,044</u>	<u>2,956</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,000)</u>	<u>1,956</u>	<u>2,956</u>
Fund Balance at Beginning of Year	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$2,956</u></u>	<u><u>\$2,956</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Summer School Intervention Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	\$49,041	\$49,041	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	20,000	0	20,000
Fringe Benefits	3,090	0	3,090
Purchased Services	0	0	0
Materials and Supplies	25,951	169	25,782
Total Regular	49,041	169	48,872
Total Expenditures	49,041	169	48,872
Excess of Revenues Over Expenditures	0	48,872	48,872
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$48,872</u>	<u>\$48,872</u>

**Lancaster City School District, Ohio**  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Safe Schools Hotline Fund  
 For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$6,204</u>	<u>\$6,204</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Central:			
Purchased Services	<u>6,425</u>	<u>6,425</u>	<u>0</u>
Total Central	<u>6,425</u>	<u>6,425</u>	<u>0</u>
Total Expenditures	<u>6,425</u>	<u>6,425</u>	<u>0</u>
Excess of Revenues Under Expenditures	(221)	(221)	0
Fund Balance at Beginning of Year	<u>221</u>	<u>221</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Lancaster City School District, Ohio**  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Family Partnership Grant Fund  
 For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$2,857	\$2,857	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	1,829	1,829	0
Total Regular	1,829	1,829	0
Support Services:			
Pupils:			
Purchased Services	27	27	0
Materials and Supplies	1,001	914	87
Total Pupils	1,028	941	87
Total Expenditures	2,857	2,770	87
Excess of Revenues Over Expenditures	0	87	87
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$87	\$87

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Adult Basic Education Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	<u>\$131,289</u>	<u>\$106,380</u>	<u>(\$24,909)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Adult/Continuing:			
Salaries and Wages	58,005	52,530	5,475
Fringe Benefits	8,885	8,038	847
Materials and Supplies	<u>11,252</u>	<u>9,526</u>	<u>1,726</u>
Total Adult/Continuing	<u>78,142</u>	<u>70,094</u>	<u>8,048</u>
Support Services:			
Pupils:			
Salaries and Wages	21,339	19,299	2,040
Fringe Benefits	3,182	2,982	200
Purchased Services	529	358	171
Other	<u>250</u>	<u>0</u>	<u>250</u>
Total Pupils	<u>25,300</u>	<u>22,639</u>	<u>2,661</u>
Instructional Staff:			
Salaries and Wages	18,955	16,582	2,373
Fringe Benefits	3,218	2,562	656
Purchased Services	7,371	6,239	1,132
Materials and Supplies	1,250	988	262
Capital Outlay - New	7,027	7,023	4
Other	<u>250</u>	<u>235</u>	<u>15</u>
Total Instructional Staff	<u>38,071</u>	<u>33,629</u>	<u>4,442</u>
Fiscal:			
Other	<u>3,201</u>	<u>3,201</u>	<u>0</u>
Total Fiscal	<u>3,201</u>	<u>3,201</u>	<u>0</u>
Total Support Services	<u>66,572</u>	<u>59,469</u>	<u>7,103</u>
Total Expenditures	<u>\$144,714</u>	<u>\$129,563</u>	<u>\$15,151</u> (Continued)

**Lancaster City School District, Ohio**  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Adult Basic Education Fund  
 For the Fiscal Year Ended June 30, 2001  
 (Continued)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess of Revenues Under Expenditures	(\$13,425)	(\$23,183)	(\$9,758)
<u>Other Financing Sources:</u>			
Advances In	<u>0</u>	<u>9,800</u>	<u>9,800</u>
Excess of Revenues and Other Financing Sources Under Expenditures	(13,425)	(13,383)	42
Fund Balance at Beginning of Year	13,265	13,265	0
Prior Year Encumbrances Appropriated	<u>160</u>	<u>160</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$42</u></u>	<u><u>\$42</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Title III Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	<u>\$52,508</u>	<u>\$35,782</u>	<u>(\$16,726)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	500	0	500
Fringe Benefits	70	0	70
Purchased Services	28,612	17,800	10,812
Materials and Supplies	3,540	3,540	0
Other	<u>1,703</u>	<u>1,703</u>	<u>0</u>
Total Regular	<u>34,425</u>	<u>23,043</u>	<u>11,382</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	1,500	256	1,244
Fringe Benefits	350	39	311
Purchased Services	17,769	15,388	2,381
Materials and Supplies	5,435	743	4,692
Capital Outlay - New	<u>6,095</u>	<u>6,095</u>	<u>0</u>
Total Instructional Staff	<u>31,149</u>	<u>22,521</u>	<u>8,628</u>
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	<u>1,217</u>	<u>0</u>	<u>1,217</u>
Total Community Services	<u>1,217</u>	<u>0</u>	<u>1,217</u>
Total Expenditures	<u>66,791</u>	<u>45,564</u>	<u>21,227</u>
Excess of Revenues Under Expenditures	(14,283)	(9,782)	4,501
Fund Balance at Beginning of Year	<u>14,283</u>	<u>14,283</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$4,501</u></u>	<u><u>\$4,501</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Title VI Fund  
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$40,102	\$40,102	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	33,656	33,656	0
Total Regular	33,656	33,656	0
Support Services:			
Pupils:			
Salaries and Wages	16,227	16,227	0
Total Pupils	16,227	16,227	0
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	300	0	300
Purchased Services	579	0	579
Materials and Supplies	5,112	4,427	685
Capital Outlay - Replacement	888	888	0
Total Community Services	6,879	5,315	1,564
Total Expenditures	56,762	55,198	1,564
Excess of Revenues Under Expenditures	(16,660)	(15,096)	1,564
Fund Balance at Beginning of Year	16,616	16,616	0
Prior Year Encumbrances Appropriated	44	44	0
Fund Balance at End of Year	\$0	\$1,564	\$1,564

**Lancaster City School District, Ohio**  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Drug Free Grant Fund  
 For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	<u>\$27,223</u>	<u>\$27,223</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Pupils:			
Purchased Services	26,150	26,150	0
Other	<u>13</u>	<u>13</u>	<u>0</u>
Total Pupils	<u>26,163</u>	<u>26,163</u>	<u>0</u>
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	2,722	1,649	1,073
Materials and Supplies	<u>2,651</u>	<u>2,651</u>	<u>0</u>
Total Community Services	<u>5,373</u>	<u>4,300</u>	<u>1,073</u>
Total Expenditures	<u>31,536</u>	<u>30,463</u>	<u>1,073</u>
Excess of Revenues Under Expenditures	(4,313)	(3,240)	1,073
Fund Balance at Beginning of Year	2,354	2,354	0
Prior Year Encumbrances Appropriated	<u>1,959</u>	<u>1,959</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$1,073</u></u>	<u><u>\$1,073</u></u>

**Lancaster City School District, Ohio**  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Telecommunications E-Rate Fund  
 For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$0</u>	<u>\$2,441</u>	<u>\$2,441</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Administration:			
Purchased Services	84,896	8,440	76,456
Other	<u>122</u>	<u>122</u>	<u>0</u>
Total Administration	<u>85,018</u>	<u>8,562</u>	<u>76,456</u>
Total Expenditures	<u>85,018</u>	<u>8,562</u>	<u>76,456</u>
Excess of Revenues Under Expenditures	(85,018)	(6,121)	78,897
Fund Balance at Beginning of Year	<u>85,018</u>	<u>85,018</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$78,897</u></u>	<u><u>\$78,897</u></u>

**Lancaster City School District, Ohio**  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Goals 2000 Fund  
 For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$76,000</u>	<u>\$76,000</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	7,000	3,140	3,860
Purchased Services	65,000	27,823	37,177
Materials and Supplies	<u>4,000</u>	<u>0</u>	<u>4,000</u>
Total Regular	<u>76,000</u>	<u>30,963</u>	<u>45,037</u>
Total Expenditures	<u>76,000</u>	<u>30,963</u>	<u>45,037</u>
Excess of Revenues Over Expenditures	0	45,037	45,037
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$45,037</u></u>	<u><u>\$45,037</u></u>

**Lancaster City School District, Ohio**  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Reducing Class Size Fund  
 For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$224,960</u>	<u>\$224,960</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	173,101	147,856	25,245
Fringe Benefits	<u>48,882</u>	<u>46,980</u>	<u>1,902</u>
Total Regular	<u>221,983</u>	<u>194,836</u>	<u>27,147</u>
Fiscal:			
Other	<u>5,315</u>	<u>0</u>	<u>5,315</u>
Total Fiscal	<u>5,315</u>	<u>0</u>	<u>5,315</u>
Total Expenditures	<u>227,298</u>	<u>194,836</u>	<u>32,462</u>
Excess of Revenues Over (Under) Expenditures	(2,338)	30,124	32,462
Fund Balance at Beginning of Year	<u>2,338</u>	<u>2,338</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$32,462</u></u>	<u><u>\$32,462</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Ohio Reads Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$198,000</u>	<u>\$198,000</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased Services	65,400	65,400	0
Materials and Supplies	65,724	63,848	1,876
Other	<u>2,911</u>	<u>2,911</u>	<u>0</u>
Total Regular	<u>134,035</u>	<u>132,159</u>	<u>1,876</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	13,312	9,562	3,750
Purchased Services	<u>76,710</u>	<u>73,047</u>	<u>3,663</u>
Total Instructional Staff	<u>90,022</u>	<u>82,609</u>	<u>7,413</u>
Total Expenditures	<u>224,057</u>	<u>214,768</u>	<u>9,289</u>
Excess of Revenues Under Expenditures	(26,057)	(16,768)	9,289
Fund Balance at Beginning of Year	6,413	6,413	0
Prior Year Encumbrances Appropriated	<u>19,644</u>	<u>19,644</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$9,289</u></u>	<u><u>\$9,289</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Extended Learning Opportunities Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	<u>\$62,900</u>	<u>\$62,900</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	17,000	0	17,000
Fringe Benefits	2,850	0	2,850
Materials and Supplies	<u>25,650</u>	<u>14,013</u>	<u>11,637</u>
Total Regular	<u>45,500</u>	<u>14,013</u>	<u>31,487</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	5,000	0	5,000
Fringe Benefits	75	0	75
Purchased Services	<u>9,925</u>	<u>0</u>	<u>9,925</u>
Total Instructional Staff	<u>15,000</u>	<u>0</u>	<u>15,000</u>
Pupil Transportation:			
Purchased Services	<u>2,400</u>	<u>0</u>	<u>2,400</u>
Total Pupil Transportation	<u>2,400</u>	<u>0</u>	<u>2,400</u>
Total Support Services	<u>17,400</u>	<u>0</u>	<u>17,400</u>
Total Expenditures	<u>62,900</u>	<u>14,013</u>	<u>48,887</u>
Excess of Revenues Over Expenditures	0	48,887	48,887
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$48,887</u></u>	<u><u>\$48,887</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Reading Improvement Grant Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$0</u>
 <u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	11,625	6,625	5,000
Capital Outlay - New	38,375	18,375	20,000
Other	<u>1,470</u>	<u>1,470</u>	<u>0</u>
Total Regular	<u>51,470</u>	<u>26,470</u>	<u>25,000</u>
Total Expenditures	<u>51,470</u>	<u>26,470</u>	<u>25,000</u>
Excess of Revenues Under Expenditures	(26,470)	(1,470)	25,000
Fund Balance at Beginning of Year	<u>26,470</u>	<u>26,470</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$25,000</u></u>	<u><u>\$25,000</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Ohio Family Literacy Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$7,000</u>	<u>\$7,000</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased Services	598	598	0
Materials and Supplies	<u>2,956</u>	<u>2,942</u>	<u>14</u>
Total Regular	<u>3,554</u>	<u>3,540</u>	<u>14</u>
Support Services:			
Instructional Staff:			
Purchased Services	264	264	0
Materials and Supplies	<u>3,219</u>	<u>1,346</u>	<u>1,873</u>
Total Instructional Staff	<u>3,483</u>	<u>1,610</u>	<u>1,873</u>
Total Expenditures	<u>7,037</u>	<u>5,150</u>	<u>1,887</u>
Excess of Revenues Over (Under) Expenditures	(37)	1,850	1,887
Prior Year Encumbrances Appropriated	<u>37</u>	<u>37</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$1,887</u></u>	<u><u>\$1,887</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Reading Excellence Grant Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$518,367</u>	<u>\$359,565</u>	<u>(\$158,802)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	80,000	78,063	1,937
Fringe Benefits	21,800	21,064	736
Purchased Services	8,400	0	8,400
Materials and Supplies	72,596	44,134	28,462
Capital Outlay - New	<u>30,962</u>	<u>14,592</u>	<u>16,370</u>
Total Regular	<u>213,758</u>	<u>157,853</u>	<u>55,905</u>
Support Services:			
Pupils:			
Salaries and Wages	7,200	2,745	4,455
Purchased Services	81,464	62,837	18,627
Materials and Supplies	8,300	3,744	4,556
Capital Outlay - New	<u>1,800</u>	<u>1,743</u>	<u>57</u>
Total Pupils	<u>98,764</u>	<u>71,069</u>	<u>27,695</u>
Instructional Staff:			
Salaries and Wages	62,265	48,230	14,035
Fringe Benefits	15,525	12,933	2,592
Purchased Services	103,935	78,248	25,687
Materials and Supplies	20,620	121	20,499
Capital Outlay - New	<u>2,500</u>	<u>0</u>	<u>2,500</u>
Total Instructional Staff	<u>204,845</u>	<u>139,532</u>	<u>65,313</u>
Fiscal:			
Other	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Fiscal	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Total Support Services	<u>304,609</u>	<u>210,601</u>	<u>94,008</u>
Total Expenditures	<u>\$518,367</u>	<u>\$368,454</u>	<u>\$149,913</u> (Continued)

**Lancaster City School District, Ohio**  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Reading Excellence Grant Fund  
 For the Fiscal Year Ended June 30, 2001  
 (Continued)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess of Revenues Under Expenditures	\$0	(\$8,889)	(\$8,889)
<u>Other Financing Sources:</u>			
Advances In	<u>0</u>	<u>8,925</u>	<u>8,925</u>
Excess of Revenues and Other Financing Sources Over Expenditures	0	36	36
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$36</u></u>	<u><u>\$36</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Title VI-B Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	<u>\$383,048</u>	<u>\$351,311</u>	<u>(\$31,737)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and Wages	22,710	19,177	3,533
Fringe Benefits	6,831	2,962	3,869
Capital Outlay - New	<u>1,901</u>	<u>1,901</u>	<u>0</u>
Total Special	<u>31,442</u>	<u>24,040</u>	<u>7,402</u>
Support Services:			
Pupils:			
Salaries and Wages	12,364	9,826	2,538
Fringe Benefits	2,488	1,518	970
Purchased Services	124,949	124,949	0
Materials and Supplies	7,905	3,614	4,291
Other	<u>514</u>	<u>514</u>	<u>0</u>
Total Pupils	<u>148,220</u>	<u>140,421</u>	<u>7,799</u>
Instructional Staff:			
Salaries and Wages	46,057	39,312	6,745
Fringe Benefits	<u>21,555</u>	<u>20,974</u>	<u>581</u>
Total Instructional Staff	<u>67,612</u>	<u>60,286</u>	<u>7,326</u>
Administration:			
Salaries and Wages	46,437	44,770	1,667
Fringe Benefits	13,960	13,416	544
Purchased Services	52,778	52,776	2
Capital Outlay - New	<u>8,082</u>	<u>8,082</u>	<u>0</u>
Total Administration	<u>121,257</u>	<u>119,044</u>	<u>2,213</u>
Fiscal:			
Other	<u>3,852</u>	<u>1,952</u>	<u>1,900</u>
Total Fiscal	<u>3,852</u>	<u>1,952</u>	<u>1,900</u>
Total Support Services	<u>\$340,941</u>	<u>\$321,703</u>	<u>\$19,238</u>

(Continued)

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Title VI-B Fund  
For the Fiscal Year Ended June 30, 2001  
(Continued)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	\$30,234	\$25,968	\$4,266
Purchased Services	1,600	0	1,600
	<u>31,834</u>	<u>25,968</u>	<u>5,866</u>
Total Expenditures	<u>404,217</u>	<u>371,711</u>	<u>32,506</u>
Excess of Revenues Under Expenditures	(21,169)	(20,400)	769
<u>Other Financing Uses:</u>			
Advances Out	<u>(3,000)</u>	<u>(3,000)</u>	<u>0</u>
Excess of Revenues Under Expenditures and Other Financing Uses	(24,169)	(23,400)	769
Fund Balance at Beginning of Year	99	99	0
Prior Year Encumbrances Appropriated	<u>24,070</u>	<u>24,070</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$769</u></u>	<u><u>\$769</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Title I Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	<u>\$1,062,359</u>	<u>\$997,890</u>	<u>(\$64,469)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and Wages	789,034	587,095	201,939
Fringe Benefits	181,521	155,644	25,877
Materials and Supplies	<u>10,624</u>	<u>10,522</u>	<u>102</u>
Total Special	<u>981,179</u>	<u>753,261</u>	<u>227,918</u>
Support Services:			
Instructional Staff:			
Salaries and Wages	263,655	219,910	43,745
Fringe Benefits	75,598	73,791	1,807
Purchased Services	6,809	3,259	3,550
Materials and Supplies	13,507	11,813	1,694
Capital Outlay - New	<u>3,683</u>	<u>1,205</u>	<u>2,478</u>
Total Instructional Staff	<u>363,252</u>	<u>309,978</u>	<u>53,274</u>
Fiscal:			
Other	<u>26,000</u>	<u>13,000</u>	<u>13,000</u>
Total Fiscal	<u>26,000</u>	<u>13,000</u>	<u>13,000</u>
Total Support Services	<u>389,252</u>	<u>322,978</u>	<u>66,274</u>
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	9,715	8,219	1,496
Fringe Benefits	<u>2,758</u>	<u>2,485</u>	<u>273</u>
Total Community Services	<u>12,473</u>	<u>10,704</u>	<u>1,769</u>
Total Expenditures	<u>\$1,382,904</u>	<u>\$1,086,943</u>	<u>\$295,961</u> (Continued)

**Lancaster City School District, Ohio**  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Title I Fund  
 For the Fiscal Year Ended June 30, 2001  
 (Continued)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess of Revenues Under Expenditures	(\$320,545)	(\$89,053)	\$231,492
Fund Balance at Beginning of Year	309,853	309,853	0
Prior Year Encumbrances Appropriated	<u>10,692</u>	<u>10,692</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$231,492</u></u>	<u><u>\$231,492</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Disadvantaged Pupil Impact Aid Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$523,392</u>	<u>\$478,534</u>	<u>(\$44,858)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and Wages	483,465	422,335	61,130
Fringe Benefits	<u>70,823</u>	<u>58,427</u>	<u>12,396</u>
Total Special	<u>554,288</u>	<u>480,762</u>	<u>73,526</u>
Total Expenditures	<u>554,288</u>	<u>480,762</u>	<u>73,526</u>
Excess of Revenues Under Expenditures	(30,896)	(2,228)	28,668
Fund Balance at Beginning of Year	<u>30,896</u>	<u>30,896</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$28,668</u></u>	<u><u>\$28,668</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Career Development Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$33,241</u>	<u>\$28,852</u>	<u>(\$4,389)</u>
<u>Expenditures:</u>			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	3,050	3,050	0
Purchased Services	1,648	1,648	0
Materials and Supplies	<u>27,478</u>	<u>27,478</u>	<u>0</u>
Total Instructional Staff	<u>32,176</u>	<u>32,176</u>	<u>0</u>
Total Expenditures	<u>32,176</u>	<u>32,176</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>1,065</u>	<u>(3,324)</u>	<u>(4,389)</u>
<u>Other Financing Sources (Uses):</u>			
Advances In	0	4,389	4,389
Advances Out	<u>(2,600)</u>	<u>(2,600)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(2,600)</u>	<u>1,789</u>	<u>4,389</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(1,535)	(1,535)	0
Fund Balance at Beginning of Year	75	75	0
Prior Year Encumbrances Appropriated	<u>1,460</u>	<u>1,460</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Vocational Education Professional Development Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Intergovernmental	<u>\$2,000</u>	<u>\$2,000</u>	<u>\$0</u>
<u>Expenditures:</u>			
Current:			
Instrution:			
Vocational:			
Purchased Services	1,300	1,300	0
Materials and Supplies	5,088	5,088	0
Capital Outlay - New	5,171	5,171	0
Capital Outlay - Replacement	3,710	3,710	0
Other	<u>1,592</u>	<u>1,592</u>	<u>0</u>
Total Vocational	<u>16,861</u>	<u>16,861</u>	<u>0</u>
Total Expenditures	<u>16,861</u>	<u>16,861</u>	<u>0</u>
Excess of Revenues Under Expenditures	(14,861)	(14,861)	0
Fund Balance at Beginning of Year	1,590	1,590	0
Prior Year Encumbrances Appropriated	<u>13,271</u>	<u>13,271</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Vocational Education Fund  
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$106,874	\$80,213	(\$26,661)
<u>Expenditures:</u>			
Current:			
Instruction:			
Vocational:			
Salaries and Wages	16,797	15,273	1,524
Fringe Benefits	2,595	2,359	236
Materials and Supplies	12,537	12,072	465
Capital Outlay - New	40,451	40,173	278
Total Vocational	72,380	69,877	2,503
Support Services:			
Pupils:			
Salaries and Wages	38,188	28,214	9,974
Materials and Supplies	60	60	0
Total Pupils	38,248	28,274	9,974
Instructional Staff:			
Purchased Services	3,662	3,551	111
Total Instructional Staff	3,662	3,551	111
Central:			
Purchased Services	6,194	5,833	361
Materials and Supplies	3,611	3,540	71
Total Central	9,805	9,373	432
Total Support Services	51,715	41,198	10,517
Total Expenditures	124,095	111,075	13,020
Excess of Revenues Under Expenditures	(\$17,221)	(\$30,862)	(\$13,641)

(Continued)

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Vocational Education Fund  
For the Fiscal Year Ended June 30, 2001  
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Other Financing Sources:</u>			
Advances In	\$0	\$2,600	\$2,600
Operating Transfers In	0	2,736	2,736
Total Other Financing Sources	0	5,336	5,336
Excess of Revenues and Other Financing Sources Under Expenditures	(17,221)	(25,526)	(8,305)
Fund Balance at Beginning of Year	12,137	12,137	0
Prior Year Encumbrances Appropriated	13,389	13,389	0
Fund Balance at End of Year	<u>\$8,305</u>	<u>\$0</u>	<u>(\$8,305)</u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Public School Preschool Fund  
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$168,371	\$168,371	\$0
Tuition and Fees	20,000	26,299	6,299
<b>Total Revenues</b>	<b>188,371</b>	<b>194,670</b>	<b>6,299</b>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and Wages	69,206	59,358	9,848
Fringe Benefits	18,408	16,539	1,869
Purchased Services	2,802	2,382	420
Materials and Supplies	3,246	3,238	8
Capital Outlay - New	4,200	309	3,891
<b>Total Regular</b>	<b>97,862</b>	<b>81,826</b>	<b>16,036</b>
Support Services:			
Pupils:			
Salaries and Wages	4,934	4,262	672
Fringe Benefits	1,674	1,498	176
Purchased Services	5,171	4,764	407
Materials and Supplies	6,400	5,814	586
Capital Outlay - New	9,935	9,845	90
<b>Total Pupils</b>	<b>28,114</b>	<b>26,183</b>	<b>1,931</b>
Instructional Staff:			
Salaries and Wages	32,812	28,212	4,600
Fringe Benefits	19,051	17,723	1,328
<b>Total Instructional Staff</b>	<b>51,863</b>	<b>45,935</b>	<b>5,928</b>
Administration:			
Salaries and Wages	12,399	10,735	1,664
Fringe Benefits	5,493	4,996	497
Materials and Supplies	376	376	0
<b>Total Administration</b>	<b>\$18,268</b>	<b>\$16,107</b>	<b>\$2,161</b>

(Continued)

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Public School Preschool Fund  
For the Fiscal Year Ended June 30, 2001  
(Continued)

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation and Maintenance of Plant:			
Purchased Services	\$7,429	\$7,359	\$70
Total Operation and Maintenance of Plant	7,429	7,359	70
Pupil Transportation:			
Purchased Services	54,598	32,400	22,198
Total Pupil Transportation	54,598	32,400	22,198
Central:			
Purchased Services	644	643	1
Materials and Supplies	316	314	2
Total Central	960	957	3
Total Support Services	161,232	128,941	32,291
Total Expenditures	259,094	210,767	48,327
Excess of Revenues Under Expenditures	(70,723)	(16,097)	54,626
Fund Balance at Beginning of Year	63,920	63,920	0
Prior Year Encumbrances Appropriated	6,803	6,803	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$54,626</u>	<u>\$54,626</u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Preschool Handicapped Fund  
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$17,359	\$17,359	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Capital Outlay - New	33	33	0
Total Special	33	33	0
Support Services:			
Pupils			
Salaries and Wages	14,325	11,641	2,684
Fringe Benefits	1,444	628	816
Purchased Services	5,380	5,380	0
Capital Outlay - New	657	657	0
Total Pupils	21,806	18,306	3,500
Instructional Staff:			
Salaries and Wages	3,417	1,906	1,511
Fringe Benefits	458	225	233
Total Instructional Staff	3,875	2,131	1,744
Fiscal:			
Other	427	127	300
Total Fiscal	427	127	300
Total Support Services	26,108	20,564	5,544
Total Expenditures	26,141	20,597	5,544
Excess of Revenues Under Expenditures	(8,782)	(3,238)	5,544
Fund Balance at Beginning of Year	8,782	8,782	0
Fund Balance at End of Year	\$0	\$5,544	\$5,544

## DEBT SERVICE FUND

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

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

## CAPITAL PROJECTS FUNDS

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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:

### Permanent Improvement

To account for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

### Computer Network

To account for State revenues awarded the School District from SchoolNet and SchoolNet Plus for the implementation of computer hardware throughout the district.

### Textbooks and Instructional Materials

To account for State revenues awarded the School District to provide assistance in purchasing textbooks, instructional software, and other instructional materials.

**Lancaster City School District, Ohio**

Combining Balance Sheet

All Capital Projects Funds

June 30, 2001

	<u>Permanent Improvement</u>	<u>Computer Network</u>	<u>Totals</u>
<u>Assets:</u>			
Cash and Cash Equivalents	<u>\$21,902</u>	<u>\$40,241</u>	<u>\$62,143</u>
Total Assets	<u><u>\$21,902</u></u>	<u><u>\$40,241</u></u>	<u><u>\$62,143</u></u>
<u>Liabilities:</u>			
Total Liabilities	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Fund Equity:</u>			
Fund Balances:			
Unreserved:			
Undesignated	<u>21,902</u>	<u>40,241</u>	<u>62,143</u>
Total Fund Equity	<u>21,902</u>	<u>40,241</u>	<u>62,143</u>
Total Liabilities and Fund Equity	<u><u>\$21,902</u></u>	<u><u>\$40,241</u></u>	<u><u>\$62,143</u></u>

**Lancaster 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, 2001

	<u>Permanent Improvement</u>	<u>Computer Network</u>	<u>Textbooks and Instructional Materials</u>	<u>Totals</u>
<u>Revenues:</u>				
Intergovernmental	\$0	\$231,560	\$0	\$231,560
Gifts and Donations	723	0	0	723
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	723	231,560	0	232,283
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	0	12,867	11,978	24,845
Support Services:				
Instructional Staff	0	19,456	0	19,456
Operation and Maintenance of Plant	0	20,888	0	20,888
Capital Outlay	0	159,514	12,301	171,815
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	0	212,725	24,279	237,004
Excess of Revenues Over (Under) Expenditures	723	18,835	(24,279)	(4,721)
Fund Balances at Beginning of Year	<hr/> 21,179	<hr/> 21,406	<hr/> 24,279	<hr/> 66,864
Fund Balances at End of Year	<hr/> <u>\$21,902</u>	<hr/> <u>\$40,241</u>	<hr/> <u>\$0</u>	<hr/> <u>\$62,143</u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Permanent Improvement Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Gifts and Donations	<u>\$10,000</u>	<u>\$723</u>	<u>(\$9,277)</u>
<u>Expenditures:</u>			
Current:			
Extracurricular Activities:			
Sports Oriented Activities:			
Capital Outlay - New	<u>8,217</u>	<u>0</u>	<u>8,217</u>
Total Sports Oriented Activities	<u>8,217</u>	<u>0</u>	<u>8,217</u>
Capital Outlay:			
Building Acquisition and Construction Services:			
Capital Outlay - New	<u>12,962</u>	<u>0</u>	<u>12,962</u>
Total Building Acquisition and Construction Services	<u>12,962</u>	<u>0</u>	<u>12,962</u>
Total Expenditures	<u>21,179</u>	<u>0</u>	<u>21,179</u>
Excess of Revenues Over (Under) Expenditures	(11,179)	723	11,902
Fund Balance at Beginning of Year	21,179	21,179	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$10,000</u></u>	<u><u>\$21,902</u></u>	<u><u>\$11,902</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
Computer Network Fund  
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$231,560	\$231,560	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	13,100	12,866	234
Capital Outlay - New	147,872	147,872	0
Total Regular	160,972	160,738	234
Support Services:			
Instructional Staff:			
Salaries and Wages	528	528	0
Purchased Services	18,686	18,602	84
Materials and Supplies	326	326	0
Capital Outlay - New	11,643	11,643	0
Total Instructional Staff	31,183	31,099	84
Operation and Maintenance of Plant:			
Purchased Services	11,811	11,691	120
Materials and Supplies	10,000	9,197	803
Total Operation and Maintenance of Plant	21,811	20,888	923
Central:			
Capital Outlay - New	39,000	0	39,000
Total Central	39,000	0	39,000
Total Support Services	91,994	51,987	40,007
Total Expenditures	252,966	212,725	40,241
Excess of Revenues Over (Under) Expenditures	(21,406)	18,835	40,241
Fund Balance at Beginning of Year	20,906	20,906	0
Prior Year Encumbrances Appropriated	500	500	0
Fund Balance at End of Year	\$0	\$40,241	\$40,241

**Lancaster City School District, Ohio**  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget and Actual (Budget Basis)  
 Textbooks and Instructional Materials Fund  
 For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Materials and Supplies	11,978	11,978	0
Capital Outlay - New	12,501	12,501	0
Total Regular	24,479	24,479	0
Total Expenditures	24,479	24,479	0
Excess of Revenues Under Expenditures	(24,479)	(24,479)	0
Fund Balance at Beginning of Year	15,652	15,652	0
Prior Year Encumbrances Appropriated	8,827	8,827	0
Fund Balance at End of Year	\$0	\$0	\$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 appropriated 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 provision of food service for the School 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.

## Lancaster City School District, Ohio

Combining Balance Sheet

All Enterprise Funds

June 30, 2001

	Food Service	Uniform School Supplies	Totals
<u>Assets:</u>			
Current Assets:			
Cash and Cash Equivalents	\$73,479	\$63,394	\$136,873
Accounts Receivable	2,499	393	2,892
Intergovernmental Receivable	76,084	0	76,084
Due from Other Funds	252	0	252
Materials and Supplies Inventory	11,339	0	11,339
Inventory Held for Resale	75,145	4,046	79,191
Prepaid Items	13,337	0	13,337
Total Current Assets	252,135	67,833	319,968
Furniture and Equipment	652,988	0	652,988
Less: Accumulated Depreciation	(547,920)	0	(547,920)
Total Furniture and Equipment	105,068	0	105,068
Total Assets	\$357,203	\$67,833	\$425,036
<u>Liabilities:</u>			
Current Liabilities:			
Accounts Payable	\$501	\$4,685	\$5,186
Accrued Salaries and Benefits Payable	109,864	0	109,864
Intergovernmental Payable	70,251	0	70,251
Deferred Revenue	57,184	0	57,184
Total Current Liabilities	237,800	4,685	242,485
Long-Term Liabilities:			
Compensated Absences Payable	55,808	0	55,808
Total Long-Term Liabilities	55,808	0	55,808
Total Liabilities	293,608	4,685	298,293
<u>Fund Equity:</u>			
Contributed Capital	54,837	0	54,837
Retained Earnings:			
Unreserved	8,758	63,148	71,906
Total Fund Equity	63,595	63,148	126,743
Total Liabilities and Fund Equity	\$357,203	\$67,833	\$425,036

## Lancaster City School District, Ohio

Combining Statement of Revenues,  
Expenses, and Changes in Fund Equity  
All Enterprise Funds

For the Fiscal Year Ended June 30, 2001

	Food Service	Uniform School Supplies	Total
<u>Revenues:</u>			
Sales	\$926,068	\$58,059	\$984,127
<u>Expenses:</u>			
Salaries	649,850	0	649,850
Fringe Benefits	263,264	0	263,264
Purchased Services	1,175	0	1,175
Materials and Supplies	65,144	0	65,144
Cost of Sales	628,248	53,649	681,897
Other	4,319	0	4,319
Depreciation	17,986	0	17,986
Total Expenses	1,629,986	53,649	1,683,635
Operating Income (Loss)	(703,918)	4,410	(699,508)
<u>Non-Operating Revenues:</u>			
Federal Donated Commodities	112,334	0	112,334
Operating Grants	599,087	0	599,087
Interest Income	604	0	604
Other Non-Operating Revenues	11,537	0	11,537
Total Non-Operating Revenues	723,562	0	723,562
Net Income	19,644	4,410	24,054
Retained Earnings (Deficit) at Beginning of Year	(10,886)	58,738	47,852
Retained Earnings at End of Year	8,758	63,148	71,906
Contributed Capital at Beginning and End of Year	54,837	0	54,837
Fund Equity at End of Year	\$63,595	\$63,148	\$126,743

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenses, and Changes  
in Fund Equity - Budget and Actual (Budget Basis)  
Food Service Fund  
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$882,600	\$926,265	\$43,665
Interest	0	352	352
Operating Grants	617,400	592,235	(25,165)
Other Non-Operating Revenues	0	9,537	9,537
<b>Total Revenues</b>	<b>1,500,000</b>	<b>1,528,389</b>	<b>28,389</b>
<u>Expenses:</u>			
<u>Salaries:</u>			
Food Service Operations	676,500	654,954	21,546
<b>Total Salaries</b>	<b>676,500</b>	<b>654,954</b>	<b>21,546</b>
<u>Fringe Benefits:</u>			
Food Service Operations	278,000	276,973	1,027
<b>Total Fringe Benefits</b>	<b>278,000</b>	<b>276,973</b>	<b>1,027</b>
<u>Purchased Services:</u>			
Operation and Maintenance of Plant	7,000	0	7,000
Food Service Operations	2,160	1,654	506
<b>Total Purchased Services</b>	<b>9,160</b>	<b>1,654</b>	<b>7,506</b>
<u>Materials and Supplies:</u>			
Food Service Operations	588,833	581,326	7,507
<b>Total Materials and Supplies</b>	<b>588,833</b>	<b>581,326</b>	<b>7,507</b>
<u>Capital Outlay - New:</u>			
Food Service Operations	12,003	8,817	3,186
<b>Total Capital Outlay - New</b>	<b>12,003</b>	<b>8,817</b>	<b>3,186</b>
<u>Capital Outlay - Replacement:</u>			
Food Service Operations	10,000	6,790	3,210
<b>Total Capital Outlay - Replacement</b>	<b>\$10,000</b>	<b>\$6,790</b>	<b>\$3,210</b>

(Continued)

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenses, and Changes  
in Fund Equity - Budget and Actual (Budget Basis)  
Food Service Fund  
For the Fiscal Year Ended June 30, 2001  
(Continued)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Other:			
Food Service Operations	<u>\$4,650</u>	<u>\$4,319</u>	<u>\$331</u>
Total Other	<u>4,650</u>	<u>4,319</u>	<u>331</u>
Total Expenses	<u>1,579,146</u>	<u>1,534,833</u>	<u>44,313</u>
Excess of Revenues Under Expenses	(79,146)	(6,444)	72,702
Fund Equity at Beginning of Year	78,653	78,653	0
Prior Year Encumbrances Appropriated	<u>493</u>	<u>493</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$0</u></u>	<u><u>\$72,702</u></u>	<u><u>\$72,702</u></u>

**Lancaster City School District, Ohio**  
Schedule of Revenues, Expenses, and Changes  
in Fund Equity - Budget and Actual (Budget Basis)  
Uniform School Supplies Fund  
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	<u>\$85,100</u>	<u>\$58,002</u>	<u>(\$27,098)</u>
<u>Expenses:</u>			
Materials and Supplies:			
Regular Instruction	50,183	33,599	16,584
Vocational Instruction	<u>35,000</u>	<u>17,472</u>	<u>17,528</u>
Total Materials and Supplies	<u>85,183</u>	<u>51,071</u>	<u>34,112</u>
Total Expenses	<u>85,183</u>	<u>51,071</u>	<u>34,112</u>
Excess of Revenues Over (Under) Expenses	(83)	6,931	7,014
Fund Equity at Beginning of Year	55,806	55,806	0
Prior Year Encumbrances Appropriated	<u>82</u>	<u>82</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$55,805</u></u>	<u><u>\$62,819</u></u>	<u><u>\$7,014</u></u>

**Lancaster City School District, Ohio**

Combining Statement of Cash Flows

All Enterprise Funds

For the Fiscal Year Ended June 30, 2001

	Food Service	Uniform School Supplies	Totals
Increase (Decrease) in <u>Cash and Cash Equivalents</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$926,265	\$58,002	\$984,267
Cash Payments for Employee Services and Benefits	(931,927)	0	(931,927)
Cash Payments for Goods and Services	(587,239)	(50,495)	(637,734)
Other Non-Operating Revenues	9,537	0	9,537
Other Operating Expenses	(4,319)	0	(4,319)
Net Cash Provided by (Used for) Operating Activities	(587,683)	7,507	(580,176)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Acquisition of Capital Assets	(10,572)	0	(10,572)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	592,235	0	592,235
<u>Cash Flows from Investing Activities:</u>			
Interest	352	0	352
Net Increase (Decrease) in Cash and Cash Equivalents	(5,668)	7,507	1,839
Cash and Cash Equivalents at Beginning of Year	79,147	55,887	135,034
Cash and Cash Equivalents at End of Year	\$73,479	\$63,394	\$136,873

(Continued)

**Lancaster City School District, Ohio**

Combining Statement of Cash Flows

All Enterprise Funds

For the Fiscal Year Ended June 30, 2001

(Continued)

	Food Service	Uniform School Supplies	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided by <u>(Used for) Operating Activities:</u>			
Operating Income (Loss)	(\$703,918)	\$4,410	(\$699,508)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided <u>by (Used for) Operating Activities:</u>			
Other Non-Operating Revenues	9,537	0	9,537
Donated Commodities Used During the Year	112,334	0	112,334
Depreciation Expense	17,986	0	17,986
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	0	(57)	(57)
Decrease in Due From Other Funds	197	0	197
Increase in Materials and Supplies Inventory	(3,189)	0	(3,189)
Increase in Inventory Held for Resale	(1,843)	(1,531)	(3,374)
Increase in Prepaids	(1,870)	0	(1,870)
Increase in Accounts Payable	501	4,685	5,186
Increase in Accrued Salaries and Benefits Payable	1,311	0	1,311
Decrease in Compensated Absences Payable	(3,456)	0	(3,456)
Decrease in Intergovernmental Payable	(15,273)	0	(15,273)
Net Cash Provided by (Used for) Operating Activities	(\$587,683)	\$7,507	(\$580,176)

## INTERNAL SERVICE FUND

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The Internal Service Fund accounts for the financing of services provided by one department or agency to another department or agency of the School District on a cost-reimbursement basis. The Employee Benefits Self-Insurance Fund accounts for monies received from other funds as payment for providing health and dental insurance. The Employee Benefits Self-Insurance Fund reimburses employees who have paid providers, and makes payments for claims and administration.

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

## FIDUCIARY FUNDS

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

### Expendable Trust Fund

#### Scholarship Memorial

To account for monies held by the School District in a trustee capacity for individuals, private organizations and/or other funds which are designated for specific purposes.

### Non-Expendable Trust Fund

#### Endowment

To account for monies which have been set aside by individuals for specific purposes in a trust capacity.

### Agency Funds

#### Student Managed Activity

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

#### Employees Section 125 Payroll Plan

To account for monies received from Employee Benefits Section 125 Payroll Plans which allows for pre-taxed benefits for premium deductions and other set-asides for insurance purposes.

#### Payroll

To account for the accumulation of monies used to pay employee salaries.

## Lancaster City School District, Ohio

Combining Balance Sheet  
All Trust and Agency Funds  
June 30, 2001

	Expendable Trust Scholarship Memorial	Non- Expendable Trust Endowment	All Agency Funds	Totals
<u>Assets:</u>				
Cash and Cash Equivalents	\$22,948	\$40,015	\$86,072	\$149,035
Due from Other Funds	68	138	0	206
Total Assets	\$23,016	\$40,153	\$86,072	\$149,241
<u>Liabilities:</u>				
Accounts Payable	\$0	\$0	\$232	\$232
Due to Others	0	0	8,694	8,694
Due to Students	0	0	77,146	77,146
Total Liabilities	0	0	86,072	86,072
<u>Fund Equity:</u>				
Fund Balance:				
Reserved for Endowment	0	37,345	0	37,345
Unreserved:				
Undesignated	23,016	2,808	0	25,824
Total Fund Equity	23,016	40,153	0	63,169
Total Liabilities and Fund Equity	\$23,016	\$40,153	\$86,072	\$149,241

**Lancaster City School District, Ohio**  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the Fiscal Year Ended June 30, 2001

	Balance 7/1/00	Additions	Reductions	Balance 6/30/01
<u>Student Managed Activity</u>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$64,688	\$105,017	\$92,327	\$77,378
Total Assets	<u>\$64,688</u>	<u>\$105,017</u>	<u>\$92,327</u>	<u>\$77,378</u>
<u>Liabilities:</u>				
Accounts Payable	\$110	\$232	\$110	\$232
Interfund Payable	96	0	96	0
Due to Other Funds	197	0	197	0
Due to Students	64,285	104,785	91,924	77,146
Total Liabilities	<u>\$64,688</u>	<u>\$105,017</u>	<u>\$92,327</u>	<u>\$77,378</u>
<u>Employees Section</u>				
<u>125 Payroll Plan</u>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$6,093	\$47,005	\$44,404	\$8,694
Due from Other Funds	3,781	0	3,781	0
Total Assets	<u>\$9,874</u>	<u>\$47,005</u>	<u>\$48,185</u>	<u>\$8,694</u>
<u>Liabilities:</u>				
Accounts Payable	\$4,107	\$0	\$4,107	\$0
Due to Others	5,767	47,005	44,078	8,694
Total Liabilities	<u>\$9,874</u>	<u>\$47,005</u>	<u>\$48,185</u>	<u>\$8,694</u>
<u>Payroll</u>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$0	\$28,749,028	\$28,749,028	\$0
Total Assets	<u>\$0</u>	<u>\$28,749,028</u>	<u>\$28,749,028</u>	<u>\$0</u>
<u>Liabilities:</u>				
Due to Others	\$0	\$28,749,028	\$28,749,028	\$0
Total Liabilities	<u>\$0</u>	<u>\$28,749,028</u>	<u>\$28,749,028</u>	<u>\$0</u>

(Continued)

**Lancaster City School District, Ohio**  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the Fiscal Year Ended June 30, 2001  
(Continued)

	Balance 7/1/00	Additions	Reductions	Balance 6/30/01
<b><u>Total - All Agency Funds</u></b>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$70,781	\$28,901,050	\$28,885,759	\$86,072
Due from Other Funds	3,781	0	3,781	0
Total Assets	<u>\$74,562</u>	<u>\$28,901,050</u>	<u>\$28,889,540</u>	<u>\$86,072</u>
<u>Liabilities:</u>				
Accounts Payable	\$4,217	\$232	\$4,217	\$232
Interfund Payable	96	0	96	0
Due to Other Funds	197	0	197	0
Due to Others	5,767	28,796,033	28,793,106	8,694
Due to Students	64,285	104,785	91,924	77,146
Total Liabilities	<u>\$74,562</u>	<u>\$28,901,050</u>	<u>\$28,889,540</u>	<u>\$86,072</u>

## GENERAL FIXED ASSETS ACCOUNT GROUP

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

**Lancaster City School District, Ohio**  
Schedule of Changes in General Fixed Assets  
by Function  
For the Fiscal Year Ended June 30, 2001

	General Fixed Assets 7/1/00	Additions	Deductions	General Fixed Assets 6/30/01
Instruction	\$23,126,221	\$1,915,361	\$400,000	\$24,641,582
Support Services:				
Pupils	101,004	0	0	101,004
Instructional Staff	2,709,416	160,130	0	2,869,546
Administration	1,783,247	24,613	0	1,807,860
Operation and Maintenance of Plant	3,193,556	362,284	0	3,555,840
Pupil Transportation	1,708,307	584,612	190,619	2,102,300
Central	93,474	6,860	0	100,334
Capital Outlay:				
Building Acquisition & Construction	1,095,690	0	0	1,095,690
<b>Total General Fixed Assets</b>	<b><u>\$33,810,915</u></b>	<b><u>\$3,053,860</u></b>	<b><u>\$590,619</u></b>	<b><u>\$36,274,156</u></b>

**Lancaster City School District, Ohio**  
Schedule of General Fixed Assets by Function  
June 30, 2001

	Total	Land and Improvements	Buildings	Furniture and Equipment	Vehicles	Textbooks and Library Books
Instruction						
Support Services:						
Pupils	101,004	0	60,000	39,033	1,971	0
Instructional Staff	2,869,546	0	118,000	224,428	0	2,527,118
Administration	1,807,860	105,170	164,400	1,538,290	0	0
Operation of Maintenance of Plant	3,555,840	147,780	2,442,971	836,498	128,591	0
Pupil Transportation	2,102,300	34,211	49,200	50,066	1,968,823	0
Central	100,334	0	0	100,334	0	0
Capital Outlay:						
Building Acquisition & Construction	1,095,690	0	1,095,690	0	0	0
<b>Total General Fixed Assets</b>	<b>\$36,274,156</b>	<b>\$900,854</b>	<b>\$14,134,244</b>	<b>\$13,593,825</b>	<b>\$2,099,385</b>	<b>\$5,545,848</b>

# Lancaster City School District, Ohio

## Schedule of General Fixed Assets by Source

June 30, 2001

General Fixed Assets:	
Land and Improvements	\$900,854
Buildings	14,134,244
Furniture and Equipment	13,593,825
Vehicles	2,099,385
Textbooks and Library Books	<u>5,545,848</u>
Total	<u><u>\$36,274,156</u></u>

### Investments in General Fixed Assets from:

General Fund	\$13,089,110
Special Revenue Funds	1,034,863
Capital Projects Funds	1,975,840
Expendable Trust Fund	2,070
Donations	505,293
Acquisitions Prior to July 1, 1990	<u>19,666,980</u>
Total	<u><u>\$36,274,156</u></u>

# Statistical Section



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TABLE 1

**Lancaster City School District, Ohio**  
**General Fund Expenditures by Function**  
**Last Ten Fiscal Years**

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Current:										
Instruction:										
Regular	\$18,167,773	\$16,234,568	\$15,862,665	\$14,494,590	\$13,485,263	\$15,314,619	\$15,007,405	\$14,244,605	\$13,753,786	\$13,174,194
Special	4,477,723	3,877,485	3,544,519	3,191,336	3,050,528	3,074,511	2,871,651	2,658,398	2,494,376	2,248,898
Vocational	2,286,961	2,311,165	2,267,254	2,147,313	2,067,348	2,089,360	2,115,463	1,963,243	1,840,374	1,737,125
Adult/Continuing	55,211	58,628	55,469	58,899	51,409	41,587	41,317	31,468	28,461	28,096
Support Services:										
Pupil	2,166,870	1,914,507	1,794,659	1,462,295	1,453,073	1,456,155	1,430,948	1,288,926	1,198,308	1,180,686
Instructional Staff	2,548,355	2,406,051	2,221,071	1,569,884	1,509,075	1,600,755	1,659,275	1,827,514	1,650,227	1,522,011
Board of Education	47,867	41,759	38,986	36,180	30,943	47,498	60,821	49,412	49,384	40,910
Administration	3,695,899	3,475,062	2,938,618	2,766,342	2,651,472	3,085,059	2,916,580	2,573,741	2,353,919	2,221,468
Fiscal	1,007,946	845,760	868,931	848,768	705,532	758,055	743,373	731,796	692,176	647,566
Business	424,996	380,951	343,396	363,777	298,072	284,098	299,988	166,544	194,686	161,644
Operation & Maintenance of Plant	4,370,916	3,621,686	3,186,972	3,054,801	2,963,566	3,137,718	3,290,558	3,548,311	3,057,046	2,998,830
Pupil Transportation	1,852,323	1,646,420	1,357,535	1,314,338	1,014,336	947,826	1,198,153	1,051,646	949,361	898,692
Central	221,876	207,554	237,661	262,999	92,722	96,679	259,165	188,556	187,610	128,244
Non-Instructional Services	0	0	0	0	0	0	0	0	0	0
Extracurricular Activities	449,863	420,013	410,362	360,083	96,475	366,580	399,985	342,915	299,809	265,812
Refund of Taxes	0	0	97,398	97,399	57,856	0	0	0	0	0
Capital Outlay	0	208,157	798,387	0	0	12,879	365,794	354,498	651,772	565,194
Intergovernmental	0	0	0	0	0	278	0	20	0	1,830
Debt Service	104,328	207,536	104,385	93,823	1,472,437	0	0	0	0	0
<b>Total</b>	<b>\$41,878,907</b>	<b>\$37,857,302</b>	<b>\$36,128,268</b>	<b>\$32,122,827</b>	<b>\$31,000,107</b>	<b>\$32,313,657</b>	<b>\$32,660,476</b>	<b>\$31,021,593</b>	<b>\$29,401,295</b>	<b>\$27,821,200</b>

Source: School District Financial Records

TABLE 2

**Lancaster City School District, Ohio**  
 General Fund Revenues by Source  
 Last Ten Fiscal Years

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Property Taxes	\$21,071,030	\$22,523,694	\$21,954,762	\$19,368,690	\$16,692,804	\$16,267,569	\$15,548,740	\$15,338,028	\$15,518,266	\$14,930,135
Intergovernmental (1)	17,354,836	16,391,071	15,450,115	14,194,594	14,681,452	14,915,965	13,249,422	13,346,742	13,695,677	13,527,665
Interest	729,488	740,831	593,331	523,478	398,022	331,021	393,124	356,797	340,064	449,362
Tuition and Fees	398,763	136,531	75,846	309,057	443,335	274,330	584,022	272,852	274,775	245,740
Rent (2)	57,207	59,644	53,696	40,217	53,954	48,821	0	0	0	0
Extracurricular Activities	98,998	136,831	130,573	110,087	10,228	9,638	0	42,410	53,617	26,664
Gifts and Donations (3)	650	2,100	59,000	5,130	5,975	0	0	0	0	0
Miscellaneous	118,896	35,806	25,772	284,198	23,540	32,399	18,948	16,550	63,521	37,703
<b>Total</b>	<b>\$39,829,868</b>	<b>\$40,026,508</b>	<b>\$38,343,095</b>	<b>\$34,835,451</b>	<b>\$32,309,310</b>	<b>\$31,879,743</b>	<b>\$29,794,256</b>	<b>\$29,373,379</b>	<b>\$29,945,920</b>	<b>\$29,217,269</b>

Source: School District Financial Records

(1) Includes revenues from State Foundation Programs and State portion of taxes through rollback and homestead program.

(2) Prior to 1996, rent revenues were posted to miscellaneous revenues.

(3) Prior to 1997, gifts and donations were posted to miscellaneous revenues.

TABLE 3

**Lancaster City School District, Ohio**  
Property Tax Levies and Collections  
Last Ten Years (1)

Year	Current Tax Levy	Current Tax Collections	Percent Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections to Current Tax Levies	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Current Tax Levy
2000	\$17,234,097	\$15,589,197	90.5%	\$559,776	\$16,148,973	93.7%	\$917,165	5.3%
1999	16,073,213	15,549,586	96.7%	367,752	15,917,338	99.0%	888,749	5.5%
1998	15,468,012	14,993,066	96.9%	275,746	15,268,812	98.7%	661,207	4.3%
1997	11,749,971	11,106,187	94.5%	261,706	11,367,893	96.7%	508,011	4.3%
1996	11,843,909	11,540,805	97.4%	235,696	11,776,501	99.4%	432,252	3.6%
1995	11,146,743	10,789,029	96.8%	278,112	11,067,141	99.3%	411,815	3.7%
1994	11,036,660	10,799,381	97.9%	292,317	11,091,698	100.5%	412,045	3.7%
1993	11,006,072	10,591,323	96.2%	418,810	11,010,133	100.0%	562,673	5.1%
1992	10,794,553	10,473,145	97.0%	344,741	10,817,886	100.2%	493,324	4.6%
1991	10,591,722	10,227,263	96.6%	204,899	10,432,162	98.5%	482,244	4.6%

Source: Fairfield County Auditor

(1) Presented on calendar year basis because that is the manner that information is maintained by the County Auditor.

TABLE 4

**Lancaster City School District, Ohio**  
Assessed and Estimated Actual Values of Taxable Property  
Last Ten Years

Year	Agricultural, Residential, Commercial and Industrial Real Estate		Public Utility Real and Personal		Tangible Personal		Total		Ratio
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	
2001	\$575,134,650	\$1,643,241,857	\$27,143,180	\$30,844,522	\$104,448,658	\$417,794,632	\$706,726,488	\$2,091,881,011	34%
2000	565,619,400	1,616,055,429	27,774,830	31,562,307	96,227,521	384,910,084	689,621,751	2,032,562,096	34%
1999	552,019,860	1,577,199,600	30,298,140	34,429,700	100,399,698	401,598,700	682,717,698	2,013,228,000	34%
1998	489,202,190	1,397,720,542	30,177,900	34,298,068	101,329,802	405,319,208	620,709,892	1,837,332,818	34%
1997	478,148,440	1,331,138,400	30,794,250	35,048,101	95,374,490	381,497,960	604,317,180	1,752,684,501	34%
1996	467,615,310	1,336,043,700	31,464,720	35,880,500	85,449,242	341,796,900	584,529,272	1,713,721,100	34%
1995	358,421,040	1,024,060,114	32,161,080	36,671,800	83,869,025	335,476,100	474,451,145	1,396,208,014	34%
1994	355,815,480	1,016,615,657	31,396,410	35,842,589	82,028,471	328,113,884	469,240,361	1,380,572,130	34%
1993	351,448,260	1,003,880,142	31,268,490	35,687,606	80,087,148	320,348,592	462,803,898	1,359,916,340	34%
1992	338,088,070	965,965,914	31,421,390	35,862,116	78,658,768	302,533,723	448,168,228	1,304,361,753	34%

Source: Fairfield County Auditor

(1) This amount is calculated based on the following percentages:

Real Estate is assessed at 35 percent of actual value.

Public Utility real is assessed at 35 percent of actual value.

Public Utility personal is assessed at 88 percent of actual value.

Tangible personal is assessed at 25 percent of actual value since 1994.

TABLE 5

**Lancaster City School District, Ohio**  
Property Tax Rates - Direct and Overlapping Governments  
(per \$1,000 of Assessed Valuation)  
Last Ten Years

Year	Lancaster City School District			Berne Twp Levy (1)	Greenfield Twp Levy (1)	Hocking Twp Levy (1)	Pleasant Twp Levy (1)	Lancaster City Levy	Fairfield County Levy	Total Levy (2)
	General Operation	Bonded Indebtedness	Total School							
2001	\$64.60 (3)	\$0.00	\$64.60	\$7.70	\$8.20	\$4.20	\$6.60	\$3.40	\$7.05	\$75.05
2000	64.60	0.00	64.60	7.70	8.20	4.20	6.60	3.40	7.05	75.05
1999	64.60	0.00	64.60	7.70	8.20	4.20	6.60	3.40	7.05	75.05
1998	64.60	0.00	64.60	7.70	8.20	4.20	6.60	3.40	7.05	75.05
1997	56.70	0.00	56.70	7.70	8.20	4.20	6.60	3.40	7.05	67.15
1996	56.70	0.00	56.70	7.70	8.20	4.20	5.10	3.40	7.05	67.15
1995	56.70	0.00	56.70	7.70	8.20	4.20	5.10	3.40	7.05	67.15
1994	56.70	0.00	56.70	7.70	6.20	4.20	4.60	3.40	8.55	68.65
1993	56.70	0.00	56.70	7.70	6.20	4.20	4.60	3.40	8.55	68.65
1992	56.70	0.00	56.70	7.70	6.20	4.20	4.60	3.40	8.55	68.65

Source: Fairfield County Auditor

- (1) Included in the Lancaster City School District attendance areas are portions of Berne, Greenfield, Hocking, and Pleasant Townships.
- (2) Based on the School District, City, and County Levies. Those living in the portions of the townships included in the city school district would have a total rate slightly different.
- (3) Due to specific Ohio Legislation, the "effective" rate of tax for the School District is 27.71 mills for agricultural/residential property and 32.69 mills for industrial/commercial property for 2001.

TABLE 6

**Lancaster City School District, Ohio**  
Ratio of Net General Obligation Bonded Debt to  
Assessed Value and Net General Obligation Bonded Debt Per Capita  
Last Ten Years

<u>Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value (2)</u>	<u>Population (3)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2001	\$0	\$706,726,488	35,335	N/A	\$0.00
2000	0	689,621,751	38,983	N/A	0.00
1999	0	682,717,698	38,983	N/A	0.00
1998	0	620,709,892	38,254	N/A	0.00
1997	0	604,317,180	36,900	N/A	0.00
1996	0	584,529,272	36,900	N/A	0.00
1995	0	474,451,145	36,900	N/A	0.00
1994	0	469,240,361	35,570	N/A	0.00
1993	0	462,803,898	35,570	N/A	0.00
1992	0	448,168,228	35,015	N/A	0.00

(1) Includes all general obligation bonded debt.

(2) Source: Fairfield County Auditor

(3) Source: U.S. Bureau of Census  
Lancaster City Chamber of Commerce

TABLE 7

**Lancaster City School District, Ohio**  
 Computation of Direct and Overlapping General Obligation Bonded Debt  
 December 31, 2000

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
School District	\$0	N/A	\$0
City of Lancaster	2,291,425	100.00%	2,291,425
Fairfield County	<u>2,420,000</u>	28.26%	<u>683,892</u>
Totals	<u><u>\$4,711,425</u></u>		<u><u>\$2,975,317</u></u>

Source: Fairfield County Auditor

(1) Overlapping percentage was calculated by dividing each overlapping subdivision's assessed valuation within the School District by the subdivision's total assessed valuation.

TABLE 8

**Lancaster City School District, Ohio**  
 Computation of Legal Debt Margin (1)  
 June 30, 2001

Assessed Value	<u>\$706,726,488</u>
Debt Limit - 9% of Assessed Value	\$63,605,384
Amount of Debt Applicable to Debt Limit: Net Bonded Debt (2)	<u>0</u>
Overall Debt Margin	<u>\$63,605,384</u>
Bonded Debt Limit - .10% of Assessed Value	\$706,726
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u>\$706,726</u>
Additional Limit for Unvoted Energy Conservation Long-Term Notes:	
Debt Limit - .9% of Assessed Value	\$6,360,538
Energy Conservation Long-Term Notes	<u>(990,000)</u>
Additional Unvoted Debt Margin	<u>\$5,370,538</u>

Source: Fairfield County Auditor and School District Financial Records.

- (1) Ohio Bond Law sets a limit of 9% for all debt and 1/10 of 1% for unvoted debt.
- (2) An Energy Management Program debt was entered into during the 1993-1994 fiscal year, but those amounts do not apply to the bonded debt limit based on Ohio law.

TABLE 9

**Lancaster City School District, Ohio**  
 Ratio of Annual Debt Service Expenditures For  
 General Obligation Bonded Debt to Total General Fund Expenditures  
 Last Ten Fiscal Years

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentage)
2001	\$0	\$0	\$0	\$41,878,907	N/A
2000	0	0	0	37,857,302	N/A
1999	0	0	0	36,128,268	N/A
1998	0	0	0	32,122,827	N/A
1997	0	0	0	31,000,107	N/A
1996	0	0	0	32,313,657	N/A
1995	0	0	0	32,660,476	N/A
1994	0	0	0	31,021,593	N/A
1993	0	0	0	29,401,295	N/A
1992	0	0	0	27,821,200	N/A

Source: School District Financial Records

TABLE 10

**Lancaster City School District, Ohio**  
 Demographic Statistics  
 Last Ten Years

Year	Population Lancaster City		Per Capital Income Fairfield County	Median Age Fairfield County	Unemployment Rate Fairfield County %
2000	35,335	(2)	\$31,154	36.20	2.3%
1999	38,983	(1)	27,816	35.98	3.0
1998	38,254	(1)	27,260	35.21	3.0
1997	36,900	(1)	25,415	34.97	3.2
1996	36,900	(1)	23,709	34.71	4.1
1995	36,900	(1)	22,130	34.40	3.8
1994	35,570	(1)	20,681	34.08	5.3
1993	35,570	(1)	19,361	33.79	6.0
1992	35,015	(1)	18,149	34.35	6.6
1991	34,710	(1)	16,877	34.08	6.3

Sources: Ohio Bureau of Employment Services  
 Lancaster-Fairfield Chamber of Commerce

- (1) Population from 1991-1999 is estimated.
- (2) U.S. Bureau of Census, Federal 2000 Census

TABLE 11

**Lancaster City School District, Ohio**  
Property Value, Construction, and Bank Deposits (4)  
Last Ten Years

Year	Assessed Property Value (1)	Residential Construction (2)		Commercial Construction (2)		Average Monthly Bank Deposits (3) In Thousands
		Number of Units	Construction Value	Number of Units	Construction Value	
2001	\$706,726,488	125	\$17,619,415	100	\$11,044,336	N/A
2000	689,621,751	134	18,635,408	63	25,723,471	\$286,562
1999	682,717,698	176	23,901,412	3	1,290,000	247,807
1998	620,709,892	165	20,187,790	54	6,004,000	190,113
1997	604,317,180	117	14,114,049	47	18,869,600	172,771
1996	584,529,272	97	11,161,223	14	4,916,116	163,183
1995	474,451,145	52	4,831,339	17	16,973,867	149,434
1994	469,240,361	362	10,673,730	61	2,701,956	108,995
1993	462,803,898	18	1,554,000	20	4,430,685	114,237
1992	448,168,228	19	1,300,700	20	17,819,000	85,960

- (1) Source: Fairfield County Auditor  
Assessed Property Values shown for Lancaster City School District
- (2) Source: City of Lancaster Engineering Department
- (3) Figures reflect totals for Fairfield County.  
Source: Department of Data Services, Federal Reserve Bank of Cleveland
- (4) Bank Deposits are presented on a calendar year basis.

TABLE 12

**Lancaster City School District, Ohio**  
Principal Taxpayers  
Real Estate Tax (Including Public Utility, Personal and Real)  
December 31, 2000

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value	Nature of Business
Glimcher Holdings	\$21,571,320	3.58%	Property
Ohio Power Company	11,710,820	1.94	Electric
Anchor Hocking Glass Corporation	5,767,280	0.96	Glass
Ohio Bell Telephone	5,603,330	0.93	Telephone
Lowes Home Centers, Incorporated	4,298,350	0.71	Retail
Mt. Carmel Health System	4,186,680	0.69	Medical
Lancaster Phase One Group	3,383,510	0.56	Property
Fairfield Medical Center	2,692,430	0.45	Medical
Ralston Foods, Inc.	2,599,910	0.43	Food
Glimcher Centers LTD Partnership	2,367,360	0.39	Retail

Source: Fairfield County Auditor

(1) Assessed values are for the 2001 collection year (\$602,277,830).

TABLE 13

**Lancaster City School District, Ohio**  
Principal Taxpayers  
Tangible Personal Property Tax (Excluding Public Utility)  
December 31, 2000

Name of Taxpayer	Assessed Value (1)	Percent of Total Assessed Value	Nature of Business
Anchor Hocking Glass Corporation	\$17,359,260	16.62%	Glass
RalCorp Holdings Inc. (Ralston)	6,855,190	6.56	Foods
McDermott, Inc.	5,201,710	4.98	Electronics
Cyril Scott Company	4,253,660	4.07	Paper
Scotts Miracle Gro	3,507,170	3.36	Horticulture
International Paper Company	2,344,820	2.24	Paper
Lancaster Glass Corporation	2,299,760	2.20	Glass
Crown Cork & Seal Company (USA)	1,956,900	1.87	Glass Closures
Taylor Chevrolet	1,819,500	1.74	Automobiles
Lowes Home Centers	1,722,050	1.65	Retail Home Improvement

Source: Fairfield County Auditor

(1) Assessed values are for the 2001 collection year (\$104,448,658).

TABLE 14

**Lancaster City School District, Ohio**  
Enrollment Statistics  
Last Ten Fiscal Years

Year	General Fund Expenditures	Average Daily Membership	Per Pupil Cost
2001	\$41,878,907	6230	\$6,722
2000	37,857,302	6421	5,896
1999	36,128,268	6562	5,506
1998	32,122,827	6542	4,910
1997	31,000,107	6532	4,746
1996	32,313,657	6615	4,885
1995	32,660,476	6530	5,002
1994	31,021,593	6551	4,735
1993	29,401,295	6561	4,481
1992	27,821,200	6574	4,232

Source: School District Financial Records

TABLE 15

**Lancaster City School District, Ohio**  
 Teacher Education and Experience  
 June 30, 2001

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor's Degree	46	10.53%
Bachelor + 15	12	2.75%
Bachelor + 30 (150 hours)	149	34.10%
Master's Degree	104	23.80%
Master's + 15	30	6.86%
Master's +30	75	17.16%
Master's + 45	21	4.80%
Total	<u>437</u> *	<u>100.00%</u>

<u>Years of Experience in District</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0-5	101	23.11%
6-10	64	14.65%
11 and over	272	62.24%
Total	<u>437</u> *	<u>100.00%</u>

\* Full-time equivalent teaching staff

Source: Lancaster City School District Personnel Records

TABLE 16

**Lancaster City School District, Ohio**  
 Average A.C.T. Scores  
 Last Five Fiscal Years

Year	English	Math	Reading	Science	Composite
A.C.T. - Lancaster High School (Juniors and Seniors)					
1997	20.9	22.0	22.1	21.7	21.8
1998	20.6	22.1	22.4	22.1	21.9
1999	20.4	21.9	21.6	21.6	21.5
2000	20.3	21.7	21.6	22.0	21.5
2001	20.8	22.3	22.4	22.2	22.0
A.C.T. - Ohio (Graduating Class)					
1997	20.6	21.0	21.8	21.4	21.3
1998	20.7	21.2	21.8	21.5	21.4
1999	20.8	21.1	21.9	21.4	21.4
2000	20.7	21.2	21.9	21.4	21.4
2001	20.7	21.1	21.8	21.5	21.4
A.C.T. - U.S.A. (Graduating Class)					
1997	20.3	20.6	21.3	21.1	21.0
1998	20.4	20.8	21.4	21.1	21.0
1999	20.5	20.7	21.4	21.0	21.0
2000	20.5	20.7	21.4	21.0	21.0
2001	20.5	20.7	21.3	21.0	21.0

Note: The A.C.T. Standard Score Scale Range from 1 to 36.

(Continued)

TABLE 16  
(Continued)

**Lancaster City School District, Ohio**  
Average S.A.T. Scores  
Last Five Fiscal Years

	Year	Verb Mean	Math Mean
S.A.T. - Lancaster High School			
	1997	526	551
	1998	524	547
	1999	524	559
	2000	525	554
	2001	530	539
S.A.T. - Ohio			
	1997	535	536
	1998	536	540
	1999	534	538
	2000	533	539
	2001	534	539
S.A.T. - U.S.A.			
	1997	505	511
	1998	505	512
	1999	505	511
	2000	505	514
	2001	506	514

Note: The S.A.T. Scores Range from 200-800

TABLE 17

**Lancaster City School District, Ohio**  
A Return to the Community  
Fiscal Year 2001

## Local Tax Receipts (cash basis)

Residential/Agricultural	\$10,388,010
Commercial/Industrial	4,251,473
Public Utility	691,958
Tangible Personal	<u>6,446,225</u>

Total Local Tax Receipts \$21,777,666

## Local Payroll

Total Payroll Fiscal 2001	\$28,749,028
Total Staff (Including Part-time)	755
Staff Living Locally (in Fairfield County)	661
Percentage of Staff Living Locally	87.5%

Local Payroll (28,749,028 x 87.5%) 25,155,400

## Locally Purchased Supplies/Services

The Lancaster City Schools Purchased  
Supplies and Services from Approximately 214 Local  
Individuals and Businesses during Fiscal 2001

Amount Spent Locally for Purchase of Supplies and Services	<u>1,872,889</u>
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Total Expenditures of Funds Locally	<u><u>\$27,028,289</u></u>
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Total Expenditures of the General Fund for fiscal year 2001	<u><u>\$41,878,907</u></u>
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Source: School District Records

**Lancaster City School District, Ohio**  
Fiscal 2001 Highlights

1. On the Ohio High School Tests of Scholastic Achievement, the General Sherman Algebra Team ranked third in the State among division one schools. Seventeen students ranked between honorable mention and third in the State.
2. Thomas Ewing principal, Joyce St. Clair, co-presented April 2 at a workshop for aspiring principals throughout the State of Ohio. St. Clair presented along with Dr. Mary Jane Roberts of Milton Union Elementary School. The all day workshop was sponsored by the Ohio Elementary School Administrators Association.
3. Medill Principal Sandra Svoboda, was selected as the Educational Office Professionals of Ohio Administrator of the Year for 2000-2001. Svoboda attended the EOPO Banquet and Awards Presentation in Columbus.
4. West Elementary Principal Dr. Paul Young was elected President of the National Association of Elementary School Principals. NAESP represents nearly 30,000 elementary and middle school principals in the United States and worldwide. Young served as president of the Ohio Association of Elementary School Principals in 1997 and currently serves on the NAESP's Board of Directors.
5. Thomas Ewing Junior High School health teacher Terry Oehrtman was honored January 26 by the Ohio Association of Track and Cross Country Coaches with the Ed Barker Award.
6. The Lancaster High School Percussion Ensemble represented the School District on February 16 with a performance at the 133rd Annual American Association of School Administrators National Conference on Education. The conference was held at the Orange County Convention Center in Orlando, Florida.
7. Sixteen-year-old Ben Kaiser was living the experience of a lifetime working as a Page for the United States Congress. This Lancaster High School junior was one of a limited number of teenagers in the United States with this honor.
8. A new program at Lancaster High School, the Medical Tech Prep program, is a career and technical college prep program. It had its first class of students selected at the end of February. The Medical Tech Prep program combines academic education with hands-on experiences to help prepare students for college. Its major medical emphasis is on medical assisting, fitness and sports training, and nursing/emergency medical technician.
9. The National Board of Professional Teaching Standards, NBPTS, recently announced that Special Education teacher Denise Cordle and Social Studies teacher Stephen Mathias from Lancaster High School are two of the teachers achieving National Board Certification.

(Continued)

**Lancaster City School District, Ohio**  
Fiscal 2001 Highlights

10. Students in the School District have direct input into the decision-making process of the School District, thanks to a group of students called the Superintendent's Student Advisory Council. The Superintendent's Student Advisory Council was implemented with a group of 16 students in grades seven through twelve who meet monthly with Superintendent Thomas B. Maher to offer student input on school matters.
11. Bobbi Smith, a new art teacher for the School District, was recently awarded the Ohio Art Educator of the Year Award. This award is given to a member of the Ohio Art Education Association who is professionally active, has exceptional leadership skills, and is dedicated to teaching and the promotion of art education.
12. Charles Miller, agriculture instructor at Lancaster High School, was chosen to receive the Ohio Farm Bureau Federation "Agricultural Educator Award" for 2000. Miller is being honored for his long and successful career in agricultural education and for his dedicated service to the Ohio Farm Bureau.
13. Preliminary results on the statewide proficiency test have shown scores for the School District have increased by almost 20 percent. Districts are graded by the Ohio Department of Education through school district report cards, which cover 27 performance standards. The increase would move the School District from its previous level to Continuous Improvement.
14. Serving as a road map for teachers, Pacing Guides have been developed in the School District for grades kindergarten through sixth. "The idea of Pacing Guides was suggested by teachers themselves", said Peggy Merton, Elementary Coordinator of Curriculum and Instruction. The guides were developed by a committee three or four teachers at each grade level. Medill Elementary Principal, Sandra Svoboda, and Peggy Merton served as co-chairwoman of the committee.
15. West Elementary School was one of 17 elementary schools of Ohio, and 453 schools nationwide, nominated for consideration as a National Blue Ribbon School, a prestigious award/school improvement recognition program sponsored by the U.S. Department of Education.
16. The Science Olympiad Team placed third in the South/Southeastern Region, qualifying for the State Tournament by finishing between first and sixth in 16 of 23 events. Last year's team finished tenth in the State and this is the seventh consecutive year a General Sherman team has qualified for the State Tournament.
17. The gifted department successfully instituted the Lancaster Parent Support Group for Gifted Children. During this school year, they have met four times discussing such issues as Characteristics of Gifted Children, Myths About Gifted Children, Perfectionism and Gifted Children, and Resources for Parents of Gifted Children.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**LANCASTER CITY SCHOOL DISTRICT**

**FAIRFIELD COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 27, 2001**