

LEBANON CITY SCHOOL DISTRICT
LEBANON, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

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Board of Education
Lebanon City School District

We have reviewed the Independent Auditor's Report of the Lebanon City School District, Warren County, prepared by Plattenburg & Associates, Inc. for the audit period July 1, 2000 through June 30, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

December 10, 2001

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LEBANON CITY SCHOOL DISTRICT

LEBANON, OHIO

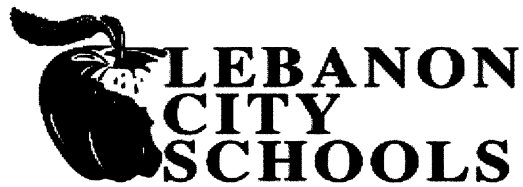
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

*Prepared by:
Mary Beth Kemmer, Treasurer*

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INTRODUCTORY SECTION



Lebanon's High Five

1. **Quality Facilities for Quality Learning**
2. **State Report Card - 27 or Bust!**
3. **Success for All Students**
4. **Teacher's Learning Drives Student's Learning**
5. **Lebanon's Guarantee - All Children will Read!**

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LEBANON CITY SCHOOL DISTRICT, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2001

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LEBANON CITY SCHOOL DISTRICT, OHIO
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645 Oak Street • Lebanon, Ohio 45036-1634
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October 26, 2001

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

We are pleased to present the ninth Comprehensive Annual Financial Report (CAFR) of the Lebanon City School District (District) for the fiscal year ended June 30, 2001. This report contains financial statements, supplemental statements, and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2000-2001 fiscal year.

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

This report has been divided into three sections:

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

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

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

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

DESCRIPTION OF THE DISTRICT

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

During the 2000-2001 school year, the District served 4,496 students enrolled in 3 elementary schools, 1 intermediate school, 1 middle school, and 1 high school. This enrollment increased 40 students from the 2000-2001 school year. The preliminary enrollment for the 2001-2002 school year was 4,531, an increase of 35 students.

ORGANIZATION OF THE DISTRICT

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

The current Board members are:

<u>Board Member</u>	<u>Current Term</u>
Mrs. Katherine Poitinger	Jan. 1999 - Dec. 2003
Mr. Orville Robinson	Jan. 1998 - Dec. 2001
Mr. Paul Brewer	Jan. 2000 - Dec. 2003
Mr. Norman Dreyer II	Jan. 1998 - Dec. 2001
Ms. Donna Behymer	Jan. 2000 - Dec. 2003

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

The Treasurer is the chief financial officer of the District and is directly responsible to the Board for all financial operations, investments, custody of all District funds and assets, and serves as Secretary to the Board. Mrs. Mary Beth Kemmer was appointed Treasurer effective February 16, 2000.

ECONOMIC CONDITION AND OUTLOOK

The entire Lebanon City School District continued to experience growth during the 2000-2001 year. The primary township, Turtlecreek, continued to experience large residential construction growth. The outlook for Turtlecreek Township and the 7 other townships is very positive, as continued residential construction is expected with 8 residential subdivisions in various stages of development. In addition to the City of Lebanon, the townships are also actively pursuing companies to develop an industrial base in the community.

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

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

As the table demonstrates, new construction in the City of Lebanon remained strong during 2000. During 2000, 268 new residential units were in various stages of development. Also, commercial development was strong with a Kmart Superstore under construction and continued industrial park growth.

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

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

EMPLOYEE RELATIONS

The Board employs 454.03 full-time equivalent (FTE) employees. Of the Board's current employees, 273.63 FTE are certificated by the Ohio Department of Education serving as classroom teachers, education specialists, and administrators, all of whom have at least a bachelor's degree and 84 of whom hold advanced degrees.

The starting salary for a teacher with a bachelor's degree for the 2000-2001 school year was \$27,170, and the maximum salary for a teacher with a master's degree and 30 years longevity was \$59,502. Certificated teachers and education specialists are represented by the Lebanon Education Association (LEA) which is a labor organization affiliated with the Ohio Education Association. The current labor agreement expires August 31, 2002.

The 180.40 FTE classified employees are represented by the Ohio Association of Public School Employees, Chapter 511 (OAPSE) which is a labor organization affiliated with the American Federation of State, County and Municipal Employees (AFSCME). The current labor agreement also expires August 31, 2002.

MAJOR INITIATIVES FOR THE YEAR

Current Focus - Report Cards, Literacy

This spring, the state issued a 2000 School District Report Card grading each school district in Ohio according to 27 standards. Most of these standards are proficiency scores for grades four, six, and nine. According to the state standards, Lebanon ranks as a “continuous improvement” district accomplishing 21 of the 27 standards. The results reveal that Lebanon Schools improved from meeting 15 to meeting 21 of the 27 goals. The District is using its “high five” strategic vision as a basis for improving its score on the state report card.

Lebanon City Schools is implementing an electronic curriculum and assessment system for the 2001-2002 school year. This new system will create a strong link between curriculum, instruction and assessment to improve student learning. The implementation process will include a revision of our current math, social studies, language arts, and science curriculum to better align with state and national standards.

In addition, new textbooks and instructional materials have been purchased for our social studies classrooms. The teachers will be bringing history alive by deploying a variety of teaching strategies encouraging students to use critical-thinking skills to organize and process information.

During the past school year, our elementary and middle school science teachers have been improving science instruction by participating in Project Dragonfly, a professional development program from Miami University. Workshop participants join with other teachers nationwide in a small-group, web environment to discuss ideas, share lesson plans, and engage in cross-school investigations. Dragonfly allows classrooms to hear directly from the leading researchers of our time, such as Jane Goodall or John Glenn. The program promotes inquiry-driven approaches to learning and investigating scientific concepts. This program will continue during the 2001-2002 school year.

Department Focus - North Central Accreditation

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

FINANCIAL INFORMATION

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

Internal Controls

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

Federal and State Assistance

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

Budgetary Controls

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

General Fund

The following tables present the amount of revenues by source, including other financing sources, and expenditures by function, including other financing uses, for the General Fund for the fiscal year ended June 30, 2001 and the percentage of increases and decreases in relation to prior year revenues and expenditures.

Revenues by Source and Other Financing Sources

	2001 Fiscal	2000 Fiscal	Percent of Total	Difference from 2000	Percent Change
Taxes	\$11,615,779	\$11,302,538	46.20%	\$313,241	2.77%
Intergovernmental	12,761,066	11,469,372	50.75%	1,291,694	11.26%
Investment	547,274	422,709	2.18%	124,565	29.47%
Tuition and Fees	64,976	81,967	0.26%	(16,991)	(20.73%)
Other Revenue	154,610	123,509	0.61%	31,101	25.18%
Total	\$25,143,705	\$23,400,095	100.00%	\$1,743,610	7.45%

The District's 7.45% increase in revenues and 11.26% increase in intergovernmental is largely attributed to the new construction and enrollment growth throughout the district. The 29.47% increase in investments reflects an increase in the districts return on investments.

Expenditures by Function and Other Financing Uses

	2001 Fiscal	2000 Fiscal	Percent of Total	Difference from 2000	Percent Change
<hr/>					
Instruction					
Regular	\$12,266,031	\$10,897,572	49.08%	\$1,368,459	12.56%
Special	1,547,577	985,286	6.20%	562,291	57.07%
Other Instruction	325,606	217,674	1.30%	107,932	49.58%
Support Services					
Pupils	1,396,493	987,007	5.59%	409,486	41.49%
Instructional	1,466,707	1,449,418	5.87%	17,288	1.19%
Board of Education	43,050	81,505	0.17%	(38,455)	(47.18%)
Administration	1,952,915	1,801,156	7.82%	151,759	8.42%
Fiscal	579,970	506,087	2.32%	73,883	14.60%
Business	147,448	141,429	0.59%	6,019	4.26%
Maintenance/Operations	1,871,676	1,571,910	7.49%	299,766	19.07%
Pupil Transportation	2,567,412	2,258,200	10.27%	309,212	13.69%
Central	126,674	159,938	0.51%	(33,264)	(20.80%)
Non-Instructional	2,044	3,518	0.01%	(1,474)	(41.90%)
Extracurricular Activities	466,024	416,946	1.86%	49,078	11.77%
Capital Outlay	231,009	22,500	0.92%	208,509	100.00%
<hr/>					
Total	\$24,990,636	\$21,500,147	100.00%	\$3,490,489	16.23%

The District's 16.23% increase in expenditures is due to the continuing student enrollment growth of the District and the spending of money to meet the additional needs. Regular, Special and Other Instruction increased due to the hiring of additional personnel in all areas to address the needs to continue to provide a quality education to the students.

Special Revenue Funds

Special Revenue Funds account for funds that derive revenue primarily from grants and entitlements restricted by law to expenditures for specific purposes. The operating revenue for all Special Revenue Funds was \$2,112,421 during the 2001 fiscal year.

Capital Projects Funds

Capital Projects Funds account for the purchase of equipment and the financing of major improvement projects. The Capital Projects Funds ended the 2001 fiscal year with a fund balance of \$841,105.

Enterprise Funds

The District's three Enterprise Funds are the Food Service Fund, Uniform School Supplies Fund and the Community School Fund. These funds are similar in nature to profit-making activities found in the private sector and are managed accordingly. The District's Enterprise Funds operated in 2001 with \$1,068,019 in total revenues and recorded a net loss of \$131,980

Internal Service Funds

The District's two Internal Service Funds are the Employee Benefits Self-Insurance Fund and the Warren County Juvenile Detention Center Fund. In fiscal year 2001, these programs operated at a \$382,014 combined loss.

Debt Administration

The District has three debt issues outstanding at June 30, 2001.

The first issue is a \$1,440,000 general obligation bond issued for renovations made under the House Bill 264 program. The bonds were issued on May 15, 1995 at an interest rate of 5.25%. The amount of outstanding bonds at June 30, 2001 is \$810,000. This issue will be retired on December 1, 2005.

The second issue is a \$290,000 general obligation bond issued for school bus purchases. The bonds were issued on June 1, 1997 at an interest rate of 5.20%. The amount of outstanding bonds at June 30, 2001 is \$106,000. This issue will be retired on April 15, 2003.

The third issue is a \$15,000,000 short term bond anticipation note. The note was issued on June 21, 2001 at an interest rate of 3.03% and will be retired on March 5, 2002. The note will be paid out of the Capital Projects Fund.

Cash Management

The District operates a cash management program designed to provide safety, liquidity, and yield, in that order. Funds are invested in overnight savings accounts, certificates of deposit, in the Ohio State Treasurer's Investment Pool (Star Ohio), or in United States Government bills or notes. The amount of investment income in fiscal year 2001 for all District funds was \$687,562. A more detailed description of the District's investment functions is provided in Note 4 to the financial statements.

Risk Management

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

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

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

OTHER INFORMATION

Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. Plattenburg and Associates, Inc. conducted the District's audit for fiscal year 2001. The Auditor's report on the District's general purpose financial statements, and combining and individual fund statements and schedules is included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2000. The Certificate of Achievement is the highest form of recognition for excellence in state and local government reporting, and the award was the fifth for the District. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting a governmental unit must publish a Comprehensive Annual Financial Report, the contents of which are easily readable, efficiently organized, and conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The District believes our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate.

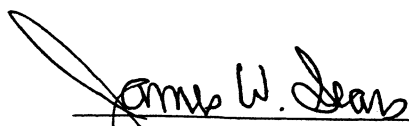
The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence on Financial Reporting for the fiscal year ended June 30, 2000 to the District. The award was the fifth for the District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2000 substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after extensive review of the report by an expert panel of certified public accountants and practicing school business officials. The District believes our current report conforms to the ASBO's principles and standards, and we are submitting it to ASBO to determine its eligibility for a certificate.

Acknowledgments

The preparation and publication of the 2001 Comprehensive Annual Financial Report of the Lebanon City School District was made possible by the combined efforts of the entire Treasurer's office staff. Sincere appreciation is extended to Mr. Richard Taylor for his exceptional individual efforts in preparing this report. Finally, this report would not have been possible without the support, commitment, and leadership of the Board of Education to continue the pursuit of excellence in financial reporting.

Sincerely,


Mrs. Mary Beth Kemmer, Treasurer


Mr. James W. Sears, Superintendent

**LEBANON CITY SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS**

ELECTED OFFICIALS

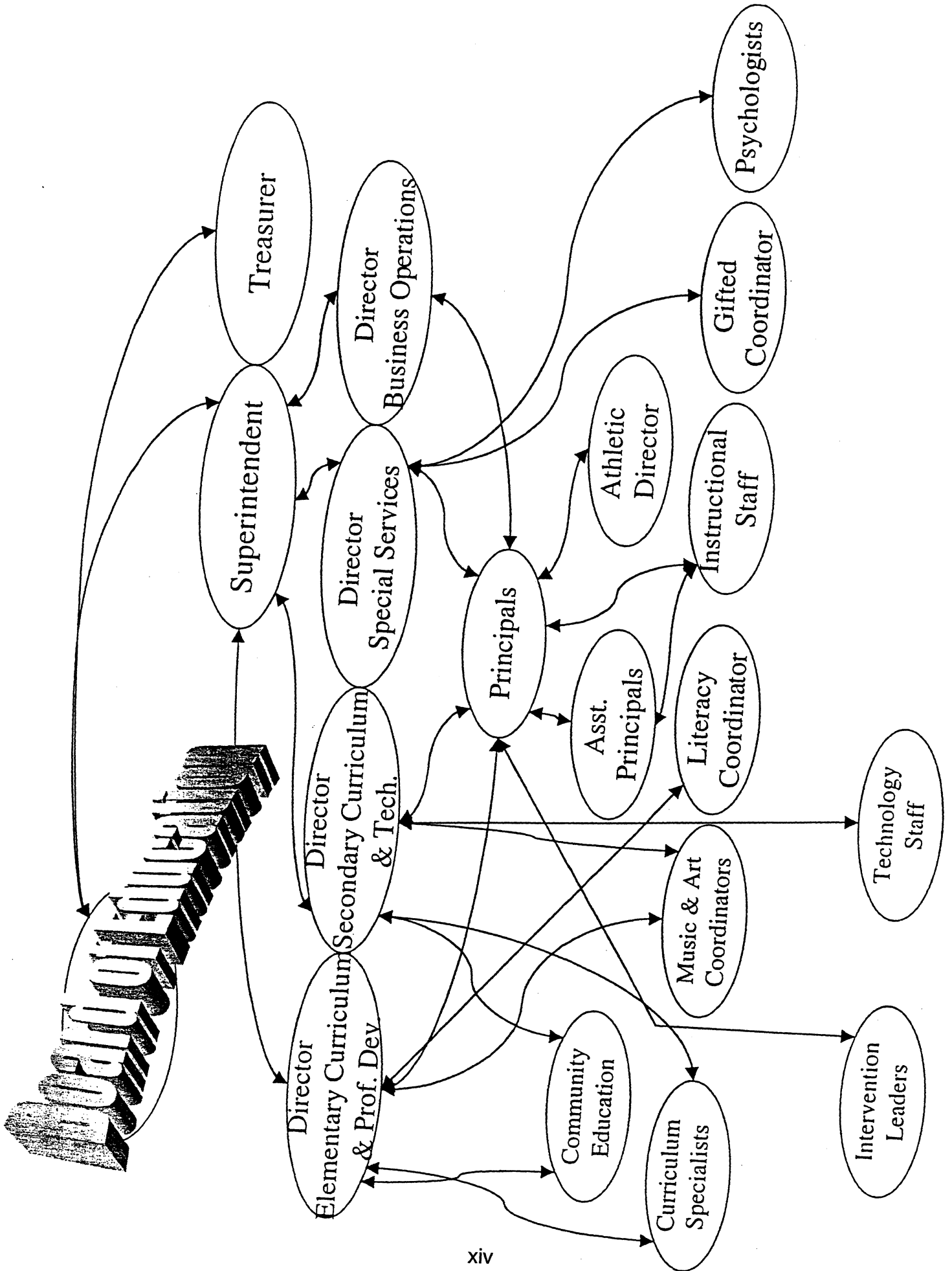
President, Board of Education.....	Mr. Orville Robinson
Vice President, Board of Education.....	Mr. Norman Dreyer II
Board Member.....	Mr. Paul Brewer
Board Member.....	Ms. Katherine Poitinger
Board Member.....	Ms. Donna Behymer

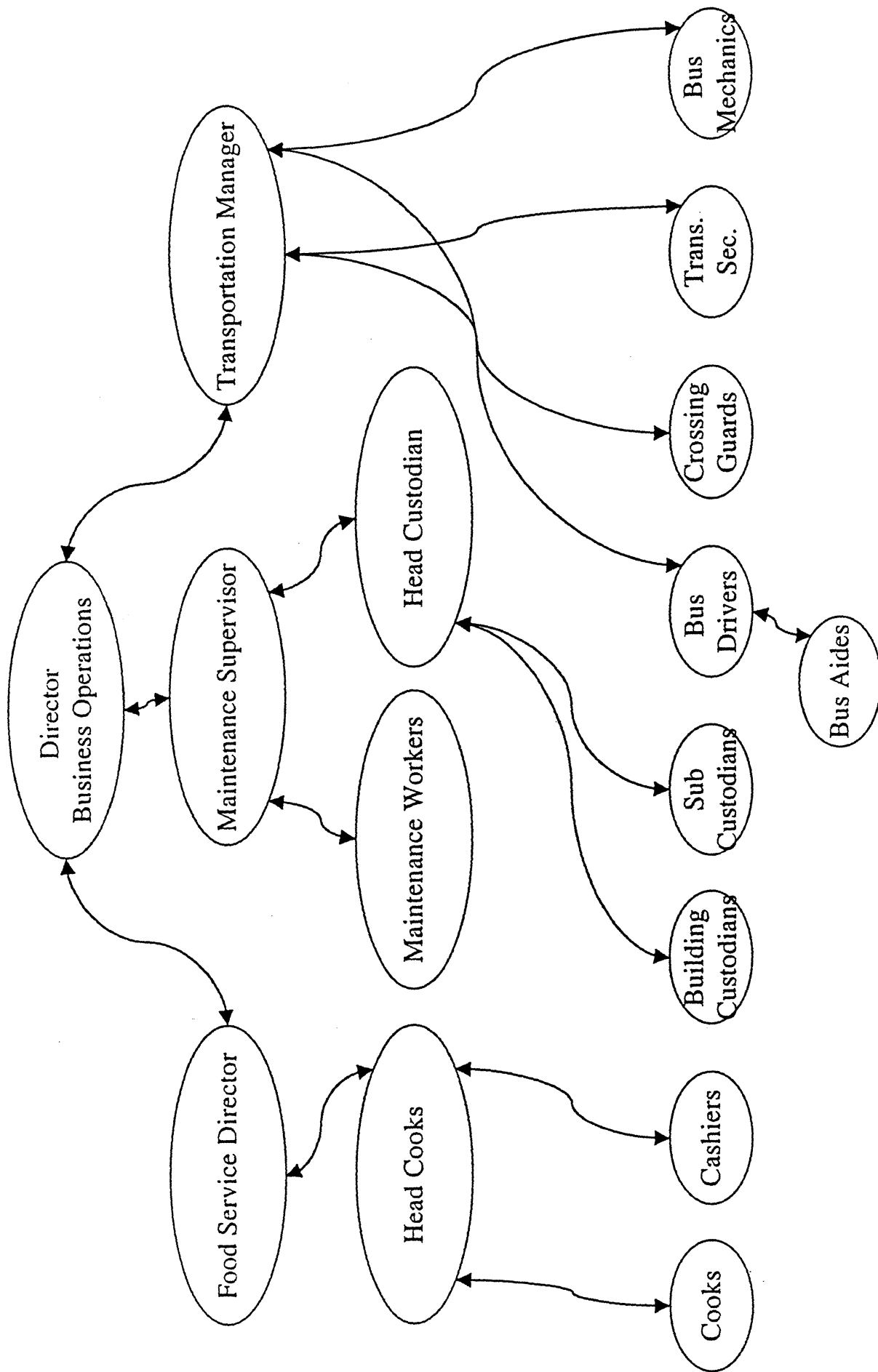
ADMINISTRATIVE OFFICIALS

Superintendent.....	Mr. James Sears
Treasurer.....	Ms. Mary Beth Kemmer
Director of Business Operations.....	Mr. R. Stuart Long
Supervisor of Maintenance.....	Mr. Ron Hurtt
Supervisor of Transportation.....	Mr. Doug Keiter
Director of Elementary Instruction.....	Ms. Becky Hill
Director of Technology & Director of Secondary Instruction....	Ms. Jennifer Moormeier

OFFICE OF THE TREASURER

Treasurer.....	Ms. Mary Beth Kemmer
Assistant Treasurer.....	Mr. Richard Taylor
Payroll Specialist.....	Ms. Linda Givens
Accounting Specialist.....	Ms. Pandora Henderson
Payroll Assistant.....	Ms. Terri Lenos
Secretary/Accounting Specialist.....	Ms. Lori Kesner





**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

LEBANON CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2000

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

Linda White
President

Don t. Jergun
Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lebanon City School
District, Ohio

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

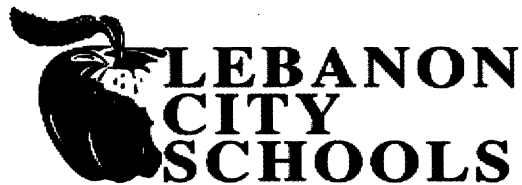


Thomas A. Arue
President

Jeffrey L. Esser
Executive Director

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FINANCIAL SECTION



Lebanon's High Five

1. **Quality Facilities for Quality Learning**
2. **State Report Card - 27 or Bust!**
3. **Success for All Students**
4. **Teacher's Learning Drives Student's Learning**
5. **Lebanon's Guarantee - All Children will Read!**

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Independent Auditors' Report

October 10, 2001

Board of Education
Lebanon City School District
Lebanon, Ohio

We have audited the accompanying general purpose financial statements of the Lebanon City School District (the District), as of and for the year ended June 30, 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 generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in the notes to the financial statements, the District adopted Governmental Accounting Standards Boards Statement number 33 as of and for the year ended June 30, 2001.


In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types and non-expendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Governmental Auditing Standards*, we have also issued a report dated October 10, 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.

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

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


Plattenburg & Associates, Inc.
Certified Public Accountants

GENERAL PURPOSE FINANCIAL STATEMENTS

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

LEBANON 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
ASSETS AND OTHER DEBITS:				
Assets:				
Equity in pooled cash and investments	\$6,801,958	\$567,736	\$0	\$16,071,792
Restricted equity in pooled cash	336,290	0	0	0
Receivables:				
Taxes	12,219,145	0	0	850,182
Accounts	8,903	297	0	0
Intergovernmental	0	493,579	0	0
Interfund receivable	188,827	0	0	0
Inventory held for resale	0	0	0	0
Fixed assets (net, where applicable, of accumulated depreciation)	0	0	0	0
Other debits:				
Amount to be provided from general government resources	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	19,555,123	1,061,612	0	16,921,974
LIABILITIES, FUND EQUITY AND OTHER CREDITS:				
Liabilities:				
Accounts payable	161,835	91,061	0	325,010
Accrued wages and benefits	2,539,659	110,299	0	0
Compensated absences payable	110,650	0	0	0
Interfund payable	0	29,205	0	0
Deferred revenue	10,984,975	253,965	0	755,859
Undistributed monies	0	0	0	0
Due to students	0	0	0	0
Capital leases payable	0	0	0	0
Notes payable	0	0	0	15,000,000
Claims payable	0	0	0	0
General obligations bonds payable	0	0	0	0
Total liabilities	13,797,119	484,530	0	16,080,869
Fund Equity and other credits:				
Contributed capital	0	0	0	0
Investment in general fixed assets	0	0	0	0
Retained earnings:				
Unreserved	0	0	0	0
Fund balances:				
Reserved:				
Reserved for property taxes	1,234,170	0	0	94,323
Reserved for endowments	0	0	0	0
Reserved for encumbrances	304,475	177,775	0	450,826
Reserved for set-aside	336,290	0	0	0
Unreserved:				
Undesignated	3,883,069	399,307	0	295,956
Total fund equity (deficit) and other credits	5,758,004	577,082	0	841,105
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$19,555,123	\$1,061,612	\$0	\$16,921,974

See accompanying notes

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	Fixed Assets	Long-Term Obligations	
\$122,905	\$637,504	\$279,752	\$0	\$0	\$24,481,647
0	0	0	0	0	336,290
0	0	0	0	0	13,069,327
0	0	0	0	0	9,200
0	0	0	0	0	493,579
0	0	0	0	0	188,827
15,259	0	0	0	0	15,259
54,203	2,279	0	22,340,501	0	22,396,983
0	0	0	0	2,845,133	2,845,133
<u>192,367</u>	<u>639,783</u>	<u>279,752</u>	<u>22,340,501</u>	<u>2,845,133</u>	<u>63,836,245</u>
36,595	365	6,559	0	0	621,425
32,522	23,506	0	0	192,566	2,898,552
35,419	0	0	0	1,562,556	1,708,625
159,622	0	0	0	0	188,827
8,101	0	0	0	0	12,002,900
0	0	15,331	0	0	15,331
0	0	92,220	0	0	92,220
0	0	0	0	174,011	174,011
0	0	0	0	0	15,000,000
0	308,605	0	0	0	308,605
0	0	0	0	916,000	916,000
<u>272,259</u>	<u>332,476</u>	<u>114,110</u>	<u>0</u>	<u>2,845,133</u>	<u>33,926,496</u>
29,439	0	0	0	0	29,439
0	0	0	22,340,501	0	22,340,501
(109,331)	307,307	0	0	0	197,976
0	0	0	0	0	1,328,493
0	0	9,312	0	0	9,312
0	0	0	0	0	933,076
0	0	0	0	0	336,290
0	0	156,330	0	0	4,734,662
<u>(79,892)</u>	<u>307,307</u>	<u>165,642</u>	<u>22,340,501</u>	<u>0</u>	<u>29,909,749</u>
<u>\$192,367</u>	<u>\$639,783</u>	<u>\$279,752</u>	<u>\$22,340,501</u>	<u>\$2,845,133</u>	<u>\$63,836,245</u>

LEBANON CITY SCHOOL DISTRICT, OHIO
 Combined Statement of Revenues, Expenditures
 And Changes in Fund Balances
 All Governmental Fund Types and Expendable Trust Fund
 For The Fiscal Year Ended June 30, 2001

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$11,615,779	\$0	\$0	\$807,504
Intergovernmental	12,761,066	1,650,987	0	268,617
Investment	547,274	3,496	42,783	59,449
Tuition and fees	64,976	14,506	0	0
Extracurricular activities	0	297,083	0	0
Other revenues	154,610	146,349	0	1,200
Total revenues	25,143,705	2,112,421	42,783	1,136,770
Expenditures:				
Current:				
Instruction:				
Regular	12,266,031	712,492	0	285,139
Special	1,547,577	359,366	0	0
Other	325,606	1,603	0	0
Support services:				
Pupil	1,396,493	102,722	0	0
Instructional staff	1,466,707	270,455	0	671,181
Board of education	43,050	0	0	0
Administration	1,952,915	74,330	0	1,499
Fiscal	579,970	0	0	12,629
Business	147,448	0	0	0
Operations and maintenance	1,871,676	0	0	445,969
Pupil transportation	2,567,412	0	0	1,477
Central	126,674	20,378	0	38,718
Operation of non-instructional services	2,044	185,745	0	0
Extracurricular activities	466,024	194,238	0	0
Capital outlay	231,009	19,600	0	61,232
Debt Service:				
Principal retirement	0	0	1,375,000	0
Interest and fiscal charges	0	0	82,047	0
Total expenditures	24,990,636	1,940,929	1,457,047	1,517,844
Excess of revenues over (under) expenditures	153,069	171,492	(1,414,264)	(381,074)
Other financing sources (uses):				
Proceeds of sale of fixed assets	6,625	0	0	0
Proceeds of capital leases	174,011	0	0	0
Operating transfers in	64,423	0	321,815	420,064
Operating transfers (out)	(321,816)	(6,609)	(420,064)	0
Total other financing sources (uses)	(76,757)	(6,609)	(98,249)	420,064
Excess of revenues and other financing sources over (under) expenditures and other financing uses	76,312	164,883	(1,512,513)	38,990
Fund balance, July 1	5,681,692	412,199	1,512,513	802,115
Fund balance, June 30	\$5,758,004	\$577,082	\$0	\$841,105

See accompanying notes

<u>FIDUCIARY FUND TYPE</u>	Totals (Memorandum Only)
Expendable Trust	
\$0	\$12,423,283
0	14,680,670
392	653,394
0	79,482
0	297,083
21,767	323,926
<u>22,159</u>	<u>28,457,838</u>
0	13,263,662
2,173	1,909,116
0	327,209
0	1,499,215
0	2,408,343
0	43,050
0	2,028,744
0	592,599
0	147,448
0	2,317,645
0	2,568,889
0	185,770
0	187,789
1,300	661,562
0	311,841
0	1,375,000
0	82,047
<u>3,473</u>	<u>29,909,929</u>
<u>18,686</u>	<u>(1,452,091)</u>
0	6,625
0	174,011
0	806,302
0	(748,489)
<u>0</u>	<u>238,449</u>
18,686	(1,213,642)
9,042	8,417,561
<u>\$27,728</u>	<u>\$7,203,919</u>

LEBANON CITY SCHOOL DISTRICT, OHIO
 Combined Statement of Revenues, Expenditures
 And Changes in Fund Balances
 Budget and Actual (Non-GAAP Budgetary Basis)
 All Governmental Fund Types
 For the Fiscal Year Ended June 30, 2001

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	\$11,785,774	\$11,785,774	\$0	\$0	\$0	\$0
Intergovernmental	12,761,066	12,761,066	0	1,883,443	1,411,373	(472,070)
Interest	547,274	547,274	0	3,496	3,496	0
Tuition & fees	70,476	70,476	0	14,505	14,505	0
Extracurricular activities	0	0	0	297,379	297,082	(297)
Other revenues	151,078	151,078	0	146,051	146,051	0
Total revenues	25,315,668	25,315,668	0	2,344,874	1,872,507	(472,367)
Expenditures:						
Current:						
Instruction:						
Regular	12,815,342	11,960,026	855,316	1,048,282	751,616	296,666
Special	1,436,455	1,429,539	6,916	504,586	399,275	105,311
Other	352,000	325,606	26,394	0	0	0
Support services:						
Pupil	1,503,678	1,252,558	251,120	163,292	128,317	34,975
Instructional staff	1,627,949	1,507,760	120,189	480,420	303,453	176,967
Board of Education	47,996	43,962	4,034	0	0	0
Administration	2,254,014	1,997,957	256,057	89,214	78,260	10,954
Fiscal	639,980	593,467	46,513	0	0	0
Business	174,439	155,567	18,872	0	0	0
Operation and maintenance	1,980,537	1,923,263	57,274	0	0	0
Pupil transportation	2,966,284	2,790,829	175,455	20,352	0	20,352
Central	191,191	141,731	49,460	24,934	23,342	1,592
Operation of non-instructional services	3,593	2,044	1,549	186,889	185,348	1,541
Extracurricular activities	476,814	462,074	14,740	225,626	212,986	12,640
Capital outlay	73,000	64,998	8,002	19,600	19,600	0
Debt Service:						
Principal retirement	0	0	0	0	0	0
Interest and fiscal charges	0	0	0	0	0	0
Total expenditures	26,543,272	24,651,381	1,891,891	2,763,195	2,102,197	660,998
Excess of revenues over (under) expenditures	(1,227,604)	664,287	1,891,891	(418,321)	(229,690)	188,631
Other financing sources (uses):						
Proceeds of sale of fixed assets	6,625	6,625	0	0	0	0
Proceeds of notes sold	0	0	0	0	0	0
Advances in	0	0	0	29,205	29,205	0
Advances (out)	(189,000)	(188,828)	172	0	0	0
Operating transfers in	68,033	68,033	0	0	0	0
Operating transfers (out)	(475,679)	(325,426)	150,253	(6,609)	(6,609)	0
Total other financing sources (uses)	(590,021)	(439,596)	150,425	22,596	22,596	0
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,817,625)	224,691	2,042,316	(395,725)	(207,094)	188,631
Fund balance,						
July 1 (includes prior year encumbrances appropriated)	6,447,246	6,447,246	0	505,995	505,995	0
Fund balance,						
June 30	\$4,629,621	\$6,671,937	\$2,042,316	\$110,270	\$298,901	\$188,631

See accompanying notes

Debt Service			Capital Projects		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$0	\$0	\$0	\$819,860	\$819,860	\$0
0	0	0	268,617	268,617	0
42,783	42,783	0	59,449	59,449	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	1,200	1,200	0
42,783	42,783	0	1,149,126	1,149,126	0
0	0	0	309,164	300,317	8,847
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	1,070,226	1,069,954	272
0	0	0	0	0	0
0	0	0	1,499	1,499	0
0	0	0	12,949	12,629	320
0	0	0	0	0	0
0	0	0	507,419	440,739	66,680
0	0	0	1,501	1,477	24
0	0	0	38,946	38,876	70
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	211,219	108,648	102,571
1,375,000	1,375,000	0	0	0	0
82,047	82,047	0	0	0	0
1,457,047	1,457,047	0	2,152,923	1,974,139	178,784
(1,414,264)	(1,414,264)	0	(1,003,797)	(825,013)	178,784
0	0	0	0	0	0
0	0	0	15,000,000	15,000,000	0
0	0	0	0	0	0
0	0	0	0	0	0
321,815	321,815	0	420,064	420,064	0
(420,064)	(420,064)	0	0	0	0
(98,249)	(98,249)	0	15,420,064	15,420,064	0
(1,512,513)	(1,512,513)	0	14,416,267	14,595,051	178,784
1,512,513	1,512,513	0	700,904	700,904	0
\$0	\$0	\$0	\$15,117,171	\$15,295,955	\$178,784

LEBANON CITY SCHOOL DISTRICT, OHIO
 Combined Statement of Revenues, Expenses
 And Changes in Retained Earnings/Fund Balance
 All Proprietary Fund Types and Non-Expendable Trust Fund
 For The Fiscal Year Ended June 30, 2001

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	Totals (Memorandum Only)
	Enterprise	Internal Service	Non-Expendable Trust	
Operating revenues:				
Tuition and fees	\$2,820	\$120,302	\$0	\$123,122
Sales	833,239	0	0	833,239
Charges for services	231,960	1,531,179	0	1,763,139
Interest revenue	0	0	8,396	8,396
Other revenues	0	792	0	792
Total revenues	1,068,019	1,652,273	8,396	2,728,688
Operating expenses:				
Salaries and wages	386,654	151,923	0	538,577
Fringe benefits	131,569	44,230	0	175,799
Purchased services	662,731	340,647	0	1,003,378
Materials and supplies	235,355	367	0	235,722
Depreciation	5,221	294	0	5,515
Claims	0	1,522,598	0	1,522,598
Other operating expenses	0	0	8,850	8,850
Total operating expenses	1,421,530	2,060,059	8,850	3,490,439
Operating income (loss)	(353,511)	(407,786)	(454)	(761,751)
Non-operating revenues:				
Federal donated commodities	55,354	0	0	55,354
Operating grants	223,990	0	0	223,990
Investment	0	25,772	0	25,772
Total non-operating revenues	279,344	25,772	0	305,116
Income (loss) before operating transfers	(74,167)	(382,014)	(454)	(456,635)
Operating transfers (out)	(57,813)	0	0	(57,813)
Net income (loss)	(131,980)	(382,014)	(454)	(514,448)
Retained Earnings/Fund Balance, July 1	22,649	689,321	138,368	850,338
Retained Earnings/Fund Balance (deficit), June 30	(\$109,331)	\$307,307	\$137,914	\$335,890

See accompanying notes

LEBANON CITY SCHOOL DISTRICT, OHIO
 Combined Statement Of Cash Flows
 All Proprietary Fund Types and Non-Expendable Trust Fund
 For The Fiscal Year Ended June 30, 2001

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	Totals (Memorandum Only)
	Enterprise	Internal Service	Non-Expendable Trust	
Cash flows from operating activities:				
Cash received from tuition and fees	\$2,820	\$242,316	\$0	\$245,136
Cash received from charges for services	231,960	1,531,380	0	1,763,340
Cash received from sales	833,239	0	0	833,239
Cash received from miscellaneous sources	0	792	0	792
Cash received from investments	0	0	8,396	8,396
Cash payments to suppliers for goods and services	(814,024)	(341,014)	0	(1,155,038)
Cash payments to employees for services	(513,717)	(190,859)	0	(704,576)
Cash payments for claims	0	(1,469,547)	0	(1,469,547)
Cash payments for other operating expenses	0	0	(8,850)	(8,850)
Net cash provided by (used for) operating activities	(259,722)	(226,932)	(454)	(487,108)
Cash flows from noncapital financing activities:				
Cash received from other funds	159,622	0	0	159,622
Cash payments to other funds	(57,813)	0	0	(57,813)
Operating grants received	225,046	0	0	225,046
Investment revenue	0	25,772	0	25,772
Net cash provided by (used for) noncapital financing activities	326,855	25,772	0	352,627
Cash flows from capital and related financing activities				
Acquisition of capital assets	(1,884)	0	0	(1,884)
Net cash provided by (used for) capital and related financing activities	(1,884)	0	0	(1,884)
Net increase (decrease) in cash and cash equivalents	65,249	(201,160)	(454)	(136,365)
Cash and cash equivalents, July 1	57,656	838,664	138,368	1,034,688
Cash and cash equivalents, June 30	122,905	637,504	137,914	898,323

Continued

LEBANON CITY SCHOOL DISTRICT, OHIO
 Combined Statement Of Cash Flows
 All Proprietary Fund Types and Non-Expendable Trust Fund
 For The Fiscal Year Ended June 30, 2001

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	Totals (Memorandum Only)
	Enterprise	Internal Service	Non-Expendable Trust	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	(353,511)	(407,786)	(454)	(761,751)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	5,221	294	0	5,515
Donated commodities used	55,354	0	0	55,354
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	0	122,215	0	122,215
(Increase) decrease in intergovernmental receivable	1,765	0	0	1,765
Increase (decrease) in accounts payable	28,052	365	0	28,417
Increase (decrease) in claims payable	0	53,051	0	53,051
Increase (decrease) in accrued wages and benefits	4,144	4,929	0	9,073
Increase (decrease) in compensated absences	362	0	0	362
Increase (decrease) in deferred revenue	(1,109)	0	0	(1,109)
Total adjustments	93,789	180,854	0	274,643
Net cash provided by (used for) operating activities	(259,722)	(226,932)	(454)	(487,108)
Reconciliation of Non-Expendable Trust Fund to balance sheet:				
Cash and cash equivalents - All Fiduciary Funds		\$279,752		
Cash and cash equivalents - Expendable Trust and Agency Funds		(141,838)		
Cash and cash equivalents - Non-Expendable Trust Fund		\$137,914		

See accompanying notes

LEBANON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

NOTE 1 - DESCRIPTION OF THE SCHOOL

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

The District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the District's six instructional facilities, staffed by 180.40 FTE classified personnel and 273.63 FTE certificated teaching and administrative personnel to provide services to students and other community members.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

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

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

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

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

B. Basis of Presentation - Fund Accounting

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

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

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

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

Governmental Funds

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

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

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

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

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

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

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

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

Account Groups

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

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

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

The District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. The portion of property taxes that is measurable at June 30, 2001 but intended to finance fiscal year 2001 operations has been recorded as deferred revenue. Delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2002 operations, have been recorded as deferred revenue.

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

in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.

The accrual basis of accounting is utilized for reporting purposes by the proprietary and nonexpendable trust funds. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. There were no unbilled service charges receivable at year end. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

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

D. Budgetary Data

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

Tax Budget:

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

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

Estimated Resources:

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

Appropriations:

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

Encumbrances:

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

Lapsing of Appropriations:

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

Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);

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

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

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

Governmental Fund Types

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP Basis	\$76,312	\$164,883	(\$1,512,513)	\$38,990
Net Adjustment for Revenue Accruals	1,562	(210,709)	0	15,012,356
Net Adjustment for Expenditure Accruals	613,127	107,568	0	319,541
Encumbrances	<u>(466,310)</u>	<u>(268,836)</u>	<u>0</u>	<u>(775,836)</u>
Budget Basis	<u>\$224,691</u>	<u>(\$207,094)</u>	<u>(\$1,512,513)</u>	<u>\$14,595,051</u>

E. Cash and Cash Equivalents

Cash received by the District is pooled for investment purposes in one of three bank accounts with individual fund cash balance integrity maintained through the District's financial records. Monies for all funds are maintained in these accounts or temporarily used to purchase short-term investments. During the current fiscal year investments were limited to overnight accounts, certificates of deposit, obligations of the U.S. Treasury, and STAR Ohio, the State Treasurer's Investment Pool. These investments are stated at fair value as determined by quoted market prices. Under existing Ohio statutes, all investment earnings accrue to the General Fund, except those specifically related to auxiliary services agency funds, certain trust funds, and those funds individually authorized by Board resolution. Investment income earned in the current fiscal year totaled \$687,562.

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

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

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

F. Inventory

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

G. Prepaid Items

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

H. Fixed Assets and Depreciation

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

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

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

I. Intergovernmental Revenues

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

J. Compensated Absences

Compensated absences should be accrued as they are earned by employees if both of the following conditions are met:

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

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

K. Long-Term Debt

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

L. Fund Balance Reserves

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

M. Total Columns on General Purpose Financial Statements

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

N. Estimates

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

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

Fund Deficits and Deficits in Retained Earnings

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

<u>Fund Type/Fund</u>	<u>Deficit</u>
Special Revenue Fund:	
Management Information Systems	\$5,999
Title I	6,540
Enterprise:	
Food Service	189,241
Community School	1,391

Compliance

The following funds had appropriations in excess of estimated resources plus available balances for the fiscal year.

<u>Fund Type/Fund</u>	<u>Excess</u>
Special Revenue Funds:	
Miscellaneous Federal Grants	\$29,634

NOTE 4 - EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash and investment pool used by all funds. Each fund types portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments".

State Statute requires the classification of monies held by the District into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the

District treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive Monies - Those monies not required for use within the current two-year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies - Those monies which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Ohio law permits interim monies to be invested or deposited in the following securities:

Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.

Bonds, notes, debentures, or other obligations of securities issued by any federal governmental agency on the Export Import Bank of Washington.

Repurchase agreements in the securities enumerated above.

Commercial paper notes issued by any corporation for profit that is incorporated under the laws of the United States or any state pursuant to specifications within Ohio Revised Code. Bankers' acceptances of banks that are members of the federal deposit insurance corporation to which obligations meet specifications within Ohio Revised Code.

Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificate of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including, but not limited to, passbook accounts.

Bonds, and other obligations of the State of Ohio.

The Ohio State Treasurer's investment pool.

At year end the unobligated or carrying amount of the District's deposits was \$166,442. The bank balance of deposits was \$567,262, of which \$147,239 was covered by depository insurance. The remaining bank balance was covered by collateral held by third party trustees pursuant to Section 135.181, Ohio Revised Code, in collateral pools securing all public funds on deposit with specific depository institutions, but not in the District's name.

The District's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. CATEGORY 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. CATEGORY 2 includes uninsured and unregistered investments for which the securities are held by the financial institutions trust department or agent in the District's name. CATEGORY 3 includes uninsured and unregistered investments for which the securities are held by the broker, dealer, or their agent, but not in the District's name.

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

	Category			Carrying
	<u>1</u>	<u>2</u>	<u>3</u>	Value/Fair Value
U.S. Agency	\$ 0	\$0	\$15,001,579	\$15,001,579
Repurchase Agreement	0	0	331,950	331,950
STAR Ohio(1)	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,317,966</u>
Total	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$15,333,529</u>	<u>\$24,651,495</u>

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

During the year the District invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office, which allow governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's quoted share price at year-end.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

NOTE 5 - PROPERTY TAXES

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 2001 were based as follows:

Tangible and Public Utility Personal	\$66,785,803
Real Estate	<u>475,136,090</u>
Total Assessed Property Value	<u>\$541,921,893</u>

Real property taxes collected in 2001 were levied in January on the assessed values as of January 1, 2000, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent revaluation was completed in January 1998. Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 25% of true value (as defined). In 2001, each business was eligible to receive a \$10,000 exemption in assessed value, which was reimbursed by the State.

Real property taxes are payable annually or semi-annually. In 2001, if paid annually, payment was due by February 8th. If paid semi-annually, the first payment (at least ½ billed) was due February 8th with the remainder due on July 12th.

NOTE 6 – INTERFUND ACTIVITY

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

<u>Fund Type/Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$188,827	\$0
Special Revenue Fund:		
Public School Support	0	40
Athletic	0	299
Management Information Systems	0	6,000
Miscellaneous State Grants	0	10,000
Title I	0	1,015
Drug Free Schools	0	3,821
Miscellaneous Federal Grants	0	8,030
Enterprise Fund:		
Food Service	0	153,549
Uniform School Supplies	0	4,552
Community School	0	1,521
Total	<u>\$188,827</u>	<u>\$188,827</u>

NOTE 7 - FIXED ASSETS

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

	<u>Enterprise</u>	<u>Internal Service</u>
Furniture and Equipment	\$ 170,105	\$2,936
Less accumulated depreciation	<u>(115,902)</u>	<u>(657)</u>
Net Fixed Assets	<u>\$ 54,203</u>	<u>\$2,279</u>

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

Ending	Beginning			Balance
	Balance	Additions	Deletions	
Land	\$ 975,486	\$ 0	\$ 0	\$ 975,486
Buildings	15,035,824	23,424	(965)	15,058,283
Furniture and Equipment	<u>5,570,937</u>	<u>851,783</u>	<u>(115,988)</u>	<u>6,306,732</u>
Totals	<u>\$21,582,247</u>	<u>\$875,207</u>	<u>(\$116,953)</u>	<u>\$22,340,501</u>

NOTE 8 - RISK MANAGEMENT

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

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

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

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

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

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

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

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

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

In an effort to curb health care spending, a Preferred Provider Organization (PPO) medical plan was established. This provides a network of physicians and hospitals the employees may elect to utilize to reduce their out-of-pocket expenditures on health care. With this plan, the District and employees pay into the Employee Benefits Self-Insurance Internal Service Fund \$376.79 for family coverage or \$144.92 for individual coverage per month, which represents the entire

premium required. Dental coverage is also provided on a self-insured basis by the District with Harrington Benefits Services serving as the third-party administrator. Premiums for this coverage are \$55.31 for family coverage or \$21.27 for individual coverage. The District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the plan document.

The liability for unpaid claims cost of \$308,605 reported in the Employee Benefits Self-Insurance Fund at fiscal year end, is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amount in 2000 and 2001 were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claim</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
Fiscal Year 2000	\$224,449	\$1,283,361	\$1,252,244	\$255,554
Fiscal Year 2001	255,554	1,575,649	1,522,598	308,605

NOTE 9 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

Plan members are required to contribute 9% of their annual covered salary, and the District is required to contribute 14%. The contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's contributions to SERS during the years ending June 30, 2001, 2000, and 1999 were \$476,844, \$386,394 and \$461,136, respectively; 34% has been contributed for fiscal year 2001 and 100% for the fiscal year 2000 and 1999.

B. State Teachers Retirement System

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

Plan members are required to contribute 9.3% of their annual covered salary, and the District is required to contribute 14%. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's contributions to STRS during the years ending June 30, 2001, 2000, and 1999 were \$1,776,840, \$1,714,632 and \$1,637,248, respectively; 82% has been contributed for fiscal year 2001 and 100% for the fiscal year 2000 and 1999.

NOTE 10 - POSTEMPLOYMENT BENEFITS

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

The State Teacher Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. The Retirement Board allocates employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund. The Health Care Reserve Allocation for the year ended June 30, 2001 will be 4.5% of covered payroll.

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

For this fiscal year, employer contributions to fund health care benefits were 8.45% of covered payroll, an increase from 6.30% for fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For the fiscal year 2000, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2000, 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 currently receiving health care benefits.

NOTE 11 – CAPITAL LEASE

During the fiscal year, the District entered into a capital lease for NCS-Pearson “ABACUS & MCAD” software.

The 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 that transfers benefits and risks of ownership to the lessee at conclusion of the lease term. Capital lease payments will be paid out of the Debt Service Fund. A corresponding liability was recorded in the General Long-Term Obligation Account Group.

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

Fiscal Year Ending	Long-Term
<u>June 30</u>	<u>Debt</u>
2002	\$30,000
2003	54,355
2004	54,355
2005	<u>54,355</u>
Total Minimum Lease Payments	\$193,065
Less: Amount Representing Interest	<u>(19,054)</u>
Present Value of Minimum Lease Payments	<u>\$174,011</u>

NOTE 12 - LONG-TERM DEBT

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

	<u>Beginning</u>			<u>Ending</u>
	<u>Principal Outstanding</u>	<u>Additions</u>	<u>Deductions</u>	<u>Principal Outstanding</u>
General Obligation Bonds:				
Construction of New Building / Addition 1992 4.65%	\$1,185,000	\$ 0	\$1,185,000	\$0
House Bill 264 Renovation 1995 5.25%	950,000	0	140,000	810,000
School Bus Acquisition Bonds 1998 5.20%	156,000	0	50,000	106,000
Pension Obligations	90,270	102,296	0	192,566
Compensated Absences	<u>1,528,250</u>	<u>34,306</u>	<u>0</u>	<u>1,562,556</u>
Total General Long-Term Obligations	<u>\$3,909,520</u>	<u>\$136,602</u>	<u>\$1,375,000</u>	<u>\$2,671,122</u>

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

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

Fiscal Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30</u>			
2002	\$197,000	\$44,390	\$241,390
2003	209,000	33,733	242,733
2004	160,000	22,575	182,575
2005	170,000	13,913	183,913
2006	<u>180,000</u>	<u>4,725</u>	<u>184,725</u>
Total	<u>\$916,000</u>	<u>\$119,336</u>	<u>\$1,035,336</u>

NOTE 13 – NOTES PAYABLE

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

	<u>Maturity Date</u>	<u>Balance Beginning of year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Notes Payable 3.03%	3/05/02	\$ 0	\$15,000,000	\$ 0	\$15,000,000

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

NOTE 14 - CONTRIBUTED CAPITAL

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

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

NOTE 15 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

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

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Community School</u>	<u>Total Enterprise Funds</u>
Operating Revenues	\$833,239	\$231,960	\$2,820	\$1,068,019
Operating Expenses Before Depreciation	1,233,490	178,608	4,211	1,416,309
Depreciation	5,221	0	0	5,221
Operating Income (Loss)	(405,472)	53,352	(1,391)	(353,511)
Donated Commodities	55,354	0	0	55,354

Operating Grants	223,990	0	0	223,990
Operating Transfers In (Out)	(36,941)	(20,872)	0	(57,813)
Net Income (Loss)	(163,069)	32,480	(1,391)	(131,980)
Net Working Capital	(214,005)	81,301	(1,391)	(134,095)
Total Assets	101,865	90,247	255	192,367
Total Fund Equity (Deficit)	(159,802)	81,301	(1,391)	(79,892)

NOTE 16 - JOINTLY-GOVERNED ORGANIZATIONS

Southwestern Ohio Computer Association

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

Warren County Career Center

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

NOTE 17 – CONTINGENCIES

Grants

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

NOTE 18 – STATE SCHOOL FUNDING DECISION

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

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

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

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of October 12, 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.

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

NOTE 19 – STATUTORY RESERVES

The District is required by state law to set aside general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2001, the reserve activity (cash-basis) was as follows:

	Textbook <u>Reserve</u>	Capital Maintenance <u>Reserve</u>	Budget Stabilization <u>Reserve</u>	<u>Total</u>
Balance, 7/1/00	\$ 0	\$ 0	\$336,290	\$ 336,290
Required Set-Aside	563,541	563,541	0	1,127,082
Qualifying Expenditures	(563,541)	(563,541)	0	(1,127,082)
Offset Credits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance, 6/30/01	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$336,290</u>	<u>\$ 336,290</u>

Qualifying expenditures for textbook activity during the year were \$826,592, which exceeded the required set-aside reserve. Qualifying expenditures for capital activity were \$1,298,120, which exceeded the required set-aside reserve.

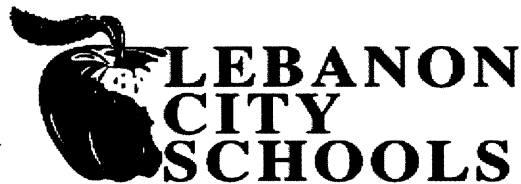
NOTE 20 – CHANGES IN ACCOUNTING PRINCIPLES

Changes in Accounting Principles

For fiscal year 2001, the School District has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions". At June 30, 2000, there was no effect on fund balance as a result of implementing GASB 33.

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COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP FINANCIAL STATEMENTS AND SCHEDULES



Lebanon's High Five

- 1. Quality Facilities for Quality Learning**
- 2. State Report Card - 27 or Bust!**
- 3. Success for All Students**
- 4. Teacher's Learning Drives Student's Learning**
- 5. Lebanon's Guarantee - All Children will Read!**

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GENERAL FUND

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

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

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SPECIAL REVENUE FUNDS

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

Public School Support:

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

Miscellaneous Local Grants:

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

Venture Capital:

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

Athletic:

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

Auxiliary Services:

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

Phonics Demonstration:

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

Professional Development:

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

Management Information Systems:

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

OECN Network Connectivity:

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

SPECIAL REVENUE FUNDS (continued)

SchoolNet Professional Development:

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

Textbooks/Instructional Materials Subsidy:

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

Ohio Reads Grant:

To account for state funds, which are designated reading.

Summer Intervention Subsidy:

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

Extended Learning Opportunity:

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

Miscellaneous State Grants:

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

Eisenhower:

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

Title VI-B:

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

Title I:

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

Title VI:

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

SPECIAL REVENUE FUNDS (continued)

Public School Pre-School:

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

Drug Free Schools:

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

Telecomm FCC E-Rate:

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

Miscellaneous Federal Grants:

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

LEBANON CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet
 All Special Revenue Funds
 June 30, 2001

	Public School Support	Miscellaneous Local Grants	Venture Capital	Athletic
Assets:				
Equity in pooled cash and cash equivalents	\$102,683	\$26,634	\$21,392	\$50,925
Receivables:				
Accounts	297	0	0	0
Intergovernmental	0	0	0	0
Total assets	<u>102,980</u>	<u>26,634</u>	<u>21,392</u>	<u>50,925</u>
Liabilities:				
Accounts payable	10,384	14,762	2,385	7,464
Accrued wages and benefits	0	0	0	0
Interfund payable	40	0	0	299
Deferred revenue	0	0	0	0
Total liabilities	<u>10,424</u>	<u>14,762</u>	<u>2,385</u>	<u>7,763</u>
Fund balances:				
Reserved:				
Reserved for encumbrances	11,052	4,929	2,258	17,459
Unreserved:				
Undesignated	81,504	6,943	16,749	25,703
Total fund equity (deficit)	<u>92,556</u>	<u>11,872</u>	<u>19,007</u>	<u>43,162</u>
Total liabilities and fund equity	<u>\$102,980</u>	<u>\$26,634</u>	<u>\$21,392</u>	<u>\$50,925</u>

<u>Auxiliary Services</u>	<u>Phonics Demonstration</u>	<u>Professional Development</u>	<u>Management Information Systems</u>	<u>OECN Network Connectivity</u>	<u>SchoolNet Professional Development</u>	<u>Textbook/ Instructional Materials Subsidy</u>
\$65,445	\$71	\$15,240	\$1	\$18,000	\$9,686	\$6,537
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>65,445</u>	<u>71</u>	<u>15,240</u>	<u>1</u>	<u>18,000</u>	<u>9,686</u>	<u>6,537</u>
18,557	0	6	0	0	32	701
10,295	0	0	0	0	0	0
0	0	0	6,000	0	0	0
0	0	0	0	0	0	0
<u>28,852</u>	<u>0</u>	<u>6</u>	<u>6,000</u>	<u>0</u>	<u>32</u>	<u>701</u>
38,450	0	15,044	0	0	531	4,863
(1,857)	71	190	(5,999)	18,000	9,123	973
<u>36,593</u>	<u>71</u>	<u>15,234</u>	<u>(5,999)</u>	<u>18,000</u>	<u>9,654</u>	<u>5,836</u>
<u>\$65,445</u>	<u>\$71</u>	<u>\$15,240</u>	<u>\$1</u>	<u>\$18,000</u>	<u>\$9,686</u>	<u>\$6,537</u>

Continued

LEBANON CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet
 All Special Revenue Funds
 June 30, 2001

	Ohio Reads Grant	Summer Intervention Subsidy	Extended Learning Opportunity	Miscellaneous State Grants
Assets:				
Equity in pooled cash and cash equivalents	\$3,584	\$20,955	\$26,699	\$500
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	0	0	10,150
Total assets	<u>3,584</u>	<u>20,955</u>	<u>26,699</u>	<u>10,650</u>
Liabilities:				
Accounts payable	0	0	384	0
Accrued wages and benefits	0	0	0	0
Interfund payable	0	0	0	10,000
Deferred revenue	0	0	0	0
Total liabilities	<u>0</u>	<u>0</u>	<u>384</u>	<u>10,000</u>
Fund balances:				
Reserved:				
Reserved for encumbrances	8	0	1,667	0
Unreserved:				
Undesignated	3,576	20,955	24,648	650
Total fund equity (deficit)	<u>3,584</u>	<u>20,955</u>	<u>26,315</u>	<u>650</u>
Total liabilities and fund equity	<u>\$3,584</u>	<u>\$20,955</u>	<u>\$26,699</u>	<u>\$10,650</u>

<u>Eisenhower</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Public School Pre-School</u>	<u>Drug Free Schools</u>	<u>Telecomm FCC E-Rate</u>
\$11,028	\$33,651	\$39,214	\$5,165	\$0	\$6,647	\$9,869
0	0	0	0	0	0	0
0	10,200	40,560	0	0	12,666	0
<u>11,028</u>	<u>43,851</u>	<u>79,774</u>	<u>5,165</u>	<u>0</u>	<u>19,313</u>	<u>9,869</u>
0	7,233	5,993	1,866	0	1,142	0
0	25,744	38,746	0	0	0	0
0	0	1,015	0	0	3,821	0
0	10,200	40,560	0	0	3,437	0
<u>0</u>	<u>43,177</u>	<u>86,314</u>	<u>1,866</u>	<u>0</u>	<u>8,400</u>	<u>0</u>
353	249	6,326	2,019	0	448	9,869
10,675	425	(12,866)	1,280	0	10,465	0
<u>11,028</u>	<u>674</u>	<u>(6,540)</u>	<u>3,299</u>	<u>0</u>	<u>10,913</u>	<u>9,869</u>
<u>\$11,028</u>	<u>\$43,851</u>	<u>\$79,774</u>	<u>\$5,165</u>	<u>\$0</u>	<u>\$19,313</u>	<u>\$9,869</u>

Continued

LEBANON CITY SCHOOL DISTRICT, OHIO
 Combining Balance Sheet
 All Special Revenue Funds
 June 30, 2001

	Miscellaneous Federal Grants	Totals
Assets:		
Equity in pooled cash and cash equivalents	\$93,810	\$567,736
Receivables:		
Accounts	0	297
Intergovernmental	420,003	493,579
Total assets	<u>513,813</u>	<u>1,061,612</u>
Liabilities:		
Accounts payable	20,152	91,061
Accrued wages and benefits	35,514	110,299
Interfund payable	8,030	29,205
Deferred revenue	199,768	253,965
Total liabilities	<u>263,464</u>	<u>484,530</u>
Fund balances:		
Reserved:		
Reserved for encumbrances	62,250	177,775
Unreserved:		
Undesignated	188,099	399,307
Total fund equity (deficit)	<u>250,349</u>	<u>577,082</u>
Total liabilities and fund equity	<u>\$513,813</u>	<u>\$1,061,612</u>

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LEBANON CITY SCHOOL DISTRICT, OHIO
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
All Special Revenue Funds
For The Fiscal Year Ended June 30, 2001

	Public School Support	Miscellaneous Local Grants	Venture Capital	Athletic
Revenues:				
Intergovernmental	\$0	\$22,301	\$50,000	\$0
Investment	0	0	0	0
Tuition and fees	14,506	0	0	0
Extracurricular activities	95,747	0	0	201,336
Other revenues	69,191	70,090	0	490
Total revenues	179,444	92,391	50,000	201,826
Expenditures:				
Current:				
Instruction:				
Regular	144,824	48,354	40,133	0
Special	0	0	0	0
Other	1,603	0	0	0
Support services:				
Pupil	370	3,800	0	0
Instructional staff	21,151	29,691	0	0
Administration	0	0	0	0
Central	0	0	0	0
Operation of non-instructional services	0	0	0	0
Extracurricular activities	15,674	6,967	0	171,597
Capital outlay	0	0	0	19,600
Total expenditures	183,622	88,812	40,133	191,197
Excess of revenues over (under) expenditures	(4,178)	3,579	9,867	10,629
Other financing sources (uses):				
Operating transfers (out)	0	0	0	0
Total other financing sources (uses)	0	0	0	0
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(4,178)	3,579	9,867	10,629
Fund balance (deficit), July 1	96,734	8,293	9,140	32,533
Fund balance (deficit), June 30	\$92,556	\$11,872	\$19,007	\$43,162

Auxiliary Services	Phonics Demonstration	Professional Development	Management Information Systems	OECN Network Connectivity	SchoolNet Professional Development	Textbook/ Instructional Materials Subsidy
\$138,803	\$0	\$20,965	\$17,803	\$18,000	\$4,000	\$0
3,496	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>142,299</u>	<u>0</u>	<u>20,965</u>	<u>17,803</u>	<u>18,000</u>	<u>4,000</u>	<u>0</u>
0	0	0	0	0	18	120,294
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	10,703	0	0	4,474	0
0	0	638	0	0	0	0
0	0	0	18,718	0	660	0
135,683	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>135,683</u>	<u>0</u>	<u>11,341</u>	<u>18,718</u>	<u>0</u>	<u>5,152</u>	<u>120,294</u>
<u>6,616</u>	<u>0</u>	<u>9,624</u>	<u>(915)</u>	<u>18,000</u>	<u>(1,152)</u>	<u>(120,294)</u>
0	0	0	(6,000)	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(6,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
6,616	0	9,624	(6,915)	18,000	(1,152)	(120,294)
29,977	71	5,610	916	0	10,806	126,130
<u>\$36,593</u>	<u>\$71</u>	<u>\$15,234</u>	<u>(\$5,999)</u>	<u>\$18,000</u>	<u>\$9,654</u>	<u>\$5,836</u>

Continued

LEBANON CITY SCHOOL DISTRICT, OHIO
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
All Special Revenue Funds
For The Fiscal Year Ended June 30, 2001

	Ohio Reads Grant	Summer Intervention Subsidy	Extended Learning Opportunity	Miscellaneous State Grants
Revenues:				
Intergovernmental	\$20,670	\$20,955	\$27,200	\$25,650
Investment	0	0	0	0
Tuition and fees	0	0	0	0
Extracurricular activities	0	0	0	0
Other revenues	0	0	0	0
Total revenues	<u>20,670</u>	<u>20,955</u>	<u>27,200</u>	<u>25,650</u>
Expenditures:				
Current:				
Instruction:				
Regular	14,916	0	0	3,000
Special	0	0	0	0
Other	0	0	0	0
Support services:				
Pupil	0	0	0	0
Instructional staff	12,000	0	885	0
Administration	0	0	0	22,000
Central	0	0	0	1,000
Operation of non-instructional services	0	0	0	0
Extracurricular activities	0	0	0	0
Capital outlay	0	0	0	0
Total expenditures	<u>26,916</u>	<u>0</u>	<u>885</u>	<u>26,000</u>
Excess of revenues over (under) expenditures	<u>(6,246)</u>	<u>20,955</u>	<u>26,315</u>	<u>(350)</u>
Other financing sources (uses):				
Operating transfers (out)	0	0	0	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	<u>(6,246)</u>	<u>20,955</u>	<u>26,315</u>	<u>(350)</u>
Fund balance (deficit), July 1	9,830	0	0	1,000
Fund balance (deficit), June 30	<u>\$3,584</u>	<u>\$20,955</u>	<u>\$26,315</u>	<u>\$650</u>

Eisenhower	Title VI-B	Title I	Title VI	Public School Pre-School	Drug Free Schools	Telecomm FCC E-Rate
\$23,612	\$212,097	\$215,749	\$25,097	\$4,537	\$27,801	\$5,077
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
2,077	0	459	1,948	0	2,094	0
<u>25,689</u>	<u>212,097</u>	<u>216,208</u>	<u>27,045</u>	<u>4,537</u>	<u>29,895</u>	<u>5,077</u>
1,338	0	0	0	0	8,027	0
0	111,876	191,326	0	0	0	0
0	0	0	0	0	0	0
0	30,374	0	1,650	4,537	19,636	0
20,429	6,747	0	23,540	0	0	0
0	51,692	0	0	0	0	0
0	0	0	0	0	0	0
0	6,836	41,134	2,092	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>21,767</u>	<u>207,525</u>	<u>232,460</u>	<u>27,282</u>	<u>4,537</u>	<u>27,663</u>	<u>0</u>
<u>3,922</u>	<u>4,572</u>	<u>(16,252)</u>	<u>(237)</u>	<u>0</u>	<u>2,232</u>	<u>5,077</u>
0	0	0	(609)	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>(609)</u>	<u>0</u>	<u>0</u>	<u>0</u>
3,922	4,572	(16,252)	(846)	0	2,232	5,077
7,106	(3,898)	9,712	4,145	0	8,681	4,792
<u>\$11,028</u>	<u>\$674</u>	<u>(\$6,540)</u>	<u>\$3,299</u>	<u>\$0</u>	<u>\$10,913</u>	<u>\$9,869</u>

Continued

LEBANON CITY SCHOOL DISTRICT, OHIO
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
All Special Revenue Funds
For The Fiscal Year Ended June 30, 2001

	Miscellaneous Federal Grants	Totals
Revenues:		
Intergovernmental	\$770,670	\$1,650,987
Investment	0	3,496
Tuition and fees	0	14,506
Extracurricular activities	0	297,083
Other revenues	0	146,349
Total revenues	770,670	2,112,421
Expenditures:		
Current:		
Instruction:		
Regular	331,588	712,492
Special	56,164	359,366
Other	0	1,603
Support services:		
Pupil	42,355	102,722
Instructional staff	140,835	270,455
Administration	0	74,330
Central	0	20,378
Operation of non-instructional services	0	185,745
Extracurricular activities	0	194,238
Capital outlay	0	19,600
Total expenditures	570,942	1,940,929
Excess of revenues over (under) expenditures	199,728	171,492
Other financing sources (uses):		
Operating transfers (out)	0	(6,609)
Total other financing sources (uses)	0	(6,609)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	199,728	164,883
Fund balance (deficit), July 1	50,621	412,199
Fund balance (deficit), June 30	\$250,349	\$577,082

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Public School Support - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Tuition & fees	\$14,505	\$14,505	\$0
Extracurricular activities	95,747	95,747	0
Other local revenues	68,894	68,894	0
Total revenues	<u>179,146</u>	<u>179,146</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	206,075	170,201	35,874
Support services:			
Pupil	658	370	288
Instructional staff	22,000	21,152	848
Extracurricular activities	19,889	16,215	3,674
Total expenditures	<u>248,622</u>	<u>207,938</u>	<u>40,684</u>
Excess of revenues over (under) expenditures	(69,476)	(28,792)	40,684
Other financing sources (uses):			
Advances in	40	40	0
Total other financing sources (uses)	<u>40</u>	<u>40</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures	(69,436)	(28,752)	40,684
Fund balance,			
July 1 (includes prior year encumbrances appropriated)	<u>109,998</u>	<u>109,998</u>	<u>0</u>
Fund balance,			
June 30	<u>\$40,562</u>	<u>\$81,246</u>	<u>\$40,684</u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Miscellaneous Local Grants - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$22,301	\$22,301	\$0
Other local revenues	70,090	70,090	0
Total revenues	<u>92,391</u>	<u>92,391</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	51,428	48,447	2,981
Support services:			
Pupil	3,800	3,800	0
Instructional staff	34,211	34,189	22
Extracurricular activities	9,759	7,448	2,311
Total expenditures	<u>99,198</u>	<u>93,884</u>	<u>5,314</u>
Excess of revenues over (under) expenditures	(6,807)	(1,493)	5,314
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>8,437</u>	<u>8,437</u>	<u>0</u>
Fund balance, June 30	<u><u>\$1,630</u></u>	<u><u>\$6,944</u></u>	<u><u>\$5,314</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Venture Capital - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$50,000	\$50,000	\$0
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	56,740	42,491	14,249
Support services:			
Instructional staff	2,500	0	2,500
Total expenditures	<u>59,240</u>	<u>42,491</u>	<u>16,749</u>
Excess of revenues over (under) expenditures	(9,240)	7,509	(16,749)
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>9,240</u>	<u>9,240</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$16,749</u></u>	<u><u>(\$16,749)</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Athletic - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Extracurricular activities	\$201,633	\$201,336	(\$297)
Other local revenues	490	490	0
Total revenues	<u>202,123</u>	<u>201,826</u>	<u>(297)</u>
Expenditures:			
Current			
Support services:			
Extracurricular activities	196,103	189,323	6,780
Capital Outlay	19,600	19,600	0
Total expenditures	<u>215,703</u>	<u>208,923</u>	<u>6,780</u>
Excess of revenues over (under) expenditures	(13,580)	(7,097)	6,483
Other financing sources (uses):			
Advances in	299	299	0
Total other financing sources (uses)	<u>299</u>	<u>299</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other uses	(13,281)	(6,798)	6,483
Fund balance,			
July 1 (includes prior year encumbrances appropriated)	<u>32,801</u>	<u>32,801</u>	<u>0</u>
Fund balance,			
June 30	<u>\$19,520</u>	<u>\$26,003</u>	<u>\$6,483</u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Auxiliary Services - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$138,803	\$138,803	\$0
Interest	3,496	3,496	0
Total revenues	<u>142,299</u>	<u>142,299</u>	<u>0</u>
Expenditures:			
Current:			
Support services:			
Operation of non-instructional services	172,435	172,431	4
Total expenditures	<u>172,435</u>	<u>172,431</u>	<u>4</u>
Excess of revenues over (under) expenditures	(30,136)	(30,132)	4
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>38,569</u>	<u>38,569</u>	<u>0</u>
Fund balance, June 30	<u><u>\$8,433</u></u>	<u><u>\$8,437</u></u>	<u><u>\$4</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Phonics Demonstration - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues over (under) expenditures	0	0	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>71</u>	<u>71</u>	<u>0</u>
Fund balance, June 30	<u><u>\$71</u></u>	<u><u>\$71</u></u>	<u><u>\$0</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Professional Development - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$20,965	\$20,965	\$0
Total revenues	<u>20,965</u>	<u>20,965</u>	<u>0</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	27,773	27,583	190
Administration	638	638	0
Total expenditures	<u>28,411</u>	<u>28,221</u>	<u>190</u>
Excess of revenues over (under) expenditures	(7,446)	(7,256)	190
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>7,446</u>	<u>7,446</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$190</u></u>	<u><u>\$190</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Management Information Systems - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$23,803	\$17,803	(\$6,000)
Total revenues	<u>23,803</u>	<u>17,803</u>	<u>(6,000)</u>
Expenditures:			
Current:			
Support services:			
Central	18,718	18,718	0
Total expenditures	<u>18,718</u>	<u>18,718</u>	<u>0</u>
Excess of revenues over (under) expenditures	5,085	(915)	(6,000)
Other financing sources (uses):			
Advances in	6,000	6,000	0
Operating transfers (out)	(6,000)	(6,000)	0
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	5,085	(915)	(6,000)
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>915</u>	<u>915</u>	<u>0</u>
Fund balance, June 30	<u><u>\$6,000</u></u>	<u><u>\$0</u></u>	<u><u>(\$12,000)</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
OECN Network Connectivity - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

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

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
SchoolNet Professional Development - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$4,000	\$4,000	\$0
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>0</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	8,328	4,795	3,533
Central	5,216	3,624	1,592
Total expenditures	<u>13,544</u>	<u>8,419</u>	<u>5,125</u>
Excess of revenues over (under) expenditures	(9,544)	(4,419)	5,125
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>13,544</u>	<u>13,544</u>	<u>0</u>
Fund balance, June 30	<u><u>\$4,000</u></u>	<u><u>\$9,125</u></u>	<u><u>\$5,125</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Textbook/Instructional Materials Subsidy - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	125,157	125,157	0
Total expenditures	<u>125,157</u>	<u>125,157</u>	<u>0</u>
Excess of revenues over (under) expenditures	(125,157)	(125,157)	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>126,131</u>	<u>126,131</u>	<u>0</u>
Fund balance, June 30	<u><u>\$974</u></u>	<u><u>\$974</u></u>	<u><u>\$0</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Ohio Reads Grant - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$20,670	\$20,670	\$0
Total revenues	<u>20,670</u>	<u>20,670</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	18,500	14,924	3,576
Support services:			
Instructional staff	12,000	12,000	0
Total expenditures	<u>30,500</u>	<u>26,924</u>	<u>3,576</u>
Excess of revenues over (under) expenditures	(9,830)	(6,254)	3,576
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>9,830</u>	<u>9,830</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$3,576</u></u>	<u><u>\$3,576</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Summer Intervention Subsidy - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$20,955	\$20,955	\$0
Total revenues	<u>20,955</u>	<u>20,955</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues over (under) expenditures	20,955	20,955	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u><u>\$20,955</u></u>	<u><u>\$20,955</u></u>	<u><u>\$0</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Extended Learning Opportunity - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$27,200	\$27,200	\$0
Total revenues	<u>27,200</u>	<u>27,200</u>	<u>0</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	27,200	2,552	24,648
Total expenditures	<u>27,200</u>	<u>2,552</u>	<u>24,648</u>
Excess of revenues over (under) expenditures	0	24,648	24,648
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$24,648</u></u>	<u><u>\$24,648</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Miscellaneous State Grants - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$30,000	\$15,500	(\$14,500)
Total revenues	<u>30,000</u>	<u>15,500</u>	<u>(14,500)</u>
Expenditures:			
Current:			
Instruction:			
Regular	3,000	3,000	0
Support services:			
Administration	22,000	22,000	0
Central	1,000	1,000	0
Total expenditures	<u>26,000</u>	<u>26,000</u>	<u>0</u>
Excess of revenues over (under) expenditures	4,000	(10,500)	(14,500)
Other financing sources (uses):			
Advances In	10,000	10,000	0
Total other financing sources (uses)	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures	14,000	(500)	(14,500)
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Fund balance, June 30	<u><u>\$15,000</u></u>	<u><u>\$500</u></u>	<u><u>(\$14,500)</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Eisenhower - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$25,070	\$23,612	(\$1,458)
Other local revenues	2,077	2,077	0
Total revenues	<u>27,147</u>	<u>25,689</u>	<u>(1,458)</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,338	1,338	0
Support services:			
Instructional staff	33,194	21,060	12,134
Total expenditures	<u>34,532</u>	<u>22,398</u>	<u>12,134</u>
Excess of revenues over (under) expenditures	(7,385)	3,291	10,676
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>7,385</u>	<u>7,385</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$10,676</u></u>	<u><u>\$10,676</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title VI-B - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$222,297	\$212,097	(\$10,200)
Total revenues	<u>222,297</u>	<u>212,097</u>	<u>(10,200)</u>
Expenditures:			
Current:			
Instruction:			
Special	134,253	108,237	26,016
Support services:			
Pupil	33,000	28,149	4,851
Instructional staff	6,747	6,747	0
Administration	57,623	52,122	5,501
Operation of non-instructional services	6,836	6,836	0
Total expenditures	<u>238,459</u>	<u>202,091</u>	<u>36,368</u>
Excess of revenues over (under) expenditures	(16,162)	10,006	26,168
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>16,163</u>	<u>16,163</u>	<u>0</u>
Fund balance, June 30	<u><u>\$1</u></u>	<u><u>\$26,169</u></u>	<u><u>\$26,168</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title I - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$257,972	\$215,749	(\$42,223)
Other local revenues	459	459	0
Total revenues	<u>258,431</u>	<u>216,208</u>	<u>(42,223)</u>
Expenditures:			
Current:			
Instruction:			
Special	296,937	229,784	67,153
Support services:			
Operation of non-instructional services	4,885	3,935	950
Total expenditures	<u>301,822</u>	<u>233,719</u>	<u>68,103</u>
Excess of revenues over (under) expenditures	(43,391)	(17,511)	25,880
Other financing sources (uses):			
Advances in	1,015	1,015	0
Total other financing sources (uses)	<u>1,015</u>	<u>1,015</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures	(42,376)	(16,496)	25,880
Fund balance,			
July 1 (includes prior year encumbrances appropriated)	43,390	43,390	0
Fund balance, June 30	<u>\$1,014</u>	<u>\$26,894</u>	<u>\$25,880</u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title VI - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$25,097	\$25,097	\$0
Other local revenues	1,948	1,948	0
Total revenues	<u>27,045</u>	<u>27,045</u>	<u>0</u>
Expenditures:			
Current:			
Support services:			
Pupil	1,650	1,650	0
Instructional staff	28,315	27,622	693
Operation of non-instructional services	2,733	2,146	587
Total expenditures	<u>32,698</u>	<u>31,418</u>	<u>1,280</u>
Excess of revenues over (under) expenditures	(5,653)	(4,373)	1,280
Other financing sources (uses):			
Operating transfers (out)	(609)	(609)	(1,218)
Total other financing sources (uses)	<u>(609)</u>	<u>(609)</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures	(6,262)	(4,982)	1,280
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>6,262</u>	<u>6,262</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$1,280</u></u>	<u><u>\$1,280</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Public School Pre-School - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$4,537	\$4,537	\$0
Total revenues	<u>4,537</u>	<u>4,537</u>	<u>0</u>
Expenditures:			
Current:			
Support services:			
Pupil	4,537	4,537	0
Total expenditures	<u>4,537</u>	<u>4,537</u>	<u>0</u>
Excess of revenues over (under) expenditures	0	0	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Drug Free Schools - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$31,238	\$18,572	(\$12,666)
Other local revenues	2,094	2,094	0
Total revenues	<u>33,332</u>	<u>20,666</u>	<u>(12,666)</u>
Expenditures:			
Current:			
Instruction:			
Regular	13,275	8,219	5,056
Support services:			
Pupil	28,738	19,892	8,846
Total expenditures	<u>42,013</u>	<u>28,111</u>	<u>13,902</u>
Excess of revenues over (under) expenditures	(8,681)	(7,445)	1,236
Other financing sources (uses):			
Advances in	3,821	3,821	0
Total other financing sources (uses)	<u>3,821</u>	<u>3,821</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(4,860)	(3,624)	1,236
Fund balance,			
July 1 (includes prior year encumbrances appropriated)	<u>8,680</u>	<u>8,680</u>	<u>0</u>
Fund balance,			
June 30	<u>\$3,820</u>	<u>\$5,056</u>	<u>\$1,236</u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Telecomm FCC E-Rate - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$5,077	\$5,077	\$0
Total revenues	<u>5,077</u>	<u>5,077</u>	<u>0</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	9,869	9,869	0
Total expenditures	<u>9,869</u>	<u>9,869</u>	<u>0</u>
Excess of revenues over (under) expenditures	(4,792)	(4,792)	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>4,792</u>	<u>4,792</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Miscellaneous Federal Grants - Special Revenue Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$935,458	\$550,435	(\$385,023)
Total revenues	<u>935,458</u>	<u>550,435</u>	<u>(385,023)</u>
Expenditures:			
Current:			
Instruction:			
Regular	572,318	337,585	234,733
Special	73,395	61,254	12,141
Support services:			
Pupil	91,164	70,175	20,989
Instructional staff	268,282	135,884	132,398
Administration	8,953	3,500	5,453
Pupil transportation	20,352	0	20,352
Total expenditures	<u>1,034,464</u>	<u>608,398</u>	<u>426,066</u>
Excess of revenues over (under) expenditures	(99,006)	(57,963)	41,043
Other financing sources (uses):			
Advances in	8,030	8,030	0
Total other financing sources (uses)	<u>8,030</u>	<u>8,030</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(90,976)	(49,933)	41,043
Fund balance,			
July 1 (includes prior year encumbrances appropriated)	<u>61,342</u>	<u>61,342</u>	<u>0</u>
Fund balance,			
June 30	<u><u>(\$29,634)</u></u>	<u><u>\$11,409</u></u>	<u><u>\$41,043</u></u>

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DEBT SERVICE FUND

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

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

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CAPITAL PROJECTS FUNDS

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

Building:

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

Capital Projects:

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

SchoolNet:

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

LEBANON CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet

All Capital Projects Funds

June 30, 2001

	<u>Building</u>	<u>Capital Projects</u>	<u>SchoolNet</u>	<u>Totals</u>
Assets:				
Equity in pooled cash and cash equivalents	\$15,001,580	\$1,052,303	\$17,909	\$16,071,792
Receivables:				
Taxes	0	850,182	0	850,182
Total assets	<u>15,001,580</u>	<u>1,902,485</u>	<u>17,909</u>	<u>16,921,974</u>
Liabilities:				
Accounts payable	0	320,689	4,321	325,010
Deferred revenue	0	755,859	0	755,859
Notes payable	15,000,000	0	0	15,000,000
Total liabilities	<u>15,000,000</u>	<u>1,076,548</u>	<u>4,321</u>	<u>16,080,869</u>
Fund balances:				
Reserved:				
Reserved for property taxes	0	94,323	0	94,323
Reserved for encumbrances	0	446,152	4,674	450,826
Unreserved:				
Undesignated	1,580	285,462	8,914	295,956
Total fund equity	<u>1,580</u>	<u>825,937</u>	<u>13,588</u>	<u>841,105</u>
Total liabilities and fund equity	<u>\$15,001,580</u>	<u>\$1,902,485</u>	<u>\$17,909</u>	<u>\$16,921,974</u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
All Capital Projects Funds
For The Fiscal Year Ended June 30, 2001

	Building	Capital Projects	SchoolNet	Totals
Revenues:				
Taxes	\$0	\$807,504	\$0	\$807,504
Intergovernmental	0	100,322	168,295	268,617
Investment	2,322	57,127	0	59,449
Other revenues	0	1,200	0	1,200
Total revenues	<u>2,322</u>	<u>966,153</u>	<u>168,295</u>	<u>1,136,770</u>
Expenditures:				
Current:				
Instruction:				
Regular	0	73,106	212,033	285,139
Support services:				
Instructional staff	0	653,181	18,000	671,181
Administration	0	1,499	0	1,499
Fiscal	742	11,887	0	12,629
Operations and maintenance	0	445,969	0	445,969
Pupil transportation	0	1,477	0	1,477
Central	0	0	38,718	38,718
Capital outlay	0	61,232	0	61,232
Total expenditures	<u>742</u>	<u>1,248,351</u>	<u>268,751</u>	<u>1,517,844</u>
Excess of revenues over (under) expenditures	<u>1,580</u>	<u>(282,198)</u>	<u>(100,456)</u>	<u>(381,074)</u>
Other financing sources (uses):				
Operating transfers in	0	420,064	0	420,064
Total other financing sources (uses)	<u>0</u>	<u>420,064</u>	<u>0</u>	<u>420,064</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,580	137,866	(100,456)	38,990
Fund balance, July 1	0	688,071	114,044	802,115
Fund balance, June 30	<u>\$1,580</u>	<u>\$825,937</u>	<u>\$13,588</u>	<u>\$841,105</u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Building - Capital Projects Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Interest	\$2,322	\$2,322	\$0
Total revenues	<u>2,322</u>	<u>2,322</u>	<u>0</u>
Expenditures:			
Current:			
Support services:			
Fiscal	742	742	0
Total expenditures	<u>742</u>	<u>742</u>	<u>0</u>
Excess of revenues over (under) expenditures	1,580	1,580	0
Other financing sources (uses):			
Proceeds from sale of notes	15,000,000	15,000,000	0
Total other financing sources (uses)	<u>15,000,000</u>	<u>15,000,000</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	15,001,580	15,001,580	0
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, June 30	<u><u>\$15,001,580</u></u>	<u><u>\$15,001,580</u></u>	<u><u>\$0</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Capital Projects - Capital Projects Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$819,860	\$819,860	\$0
Intergovernmental	100,322	100,322	0
Interest	57,127	57,127	0
Other local sources	1,200	1,200	0
Total revenues	<u>978,509</u>	<u>978,509</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	83,467	83,463	4
Support services:			
Instructional staff	1,052,226	1,051,954	272
Administration	1,499	1,499	0
Fiscal	12,206	11,887	319
Operation and maintenance	507,420	440,739	66,681
Pupil transportation	1,501	1,477	24
Capital Outlay	211,219	108,648	102,571
Total expenditures	<u>1,869,538</u>	<u>1,699,667</u>	<u>169,871</u>
Excess of revenues over (under) expenditures	(891,029)	(721,158)	169,871
Other financing sources (uses):			
Operating transfers in	420,064	420,064	0
Total other financing sources (uses)	<u>420,064</u>	<u>420,064</u>	<u>0</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(470,965)	(301,094)	169,871
Fund balance,			
July 1 (includes prior year encumbrances appropriated)	<u>586,556</u>	<u>586,556</u>	<u>0</u>
Fund balance, June 30	<u><u>\$115,591</u></u>	<u><u>\$285,462</u></u>	<u><u>\$169,871</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
SchoolNet - Capital Projects Fund
For the Fiscal Year Ended June 30, 2001

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$168,295	\$168,295	\$0
Total revenues	<u>168,295</u>	<u>168,295</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	225,697	216,854	8,843
Support services:			
Instructional staff	18,000	18,000	0
Central	38,946	38,876	70
Total expenditures	<u>282,643</u>	<u>273,730</u>	<u>8,913</u>
Excess of revenues over (under) expenditures	(114,348)	(105,435)	8,913
Fund balance, July 1 (includes prior year encumbrances appropriated)	<u>114,348</u>	<u>114,348</u>	<u>0</u>
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$8,913</u></u>	<u><u>\$8,913</u></u>

ENTERPRISE FUNDS

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

Food Service:

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

Uniform School Supplies:

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

Community School:

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

LEBANON CITY SCHOOL DISTRICT, OHIO
Combining Balance Sheet
All Enterprise Funds
June 30, 2001

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Community School</u>	<u>Total</u>
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$32,403	\$90,247	\$255	\$122,905
Receivables:				
Inventory held for resale	15,259	0	0	15,259
Fixed assets (net of accumulated depreciation)	<u>54,203</u>	<u>0</u>	<u>0</u>	<u>54,203</u>
Total assets	<u><u>101,865</u></u>	<u><u>90,247</u></u>	<u><u>255</u></u>	<u><u>192,367</u></u>
Liabilities:				
Current liabilities:				
Accounts payable	32,076	4,394	125	36,595
Accrued wages and benefits	32,522	0	0	32,522
Compensated absences payable	35,419	0	0	35,419
Interfund payable	153,549	4,552	1,521	159,622
Deferred revenue	8,101	0	0	8,101
Total liabilities	<u>261,667</u>	<u>8,946</u>	<u>1,646</u>	<u>272,259</u>
Fund Equity:				
Contributed capital	29,439	0	0	29,439
Retained Earnings:				
Unreserved	<u>(189,241)</u>	<u>81,301</u>	<u>(1,391)</u>	<u>(109,331)</u>
Total fund equity (deficit)	<u>(159,802)</u>	<u>81,301</u>	<u>(1,391)</u>	<u>(79,892)</u>
Total liabilities and fund equity	<u><u>\$101,865</u></u>	<u><u>\$90,247</u></u>	<u><u>\$255</u></u>	<u><u>\$192,367</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Combining Statement of Revenues, Expenses
And Changes in Retained Earnings
All Enterprise Funds
For The Fiscal Year Ended June 30, 2001

	Food Service	Uniform School Supplies	Community School	Totals
Operating revenues:				
Tuition and fees	\$0	\$0	\$2,820	\$2,820
Sales	833,239	0	0	833,239
Charges for services	0	231,960	0	231,960
Total revenues	<u>833,239</u>	<u>231,960</u>	<u>2,820</u>	<u>1,068,019</u>
Operating expenses:				
Salaries and wages	383,702	0	2,952	386,654
Fringe benefits	131,114	0	455	131,569
Purchased services	662,664	0	67	662,731
Materials and supplies	56,010	178,608	737	235,355
Depreciation	5,221	0	0	5,221
Total operating expenses	<u>1,238,711</u>	<u>178,608</u>	<u>4,211</u>	<u>1,421,530</u>
Operating income (loss)	<u>(405,472)</u>	<u>53,352</u>	<u>(1,391)</u>	<u>(353,511)</u>
Non-operating revenues:				
Federal donated commodities	55,354	0	0	55,354
Operating grants	223,990	0	0	223,990
Total non-operating revenues	<u>279,344</u>	<u>0</u>	<u>0</u>	<u>279,344</u>
Income (loss) before operating transfers	(126,128)	53,352	(1,391)	(74,167)
Operating transfers (out)	(36,941)	(20,872)	0	(57,813)
Net income (loss)	<u>(163,069)</u>	<u>32,480</u>	<u>(1,391)</u>	<u>(131,980)</u>
Retained Earnings (deficit), July 1	(26,172)	48,821	0	22,649
Retained Earnings (deficit), June 30	<u><u>(\$189,241)</u></u>	<u><u>\$81,301</u></u>	<u><u>(\$1,391)</u></u>	<u><u>(\$109,331)</u></u>

LEBANON 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	Community School	Totals
Cash flows from operating activities:				
Cash received from tuition and fees	\$0	\$0	\$2,820	\$2,820
Cash received from sales	833,239	0	0	833,239
Cash received from charges from services	0	231,960	0	231,960
Cash payments to suppliers for goods and services	(630,588)	(182,757)	(679)	(814,024)
Cash payments to employees for services	(510,310)	0	(3,407)	(513,717)
Net cash provided by (used for) operating activities	(307,659)	49,203	(1,266)	(259,722)
Cash flows from noncapital financing activities:				
Cash received from other funds	153,549	4,552	1,521	159,622
Cash payments to other funds	(36,941)	(20,872)	0	(57,813)
Operating grants received	225,046	0	0	225,046
Net cash provided by noncapital financing activities	341,654	(16,320)	1,521	326,855
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets	(1,884)	0	0	(1,884)
Net cash used for capital and related financing activities	(1,884)	0	0	(1,884)
Net increase in cash and cash equivalents	32,111	32,883	255	65,249
Cash and cash equivalents, July 1	292	57,364	0	57,656
Cash and cash equivalents, June 30	32,403	90,247	255	122,905
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	(405,472)	53,352	(1,391)	(353,511)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	5,221	0	0	5,221
Donated commodities used	55,354	0	0	55,354
Changes in assets and liabilities:				
(Increase) decrease in inventory held for resale	1,765	0	0	1,765
Increase (decrease) in accounts payable	32,076	(4,149)	125	28,052
Increase (decrease) in accrued wages and benefits	4,144	0	0	4,144
Increase (decrease) in compensated absences	362	0	0	362
Increase (decrease) in deferred revenue	(1,109)	0	0	(1,109)
Total adjustments	97,813	(4,149)	125	93,789
Net cash provided by (used for) operating activities	(\$307,659)	\$49,203	(\$1,266)	(\$259,722)

INTERNAL SERVICE FUNDS

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

Employee Benefits Self-Insurance:

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

Warren County Juvenile Detention Center:

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

LEBANON CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet

All Internal Service Funds

June 30, 2001

	<u>Employee Benefits Self-Insurance</u>	<u>Warren County Juvenile Detention Center</u>	<u>Total</u>
Assets:			
Current Assets:			
Equity in pooled cash and cash equivalents	\$480,115	\$157,389	\$637,504
Fixed assets (net of accumulated depreciation)	<u>0</u>	<u>2,279</u>	<u>2,279</u>
Total assets	<u><u>480,115</u></u>	<u><u>159,668</u></u>	<u><u>639,783</u></u>
Liabilities:			
Long-term liabilities:			
Accounts payable	0	365	365
Accrued wages	0	23,506	23,506
Claims payable	<u>308,605</u>	<u>0</u>	<u>308,605</u>
Total liabilities	<u><u>308,605</u></u>	<u><u>23,871</u></u>	<u><u>332,476</u></u>
Retained Earnings:			
Unreserved	<u>171,510</u>	<u>135,797</u>	<u>307,307</u>
Total retained earnings	<u><u>171,510</u></u>	<u><u>135,797</u></u>	<u><u>307,307</u></u>
Total liabilities and fund equity	<u><u>\$480,115</u></u>	<u><u>\$159,668</u></u>	<u><u>\$639,783</u></u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Combining Statement of Revenues, Expenses
And Changes in Retained Earnings
All Internal Service Funds
For The Fiscal Year Ended June 30, 2001

	Employee Benefits Self-Insurance	Warren County Juvenile Detention Center	Total
Operating revenues:			
Tuition and fees	\$0	\$120,302	\$120,302
Charges for services	1,531,179	0	1,531,179
Other revenues	0	792	792
Total revenues	1,531,179	121,094	1,652,273
Operating expenses:			
Salaries and wages	0	151,923	151,923
Fringe benefits	0	44,230	44,230
Purchased services	340,029	618	340,647
Materials and supplies	0	367	367
Depreciation	0	294	294
Claims	1,522,598	0	1,522,598
Total operating expenses	1,862,627	197,432	2,060,059
Operating income (loss)	(331,448)	(76,338)	(407,786)
Non-operating revenues:			
Investment	25,772	0	25,772
Total non-operating revenues	25,772	0	25,772
Net Income (loss)	(305,676)	(76,338)	(382,014)
Retained Earnings, July 1	477,186	212,135	689,321
Retained Earnings, June 30	\$171,510	\$135,797	\$307,307

LEBANON CITY SCHOOL DISTRICT, OHIO
Combining Statement of Cash Flows
All Internal Service Funds
For The Fiscal Year Ended June 30, 2001

	Employee Benefits Self-Insurance	Warren County Juvenile Detention Center	Totals
Cash flows from operating activities:			
Cash received from tuition and fees	\$0	\$242,316	\$242,316
Cash received from charges for services	1,531,380	0	1,531,380
Cash received from miscellaneous sources	0	792	792
Cash payments to suppliers for goods and services	(340,029)	(985)	(341,014)
Cash payments to employees	0	(190,859)	(190,859)
Cash payments for claims	(1,469,547)	0	(1,469,547)
Net cash provided by (used for) operating activities	(278,196)	51,264	(226,932)
Cash flows from noncapital financing activities:			
Investment revenue	25,772	0	25,772
Net cash provided by noncapital financing activities	25,772	0	25,772
Net increase in cash and cash equivalents	(252,424)	51,264	(201,160)
Cash and cash equivalents, July 1	732,539	106,125	838,664
Cash and cash equivalents, June 30	480,115	157,389	637,504
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	(331,448)	(76,338)	(407,786)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	0	294	294
Changes in assets and liabilities:			
(Increase) Decrease in accounts receivables	201	122,014	122,215
Increase (decrease) in accounts payable	0	365	365
Increase (decrease) in accrued wages	0	4,929	4,929
Increase (decrease) in claims payable	53,051	0	53,051
Total adjustments	53,252	127,602	180,854
Net cash provided by (used for) operating activities	(\$278,196)	\$51,264	(\$226,932)

FIDUCIARY FUNDS

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

EXPENDABLE TRUST FUND

Scholarship:

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

NON-EXPENDABLE TRUST FUND

Endowment:

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

AGENCY FUND

Student Activity:

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

Summer Insurance:

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

LEBANON CITY SCHOOL DISTRICT, OHIO
Combining Balance Sheet
All Fiduciary Fund Types
June 30, 2001

	Expendable Trust - Scholarship	Non-Expendable Trust - Endowment	Student Activities	Summer Insurance	Totals
Assets:					
Equity in pooled cash and cash equivalents	\$27,728	\$137,914	\$98,779	\$15,331	\$279,752
Total assets	<u>27,728</u>	<u>137,914</u>	<u>98,779</u>	<u>15,331</u>	<u>279,752</u>
Liabilities:					
Accounts payable	0	0	6,559	0	6,559
Due to students	0	0	92,220	0	92,220
Undistributed Monies	0	0	0	15,331	15,331
Total liabilities	<u>0</u>	<u>0</u>	<u>98,779</u>	<u>15,331</u>	<u>114,110</u>
Fund balances:					
Reserved:					
Reserved for endowments	0	9,312	0	0	9,312
Unreserved:					
Undesignated	27,728	128,602	0	0	156,330
Total fund equity	<u>27,728</u>	<u>137,914</u>	<u>0</u>	<u>0</u>	<u>165,642</u>
Total liabilities and fund equity	<u>\$27,728</u>	<u>\$137,914</u>	<u>\$98,779</u>	<u>\$15,331</u>	<u>\$279,752</u>

LEBANON CITY SCHOOL DISTRICT, OHIO
Statement of Changes In Assets and Liabilities
Agency Funds
For The Fiscal Year Ended June 30, 2001

	Student Activities			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in pooled cash and cash equivalents	\$76,445	\$137,998	\$115,664	\$98,779
Total assets	<u>\$76,445</u>	<u>\$137,998</u>	<u>\$115,664</u>	<u>\$98,779</u>
Liabilities:				
Due to students	\$76,445	\$137,998	\$115,664	\$98,779
Total liabilities	<u>\$76,445</u>	<u>\$137,998</u>	<u>\$115,664</u>	<u>\$98,779</u>

	Summer Insurance			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in pooled cash and cash equivalents	\$9,710	\$168,095	\$162,474	\$15,331
Total assets	<u>\$9,710</u>	<u>\$168,095</u>	<u>\$162,474</u>	<u>\$15,331</u>
Liabilities:				
Due to students	\$9,710	\$168,095	\$162,474	\$15,331
Total liabilities	<u>\$9,710</u>	<u>\$168,095</u>	<u>\$162,474</u>	<u>\$15,331</u>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in pooled cash and cash equivalents	\$86,155	\$306,093	\$278,138	\$114,110
Total assets	<u>\$86,155</u>	<u>\$306,093</u>	<u>\$278,138</u>	<u>\$114,110</u>
Liabilities:				
Due to students	\$86,155	\$306,093	\$278,138	\$114,110
Total liabilities	<u>\$86,155</u>	<u>\$306,093</u>	<u>\$278,138</u>	<u>\$114,110</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

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

LEBANON CITY SCHOOL DISTRICT, OHIO
Schedule of General Fixed Assets by Source
June 30, 2001

General fixed assets:	
Land and land improvements	\$975,486
Buildings and building improvements	15,058,283
Furniture and equipment	<u>6,306,732</u>
 Total General Fixed Assets	 <u><u>\$22,340,501</u></u>

Investment in general fixed assets by source:	
General Fund	\$1,209,167
Special Revenue Funds	638,929
Capital Projects Funds	12,532,501
Expendable Trust Funds	10,147
Agency Funds	4,559
Donations	358,985
Acquisitions Prior to July 1, 1992*	<u>7,586,213</u>
 Total General Fixed Assets	 <u><u>\$22,340,501</u></u>

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

LEBANON CITY SCHOOL DISTRICT, OHIO

Schedule of General Fixed Assets

By Function and Type

June 30, 2001

Function	Land and land Improvements	Buildings and building Improvements	Furniture and Equipment	Total
Instruction:				
Regular	\$230,060	\$8,323,679	\$2,790,146	\$11,343,885
Special	0	0	65,313	65,313
Total instruction	230,060	8,323,679	2,855,459	11,409,198
Support services:				
Pupil	0	0	31,842	31,842
Instructional staff	0	0	246,984	246,984
Board of Education	0	0	3,030	3,030
Administration	0	0	211,637	211,637
Fiscal	0	0	89,149	89,149
Business	0	0	15,577	15,577
Operations and maintenance	2,975	11,023	252,564	266,562
Pupil transportation	0	35,598	1,606,297	1,641,895
Central	0	0	202,138	202,138
Total support services	2,975	46,621	2,659,218	2,708,814
Non-Instructional services				
Extracurricular activities	0	137,800	486,036	623,836
Other - Pre July 1, 1992 items*	742,451	6,550,183	293,579	7,586,213
Total General Fixed Assets	\$975,486	\$15,058,283	\$6,306,732	\$22,340,501

*Represents older assets for which function cannot practically be obtained.

LEBANON CITY SCHOOL DISTRICT, OHIO

Schedule of Changes in General Fixed

Assets by Function

For the Fiscal Year Ended June 30, 2001

<u>Function</u>	<u>Balance at July 1, 2000</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at July 1, 2001</u>
Instruction:				
Regular	\$10,836,045	\$525,996	\$18,156	\$11,343,885
Special	64,373	940	0	65,313
Total Instruction	<u>10,900,418</u>	<u>526,936</u>	<u>18,156</u>	<u>11,409,198</u>
Support services:				
Pupil	26,698	5,144	0	31,842
Instructional staff	210,682	69,989	33,687	246,984
Board of Education	3,030	0	0	3,030
Administration	177,037	34,600	0	211,637
Fiscal	76,626	12,523	0	89,149
Business	14,291	1,286	0	15,577
Operations and maintenance	245,918	20,644	0	266,562
Pupil transportation	1,707,005	0	65,110	1,641,895
Central	194,985	7,153	0	202,138
Total Support services	<u>2,656,272</u>	<u>151,339</u>	<u>98,797</u>	<u>2,708,814</u>
Non-Instructional services	9,819	2,621	0	12,440
Extracurricular activities	429,525	194,311	0	623,836
Other - Pre July 1, 1992 items*	<u>7,586,213</u>	<u>0</u>	<u>0</u>	<u>7,586,213</u>
Total General Fixed Assets	<u>\$21,582,247</u>	<u>\$875,207</u>	<u>\$116,953</u>	<u>\$22,340,501</u>

*Represents older assets for which function cannot practically be obtained.

STATISTICAL SECTION



Lebanon's High Five

1. **Quality Facilities for Quality Learning**
2. **State Report Card - 27 or Bust!**
3. **Success for All Students**
4. **Teacher's Learning Drives Student's Learning**
5. **Lebanon's Guarantee - All Children will Read!**

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LEBANON CITY SCHOOL DISTRICT, OHIO
 General Fund Revenues By Source
 Last Ten Fiscal Years (1)

TABLE 1

Fiscal Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Taxes	\$4,654,352	\$4,880,966	\$5,276,542	\$6,674,473	\$7,844,594	\$8,366,475	\$8,492,596	\$9,188,807	\$11,302,538	\$11,615,779
Intergovernmental	5,971,761	6,192,902	6,560,268	7,410,115	8,022,558	8,944,101	9,753,882	10,654,313	11,469,372	12,761,066
Investment	120,352	184,925	185,001	87,497	168,857	258,947	319,569	363,858	422,709	547,274
Tuition and Fees	45,580	85,474	73,599	87,221	8,138	23,049	96,928	161,894	81,967	64,976
Other Revenues	27,180	53,825	62,082	63,544	67,622	53,191	152,969	158,845	123,509	154,610
Total Revenues	\$10,819,225	\$11,398,092	\$12,157,492	\$14,322,850	\$16,111,769	\$17,645,763	\$18,815,944	\$20,527,717	\$23,400,095	\$25,143,705

Source: Lebanon City School District Financial Records

(1) Fiscal year 1993 is the first year reported on a GAAP basis. All prior fiscal years are reported on a cash basis.

LEBANON CITY SCHOOL DISTRICT, OHIO
 General Fund Expenditures by Function
 Last Ten Fiscal Years (1)

TABLE 2

Fiscal Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Regular Instruction	\$6,452,004	\$6,952,518	\$7,137,849	\$7,267,645	\$8,050,942	\$9,074,349	\$9,447,680	\$10,481,150	\$10,897,572	\$12,266,031
Special Instruction	613,093	814,158	821,989	807,103	830,695	864,330	964,384	1,004,530	985,286	1,547,577
Vocational Instruction	34,578	35,942	37,448	35	0	0	0	0	0	0
Other Instruction	38,433	37,011	28,402	32,448	63,245	85,077	116,920	236,461	217,674	325,606
Pupil	566,559	571,883	615,653	621,576	680,123	714,520	794,923	923,111	987,007	1,396,493
Instructional Staff	366,481	368,726	401,952	405,437	453,747	648,241	786,587	1,003,996	1,449,419	1,466,707
Board of Education	22,914	30,692	29,205	24,924	30,021	30,535	38,333	35,645	81,505	43,050
Administration	1,065,244	1,233,049	1,232,700	1,195,089	1,272,240	1,307,847	1,515,813	1,793,433	1,801,156	1,952,915
Fiscal	268,703	264,410	287,845	333,250	387,569	416,031	482,323	534,601	506,087	579,970
Business	2,718	3,169	3,957	25,048	82,915	99,592	132,144	128,993	141,429	147,448
Operations and Maintenance	1,031,199	1,140,145	1,126,983	1,191,445	1,364,460	1,501,384	1,493,647	1,551,876	1,571,910	1,871,676
Pupil Transportation	900,139	852,575	882,055	922,470	967,301	1,311,953	1,361,744	1,457,646	2,258,200	2,567,412
Central	39,494	25,131	25,105	26,508	56,894	136,754	91,147	122,304	159,938	126,674
Non-Instructional Services	6,695	5,962	4,670	7,599	6,958	3,766	5,952	991	3,518	2,044
Extracurricular Activities	227,966	244,016	252,847	243,537	273,404	267,657	349,774	379,515	416,946	466,024
Capital Outlay	8,344	0	0	0	4,900	5,050	1,350	0	22,500	231,009
Debt Service	0	0	2,092	17,662	6,113	0	0	0	0	0
Total Expenditures	\$11,644,564	\$12,579,387	\$12,890,752	\$13,121,776	\$14,531,527	\$16,467,086	\$17,582,721	\$19,654,252	\$21,500,147	\$24,990,636

Source: Lebanon City School District Financial Records

(1) Fiscal year 1993 is the first year reported on a GAAP basis. All prior fiscal years are reported on a cash basis.

TABLE 3

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

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Percent Total Collection As a Percent of Current Levy
1991	\$5,079,209	\$0	\$5,079,209	\$5,242,019	103.21%	\$0	\$5,242,019	103.21%
1992	5,746,625	344,843	6,091,468	5,585,225	97.19%	184,443	5,769,668	100.40%
1993	6,791,121	450,808	7,241,929	6,599,781	97.18%	317,780	6,917,561	101.86%
1994	7,534,998	398,115	7,933,113	7,427,544	98.57%	290,941	7,718,485	102.44%
1995	10,010,886	415,007	10,425,893	9,764,558	97.54%	264,582	10,029,140	100.18%
1996	10,709,130	435,700	11,144,830	10,435,163	97.44%	304,586	10,739,749	100.29%
1997	11,753,899	447,387	12,201,286	11,391,223	96.91%	370,332	11,761,555	100.07%
1998	11,898,841	442,536	12,341,377	11,546,561	97.04%	358,200	11,904,761	100.05%
1999	12,342,476	640,693	12,983,169	11,991,433	97.16%	376,786	12,368,219	100.21%
2000	13,345,851	760,773	14,106,624	12,980,014	97.26%	551,543	13,531,557	101.39%

Source: Warren County Auditor

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

(2) Represents collection year. 2001 information cannot be presented because all collections have not been made by June 30.

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

TABLE 4

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

Year (1)	Real Property		Tangible Personal Property		Public Utilities Personal		Total		Ratio
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1992	\$196,968,130	\$562,766,086	\$20,063,139	\$77,165,919	\$20,185,010	\$22,937,511	\$237,216,279	\$662,869,516	35.79%
1993	199,964,620	571,327,486	19,559,991	78,239,964	22,643,318	25,731,043	242,167,929	675,298,493	35.86%
1994	207,718,010	593,480,029	18,866,154	75,464,616	28,934,920	32,880,591	255,519,084	701,825,236	36.41%
1995	251,283,640	717,953,257	21,631,948	86,527,792	31,032,240	35,263,909	303,947,828	839,744,958	36.20%
1996	267,676,730	764,790,657	23,863,426	95,453,704	29,801,640	33,865,500	321,341,796	894,109,861	35.94%
1997	288,144,380	823,269,657	27,767,713	111,070,852	30,027,200	34,121,818	345,939,293	968,462,327	35.72%
1998	342,775,310	979,358,029	26,982,036	107,928,144	28,547,430	32,440,261	398,304,776	1,119,726,434	35.57%
1999	368,094,830	1,051,699,514	29,967,060	119,868,240	28,631,100	114,524,400	426,692,990	1,286,092,154	33.18%
2000	388,957,480	1,111,307,086	29,590,168	118,360,672	28,474,500	113,898,000	447,022,148	1,343,565,758	33.27%
2001	475,136,090	1,357,531,685	37,220,943	148,883,772	29,564,860	118,259,440	541,921,893	1,624,674,897	33.36%

Source: Warren County Auditor

(1) Represents tax collection year.

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

TABLE 5

Entity	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Direct:										
Lebanon City School District	\$50.63	\$50.63	\$50.03	\$51.13	\$51.13	\$51.13	\$51.13	\$44.62	\$45.12	\$40.90
Overlapping:										
Warren County	4.50	4.50	5.25	5.00	5.50	7.07	7.07	7.10	7.10	7.10
Warren County Career Center	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Warren-Clinton Mental Health	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Lebanon Corporation	7.72	7.82	6.32	6.32	6.52	6.62	6.62	6.70	6.80	6.95
Middletown Corporation	4.51	5.11	5.01	4.96	4.96	5.16	5.16	5.18	5.18	5.28
Mason Corporation	7.32	7.32	7.39	1.87	1.89	1.89	1.89	1.90	1.90	1.90
Clearcreek Township	13.12	13.12	11.62	11.62	11.62	11.62	11.62	11.60	11.60	11.60
Salem Township	6.72	6.72	6.72	6.72	6.72	4.72	4.72	5.70	5.70	5.70
Turtlecreek Township	5.62	5.62	5.62	5.62	5.62	5.62	5.62	5.6	5.6	5.6
Union Township	6.2	6.2	6.2	5.2	5.2	6.2	6.2	6.2	6.2	5.2
Washington Township	4.78	4.78	4.78	4.78	4.78	4.78	4.78	3.76	3.76	3.76
Wayne Township	7.07	7.07	7.07	7.07	7.07	7.07	7.07	7.05	5.25	7.95

Source: Warren County Auditor

TABLE 6

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

Year	General Obligation Bonded Debt	Assessed Value	District Population	Ratio of Debt to Assessed Value	Net Debt Per Capita
1992	\$0	\$237,216,279	21,071	0.00%	\$0
1993	7,375,000	242,167,929	21,071	3.05%	350
1994	6,875,000	255,519,084	21,071	2.69%	326
1995	7,620,000	303,947,828	21,071	2.51%	362
1996	6,795,000	321,341,796	21,071	2.11%	322
1997	6,065,000	345,939,293	21,071	1.75%	288
1998	4,917,000	398,304,776	21,071	1.23%	233
1999	3,653,000	426,692,990	21,071	0.86%	173
2000	2,291,000	447,022,148	21,071	0.51%	109
2001	916,000	541,921,893	21,071	0.17%	43

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

LEBANON CITY SCHOOL DISTRICT, OHIO
 Computation of Legal Debt Margin
 June 30, 2001

TABLE 7

Assessed Valuation of District	\$541,921,893
<hr/>	
Overall Direct Debt Limitation	
Direct debt limitation	
9% of assessed valuation	\$48,772,970
Amount available in Debt Service Fund	0
Gross indebtedness	\$916,000
Less: Debt exempt from limitation	0
Debt subject to 9% limitation	<hr/> 916,000
Legal debt margin within 9% limitation	<hr/> \$49,688,970
<hr/>	
Unvoted Direct Debt Limitation	
Unvoted debt limitation	
0.1% of assessed valuation	\$541,922
Amount available in Debt Service Fund	0
related to unvoted debt	
Gross indebtedness authorized by the Board	0
Less: Debt exempt from limitation	0
Debt subject to 0.1% limitation	<hr/> 0
Legal debt margin within 0.1% limitation	<hr/> \$541,922
<hr/>	
Energy Conservation Bond Limitation	
Ohio Revised Code Section 133.042	
Debt limitation	
0.9% of assessed valuation	\$4,877,297
Energy conservation notes authorized	
by the Board	(810,000)
Legal debt margin within 0.9% limitation	<hr/> (810,000)
	<hr/> \$4,067,297

Source: Lebanon City School District records.

LEBANON CITY SCHOOL DISTRICT, OHIO
 Computation of Direct and Overlapping Debt
 June 30, 2001

TABLE 8

Governmental Unit	Gross General Obligation	Percent Applicable to District (1)	Amount Applicable to District
Direct:			
Lebanon City School District	\$15,916,000	100.00%	\$15,916,000
Overlapping:			
Warren County	\$4,541,342	14.69%	\$667,123
Lebanon City	12,957,909	93.30%	12,089,729
Mason City	15,855,000	0.22%	34,881
Middletown City	14,675,000	0.34%	49,895
Monroe City	7,560,000	1.90%	143,640
Deefield Township	5,350,444	0.11%	5,885
Total overlapping:	\$60,939,695		\$12,991,153
Total direct and overlapping debt:	\$76,855,695		\$28,907,153

Source: Ohio Municipal Advisory Council

(1) Calculated by the Ohio Municipal Advisory Council

LEBANON CITY SCHOOL DISTRICT, OHIO
TABLE 9
Ratio of Annual Debt Service Expenditures
For General Bonded Debt to Total General Fund Expenditures
Last Ten Fiscal Years

Fiscal Year (1)	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (%)
1992	\$0	\$11,644,564	0.00%
1993	272,445	12,579,387	2.17%
1994	831,312	12,890,752	6.45%
1995	998,529	13,121,776	7.61%
1996	1,172,150	14,531,527	8.07%
1997	1,320,547	16,467,086	8.02%
1998	1,410,727	17,582,721	8.02%
1999	1,472,718	19,654,252	7.49%
2000	1,512,513	21,500,147	7.03%
2001	0	24,990,636	0.00%

Source: Lebanon City School District records.

(1) Fiscal Year 1993 is the first year reported on a GAAP basis.
All prior fiscal years are reported on a cash basis.

LEBANON CITY SCHOOL DISTRICT, OHIO **TABLE 10**
Demographic Statistics
Last Ten Years

Year	Warren County	Lebanon City	School	Unemployment
	Population (1)	Population (1)	Enrollment (2)	Rate Warren County (3)
1992	113,909	10,423	3,408	6.50%
1993	113,909	10,423	3,536	5.70%
1994	113,909	10,423	3,632	4.90%
1995	113,909	10,423	3,842	4.20%
1996	113,909	10,423	3,988	3.90%
1997	113,909	10,423	4,214	2.60%
1998	113,909	10,423	4,354	2.60%
1999	113,909	10,423	4,405	3.20%
2000	113,909	10,423	4,496	3.00%
2001	158,383	16,962	4,446	2.90%

Source: (1) Years 1992 - 2000, 1990 Census / Year 2001, 2000 Census
(2) Lebanon City School District Records
(3) Ohio Bureau Employment Services
Prior years' amounts have been restated to reflect current available information.

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

TABLE II

<u>Calendar Year</u>	<u>Construction (1)</u>	<u>Bank Deposits (2) (in Thousands)</u>	<u>Property Values (3)</u>
1991	\$14,574,449	\$309,303,000	\$158,086,700
1992	9,077,679	342,162,000	165,969,220
1993	12,774,111	367,097,000	196,968,130
1994	13,267,519	411,164,000	199,964,620
1995	30,725,199	422,581,000	207,718,010
1996	29,040,394	460,950,000	251,283,640
1997	26,993,285	465,584,000	267,676,730
1998	32,204,227	523,595,000	288,144,380
1999	31,326,951	524,246,000	342,775,310
2000	36,589,567	533,873,000	368,094,830

Sources:

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

LEBANON CITY SCHOOL DISTRICT, OHIO
Real Property
Top Ten Principal Taxpayers
June 30, 2001 (1)

TABLE 12

Name of Taxpayer	Real Property	% of Total Assessed Valuation
Cincinnati Gas & Electric	\$12,566,410	2.32%
Fujitec America	8,777,220	1.62%
CNG Transmission	6,275,200	1.16%
Johnson & Hardin	5,011,560	0.92%
United Telephone Company	4,266,710	0.79%
Flint Ink North America	2,910,610	0.54%
Eastern Retail Holdings	1,926,040	0.36%
Lebanon Park Towne Homes	1,873,010	0.35%
Crossman Communities	1,599,470	0.30%
Texas Eastern Transmission	1,509,430	0.28%
	<u>\$46,715,660</u>	<u>8.64%</u>

Source: Warren County Auditor.

(1) Based on information available as of June 30, 2001.

TABLE 13

LEBANON CITY SCHOOL DISTRICT, OHIO
 Enrollment Projections
 June 30, 2001

Enrollment by Grade	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
	2000-01	308	389	344	383	390	347	347	316	338	349	347	322	319
The following are projections:														
2002-03	480	378	309	357	350	379	393	361	376	335	373	362	338	4,791
2003-04	591	542	360	310	356	359	385	410	368	375	342	378	352	5,128
2004-05	411	667	517	361	309	366	366	402	418	367	383	347	367	5,281
2005-06	420	464	636	518	360	317	372	381	409	416	375	388	337	5,393
2006-07	427	474	442	637	516	370	323	388	388	408	426	380	378	5,557
2007-08	435	482	452	443	635	530	376	337	395	387	417	431	369	5,689
2008-09	444	490	460	453	442	653	540	392	343	394	396	423	419	5,849
2009-10	451	501	468	461	452	454	664	562	400	342	403	401	411	5,970

Source: Lebanon City School District records.



Lebanon's High Five

1. Quality Facilities for Quality Learning
2. State Report Card - 27 or Bust!
3. Success for All Students
4. Teacher Learning Drives Student Learning
5. Lebanon's Guarantee - All Children will Read!



LEBANON CITY SCHOOL DISTRICT

Single Audit Reports

June 30, 2001

PLATTENBURG & ASSOCIATES, INC. / CERTIFIED PUBLIC ACCOUNTANTS

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

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

October 10, 2001

Board of Education
Lebanon City School District

We have audited the general purpose financial statements of the Lebanon City School District, (the District), as of and for the year ended June 30, 2001, and have issued our report thereon dated October 10, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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

material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Plattenburg & Associates, Inc.
Certified Public Accountants

PLATTENBURG & ASSOCIATES, INC. / CERTIFIED PUBLIC ACCOUNTANTS

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

October 10, 2001

Board of Education
Lebanon City School District

Compliance

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

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 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 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 October 10, 2001. Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the District taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by *OMB Circular A-133* and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

Plattenburg & Associates, Inc.
Certified Public Accountants

LEBANON CITY SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2001

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed Through Ohio Department of Education:						
Child Nutrition Cluster:						
Special Milk Program	02-PU	10.556	\$7,661	\$0	\$7,661	\$0
National School Lunch Program	04-PU	10.555	207,180	0	207,180	0
Total U.S. Department of Agriculture - Child Nutrition Cluster			<u>214,841</u>	<u>0</u>	<u>214,841</u>	<u>0</u>
Food Distribution Program	03-PU	10.550	0	51,730	0	55,132
Total U.S. Department of Agriculture -Nutrition Cluster			<u>214,841</u>	<u>51,730</u>	<u>214,841</u>	<u>55,132</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Title VI - B Grant	6B-SF	84.027	212,097	0	194,609	0
Preschool Grant	PG-S1	84.173	4,537	0	4,537	0
Total Special Education Cluster			<u>216,634</u>	<u>0</u>	<u>199,146</u>	<u>0</u>
Raising the bar	*	84.318	225,000	0	200,250	0
Eisenhower Grant	MS-S1	84.281	23,612	0	19,969	0
Title I Grant	C1-S0	84.010	215,748	0	220,939	0
Title VI	C2-S1	84.298	25,097	0	25,584	0
Drug Free Schools Grant	DR-S1	84.186	18,572	0	24,428	0
Reading Excellence Act Grant	*	84.338	256,941	0	269,366	0
Class Size Reduction	*	84.340	68,494	0	56,380	0
Total Department of Education			<u>833,464</u>	<u>0</u>	<u>816,916</u>	<u>0</u>
Total Federal Assistance			<u>\$1,264,939</u>	<u>\$51,730</u>	<u>\$1,230,903</u>	<u>\$55,132</u>

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B -- FOOD DISTRIBUTION

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

* Information unavailable

**LEBANON CITY SCHOOL DISTRICT
JUNE 30, 2001**

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None Noted

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None Noted

**LEBANON CITY SCHOOL DISTRICT
JUNE 30, 2001**

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

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



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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800-282-0370
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LEBANON CITY SCHOOL DISTRICT

WARREN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 20, 2001**