

**LOVELAND CITY SCHOOL DISTRICT**

**Single Audit Reports**

**June 30, 2002**





**Auditor of State  
Betty Montgomery**

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Board of Education  
Loveland City School District  
757 South Lebanon  
Loveland, Ohio 45140

We have reviewed the Independent Auditor's Report of the Loveland City School District, Hamilton County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2001 through June 30, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

January 22, 2003

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**PLATTENBURG & ASSOCIATES, INC./CERTIFIED PUBLIC ACCOUNTANTS**

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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***

November 15, 2002

Board of Education  
Loveland City School District

We have audited the general purpose financial statements of the Loveland City School District, (the District), as of and for the year ended June 30, 2002, and have issued our report thereon dated November 15, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

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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2211 SOUTH DIXIE AVENUE/ DAYTON, OH 45409 • (937) 294-1505 • FAX (937) 294-1507

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

November 15, 2002

Board of Education  
Loveland City School District

Compliance

We have audited the compliance of the District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2002. The District's major federal program is identified in the summary of auditor's results portion of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

### Internal Control Over Compliance

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

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

### Schedule of Federal Awards Expenditures

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 2002, and have issued our report thereon dated November 15, 2002. Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the District taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by *OMB Circular A-133* and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

Plattenburg & Associates, Inc.  
Certified Public Accountants



**LOVELAND CITY SCHOOL DISTRICT**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED June 30, 2002**

<u>Federal Grant/ Pass Through Grantor Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Disbursements</u>	<u>Non-Cash Disbursement</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
Passed Through Ohio Department of Education:						
Child Nutrition Cluster:						
National School Lunch Program	04-PU	10.555	\$98,668	\$0	\$98,668	\$0
Total U.S. Department of Agriculture - Child Nutrition Cluster			<u>98,668</u>	<u>0</u>	<u>98,668</u>	<u>0</u>
Food Distribution Program	03-PU	10.550	0	81,822	0	91,617
Total U.S. Department of Agriculture - Nutrition Cluster			<u>98,668</u>	<u>81,822</u>	<u>98,668</u>	<u>91,617</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Title VI - B Grant	6B-SF	84.027	225,890	0	246,190	0
Preschool Grant	PG-S1	84.173	12,948	0	16,916	0
Total U.S. Special Education Cluster			<u>238,838</u>	<u>0</u>	<u>263,106</u>	<u>0</u>
Eisenhower Grant	MS-S1	84.281	15,729	0	8,358	0
Title I Grant	C1-S0	84.010	253,019	0	262,237	0
Title VI	C2-S1	84.298	19,202	0	20,778	0
Tech Literacy	TF-S1	84.318	56,000	0	56,000	0
Drug Free Schools Grant	DR-S1	84.186	19,060	0	17,860	0
Class Size Reduction	*	84.340	81,699	0	81,699	0
Assistant Tech. Infusion	*	84.352	6,940	0	6,940	0
Total Department of Education			<u>690,487</u>	<u>0</u>	<u>716,978</u>	<u>0</u>
Total Federal Assistance			<u>\$789,155</u>	<u>\$81,822</u>	<u>\$815,646</u>	<u>\$91,617</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

**LOVELAND CITY SCHOOL DISTRICT**  
**June 30, 2002**

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

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

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

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

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

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

LOVELAND CITY SCHOOL DISTRICT  
LOVELAND, OHIO



COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

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**LOVELAND CITY SCHOOL DISTRICT  
LOVELAND, OHIO**

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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**PREPARED BY:  
OFFICE OF THE TREASURER  
JILL MANVILLE, TREASURER**

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## **INTRODUCTORY SECTION**

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**LOVELAND CITY SCHOOL DISTRICT, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2002**

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**LOVELAND CITY SCHOOL DISTRICT, OHIO  
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**LOVELAND CITY SCHOOL DISTRICT, OHIO  
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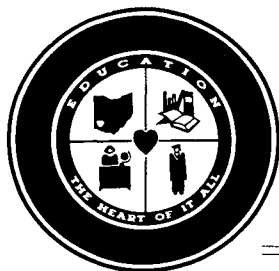
**LOVELAND CITY SCHOOL DISTRICT, OHIO  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2002**

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# Loveland City School District

Office of the Treasurer  
757 S. Lebanon Road • Loveland, Ohio 45140  
Telephone (513) 683-5600  
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November 15, 2002

To the Citizens and Board of Education of the Loveland City School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Loveland City School District (District) for the fiscal year ended June 30, 2002. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. We believe the enclosed data is fairly presented in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report has been prepared by the Treasurer's Office and includes the unqualified opinion of our independent auditor.

The CAFR is presented in the following three sections:

Introductory Section – This section introduces the reader to the report and includes the table of contents, this transmittal letter, a list of principal and elected officials, and the District's organizational chart.

Financial Section – This section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report.

Statistical Section–The information presented in this section is designated to reflect social and economic data, financial trends, and the fiscal capacity of the District.

## **THE REPORTING ENTITY AND SERVICES PROVIDED**

This report includes all funds and account groups of the District. The District also acts as fiscal agent for State funds distributed to parochial schools located within the District boundaries. This fiduciary responsibility is included in the reporting entity as an agency fund. Although these organizations share operational and service similarity with the District, each is a separate and distinct entity. Because of their independent nature, none of these organizations' financial statements are included in this report.

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

## **VISION FOR THE LOVELAND CITY SCHOOLS**

### Academic Performance

The focus of Loveland Schools is academic performance. Loveland students perform at the highest level academically as recognized by experts and by the community. Student learning is centered on the Ohio proficiency test subject areas with mastery demonstrated by a 90% passing rate in each area. Allocation of available resources is directed toward improving student academic performance.

### Student Success

Students are affirmed and challenged to perform their best in a positive, respectful environment. Success is achieved when each student's abilities and needs are determined and met. Student success is the primary responsibility of all staff.

### Flexibility

Schools are highly flexible in meeting the learning needs of the school-age population and in providing expanded opportunities for the entire community. Programs are not constrained by traditional time factors and facilities. Technology is fully utilized and serves as a resource to expand both time and facilities.

## **LOVELAND SCHOOLS GUIDING PRINCIPLES**

Student academic achievement is our primary product.

- We are student focused
- We seek to be recognized for student academic achievement
- We inspire and enable students in academic achievement
- We affirm students for academic performance

We build cooperative relationships with all parties who contribute to fulfilling our purpose. This includes students, staff, parents and community.

- Interests of school and community are inseparable and interdependent
- We show respect for all individuals and work to build confidence and trust
- We develop close, mutually productive, cooperative relationships with the community
- We communicate clearly, broadly and honestly with all stakeholders



We are a learning community:

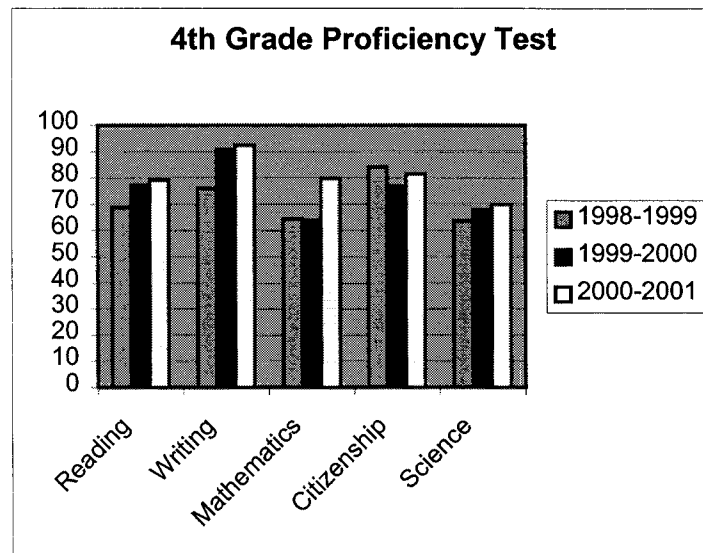
- We believe that it is the responsibility of all individuals to continually develop themselves and other members of the learning community
- We value personal achievement
- We value professional achievement
- We recognize achievement is broader than academics alone

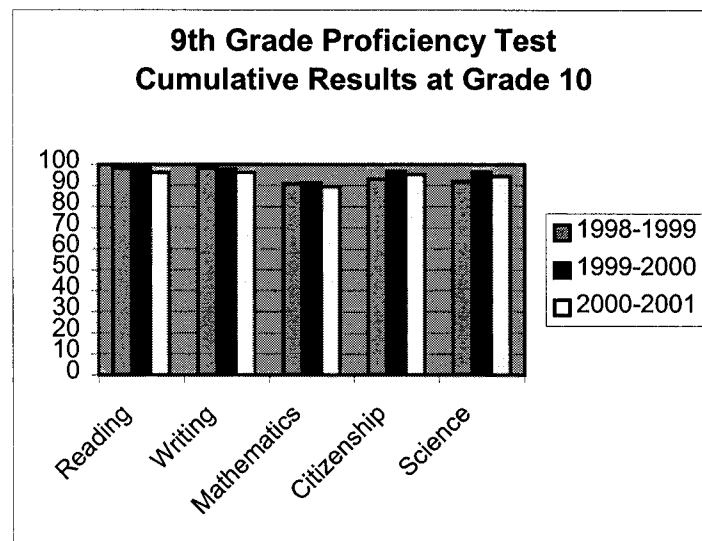
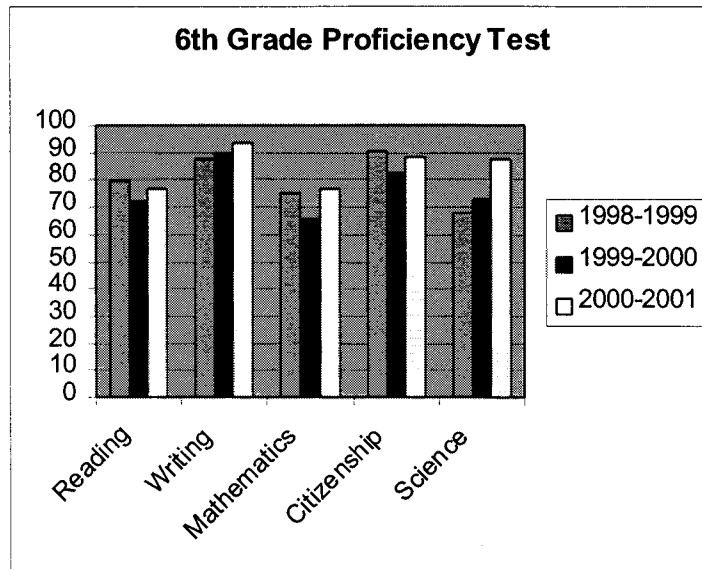
Ideas and concepts are evaluated as they relate to our vision and strategies:

- Both innovative and proven programs will contribute to the success of Loveland schools
- Research data is used to evaluate programs prior to their implementation
- Benchmarks are used to evaluate the performance of ongoing programs
- Flexibility is an important aspect for the use of resources in our school system

### Summary of Results

The vision and guiding principles of the Loveland City School District focus our efforts and provide a foundation upon which financial priorities are set. The vision articulates the school district's commitment to our primary enterprise, that of learning. Given this commitment, during the 2001-2002 school year, the district instituted a schedule for regular professional development for the leaders of this learning community. Teachers and principals worked together twice each month to analyze past achievement results, adjust instruction to meet areas of weakness, and continue the effort to help all students learn. We are confident that we are on the right track. The data below provides evidence of the trend in improved student achievement. As the passage rate meets or exceeds the vision of 90%, we will continue the work toward all students meeting success. All scores are reported in percentage of students passing each test.





### **Public Participation and Community Engagement**

When Dr. Michael Cline resigned as Loveland City School District’s superintendent, it provided the Board of Education with an opportunity to live by its guiding principles in the selection of a new superintendent. Through focus groups and an on-line survey, the Board sought input from the entire community concerning the desired attributes of a new superintendent. Once these attributes were established, the Board communicated back with the public, and began the process of screening applicants against these desired attributes. Three finalist candidates for the position were brought into the district to meet with stakeholder groups, each culminating with a public interview. Groups provided feedback concerning the candidates and how they matched the identified attributes. The Board of Education made a unanimous decision to extend a contract offer to Dr. Kevin Boys. This process of community engagement demonstrates this Board of Education’s acknowledgement of the wealth in human capital that exists in the Loveland School District.

## **ECONOMIC CONDITION AND OUTLOOK**

The District is just northeast of the City of Cincinnati. The School's Community lies in the corners of the counties of Hamilton, Clermont, and Warren and is comprised of approximately 10.6 square miles. The District surrounds the City of Loveland and overlaps portions of the townships of Symmes, Miami, and Hamilton.

Property tax revenues of the residential/agricultural class predominantly support Loveland City Schools. Through the continued conversion of agricultural land into upscale residential properties being inhabited by well-educated upper middle-class families, Loveland City Schools is secure in its economic future in that the community understands and supports the value of education not just for sustaining property values, but because of the intrinsic value it has brought to their own lives and their desire to insure this for the children.

The District is as stable as the region in which the Community works. Since Loveland City Schools is the largest employer within the District's boundaries, it is safe to say that the District's economic stability is as broad based as the businesses in the Cincinnati and surrounding areas, which employ these taxpayers.

## **FINANCIAL INFORMATION**

The District's accounting system is organized on a "fund" basis. Each fund and account group is a distinct, self-balancing entity. For purposes of the District's CAFR the funds are presented in conformity with generally accepted accounting principles (GAAP). GAAP, as 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 and Agency Funds, and for full accrual basis of accounting for all other funds.

## **INTERNAL CONTROL**

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

## **BUDGETARY CONTROLS**

The District maintains its accounts, appropriations, and other financial records in accordance with the procedures established and prescribed by the Auditor of State. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. 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 GOVERNMENT FUNCTIONS**

Revenues for the District's general operating fund totaled \$29,464,688, representing an increase of \$3,793,124 (15%) over 2001. Tax revenue increased from 2001 primarily due to the District passing a 7 mil levy and 2002 was the first full year of tax collection from the 7 mil levy. Tax revenue also increased due to the increase in assessed property values and new construction in the District. Intergovernmental revenue increased \$1,766,057 from 2001 mainly due to the implementation of a new formula to calculate how much funding the District would receive from the state foundation in 2002. The state foundation was capped (restricted in how much funding the District could receive) in prior years, but for 2002 it was uncapped (the restriction on how much funding the District could receive was removed), which is why a new formula was used to calculate the District's funding.

The amount of 2002 revenues and increases (decreases) over 2001 are presented below:

	<u>Fiscal</u> <u>2002</u>	<u>Fiscal</u> <u>2001</u>	<u>Increase</u> <u>(Decrease)</u> <u>from 2001</u>	<u>Percent</u> <u>of Increase</u> <u>(Decrease)</u>
Revenues:				
Taxes	\$17,202,208	\$15,235,977	\$1,966,231	13%
Intergovernmental	11,779,910	10,013,853	1,766,057	18%
Investment Revenue	78,926	65,787	13,139	20%
Tuition and Fees	378,214	213,793	164,421	77%
Other Revenues	<u>25,430</u>	<u>142,154</u>	<u>(116,724)</u>	<u>(82%)</u>
Total Revenues	<u>\$29,464,688</u>	<u>\$25,671,564</u>	<u>\$3,793,124</u>	15%

Expenditures for the District's general operating fund totaled \$27,040,343, representing a increase of (\$3,043,358) (13%) over 2001. The increase in regular and special instruction was primarily due to the hiring of additional teachers in all areas to address the needs to continue to provide quality education to the students of the District. Also, the purchasing of textbooks and instructional supplies attributed to the increase. Operations and maintenance increased from the prior year due to the increase in amount of maintenance to the District's facilities. Pupil transportation increased from 2001 due to the purchasing of additional buses and hiring of additional bus drivers to keep up with the increasing District enrollment.

The amount of 2002 expenditures increases (decreases) are presented below:

	<u>Fiscal 2002</u>	<u>Fiscal 2001</u>	<u>Increase (Decrease) from 2001</u>	<u>Percent of Increase (Decrease)</u>
Expenditures:				
Current:				
Instruction:				
Regular	\$12,639,093	\$11,481,667	\$1,157,426	10%
Special	2,452,330	2,024,874	427,456	21%
Vocational	267,978	308,437	(40,459)	(13%)
Other	106,411	114,394	(7,983)	(7%)
Support Services:				
Pupils	1,198,995	1,166,316	32,679	3%
Instructional Staff	801,320	710,735	90,585	13%
Board of Education	129,904	75,350	54,554	72%
Administration	1,671,260	1,530,137	141,123	9%
Fiscal	720,597	651,708	68,889	11%
Business	153,372	142,304	11,068	8%
Operations and Maintenance	2,741,794	2,337,937	403,857	17%
Pupil Transportation	2,285,470	2,087,218	198,252	9%
Central	757,203	486,114	271,089	56%
Non-Instructional	184,663	175,153	9,510	5%
Extracurricular Activities	557,096	506,647	50,449	10%
Capital Outlay	108,663	0	108,663	100%
Debt Service	264,194	197,994	66,200	33%
<b>Total</b>	<b><u>\$27,040,343</u></b>	<b><u>\$23,996,985</u></b>	<b><u>\$3,043,358</u></b>	<b>13%</b>

### Special Revenue Funds

Special Revenue Funds account for certain revenue sources restricted by law or other formal actions to be expended for a specific purpose. The sources are primarily grants and entitlements. In 2002, all Special Revenue Funds on a combined basis operated with \$1,587,587 in revenues and \$1,570,911 in expenditures.

### Capital Projects Fund

The District's Capital Projects Fund is used to fund major equipment purchases and major capital improvement projects such as parking lots, bus purchases, roofs and heating and air conditioning plants. These funds ended the 2002 fiscal year with a fund balance of \$384,311.

### Trust and Agency Funds

Trust and Agency funds require a fiduciary relationship in their management by the District. The District's Expendable Trust Fund had a fund balance of \$369 at June 30, 2002. The Agency fund utilized by the District is the Student Activities Fund. Agency fund liabilities totaled \$71,235 at June 30, 2002.

### Enterprise Funds

The District's Enterprise fund is the Food Service Fund. This fund is similar in nature to profit making activities found in the private sector and are managed accordingly. The Enterprise Fund operated in 2002 with \$730,814 in operating revenues and recorded a net loss of \$14,529.

### Internal Service Fund

The Internal Service Fund is used to account for goods and services provided by one department or agency to another department or agency of the District on a cost reimbursement basis. During fiscal 2002, the Internal Service Fund showed net income of \$2,848.

### Debt Administration

The District had four debt issues outstanding at June 30, 2002. The debt was issued to provide funding for building improvements and the total principal balance at year-end was \$41,551,734. The overall direct debt margin of the District at June 30, 2002 is \$10,641,793. The estimated net bonded debt per capita was \$3,256 for 2002. The estimated population used is for the City of Loveland and the information specific to the school district boundaries could not be obtained. The population for the school district would be higher.

### Risk Management

The District maintains comprehensive insurance coverage with private carriers for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90% coinsured.

### Cash Management

The District's cash management program addresses the issues of safety, liquidity, and yield while maximizing returns. The District uses the STAROhio program investment pool operated by the Treasurer of State, for ready cash and yield. The District also invests in U.S. Government Agency securities. Investment earnings for all funds during the fiscal year were \$173,079.

### Independent Audit

The State of Ohio requires an annual audit by the Auditor of State or by an independent public accounting firm. An independent public accounting firm performed the audit for the fiscal year ended June 30, 2002. The auditor's report on the District's general purpose financial statements, combining and individual fund statements and schedules, is included in the financial section of this Comprehensive Annual Financial Report.

### Awards

The District will seek the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officer's Association of the United States (GFOA). We feel that the contents of the report 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 District will also seek the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2002. This award certifies that a Comprehensive Annual Financial Report 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 an extensive review of the report by an expert panel of certified public accountants and practicing school business officials.

Acknowledgements

The preparation of this report was made possible by the dedicated service of the staff of the Treasurer's Office.

Finally, this report would not have been possible without the leadership and support of the District's Board of Education, and the support of the Loveland Schools Community.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jill Manville".

Jill Manville  
Treasurer

LOVELAND CITY SCHOOL DISTRICT, OHIO

LIST OF PRINCIPAL OFFICIALS

June 30, 2002

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**BOARD OF EDUCATION**

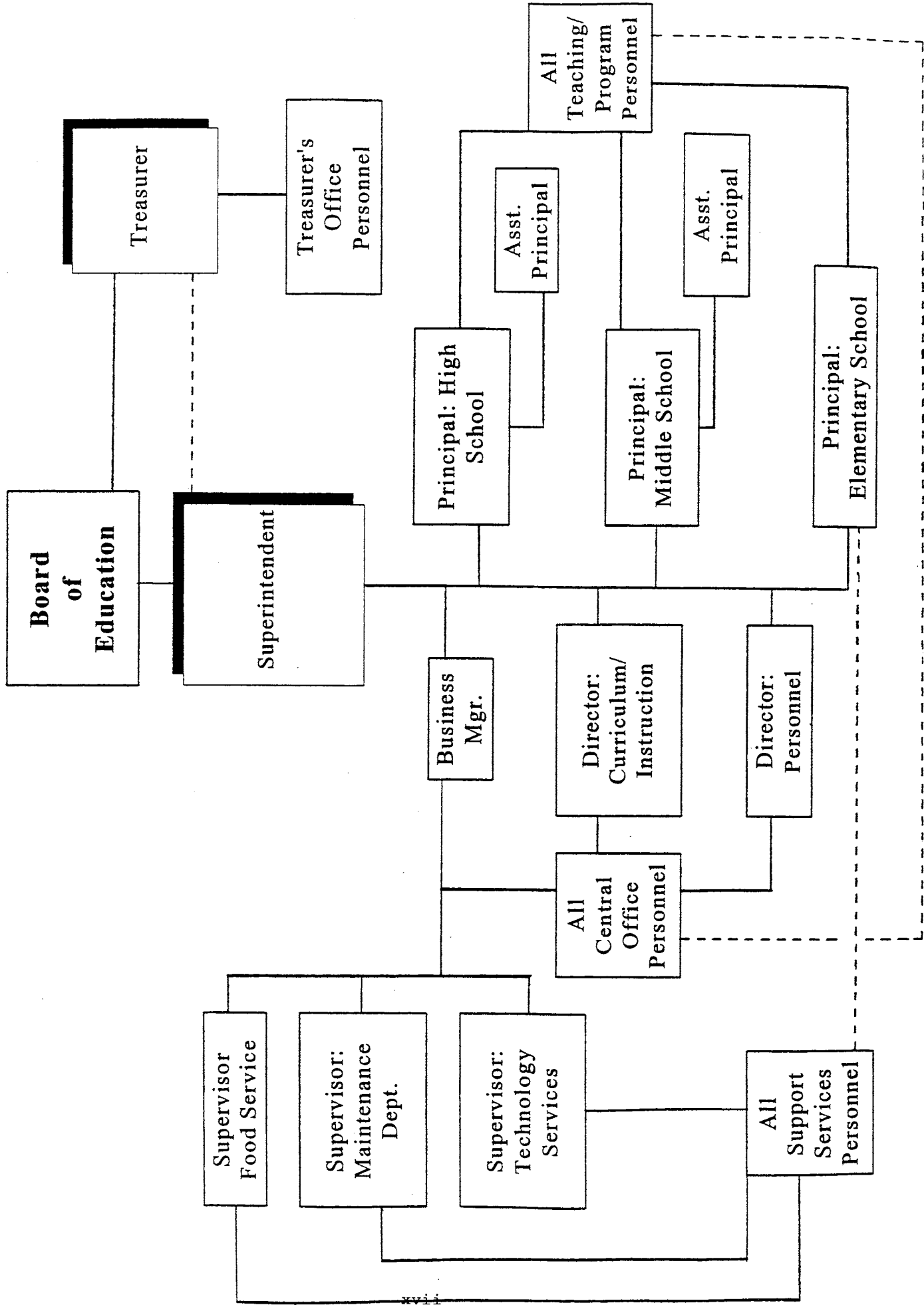
President	Dr. Judy McClanahan
Vice President	Mrs. Linda Pennington
Board Member	Dr. Kathryn Lorenz
Board Member	Dr. James Kolp
Board Member	Mrs. Christine Olsen

**ADMINISTRATIVE OFFICIALS**

* Superintendent	Dr. Michael Cline
Treasurer	Ms. Jill Manville

\* As of August 2002, Dr. Kevin Boys became Superintendent of Loveland City School District.





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Loveland City School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2001

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. Drew*  
President

*Jeffrey L. Esser*  
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**LOVELAND CITY SCHOOL DISTRICT**

For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2001

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

*Clark J. Schell*

President

*Ernest W. Nelder*

Executive Director

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## **FINANCIAL SECTION**

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## **Independent Auditors' Report**

November 15, 2002

Board of Education  
Loveland City School District

We have audited the accompanying general purpose financial statements of the Loveland City School District (the District), as of and for the year ended June 30, 2002. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

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

In accordance with *Governmental Auditing Standards*, we have also issued a report dated November 15, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

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

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
Certified Public Accountants



## **GENERAL PURPOSE FINANCIAL STATEMENTS**

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The general purpose financial statements of the District include the basic combined financial statements, presented by fund type and account group, and notes to the financial statements that are essential to the fair presentation of financial position, results of operations and cash flows.

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LOVELAND CITY SCHOOL DISTRICT, OHIO

Combined Balance Sheet

All Fund Types and Account Groups

June 30, 2002

	GOVERNMENTAL FUND TYPES			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS:</b>				
<b>Assets:</b>				
Equity in pooled cash and investments	\$5,011,753	\$474,525	\$2,836,916	\$542,532
Restricted equity in pooled cash	336,785	0	0	0
<b>Receivables:</b>				
Taxes	17,429,517	0	3,580,585	0
Accounts	25,741	0	0	0
Intergovernmental	0	33,175	0	3,450
Accrued Interest	7,834	116	0	461
Interfund receivable	27,464	275	0	0
Inventory held for resale	0	0	0	0
Fixed assets (net, where applicable, of accumulated depreciation)	0	0	0	0
<b>Other debits:</b>				
Amount available in Debt Service Fund for retirement of general obligation bonds	0	0	0	0
Amount to be provided from general government resources	0	0	0	0
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>22,839,094</b>	<b>508,091</b>	<b>6,417,501</b>	<b>546,443</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>				
<b>Liabilities</b>				
Accounts payable	28,904	9,640	0	33,294
Accrued wages and benefits	2,890,107	130,075	0	0
Compensated absences payable	32,028	0	0	0
Contracts payable	0	0	0	128,838
Interfund payable	0	15,275	0	0
Deferred revenue	14,165,897	15,620	2,884,166	0
Due to students	0	0	0	0
Capital leases payable	0	0	0	0
Notes payable	0	0	0	0
General obligations bonds payable	0	0	0	0
<b>Total liabilities</b>	<b>17,116,936</b>	<b>170,610</b>	<b>2,884,166</b>	<b>162,132</b>
<b>Fund Equity and other credits:</b>				
Investment in general fixed assets	0	0	0	0
Contributed capital	0	0	0	0
<b>Retained earnings:</b>				
Unreserved	0	0	0	0
<b>Fund balances:</b>				
<b>Reserved:</b>				
Reserved for property taxes	3,263,620	0	696,419	0
Reserved for encumbrances	1,343	48,220	0	289,714
Reserved for set-aside	336,785	0	0	0
Reserved for debt service	0	0	2,836,916	0
<b>Unreserved:</b>				
Undesignated	2,120,410	289,261	0	94,597
<b>Total fund equity and other credits</b>	<b>5,722,158</b>	<b>337,481</b>	<b>3,533,335</b>	<b>384,311</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$22,839,094</b>	<b>\$508,091</b>	<b>\$6,417,501</b>	<b>\$546,443</b>

See accompanying notes

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		ACCOUNT GROUPS		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations		
\$234,291	\$14,974	\$71,604	\$0	\$0	\$9,186,595	
0	0	0	0	0	336,785	
0	0	0	0	0	21,010,102	
0	0	0	0	0	25,741	
14,461	0	0	0	0	51,086	
170	0	0	0	0	8,581	
0	0	0	0	0	27,739	
15,352	0	0	0	0	15,352	
295,419	0	0	46,535,187	0	46,830,606	
0	0	0	0	3,533,335	3,533,335	
0	0	0	0	41,942,011	41,942,011	
<u>559,693</u>	<u>14,974</u>	<u>71,604</u>	<u>46,535,187</u>	<u>45,475,346</u>	<u>122,967,933</u>	
27	0	0	0	0	71,865	
47,152	0	0	0	175,938	3,243,272	
0	0	0	0	2,453,126	2,485,154	
0	0	0	0	0	128,838	
12,189	0	275	0	0	27,739	
8,697	0	0	0	0	17,074,380	
0	0	70,960	0	0	70,960	
0	0	0	0	1,294,548	1,294,548	
0	0	0	0	1,361,000	1,361,000	
0	0	0	0	40,190,734	40,190,734	
<u>68,065</u>	<u>0</u>	<u>71,235</u>	<u>0</u>	<u>45,475,346</u>	<u>65,948,490</u>	
0	0	0	46,535,187	0	46,535,187	
259,200	0	0	0	0	259,200	
232,428	14,974	0	0	0	247,402	
0	0	0	0	0	3,960,039	
0	0	0	0	0	339,277	
0	0	0	0	0	336,785	
0	0	0	0	0	2,836,916	
0	0	369	0	0	2,504,637	
<u>491,628</u>	<u>14,974</u>	<u>369</u>	<u>46,535,187</u>	<u>0</u>	<u>57,019,443</u>	
<u>\$559,693</u>	<u>\$14,974</u>	<u>\$71,604</u>	<u>\$46,535,187</u>	<u>\$45,475,346</u>	<u>\$122,967,933</u>	

LOVELAND 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, 2002

GOVERNMENTAL FUND TYPES

	General	Special Revenue	Debt Service	Capital Projects
<b>Revenues:</b>				
Taxes	\$17,202,208	\$0	\$3,497,413	\$0
Intergovernmental	11,779,910	1,202,001	460,642	5,443
Investment	78,926	1,773	0	89,421
Tuition and fees	378,214	0	0	0
Extracurricular activities	0	332,900	0	0
Other revenues	25,430	50,913	0	0
<b>Total revenues</b>	<b>29,464,688</b>	<b>1,587,587</b>	<b>3,958,055</b>	<b>94,864</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	12,639,093	235,396	0	901
Special	2,452,330	363,265	0	0
Vocational	267,978	0	0	0
Other	106,411	0	0	0
<b>Support services:</b>				
Pupil	1,198,995	142,362	0	9,965
Instructional Staff	801,320	87,878	0	0
Board of Education	129,904	0	0	0
Administration	1,671,260	6,462	5,351	0
Fiscal	720,597	0	44,797	10,928
Business	153,372	0	0	74,466
Operations and maintenance	2,741,794	0	0	0
Pupil Transportation	2,285,470	0	0	79,520
Central	757,203	27,459	0	18,000
<b>Operation of non-instructional services</b>	184,663	364,618	0	0
<b>Extracurricular activities</b>	557,096	343,471	0	0
<b>Capital outlay</b>	108,663	0	0	461,064
<b>Debt Service:</b>				
Principal retirement	139,439	0	1,775,000	0
Interest and fiscal charges	124,755	0	1,928,508	0
<b>Total expenditures</b>	<b>27,040,343</b>	<b>1,570,911</b>	<b>3,753,656</b>	<b>654,844</b>
<b>Excess of revenues over (under) expenditures</b>	<b>2,424,345</b>	<b>16,676</b>	<b>204,399</b>	<b>(559,980)</b>
<b>Other financing sources (uses):</b>				
Proceeds of sale of fixed assets	0	0	0	469,925
Proceeds of notes	304,000	0	0	0
Operating transfers in	0	0	0	172,073
Operating transfers (out)	(172,073)	0	0	0
<b>Total other financing sources (uses)</b>	<b>131,927</b>	<b>0</b>	<b>0</b>	<b>641,998</b>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>2,556,272</b>	<b>16,676</b>	<b>204,399</b>	<b>82,018</b>
<b>Fund balance, July 1</b>	<b>3,165,886</b>	<b>320,805</b>	<b>3,328,936</b>	<b>302,293</b>
<b>Fund balance, June 30</b>	<b>\$5,722,158</b>	<b>\$337,481</b>	<b>\$3,533,335</b>	<b>\$384,311</b>

See accompanying notes

FIDUCIARY  
FUND TYPE

Expendable Trust	Totals (Memorandum Only)
\$0	\$20,699,621
0	13,447,996
0	170,120
0	378,214
0	332,900
800	77,143
800	35,105,994
0	12,875,390
0	2,815,595
0	267,978
592	107,003
0	1,351,322
0	889,198
0	129,904
0	1,683,073
0	776,322
0	227,838
0	2,741,794
0	2,364,990
0	802,662
0	549,281
0	900,567
0	569,727
0	1,914,439
0	2,053,263
592	33,020,346
208	2,085,648
0	469,925
0	304,000
0	172,073
0	(172,073)
0	773,925
208	2,859,573
161	7,118,081
\$369	\$9,977,654

LOVELAND 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, 2002

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$16,328,795	\$17,126,630	\$797,835	\$0	\$0	\$0
Intergovernmental	11,347,397	11,779,910	432,513	1,269,936	1,190,838	(79,098)
Interest	50,000	81,813	31,813	0	1,747	1,747
Tuition & fees	184,750	366,024	181,274	0	0	0
Extracurricular activities	0	0	0	281,625	332,900	51,275
Other revenues	79,450	11,879	(67,571)	14,900	50,913	36,013
<b>Total revenues</b>	<b>27,990,392</b>	<b>29,366,256</b>	<b>1,375,864</b>	<b>1,566,461</b>	<b>1,576,398</b>	<b>9,937</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Regular	12,764,617	12,428,331	336,286	306,323	242,711	63,612
Special	2,322,518	2,342,940	(20,422)	367,057	346,020	21,037
Vocational	304,390	282,393	21,997	0	0	0
Other	115,000	106,411	8,589	0	0	0
<b>Support services</b>						
Pupil	1,129,142	1,168,317	(39,175)	163,814	152,897	10,917
Instructional staff	820,090	822,648	(2,558)	143,615	86,389	57,226
Board of Education	105,680	130,854	(25,174)			0
Administration	1,893,415	1,728,804	164,611	6,500	6,462	38
Fiscal	724,680	714,163	10,517	0	0	0
Business	158,175	153,526	4,649	0	0	0
Operation and maintenance	2,559,057	2,794,283	(235,226)	9,728	0	9,728
Pupil transportation	2,276,365	2,252,853	23,512	0	0	0
Central	744,166	767,934	(23,768)	63,498	27,460	36,038
Operation of non-instructional services	176,635	184,122	(7,487)	437,501	386,344	51,157
Extracurricular activities	574,227	553,480	20,747	418,550	351,171	67,379
<b>Capital outlay</b>	<b>45,000</b>	<b>108,663</b>	<b>(63,663)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Debt Service:</b>						
Principal retirement	139,439	139,439	0	0	0	0
Interest and fiscal charges	129,739	124,755	4,984	0	0	0
<b>Total expenditures</b>	<b>26,982,335</b>	<b>26,803,916</b>	<b>178,419</b>	<b>1,916,586</b>	<b>1,599,454</b>	<b>317,132</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,008,057</b>	<b>2,562,340</b>	<b>1,554,283</b>	<b>(350,125)</b>	<b>(23,056)</b>	<b>327,069</b>
<b>Other financing sources (uses):</b>						
Proceeds of sale of fixed assets	7,000	0	(7,000)	0	0	0
Proceeds of notes	304,000	304,000	0	0	0	0
Advances in	0	205,283	205,283	196,000	199,123	3,123
Advances (out)	(191,000)	(196,000)	(5,000)	(196,000)	(206,085)	(10,085)
Operating transfers in	0	476,547	476,547	0	1	1
Operating transfers (out)	(497,800)	(648,621)	(150,821)	(1)	(1,278)	(1,277)
<b>Total other financing sources (uses)</b>	<b>(377,800)</b>	<b>141,209</b>	<b>519,009</b>	<b>(1)</b>	<b>(8,239)</b>	<b>(8,238)</b>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>630,257</b>	<b>2,703,549</b>	<b>2,073,292</b>	<b>(350,126)</b>	<b>(31,295)</b>	<b>318,831</b>
<b>Fund balance, July 1 (includes prior year encumbrances appropriated)</b>	<b>2,642,757</b>	<b>2,642,757</b>	<b>0</b>	<b>447,952</b>	<b>447,952</b>	<b>0</b>
<b>Fund balance, June 30</b>	<b>\$3,273,014</b>	<b>\$5,346,306</b>	<b>\$2,073,292</b>	<b>\$97,826</b>	<b>\$416,657</b>	<b>\$318,831</b>

See accompanying notes

Debt Service			Capital Projects			Totals (Memorandum Only)		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
\$3,325,612	\$3,471,541	\$145,929	\$0	\$0	\$0	\$19,654,407	\$20,598,171	\$943,764
454,530	460,642	6,112	1,993	1,993	0	13,073,856	13,433,383	359,527
0	0	0	28,903	117,863	88,960	78,903	201,423	122,520
0	0	0	0	0	0	184,750	366,024	181,274
0	0	0	0	0	0	281,625	332,900	51,275
0	0	0	0	0	0	94,350	62,792	(31,558)
<b>3,780,142</b>	<b>3,932,183</b>	<b>152,041</b>	<b>30,896</b>	<b>119,856</b>	<b>88,960</b>	<b>33,367,891</b>	<b>34,994,693</b>	<b>1,626,802</b>
0	0	0	901	901	0	13,071,841	12,671,943	399,898
0	0	0	0	0	0	2,689,575	2,688,960	615
0	0	0	0	0	0	304,390	282,393	21,997
0	0	0	0	0	0	115,000	106,411	8,589
0	0	0	9,964	9,964	0	1,302,920	1,331,178	(28,258)
0	0	0	0	0	0	963,705	909,037	54,668
0	0	0	0	0	0	105,680	130,854	(25,174)
5,351	5,351	0	0	0	0	1,905,266	1,740,617	164,649
44,797	44,797	0	10,928	10,928	0	780,405	769,888	10,517
0	0	0	106,774	112,412	(5,638)	264,949	265,938	(989)
0	0	0	0	0	0	2,568,785	2,794,283	(225,498)
0	0	0	477,563	398,058	79,505	2,753,928	2,650,911	103,017
0	0	0	18,000	18,000	0	825,664	813,394	12,270
0	0	0	0	0	0	614,136	570,466	43,670
0	0	0	0	0	0	992,777	904,651	88,126
0	0	0	1,078,138	1,065,443	12,695	1,123,138	1,174,106	(50,968)
1,775,000	1,775,000	0	0	0	0	1,914,439	1,914,439	0
1,928,508	1,928,508	0	0	0	0	2,058,247	2,053,263	4,984
<b>3,753,656</b>	<b>3,753,656</b>	<b>0</b>	<b>1,702,268</b>	<b>1,615,706</b>	<b>86,562</b>	<b>34,354,845</b>	<b>33,772,732</b>	<b>582,113</b>
<b>26,486</b>	<b>178,527</b>	<b>152,041</b>	<b>(1,671,372)</b>	<b>(1,495,850)</b>	<b>175,522</b>	<b>(986,954)</b>	<b>1,221,961</b>	<b>2,208,915</b>
0	0	0	469,925	469,925	0	476,925	469,925	(7,000)
0	0	0	0	0	0	304,000	304,000	0
0	0	0	0	0	0	196,000	404,406	208,406
0	0	0	0	0	0	(387,000)	(402,085)	(15,085)
0	0	0	283,765	283,765	0	283,765	760,313	476,548
0	0	0	(111,692)	(111,692)	0	(609,493)	(761,591)	(152,098)
<b>0</b>	<b>0</b>	<b>0</b>	<b>641,998</b>	<b>641,998</b>	<b>0</b>	<b>264,197</b>	<b>774,968</b>	<b>510,771</b>
26,486	178,527	152,041	(1,029,374)	(853,852)	175,522	(722,757)	1,996,929	2,719,686
2,658,389	2,658,389	0	1,018,967	1,018,967	0	6,768,065	6,768,065	0
<b>\$2,684,875</b>	<b>\$2,836,916</b>	<b>\$152,041</b>	<b>(\$10,407)</b>	<b>\$165,115</b>	<b>\$175,522</b>	<b>\$6,045,308</b>	<b>\$8,764,994</b>	<b>\$2,719,686</b>

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Combined Statement of Revenues, Expenses  
 And Changes in Retained Earnings  
 All Proprietary Fund Types  
 For The Fiscal Year Ended June 30, 2002

	PROPRIETARY FUND TYPES		Totals (Memorandum Only)
	Enterprise	Internal Service	
<b>Operating Revenues:</b>			
Charges for Services	\$730,739	\$30,147	\$760,886
Other revenues	75	0	75
<b>Total revenues</b>	<b>730,814</b>	<b>30,147</b>	<b>760,961</b>
<b>Operating Expenses:</b>			
Salaries and Wages	266,209	0	266,209
Fringe Benefits	106,399	0	106,399
Purchased Services	14,830	27,299	42,129
Materials and supplies	500,926	0	500,926
Depreciation	56,420	0	56,420
<b>Total operating expenses</b>	<b>944,784</b>	<b>27,299</b>	<b>972,083</b>
<b>Operating income (loss)</b>	<b>(213,970)</b>	<b>2,848</b>	<b>(211,122)</b>
<b>Non-operating revenues:</b>			
Federal donated commodities	91,617	0	91,617
Operating grants	104,865	0	104,865
Investment	2,959	0	2,959
<b>Total non-operating revenues</b>	<b>199,441</b>	<b>0</b>	<b>199,441</b>
<b>Net income (loss)</b>	<b>(14,529)</b>	<b>2,848</b>	<b>(11,681)</b>
<b>Retained Earnings, July 1 (Restated)</b>	<b>246,957</b>	<b>12,126</b>	<b>259,083</b>
<b>Retained Earnings, June 30</b>	<b>\$232,428</b>	<b>\$14,974</b>	<b>\$247,402</b>

See accompanying notes



LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Combined Statement Of Cash Flows  
 All Proprietary Fund Types  
 For The Fiscal Year Ended June 30, 2002

	PROPRIETARY FUND TYPES		Totals
	Enterprise	Internal Service	(Memorandum Only)
Cash flows from operating activities:			
Cash received from charges for services	\$730,739	\$30,147	\$760,886
Cash received from miscellaneous sources	75	0	75
Cash payments to suppliers for goods and services	(407,853)	0	(407,853)
Cash payments to employees for services	(374,985)	0	(374,985)
Cash payments for contracted services	(14,803)	(27,299)	(42,102)
Net cash provided (used) by operating activities	(66,827)	2,848	(63,979)
Cash flows from noncapital financing activities:			
Operating grants received	102,006	0	102,006
Net cash provided (used) by noncapital financing activities	102,006	0	102,006
Cash flows from capital and related financing activities			
Acquisition of capital assets	(500)	0	(500)
Net cash used by capital and related financing activities	(500)	0	(500)
Cash flows from investing activities:			
Cash received from investment earnings	3,708	0	3,708
Net cash provided (used) by investing activities	3,708	0	3,708
Net increase in cash and cash equivalents	38,387	2,848	41,235
Cash and cash equivalents, July 1	195,904	12,126	208,030
Cash and cash equivalents, June 30	234,291	14,974	249,265

Continued

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Combined Statement Of Cash Flows  
 All Proprietary Fund Types  
 For The Fiscal Year Ended June 30, 2002

	PROPRIETARY FUND TYPES		Totals (Memorandum Only)
	Enterprise	Internal Service	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>(213,970)</u>	<u>2,848</u>	<u>(211,122)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	56,420	0	56,420
Donated commodities used	91,617	0	91,617
Changes in assets and liabilities:			
(Increase) decrease in inventory	11,538	0	11,538
Increase (decrease) in accounts payable	27	0	27
Increase (decrease) in accrued wages and benefits	2,268	0	2,268
Increase (decrease) in compensated absences	(4,645)	0	(4,645)
Increase (decrease) in deferred revenue	<u>(10,082)</u>	<u>0</u>	<u>(10,082)</u>
Total Adjustments	<u>147,143</u>	<u>0</u>	<u>147,143</u>
Net cash provided (used) by operating activities	<u><u>(\$66,827)</u></u>	<u><u>\$2,848</u></u>	<u><u>(\$63,979)</u></u>
Non cash transactions - Enterprise Fund:			
Non cash donation of inventory held for resale			
- Food Service	\$91,617		
Non cash donation of capital assets contributed by other funds			
- Food Service	\$259,200		

See accompanying notes

# LOVELAND CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 2002

### 1. DESCRIPTION OF THE DISTRICT

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

The Loveland City School District is a city school district as defined by Section 3311.02, Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District.

Management believes the financial statements included in this report represent all of the funds of the District for which the Board of Education has fiscal responsibility.

#### A. Reporting Entity

The reporting entity is comprised of the primary government. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Loveland City School District, this includes general operations, food service, and student related activities of the District. Generally, component units are legally separate organizations for which the elected officials of the primary government (i.e. the District) are financially accountable. The District would consider an organization to be a component unit if:

1. The District appointed a voting majority of the organization's governing body; and (a) was able to impose its will on that organization; or (b) there was a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the District; or
2. The organization was fiscally dependent upon the District; or
3. The nature of the relationship between the District and the organization was such that the exclusion from the financial reporting entity would render the financial statements misleading.

The District included no component units in the accompanying financial statements.

***Parochial Schools*** - Within the School District boundaries, Holy Family School is operated through the Saint Columbia Catholic Diocese. Current State legislation provides funding to this parochial school. These monies are received and disbursed on behalf of the parochial school by the treasurer of the School District, as directed by the parochial school. The activity of these State monies by the School District is reflected in a special revenue fund for financial reporting purposes.

The School District is associated with two jointly governed organizations and two public entity risk pools. These organizations are:

Jointly Governed Organizations:

Southwest Ohio Computer Association

Hamilton Clermont Cooperative Association / Unified Purchasing Association

Public Entity Risk Pools:

Ohio School Boards Association Workers' Compensation Group Rating

Greater Cincinnati Insurance Consortium

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **A. Fund Accounting Basis of Presentation**

The accounts of the District are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

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

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

Special Revenue Funds - Are used to account for the proceeds of specific revenue sources (other than Expendable Trust or major Capital Projects) that are legally restricted to expenditures for specified purposes.

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 for the payment of interest on general obligation notes payable, as required by Ohio Law.

Capital Projects Funds - Is 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).

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

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

Internal Service Fund - Are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost reimbursement basis.

Fiduciary Fund Types - Fiduciary Funds are used for the assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include Expendable Trust and Agency Funds. Expendable Trust Funds are accounted for essentially the same as Governmental Funds. Agency Funds are custodial in nature (assets equal liabilities).

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

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

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

## **B. Measurement Focus and Basis of Accounting**

Measurement Focus: Governmental Funds types and Expendable Trust Funds are accounted for on a spending, or "current financial resources", measurement focus. Governmental Fund types and Expendable Trust Funds operating statements represent increases and decreases in net current assets. Their reported fund balances are considered a measure of available spendable resources.

Proprietary Funds types are accounted for on a cost of services, or "economic resources", measurement focus. Proprietary Fund type income statements represent increases and decreases in net total assets.

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

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

Proprietary Funds are accounted for on the accrual basis of accounting. Revenue is recognized in the period earned and expenses are recognized in the period incurred.

### **C. Budgetary Data**

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

- (1) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- (2) Expenditures are recorded when encumbered, or paid in cash (budget), as opposed to when susceptible to accrual (GAAP).

The actual results of operations, compared to the final appropriation, for each fund type by expenditure function and revenue by source are presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual (non-GAAP Budgetary Basis). The reserve for encumbrances is carried forward as part of the budgetary authority for the next year and is included in the revised budget amounts shown in the budget to actual comparisons. The 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 appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The specific timetable is as follows:

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

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

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

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

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

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

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

#### **D. Encumbrances**

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



## **E. Cash and Investments**

Cash received by the District is deposited in a cash and investment pool used by all funds. Monies for all funds are maintained in these accounts or are temporarily used to purchase short-term cash equivalent investments. State Statute authorizes the District to invest in obligations of the U.S. Treasury, commercial paper and repurchase agreements. Under existing Ohio statutes, all investment earnings accrue to the General Fund except those specifically related to Agency Funds, certain Trust Funds, and those funds individually authorized by Board resolution.

For purposes of the Statement of Cash Flows (GASB Statement No. 9) all highly liquid investments with a maturity of three months or less when acquired, are considered to be cash equivalents and are included under the heading "Equity in pooled cash and investments".

The District has invested funds in the State Treasury asset Reserve of Ohio (STAROhio) during the current fiscal year. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price, which is the fair value at year-end.

Investments are stated at fair value as determined by quoted market prices.

## **F. Restricted Cash**

Restricted cash in the general fund represents cash and cash equivalents set aside for budget stabilization, textbooks, and capital maintenance. At fiscal year-end restricted cash equaled \$336,785.

## **G. 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.

## **H. Inventory (Materials and Supplies)**

Inventories of the Enterprise Funds are valued at lower of cost (first-in, first-out method) or market and are determined by physical count. Inventories of Proprietary Funds consist of materials and supplies and are expensed when used. The amount of unused commodities at year-end is reported as deferred revenue since title does not pass to the school district until the commodities are used.

## **I. Fixed Assets and Depreciation**

1. General Fixed Assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the General Fixed Assets Account Group. Donated fixed assets are recorded at their fair market values as of the date donated. The District maintains a capitalization threshold in the amount of \$500. No depreciation is recognized for assets in the General Fixed Assets Account Group. The District does not possess any infrastructure.
2. Proprietary Funds - Equipment reflected in the Proprietary Funds are stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date donated. The District maintains a capitalizaion threshold in the amount of \$500. Depreciation has been provided, where appropriate, on a straight-line basis over the following estimated useful lives:

Building Improvements	20 - 40 years
Equipment	3 - 15 years

## **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 right to receive compensation is attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment.

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

For Governmental Funds, vested and accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of its respected Governmental Fund. Amounts of vested and accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Obligations Account Group. Vested and accumulated vacation and sick leave of Proprietary Funds is recorded as an expense and liability of those funds as the benefits accrue to the employee. There are no material salary related payments applicable to the District.

## **K. Interfund Transactions**

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

1. Routine transfers of resources from one fund to another fund through which resources to be expended are recorded as operating transfers.
2. Reimbursements from one fund to another fund are treated as expenditures/expenses in the reimbursing fund and as a reduction in expenditures/expenses in the reimbursed fund.
3. Short-term interfund loans are reflected as interfund loans payable/receivable, while long-term interfund loans (greater than one year in length) are recorded as advances to/from other funds. There were no long-term interfund loans outstanding at fiscal year-end.

## **L. Long-Term Obligations**

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

Long-term liabilities expected to be financed from Proprietary Fund operations are accounted for in those funds.

## **M. Fund Balance Reserves**

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity, which is available for appropriation, in future periods. Fund equity reserves are established for encumbrances, property taxes and budgetary set-asides required under Ohio law. The reserve for property taxes represents taxes recognized, as revenue under generally accepted accounting principles not available for appropriation under State statutes.

## **N. Memorandum Only - Total Columns**

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

## **O. Proprietary Fund Accounting**

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

## **3. EQUITY IN POOLED CASH AND INVESTMENTS**

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments". State Statute requires the classification of monies held by the District into three categories.

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

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

Interim deposits of interim monies. Interim monies are those monies, which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit, maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

State legislation permits interim monies to be deposited or invested in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year-end the carrying amount of the District's deposits was (\$250,931). The bank balance of deposits was \$369,123 and of the bank balance, \$100,000 was covered by federal depository insurance. The remaining amounts were uninsured and uncollateralized as defined by GASB. Although the securities were held by the pledging financial institutions' trust department in the School District's name and all statutory requirements for the investment of the money had been followed, noncompliance with the federal requirements could potentially subject the money held in the School District's name to a successful claim by the FDIC.

Generally accepted accounting principles require that investments held by the District should be categorized to give an indication of the level of risk assumed by the District at year-end. 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 issued, registered, or held by the District or its agent in the District's name.

CATEGORY 2 includes uninsured and unregistered investments held by the counterparty's trust department or agent in the District's name.

CATEGORY 3 includes uninsured and unregistered investments held by the counterparty, or by its department or agent, but not in the District's name.

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

<u>INVESTMENTS</u>	<u>RISK CATEGORY</u>	<u>CARRYING VALUE/ FAIR VALUE</u>
STAR Ohio	N/A	\$3,754,099
U.S. Agencies	3	5,992,428
Money Market Fund	N/A	<u>27,784</u>
Total		<u>\$9,774,311</u>

\* STAR Ohio and Money Market Fund are unclassified investments because they are not evidenced by securities that exist in physical or book entry form. Investments in STAR Ohio and Money Market Fund are valued at quoted share price at year-end.

**4. PROPERTY TAXES**

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

Real property taxes are payable annually or semi-annually. If paid annually, payment was due by January 20. If paid semi-annually, the first payment (at least one-half of amount billed) was due January 20, with the remainder due on June 20.

The County Auditor remits portions of the taxes collected with periodic settlements of Real and Public Utility property taxes in February and August and Tangible Personal Property Taxes in June and October to all taxing districts.

The School District receives property taxes from the County Auditor. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2002 are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes, which became measurable as of June 30, 2002. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations.

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

Agricultural/Residential	
And Other Real Estate	\$513,115,990
Public Utility Personal	10,635,170
Tangible Personal Property	<u>16,917,640</u>
Total Assessed Value	<u>\$540,668,800</u>

## 5. FIXED ASSETS

A summary of the General Fixed Assets Account Group at the year-end follows:

<u>Class</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Land	\$ 1,436,356	\$ 0	\$ 0	\$ 1,436,356
Buildings	39,896,572	2,793	0	39,899,365
Equipment	4,547,761	227,240	7,000	4,768,001
Construction In Progress	<u>2,793</u>	<u>431,465</u>	<u>2,793</u>	<u>431,465</u>
Total	<u>\$45,883,482</u>	<u>\$661,498</u>	<u>\$9,793</u>	<u>\$46,535,187</u>

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

Equipment	\$685,570
Less Accumulated Depreciation	<u>(390,151)</u>
Net Fixed Assets	<u>\$295,419</u>

## 6. CHANGES IN THE GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP

At fiscal year-end, the following changes occurred in debt reported in the General Long-Term Obligations Account Group:

	<u>Balance Beginning of Year</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance End of Year</u>
Accrued Wages & Benefits	\$ 184,993	\$ 0	\$ 9,055	\$ 175,938
Capital Leases Payable	1,433,987	0	139,439	1,294,548
Compensated Absences	2,558,881	0	105,755	2,453,126
General Obligation Bonds Payable	41,965,734	0	1,775,000	40,190,734
Notes Payable	<u>1,057,000</u>	<u>304,000</u>	<u>0</u>	<u>1,361,000</u>
Total	<u>\$47,200,595</u>	<u>\$304,000</u>	<u>\$2,029,249</u>	<u>\$45,475,346</u>

The accrued wages and benefits amount above represents pension contributions that are not expected to be liquidated with expendable financial resources.



## 7. LONG-TERM DEBT

All General Obligation Bonds and Notes outstanding, issued to provide funds for the acquisition of equipment and facilities, are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such un-matured obligations of the District are accounted for in the General Long-Term Obligation Account Group. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service Fund.

A. The following is a description of the District's bonds and notes outstanding as of year-end:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Balance Beginning of Year</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance End of Year</u>
1999 Bond Issue	4.84%	02/01/99	12/01/19	\$1,900,000	\$ 0	\$ 100,000	\$1,800,000
1999 Bond Issue	5.00%	04/29/99	12/01/24	40,065,734	0	1,675,000	38,390,734
2001 Note Issue	4.40%	05/10/01	05/01/04	1,057,000	0	0	1,057,000
2002 Note Issue	4.80%	04/30/02	12/17/17	0	304,000	0	304,000
TOTAL				<u>\$43,022,734</u>	<u>\$304,000</u>	<u>\$1,775,000</u>	<u>\$41,551,734</u>

B. The following is a summary of the District's future annual debt service requirements to maturity for general obligation bonds and notes:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$2,033,000	\$1,917,950	\$3,950,950
2004	3,345,000	1,820,072	5,165,072
2005	2,594,000	1,656,379	4,250,379
2006	2,920,000	1,519,466	4,439,466
2007	1,075,000	1,425,204	2,500,204
Thereafter	<u>29,584,734</u>	<u>14,604,704</u>	<u>44,189,438</u>
Totals	<u>\$41,551,734</u>	<u>\$22,943,775</u>	<u>\$64,495,509</u>

## 8. 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	\$27,464	\$ 0
Special Revenue Fund:		
Public School Support	275	0
Career Education	0	568
Athletic Fund	0	14,707
Agency Fund:		
Student Activities	0	275
Enterprise Fund:		
Food Service	<u>0</u>	<u>12,189</u>
Total All Funds	<u>\$27,739</u>	<u>\$27,739</u>

## 9. DEFINED BENEFIT PENSION PLANS

### A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS); a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SERS, 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Plan members are required to contribute 9% of their annual covered salary and the School District is required to contribute 14%. The contribution requirements of plan member and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The School District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$577,764, \$561,666, and \$478,794 respectively; 51% has been contributed for fiscal year 2002 and 100% for fiscal years 2001 and 2000.

## B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issue a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing the State Teachers Retirement System, 275 E. Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3% of their annual covered salary and the School 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 School District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$1,814,868, \$1,737,444, and \$1,648,488 respectively; 82% has been contributed for fiscal year 2002 and 100% for fiscal years 2001 and 2000.

## 10. POST-EMPLOYMENT BENEFITS

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by the 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 8% of covered payroll to the Health Care Reserve Fund. The Health Care Reserve Allocation for the year ended June 30, 2002 will be 4.5% of covered payroll.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3.256 billion at June 30, 2001. For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

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

For the fiscal year, employer contributions to fund health care benefits were 9.80% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, 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, 2001, were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001 SERS had net assets available for payment of health care benefits of \$315.7 million. SERS had approximately 50,000 participants currently receiving health care benefits.

## **11. BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP); the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The main difference between the budget basis and GAAP basis are:

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 note disclosures in the proprietary fund types (GAAP basis).
4. Proceeds from the principal payment on bond and tax anticipation notes are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP basis).

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

<u>Governmental Fund Types</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>
GAAP Basis	\$2,556,272	\$16,676	\$204,399	\$82,018
Net Adjustment for Revenue Accruals	583,398	187,935	(25,872)	136,684
Net Adjustment for Expenditure Accruals	(433,888)	(178,046)	0	(695,137)
Encumbrances	<u>(2,233)</u>	<u>(57,860)</u>	<u>0</u>	<u>(377,417)</u>
Budgetary Basis	<u>\$2,703,549</u>	<u>(\$31,295)</u>	<u>\$178,527</u>	<u>(\$853,852)</u>

**12. CONTINGENT LIABILITIES**

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

**13. JOINTLY GOVERNED ORGANIZATIONS**

The Southwest Ohio Computer Association (SWOCA) is a jointly governed organization amount a three county consortium of Ohio school districts. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions of the member districts. Each of the governments of these schools and instructional functions of the 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 treasures 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. The financial statements for SWOCA are available at the Butler County Career Center, 3603 Hamilton-Middletown Road, Hamilton, Ohio 45012.

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

**14. RISK MANAGEMENT**

The District maintains comprehensive insurance coverage with private carriers for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90% co-insured. The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2001, the School District contracted with Indiana Insurance for property insurance, Nationwide for fleet insurance and Nationwide Insurance for liability insurance coverage. Coverages provided by the above companies are as follows:

Building and Contents - replacement cost (\$1,000 deductible)	\$76,542,339
Automobile Liability	2,000,000
Uninsured Motorists (\$500 deductible)	2,000,000
General Liability	
Per occurrence	1,000,000
Total per year	5,000,000

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

## **15. INSURANCE PURCHASING POOL**

*Greater Cincinnati Insurance Consortium* - The Greater Cincinnati Insurance Consortium, an insurance purchasing pool, is a health trust formed to provide affordable and desirable dental, life, medical and other disability group insurance for member's, employees, eligible dependents and designated beneficiaries of such employees. The board of Directors consists of one representative from each of the participating members and are elected by the vote of the majority of the member school districts. The School District pays premiums to a third party administrator, Edward Paul Cerry, which in turn buys the insurance policies from various insurance companies. Upon termination, the School District shall be responsible for prompt payment of all plan liabilities accruing as a result of such termination and maintain no right to any assets of the Consortium. The School District may terminate participation in the Consortium for the benefit of its employees upon written notice to the Consortium delivered at least sixty days prior to the annual review date of the policy. Financial information can be obtained from the Greater Cincinnati Insurance Consortium at 20600 Chagrin Boulevard, Shaker Heights, Ohio 44122.

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

## **16. 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.

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November, 2001, the court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

## 17. ACCOUNTABILITY AND COMPLIANCE

### Fund Deficits

Fund balances at June 30, 2002, included the following individual fund deficits:

<u>Fund Type/Fund</u>	<u>Deficit Fund Balance</u>
Special Revenue Fund:	
Disadvantaged Pupil Impact Aid	\$6,504
Title I	50,001
Continuous Improvement	4,913

### 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:	
Auxilliary Services	\$21,099
Career Education	736
Capital Projects Fund:	
Building	59,842



## 18. SET-ASIDE CALCULATIONS

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

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-aside Cash Balance as of June 30, 2001	\$ 0	\$ 0	\$336,785	\$336,785
Current Year Set-aside Requirement	480,660	480,660	0	961,320
Current Year Offsets	0	(480,660)	0	(480,660)
Qualifying Disbursements	<u>(480,660)</u>	<u>0</u>	<u>0</u>	<u>(480,660)</u>
Set-aside Cash Balance as of June 30, 2002	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$336,785</u>	<u>\$336,785</u>

Qualifying disbursements for textbooks and instructional materials during the year were \$656,156, which exceeded the required set-aside and the reserve balance. Bond proceeds can be used as an offset to the capital improvement and maintenance reserve.

Senate Bill 345 eliminated the Budget Stabilization Reserve. The current year set-aside requirement for the Reserve is from a Bureau of Workers' Compensation refund received prior to April 10, 2001.

## 19. ADVANCED REFUNDING

On April 1, 1999, the District issued \$43,140,734 in General Obligation Bonds with interest rates from 3.2% to 5.25% to advance refund \$13,145,000 of outstanding 1992 General Obligation Bonds with interest rates from 4.1% to 7.1%. The net proceeds were used to purchase U.S. Government Securities. Those Securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1992 general obligation bonds. As a result, the 1992 general obligation bonds are considered defeased and the liability for those bonds has been removed from the debt service fund. The amount of outstanding refunded debt at fiscal year-end was \$10,680,313.

## 20. CAPITALIZED LEASES - LESSEE

The District entered into a capital lease for the installation of a HVAC system for Loveland High School. Principal payments totaled \$139,439 during the current fiscal year.

The terms of the agreement provide options to purchase the equipment. 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 which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments are reflected in the general fund in the combined financial statements.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2002:

June 2003	\$215,016
June 2004	215,016
June 2005	215,016
June 2006	215,016
June 2007	215,016
Thereafter	<u>501,704</u>
Total Payments	\$1,576,784
Less: Amounts representing Interest	<u>(282,236)</u>
Present Value of Minimum Lease Payments	<u>\$1,294,548</u>

## 21. CONSTRUCTION AND OTHER COMMITMENTS

At June 30, 2002, uncompleted construction contracts are as follows:

<u>Description</u>	<u>Remaining Commitment</u>
Bus Garage	\$350,832

## 22. CONTRIBUTED CAPITAL

During the year, contributed capital was as follows:

	<u>Food Service Fund</u>
Contributed Capital, Beginning of Year	\$ 259,200
Capital Contributed Additions	<u>0</u>
Contributed Capital, End of Year	<u>\$259,200</u>

In accordance with GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", capital contributions received after June 30, 2000 are reported as revenue in the proprietary funds.

### 23. PRIOR PERIOD ADJUSTMENT

The beginning fixed asset balance of the general fixed asset account group and the beginning retained earnings balance of the food service enterprise fund have been adjusted for corrections to the fixed asset detail as follows:

	<u>Enterprise Fund</u>	<u>General Fixed Assets Account Group</u>
Balance previously stated, June 30, 2001	\$314,191	\$47,529,367
Prior period adjustment	<u>(67,234)</u>	<u>(1,645,885)</u>
As restated, July 1, 2001	<u>\$246,957</u>	<u>\$45,883,482</u>

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

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## **GENERAL FUND**

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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**

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The Special Revenue Funds are used to account for the proceeds of specific 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:

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PUBLIC SCHOOL SUPPORT: To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

LEARNING LINKS: To account for monies, which are provided for the Learning Links Program.

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

ATHLETIC FUND: To account for those student activity programs which have student participation in the activity but do not have student management in the programs. This fund includes athletic programs as well as the band, cheerleaders, flag corps and other similar types of activities.

AUXILIARY SERVICES: To account for state funds which provide services and materials to students attending non-public schools within the boundaries of the District as provided by state law.

CAREER EDUCATION: To account for state funds, which are provided to introduce various career opportunities to students.

TEACHER DEVELOPMENT: To account for state funds, which are provided to assist school districts in the development of in-service programs.

MANAGEMENT INFORMATION: To account for state funds which are provided to assist the District in implementing a staff, student and financial system as mandated by the Omnibus Education Reform Act of 1989.

SCHOOL BUILDING INCENTIVE GRANT: To account for monies, which are provided in conjunction with School Building Incentive Grant.

ENTRY YEAR PROGRAM: To account for state funds, which are provided for implementing entry year programs.

AMERICAN SIGN LANGUAGE: To account for monies, which are provided in conjunction with American Sign Language Grant.

DISADVANTAGED PUPIL IMPACT AID: To account for the provision of state funds to economically deprived pupils. The funds are grants designed to help level out the economic differences between students.

NETWORK CONNECTIVITY: To account for data communications support.

SCHOOL NET PROFESSIONAL DEVELOPMENT: To account for limited number of professional development subsidy grants.

OHIO READS: To account for state funds, which are designated reading.

SUMMER INTERVENTION: To account for summer remediation services.

SAFE SCHOOL HOT LINE: To account for funds provided for the Safe School Hot Line program.

EISENHOWER GRANT: To account for monies, which are provided for professional development.

TITLE VI B PRE-SCHOOL: To account for federal funds received for the purpose of assisting 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.

CARL PERKINS: Provision of funds to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, postsecondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work study projects, including sex equity grants. Funds are administered by the Ohio Department of Education, Division of Vocational and Career Education.

TITLE I: To account for federal funds used to meet special educational needs of educationally deprived children.

TITLE VI: To account for federal funds used to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; and programs to enhance personal excellence of students and student achievement.

EHA PRE-SCHOOL: To account for revenues and expenditures made in conjunction with child abuse, child neglect prevention programs and other grants.

DRUG FREE SCHOOLS: To account for federal funds used for establishment, operation and improvement of programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

TELECOMM: To account for funds provided for the Telecomm Program.

CONTINUOUS IMPROVEMENT: To account for funds provided for the Continuous Improvement Program.

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Combining Balance Sheet  
 All Special Revenue Funds  
 June 30, 2002

	Public School Support	Learning Links	Venture Capital East	Athletic Fund
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$127,020	\$24,897	\$1,634	\$81,986
<b>Receivables:</b>				
Intergovernmental	0	0	0	0
Interfund	275	0	0	0
Accrued Interest	0	0	0	0
<b>Total Assets</b>	<b>127,295</b>	<b>24,897</b>	<b>1,634</b>	<b>81,986</b>
<b>Liabilities</b>				
Accounts payable	27	0	0	9,599
Accrued wages	0	0	0	0
Interfund payable	0	0	0	14,707
Deferred revenue	0	0	0	0
<b>Total liabilities</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>24,306</b>
<b>Fund balances:</b>				
<b>Reserved:</b>				
Reserved for encumbrances	432	8,945	0	5,492
<b>Unreserved:</b>				
Undesignated	126,836	15,952	1,634	52,188
<b>Total fund equity (deficit)</b>	<b>127,268</b>	<b>24,897</b>	<b>1,634</b>	<b>57,680</b>
<b>Total Liabilities and fund equity</b>	<b>\$127,295</b>	<b>\$24,897</b>	<b>\$1,634</b>	<b>\$81,986</b>

<u>Auxiliary Services</u>	<u>Career Education</u>	<u>Teacher Development</u>	<u>Management Information</u>	<u>School Building Incentive Grant</u>	<u>Entry Year Program</u>	<u>American Sign Language</u>
\$74,903	\$2,491	\$1,027	\$21,738	\$15,180	\$8,615	\$487
0	0	0	0	0	0	0
0	0	0	0	0	0	0
116	0	0	0	0	0	0
<u>75,019</u>	<u>2,491</u>	<u>1,027</u>	<u>21,738</u>	<u>15,180</u>	<u>8,615</u>	<u>487</u>
14	0	0	0	0	0	0
39,023	0	0	0	0	0	0
0	568	0	0	0	0	0
0	0	0	0	0	0	0
<u>39,037</u>	<u>568</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
28,063	0	0	0	0	0	0
7,919	1,923	1,027	21,738	15,180	8,615	487
<u>35,982</u>	<u>1,923</u>	<u>1,027</u>	<u>21,738</u>	<u>15,180</u>	<u>8,615</u>	<u>487</u>
<u>\$75,019</u>	<u>\$2,491</u>	<u>\$1,027</u>	<u>\$21,738</u>	<u>\$15,180</u>	<u>\$8,615</u>	<u>\$487</u>

Continued

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Combining Balance Sheet  
 All Special Revenue Funds  
 June 30, 2002

	Disadvantaged Pupil Impact Aid	Network Connectivity	School Net Professional Development	Ohio Reads
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$0	\$17,500	\$993	\$3,974
<b>Receivables:</b>				
Intergovernmental	0	0	0	0
Interfund	0	0	0	0
Accrued Interest	0	0	0	0
<b>Total Assets</b>	<u>0</u>	<u>17,500</u>	<u>993</u>	<u>3,974</u>
<b>Liabilities</b>				
Accounts payable	0	0	0	0
Accrued wages	6,504	0	0	0
Interfund payable	0	0	0	0
Deferred revenue	0	0	0	0
<b>Total liabilities</b>	<u>6,504</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund balances:</b>				
<b>Reserved:</b>				
Reserved for encumbrances	0	0	0	0
<b>Unreserved:</b>				
Undesignated	(6,504)	17,500	993	3,974
<b>Total fund equity (deficit)</b>	<u>(6,504)</u>	<u>17,500</u>	<u>993</u>	<u>3,974</u>
<b>Total Liabilities and fund equity</b>	<u>\$0</u>	<u>\$17,500</u>	<u>\$993</u>	<u>\$3,974</u>

<u>Summer Intervention</u>	<u>Safe School Hot Line</u>	<u>Eisenhower Grant</u>	<u>Title VI B Pre-School</u>	<u>Carl Perkins</u>	<u>Title I</u>	<u>Title VI</u>
\$16,469	\$5,467	\$9,663	\$6,215	\$60	\$5,541	\$11,367
0	0	1,610	18,995	0	0	9,759
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>16,469</u>	<u>5,467</u>	<u>11,273</u>	<u>25,210</u>	<u>60</u>	<u>5,541</u>	<u>21,126</u>
0	0	0	0	0	0	0
0	0	0	14,568	0	55,542	0
0	0	0	0	0	0	0
0	0	1,610	1,440	0	0	9,759
<u>0</u>	<u>0</u>	<u>1,610</u>	<u>16,008</u>	<u>0</u>	<u>55,542</u>	<u>9,759</u>
0	0	0	2,192	0	0	0
16,469	5,467	9,663	7,010	60	(50,001)	11,367
<u>16,469</u>	<u>5,467</u>	<u>9,663</u>	<u>9,202</u>	<u>60</u>	<u>(50,001)</u>	<u>11,367</u>
<u>\$16,469</u>	<u>\$5,467</u>	<u>\$11,273</u>	<u>\$25,210</u>	<u>\$60</u>	<u>\$5,541</u>	<u>\$21,126</u>

Continued

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Combining Balance Sheet  
 All Special Revenue Funds  
 June 30, 2002

	EHA Pre-School	Drug Free Schools	Telecomm	Continuous Improvement
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$0	\$18,045	\$9,728	\$9,525
Receivables:				
Intergovernmental	0	2,811	0	0
Interfund	0	0	0	0
Accrued Interest	0	0	0	0
<b>Total Assets</b>	<b>0</b>	<b>20,856</b>	<b>9,728</b>	<b>9,525</b>
<b>Liabilities</b>				
Accounts payable	0	0	0	0
Accrued wages	0	0	0	14,438
Interfund payable	0	0	0	0
Deferred revenue	0	2,811	0	0
<b>Total liabilities</b>	<b>0</b>	<b>2,811</b>	<b>0</b>	<b>14,438</b>
<b>Fund balances:</b>				
Reserved:				
Reserved for encumbrances	0	3,096	0	0
Unreserved:				
Undesignated	0	14,949	9,728	(4,913)
<b>Total fund equity (deficit)</b>	<b>0</b>	<b>18,045</b>	<b>9,728</b>	<b>(4,913)</b>
<b>Total Liabilities and fund equity</b>	<b>\$0</b>	<b>\$20,856</b>	<b>\$9,728</b>	<b>\$9,525</b>



Totals

\$474,525

33,175

275

116

508,091

9,640

130,075

15,275

15,620

170,610

48,220

289,261

337,481

\$508,091

LOVELAND 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, 2002

	Public School Support	Learning Links	Venture Capital East	Athletic Fund
<b>Revenues:</b>				
Intergovernmental	\$0	\$23,578	\$0	\$0
Investment	0	0	0	0
Extracurricular activities	184,898	0	0	148,002
Other revenues	50,113	\$800	0	0
<b>Total revenues</b>	<b>235,011</b>	<b>24,378</b>	<b>0</b>	<b>148,002</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	0	5,870	17,666	0
Special	0	0	0	0
<b>Support services:</b>				
Pupil	0	6,177	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Central	0	0	0	0
<b>Operation of non-instructional services</b>	0	0	0	0
Extracurricular activities	230,259	0	0	113,212
<b>Total Expenditures</b>	<b>230,259</b>	<b>12,047</b>	<b>17,666</b>	<b>113,212</b>
<b>Excess of revenues over (under) expenditures</b>	<b>4,752</b>	<b>12,331</b>	<b>(17,666)</b>	<b>34,790</b>
<b>Fund balance (deficit), July 1</b>	<b>122,516</b>	<b>12,566</b>	<b>19,300</b>	<b>22,890</b>
<b>Fund balance (deficit), June 30</b>	<b>\$127,268</b>	<b>\$24,897</b>	<b>\$1,634</b>	<b>\$57,680</b>

<u>Auxiliary Services</u>	<u>Career Education</u>	<u>Teacher Development</u>	<u>Management Information</u>	<u>School Building Incentive Grant</u>	<u>Entry Year Program</u>	<u>American Sign Language</u>
\$382,724	\$5,034	\$0	\$14,579	\$0	\$0	\$0
1,773	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>384,497</u>	<u>5,034</u>	<u>0</u>	<u>14,579</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	3,071	0	0	2,490	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	3,282	0	0	0	0
0	0	0	0	0	0	0
0	0	0	2,608	0	0	0
342,799	0	143	0	0	0	0
0	0	0	0	0	0	0
<u>342,799</u>	<u>3,071</u>	<u>3,425</u>	<u>2,608</u>	<u>2,490</u>	<u>0</u>	<u>0</u>
<u>41,698</u>	<u>1,963</u>	<u>(3,425)</u>	<u>11,971</u>	<u>(2,490)</u>	<u>0</u>	<u>0</u>
(5,716)	(40)	4,452	9,767	17,670	8,615	487
<u>\$35,982</u>	<u>\$1,923</u>	<u>\$1,027</u>	<u>\$21,738</u>	<u>\$15,180</u>	<u>\$8,615</u>	<u>\$487</u>

Continued

**LOVELAND 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, 2002**

	Disadvantaged Pupil Impact Aid	Network Connectivity	School Net Professional Development	Ohio Reads
<b>Revenues:</b>				
Intergovernmental	\$25,945	\$17,500	\$4,000	\$6,000
Investment	0	0	0	0
Extracurricular activities	0	0	0	0
Other revenues	0	0	0	0
<b>Total revenues</b>	<u>25,945</u>	<u>17,500</u>	<u>4,000</u>	<u>6,000</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	0	0	0	0
Special	29,007	0	0	0
<b>Support services:</b>				
Pupil	0	0	0	0
Instructional Staff	0	0	4,816	6,026
Administration	0	0	1,000	0
Central	0	15,000	0	0
<b>Operation of non-instructional services</b>				
Extracurricular activities	0	0	0	0
<b>Total Expenditures</b>	<u>29,007</u>	<u>15,000</u>	<u>5,816</u>	<u>6,026</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(3,062)</u>	<u>2,500</u>	<u>(1,816)</u>	<u>(26)</u>
<b>Fund balance (deficit), July 1</b>	<u>(3,442)</u>	<u>15,000</u>	<u>2,809</u>	<u>4,000</u>
<b>Fund balance (deficit), June 30</b>	<u><u>(\$6,504)</u></u>	<u><u>\$17,500</u></u>	<u><u>\$993</u></u>	<u><u>\$3,974</u></u>

<u>Summer Intervention</u>	<u>Safe School Hot Line</u>	<u>Eisenhower Grant</u>	<u>Title VI B Pre-School</u>	<u>Carl Perkins</u>	<u>Title I</u>	<u>Title VI</u>
\$0	\$3,493	\$14,495	\$243,445	\$6,021	\$253,019	\$14,043
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>3,493</u>	<u>14,495</u>	<u>243,445</u>	<u>6,021</u>	<u>253,019</u>	<u>14,043</u>
46,128	3,733	15	0	6,139	0	0
0	0	0	29,555	0	279,021	17,066
0	3,600	0	117,345	0	0	0
0	0	7,941	65,813	0	0	0
0	0	0	5,462	0	0	0
0	0	0	0	0	0	0
0	0	402	17,485	0	0	3,713
0	0	0	0	0	0	0
<u>46,128</u>	<u>7,333</u>	<u>8,358</u>	<u>235,660</u>	<u>6,139</u>	<u>279,021</u>	<u>20,779</u>
<u>(46,128)</u>	<u>(3,840)</u>	<u>6,137</u>	<u>7,785</u>	<u>(118)</u>	<u>(26,002)</u>	<u>(6,736)</u>
62,597	9,307	3,526	1,417	178	(23,999)	18,103
<u>\$16,469</u>	<u>\$5,467</u>	<u>\$9,663</u>	<u>\$9,202</u>	<u>\$60</u>	<u>(\$50,001)</u>	<u>\$11,367</u>

Continued

LOVELAND 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, 2002

	EHA Pre-School	Drug Free Schools	Telecomm	Continuous Improvement
<b>Revenues:</b>				
Intergovernmental	\$12,949	\$19,061	\$2,476	\$153,639
Investment	0	0	0	0
Extracurricular activities	0	0	0	0
Other revenues	0	0	0	0
<b>Total revenues</b>	<u>12,949</u>	<u>19,061</u>	<u>2,476</u>	<u>153,639</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	0	17,783	0	132,501
Special	1,676	0	0	6,940
<b>Support services:</b>				
Pupil	15,240	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Central	0	0	0	9,851
<b>Operation of non-instructional services</b>	0	76	0	0
Extracurricular activities	0	0	0	0
<b>Total Expenditures</b>	<u>16,916</u>	<u>17,859</u>	<u>0</u>	<u>149,292</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(3,967)</u>	<u>1,202</u>	<u>2,476</u>	<u>4,347</u>
<b>Fund balance (deficit), July 1</b>	3,967	16,843	7,252	(9,260)
<b>Fund balance (deficit), June 30</b>	<u>\$0</u>	<u>\$18,045</u>	<u>\$9,728</u>	<u>(\$4,913)</u>

Totals

\$1,202,001

1,773

332,900

50,913

1,587,587

235,396

363,265

142,362

87,878

6,462

27,459

364,618

343,471

1,570,911

16,676

320,805

\$337,481

LOVELAND 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, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Extracurricular activities	\$153,900	\$184,898	\$30,998
Other revenues	13,950	50,113	36,163
<b>Total revenues</b>	<u>167,850</u>	<u>235,011</u>	<u>67,161</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Extracurricular activities	288,550	230,193	58,357
<b>Total Expenditures</b>	<u>288,550</u>	<u>230,193</u>	<u>58,357</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(120,700)</u>	<u>4,818</u>	<u>125,518</u>
<b>Other financing sources (uses):</b>			
Advances in	0	3,123	3,123
Advances (out)	0	(803)	(803)
Operating transfers in	0	1	1
Operating transfers (out)	0	(1,277)	(1,277)
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>1,044</u>	<u>1,044</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>(120,700)</u>	<u>5,862</u>	<u>126,562</u>
<b>Fund balance, July 1 (includes prior year encumbrances appropriated)</b>	120,700	120,700	0
<b>Fund balance, June 30</b>	<u>\$0</u>	<u>\$126,562</u>	<u>\$126,562</u>



LOVELAND CITY SCHOOL DISTRICT, OHIO  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Learning Links - Special Revenue Fund  
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental	\$23,878	\$23,578	(\$300)
Other revenues	800	800	0
<b>Total revenues</b>	<u>24,678</u>	<u>24,378</u>	<u>(300)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	17,409	14,815	2,594
<b>Support services:</b>			
Pupil	9,534	6,177	3,357
Instructional Staff	10,000	0	10,000
<b>Total Expenditures</b>	<u>36,943</u>	<u>20,992</u>	<u>15,951</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(12,265)</u>	<u>3,386</u>	<u>15,651</u>
<b>Other financing sources (uses):</b>			
Operating transfers (out)	(1)	(1)	0
<b>Total other financing sources (uses)</b>	<u>(1)</u>	<u>(1)</u>	<u>0</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>(12,266)</u>	<u>3,385</u>	<u>15,651</u>
<b>Fund balance, July 1 (includes prior year encumbrances appropriated)</b>	<u>12,565</u>	<u>12,565</u>	<u>0</u>
<b>Fund balance, June 30</b>	<u><u>\$299</u></u>	<u><u>\$15,950</u></u>	<u><u>\$15,651</u></u>

LOVELAND CITY SCHOOL DISTRICT, OHIO  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Venture Capital East - Special Revenue Fund  
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	19,300	17,666	1,634
Total Expenditures	<u>19,300</u>	<u>17,666</u>	<u>1,634</u>
Excess of revenues over (under) expenditures	<u>(19,300)</u>	<u>(17,666)</u>	<u>1,634</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	19,300	19,300	0
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$1,634</u></u>	<u><u>\$1,634</u></u>

LOVELAND CITY SCHOOL DISTRICT, OHIO  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Athletic Fund - Special Revenue Fund  
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Extracurricular activities	\$127,725	\$148,002	\$20,277
Other revenues	150	0	(150)
<b>Total revenues</b>	<u>127,875</u>	<u>148,002</u>	<u>20,127</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Extracurricular activities	130,000	120,978	9,022
<b>Total Expenditures</b>	<u>130,000</u>	<u>120,978</u>	<u>9,022</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(2,125)</u>	<u>27,024</u>	<u>29,149</u>
<b>Fund balance, July 1 (includes prior year encumbrances appropriated)</b>	39,871	39,871	0
<b>Fund balance, June 30</b>	<u>\$37,746</u>	<u>\$66,895</u>	<u>\$29,149</u>

LOVELAND 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, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$363,371	\$382,724	\$19,353
Investment	0	1,747	1,747
Total revenues	<u>363,371</u>	<u>384,471</u>	<u>21,100</u>
Expenditures:			
Current:			
Support services:			
Operation of non-instructional services	409,992	363,166	46,826
Total Expenditures	<u>409,992</u>	<u>363,166</u>	<u>46,826</u>
Excess of revenues over (under) expenditures	<u>(46,621)</u>	<u>21,305</u>	<u>67,926</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	25,522	25,522	0
Fund balance, June 30	<u>(\$21,099)</u>	<u>\$46,827</u>	<u>\$67,926</u>

LOVELAND CITY SCHOOL DISTRICT, OHIO  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Career Education - Special Revenue Fund  
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$4,298	\$5,034	\$736
Total revenues	<u>4,298</u>	<u>5,034</u>	<u>736</u>
Expenditures:			
Current:			
Instruction:			
Regular	5,770	3,281	2,489
Total Expenditures	<u>5,770</u>	<u>3,281</u>	<u>2,489</u>
Excess of revenues over (under) expenditures	<u>(1,472)</u>	<u>1,753</u>	<u>3,225</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	736	736	0
Fund balance, June 30	<u><u>(\$736)</u></u>	<u><u>\$2,489</u></u>	<u><u>\$3,225</u></u>

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Teacher Development - Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Support services:			
Instructional Staff	4,308	3,282	1,026
Operation of non-instructional services	143	143	0
Total Expenditures	<u>4,451</u>	<u>3,425</u>	<u>1,026</u>
Excess of revenues over (under) expenditures	<u>(4,451)</u>	<u>(3,425)</u>	<u>1,026</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	4,451	4,451	0
Fund balance, June 30	<u>\$0</u>	<u>\$1,026</u>	<u>\$1,026</u>

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Management Information - Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$14,579	\$14,579	\$0
Total revenues	<u>14,579</u>	<u>14,579</u>	<u>0</u>
Expenditures:			
Current:			
Support services:			
Central	24,346	2,608	21,738
Total Expenditures	<u>24,346</u>	<u>2,608</u>	<u>21,738</u>
Excess of revenues over (under) expenditures	<u>(9,767)</u>	<u>11,971</u>	<u>21,738</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	9,767	9,767	0
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$21,738</u></u>	<u><u>\$21,738</u></u>

**LOVELAND CITY SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 School Building Incentive Grant - Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental	\$0	\$0	\$0
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	5,330	2,490	2,840
<b>Support services:</b>			
Instructional Staff	12,340	0	12,340
<b>Total Expenditures</b>	<u>17,670</u>	<u>2,490</u>	<u>15,180</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(17,670)</u>	<u>(2,490)</u>	<u>15,180</u>
<b>Fund balance, July 1 (includes prior year encumbrances appropriated)</b>	17,670	17,670	0
<b>Fund balance, June 30</b>	<u>\$0</u>	<u>\$15,180</u>	<u>\$15,180</u>



LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Entry Year Program - Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	8,615	0	8,615
Total Expenditures	<u>8,615</u>	<u>0</u>	<u>8,615</u>
Excess of revenues over (under) expenditures	<u>(8,615)</u>	<u>0</u>	<u>8,615</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	8,615	8,615	0
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$8,615</u></u>	<u><u>\$8,615</u></u>

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 American Sign Language - Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	487	0	487
Total Expenditures	<u>487</u>	<u>0</u>	<u>487</u>
Excess of revenues over (under) expenditures	<u>(487)</u>	<u>0</u>	<u>487</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	487	487	0
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$487</u></u>	<u><u>\$487</u></u>

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Disadvantaged Pupil Impact Aid - Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$25,946	\$25,946	\$0
Total revenues	<u>25,946</u>	<u>25,946</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Special	26,227	26,227	0
Total Expenditures	<u>26,227</u>	<u>26,227</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>(281)</u>	<u>(281)</u>	<u>0</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	281	281	0
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

LOVELAND CITY SCHOOL DISTRICT, OHIO  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Network Connectivity - Special Revenue Fund  
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$17,500	\$17,500	\$0
Total revenues	<u>17,500</u>	<u>17,500</u>	<u>0</u>
Expenditures:			
Current:			
Support services:			
Central	32,500	15,000	17,500
Total Expenditures	<u>32,500</u>	<u>15,000</u>	<u>17,500</u>
Excess of revenues over (under) expenditures	<u>(15,000)</u>	<u>2,500</u>	<u>17,500</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	15,000	15,000	0
Fund balance, June 30	<u>\$0</u>	<u>\$17,500</u>	<u>\$17,500</u>

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 School Net Professional Development - Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	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	5,809	4,816	993
Administration	1,000	1,000	0
Total Expenditures	<u>6,809</u>	<u>5,816</u>	<u>993</u>
Excess of revenues over (under) expenditures	<u>(2,809)</u>	<u>(1,816)</u>	<u>993</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	2,809	2,809	0
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$993</u></u>	<u><u>\$993</u></u>

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Ohio Reads - Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$6,000	\$6,000	\$0
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>0</u>
Expenditures:			
Current:			
Support services:			
Instructional Staff	10,000	6,026	3,974
Total Expenditures	<u>10,000</u>	<u>6,026</u>	<u>3,974</u>
Excess of revenues over (under) expenditures	<u>(4,000)</u>	<u>(26)</u>	<u>3,974</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	4,000	4,000	0
Fund balance, June 30	<u>\$0</u>	<u>\$3,974</u>	<u>\$3,974</u>

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Summer Intervention - Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	62,597	46,128	16,469
Total Expenditures	<u>62,597</u>	<u>46,128</u>	<u>16,469</u>
Excess of revenues over (under) expenditures	<u>(62,597)</u>	<u>(46,128)</u>	<u>16,469</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	62,597	62,597	0
Fund balance, June 30	<u>\$0</u>	<u>\$16,469</u>	<u>\$16,469</u>

LOVELAND CITY SCHOOL DISTRICT, OHIO  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Safe School Hot Line - Special Revenue Fund  
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$3,493	\$3,493	\$0
Total revenues	<u>3,493</u>	<u>3,493</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	5,319	3,733	1,586
Support services:			
Pupil	7,482	3,600	3,882
Total Expenditures	<u>12,801</u>	<u>7,333</u>	<u>5,468</u>
Excess of revenues over (under) expenditures	<u>(9,308)</u>	<u>(3,840)</u>	<u>5,468</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	9,308	9,308	0
Fund balance, June 30	<u>\$0</u>	<u>\$5,468</u>	<u>\$5,468</u>



LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Eisenhower Grant - Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$16,105	\$15,729	(\$376)
Total revenues	<u>16,105</u>	<u>15,729</u>	<u>(376)</u>
Expenditures:			
Current:			
Instruction:			
Regular	15	15	0
Support services:			
Instructional Staff	17,345	7,941	9,404
Operation of non-instructional services	660	402	258
Total Expenditures	<u>18,020</u>	<u>8,358</u>	<u>9,662</u>
Excess of revenues over (under) expenditures	<u>(1,915)</u>	<u>7,371</u>	<u>9,286</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	2,291	2,291	0
Fund balance, June 30	<u>\$376</u>	<u>\$9,662</u>	<u>\$9,286</u>

LOVELAND CITY SCHOOL DISTRICT, OHIO  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Title VI B Pre-School - Special Revenue Fund  
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental	\$243,445	\$225,890	(\$17,555)
<b>Total revenues</b>	<u>243,445</u>	<u>225,890</u>	<u>(17,555)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Special	36,652	31,874	4,778
<b>Support services:</b>			
Pupil	131,559	127,880	3,679
Instructional Staff	74,288	64,324	9,964
Administration	5,500	5,462	38
Operation of non-instructional services	21,960	18,844	3,116
<b>Total Expenditures</b>	<u>269,959</u>	<u>248,384</u>	<u>21,575</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(26,514)</u>	<u>(22,494)</u>	<u>4,020</u>
<b>Other financing sources (uses):</b>			
Advances in	160,000	160,000	0
Advances (out)	(160,000)	(160,000)	0
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>(26,514)</u>	<u>(22,494)</u>	<u>4,020</u>
<b>Fund balance, July 1 (includes prior year encumbrances appropriated)</b>	26,514	26,514	0
<b>Fund balance, June 30</b>	<u>\$0</u>	<u>\$4,020</u>	<u>\$4,020</u>

**LOVELAND CITY SCHOOL DISTRICT, OHIO**  
**Schedule of Revenues, Expenditures**  
**And Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Carl Perkins - Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental	\$6,021	\$6,021	\$0
<b>Total revenues</b>	<u>6,021</u>	<u>6,021</u>	<u>0</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	6,199	6,139	60
<b>Total Expenditures</b>	<u>6,199</u>	<u>6,139</u>	<u>60</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(178)</u>	<u>(118)</u>	<u>60</u>
<b>Fund balance, July 1 (includes prior year encumbrances appropriated)</b>	178	178	0
<b>Fund balance, June 30</b>	<u><u>\$0</u></u>	<u><u>\$60</u></u>	<u><u>\$60</u></u>

LOVELAND 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, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$253,019	\$253,019	\$0
Total revenues	<u>253,019</u>	<u>253,019</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Special	267,777	262,237	5,540
Total Expenditures	<u>267,777</u>	<u>262,237</u>	<u>5,540</u>
Excess of revenues over (under) expenditures	<u>(14,758)</u>	<u>(9,218)</u>	<u>5,540</u>
Other financing sources (uses):			
Advances in	26,000	26,000	0
Advances (out)	(26,000)	(26,000)	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	<u>(14,758)</u>	<u>(9,218)</u>	<u>5,540</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	14,758	14,758	0
Fund balance, June 30	<u><u>\$0</u></u>	<u><u>\$5,540</u></u>	<u><u>\$5,540</u></u>

LOVELAND 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, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$23,802	\$19,202	(\$4,600)
Total revenues	<u>23,802</u>	<u>19,202</u>	<u>(4,600)</u>
Expenditures:			
Current:			
Instruction:			
Special	27,786	17,066	10,720
Support services:			
Operation of non-instructional services	4,360	3,713	647
Total Expenditures	<u>32,146</u>	<u>20,779</u>	<u>11,367</u>
Excess of revenues over (under) expenditures	<u>(8,344)</u>	<u>(1,577)</u>	<u>6,767</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	12,944	12,944	0
Fund balance, June 30	<u>\$4,600</u>	<u>\$11,367</u>	<u>\$6,767</u>

**LOVELAND CITY SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 EHA Pre-School - Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental	\$12,948	\$12,948	\$0
<b>Total revenues</b>	<u>12,948</u>	<u>12,948</u>	<u>0</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Special	1,676	1,676	0
<b>Support services:</b>			
Pupil	15,240	15,240	0
<b>Total Expenditures</b>	<u>16,916</u>	<u>16,916</u>	<u>0</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(3,968)</u>	<u>(3,968)</u>	<u>0</u>
<b>Fund balance, July 1 (includes prior year encumbrances appropriated)</b>	3,968	3,968	0
<b>Fund balance, June 30</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

LOVELAND 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, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$19,061	\$19,061	\$0
Total revenues	<u>19,061</u>	<u>19,061</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	35,518	20,879	14,639
Support services:			
Operation of non-instructional services	386	76	310
Total Expenditures	<u>35,904</u>	<u>20,955</u>	<u>14,949</u>
Excess of revenues over (under) expenditures	<u>(16,843)</u>	<u>(1,894)</u>	<u>14,949</u>
Fund balance, July 1 (includes prior year encumbrances appropriated)	16,843	16,843	0
Fund balance, June 30	<u>\$0</u>	<u>\$14,949</u>	<u>\$14,949</u>

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Telecomm - Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental	\$2,476	\$2,476	\$0
<b>Total revenues</b>	<u>2,476</u>	<u>2,476</u>	<u>0</u>
<b>Expenditures:</b>			
Current:			
Support services:			
Operations and maintenance	9,728	0	9,728
<b>Total Expenditures</b>	<u>9,728</u>	<u>0</u>	<u>9,728</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(7,252)</u>	<u>2,476</u>	<u>9,728</u>
<b>Fund balance, July 1 (includes prior year encumbrances appropriated)</b>	7,252	7,252	0
<b>Fund balance, June 30</b>	<u><u>\$0</u></u>	<u><u>\$9,728</u></u>	<u><u>\$9,728</u></u>



LOVELAND CITY SCHOOL DISTRICT, OHIO  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Continuous Improvement - Special Revenue Fund  
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$229,995	\$153,639	(\$76,356)
Total revenues	<u>229,995</u>	<u>153,639</u>	<u>(76,356)</u>
Expenditures:			
Current:			
Instruction:			
Regular	139,764	127,565	12,199
Special	6,940	6,940	0
Support services:			
Instructional Staff	9,525	0	9,525
Central	6,652	9,851	(3,199)
Total Expenditures	<u>162,881</u>	<u>144,356</u>	<u>18,525</u>
Excess of revenues over (under) expenditures	<u>67,114</u>	<u>9,283</u>	<u>(57,831)</u>
Other financing sources (uses):			
Advances in	10,000	10,000	0
Advances (out)	(10,000)	(19,283)	(9,283)
Total other financing sources (uses)	<u>0</u>	<u>(9,283)</u>	<u>(9,283)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	67,114	0	(67,114)
Fund balance, July 1 (includes prior year encumbrances appropriated)	9,525	9,525	0
Fund balance, June 30	<u>\$76,639</u>	<u>\$9,525</u>	<u>(\$67,114)</u>

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## **DEBT SERVICE FUND**

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The Debt Service Fund is used to account for the accumulation of resources for and the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment.

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**

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The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects, including equipment purchases other than those financed by Proprietary Funds. The following are descriptions of each Capital Projects Fund:

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**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.

**PERMANENT IMPROVEMENT**: To account for all transactions related to acquiring, constructing or improving such permanent improvements as are authorized by Chapter 5705, Revised Code.

**SCHOOL NET**: To account for revenues and expenditures related to the development and implementation of the School Net network within the district.

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Combining Balance Sheet  
 All Capital Projects Funds  
 June 30, 2002

	<u>Building</u>	<u>Permanent Improvement</u>	<u>School Net</u>	<u>Totals</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$54,703	\$487,829	\$0	\$542,532
<b>Receivables:</b>				
Accrued interest	461	0	0	461
Intergovernmental	0	0	3,450	3,450
<b>Total Assets</b>	<u>55,164</u>	<u>487,829</u>	<u>3,450</u>	<u>546,443</u>
<b>Liabilities:</b>				
Accounts payable	0	33,294	0	33,294
Contracts payable	25,435	103,403	0	128,838
<b>Total liabilities</b>	<u>25,435</u>	<u>136,697</u>	<u>0</u>	<u>162,132</u>
<b>Fund balances:</b>				
<b>Reserved:</b>				
Reserved for encumbrances	25,585	264,129	0	289,714
<b>Unreserved:</b>				
Undesignated	4,144	87,003	3,450	94,597
<b>Total fund equity</b>	<u>29,729</u>	<u>351,132</u>	<u>3,450</u>	<u>384,311</u>
<b>Total Liabilities and fund equity</b>	<u>\$55,164</u>	<u>\$487,829</u>	<u>\$3,450</u>	<u>\$546,443</u>

LOVELAND 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, 2002

	Building	Permanent Improvement	School Net	Totals
<b>Revenues:</b>				
Intergovernmental	\$0	\$0	\$5,443	\$5,443
Investment	89,421	0	0	89,421
<b>Total revenues</b>	<b>89,421</b>	<b>0</b>	<b>5,443</b>	<b>94,864</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	0	0	901	901
Support services:				
Pupil	0	0	9,965	9,965
Fiscal	10,928	0	0	10,928
Business	74,466	0	0	74,466
Pupil transportation	0	79,520	0	79,520
Central	0	0	18,000	18,000
Capital outlay	138,025	323,039	0	461,064
<b>Total Expenditures</b>	<b>223,419</b>	<b>402,559</b>	<b>28,866</b>	<b>654,844</b>
Excess of revenues over (under) expenditures	(133,998)	(402,559)	(23,423)	(559,980)
<b>Other financing sources (uses):</b>				
Proceeds of sale fixed assets	0	469,925	0	469,925
Operating transfers in	0	172,073	0	172,073
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>641,998</b>	<b>0</b>	<b>641,998</b>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(133,998)	239,439	(23,423)	82,018
Fund balance, July 1	163,727	111,693	26,873	302,293
<b>Fund balance, June 30</b>	<b>\$29,729</b>	<b>\$351,132</b>	<b>\$3,450</b>	<b>\$384,311</b>

LOVELAND 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, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Investment	\$28,903	\$117,863	\$88,960
<b>Total revenues</b>	<u>28,903</u>	<u>117,863</u>	<u>88,960</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Support services:</b>			
Fiscal	10,928	10,928	0
Business	106,774	112,412	(5,638)
Capital outlay	851,446	845,807	5,639
<b>Total Expenditures</b>	<u>969,148</u>	<u>969,147</u>	<u>1</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(940,245)</u>	<u>(851,284)</u>	<u>88,961</u>
<b>Fund balance, July 1 (includes prior year encumbrances appropriated)</b>	880,403	880,403	0
<b>Fund balance, June 30</b>	<u>(\$59,842)</u>	<u>\$29,119</u>	<u>\$88,961</u>



LOVELAND CITY SCHOOL DISTRICT, OHIO  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Permanent Improvement - Capital Projects Fund  
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$0	\$0	\$0
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Support services:			
Pupil Transportation	477,563	398,058	79,505
Capital outlay	226,692	219,636	7,056
<b>Total Expenditures</b>	<u>704,255</u>	<u>617,694</u>	<u>86,561</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(704,255)</u>	<u>(617,694)</u>	<u>86,561</u>
<b>Other financing sources (uses):</b>			
Proceeds of sale of fixed assets	469,925	469,925	0
Operating transfers in	283,765	283,765	0
Operating transfers (out)	(111,692)	(111,692)	0
<b>Total other financing sources (uses)</b>	<u>641,998</u>	<u>641,998</u>	<u>0</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>(62,257)</u>	<u>24,304</u>	<u>86,561</u>
<b>Fund balance, July 1 (includes prior year encumbrances appropriated)</b>	<u>111,692</u>	<u>111,692</u>	<u>0</u>
<b>Fund balance, June 30</b>	<u><u>\$49,435</u></u>	<u><u>\$135,996</u></u>	<u><u>\$86,561</u></u>

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 School Net - Capital Projects Fund  
 For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental	\$1,993	\$1,993	\$0
<b>Total revenues</b>	<u>1,993</u>	<u>1,993</u>	<u>0</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	901	901	0
<b>Support services:</b>			
Pupil	9,964	9,964	0
Central	18,000	18,000	0
<b>Total Expenditures</b>	<u>28,865</u>	<u>28,865</u>	<u>0</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(26,872)</u>	<u>(26,872)</u>	<u>0</u>
<b>Fund balance, July 1 (includes prior year encumbrances appropriated)</b>	26,872	26,872	0
<b>Fund balance, June 30</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

## **ENTERPRISE FUNDS**

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Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the expense (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges. The following are descriptions of each of the District's Enterprise Funds:

Since there is only one Enterprise 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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## **INTERNAL SERVICE FUNDS**

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Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to another department or agency of the District on a cost reimbursement basis.

Since there is only one Internal 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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## **FIDUCIARY FUNDS**

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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 governmental units and/or other funds. The District's fiduciary funds include an Expendable Trust Fund and Agency Funds. The following are descriptions of each of the District's Fiduciary Funds:

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### **EXPENDABLE TRUST FUND**

SPECIAL TRUST: To account for donations received by the District in a trustee capacity. (Since there is only one Expendable Trust Fund, the only financial statement presented here is the combining balance sheet).

### **AGENCY FUND**

STUDENT ACTIVITIES: To account for the resources that belong to the various student groups in the District. The funds account for sales and other revenue generating activities by student activity programs, which have students involved in the management of the program.

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Combining Balance Sheet  
 All Fiduciary Fund Types  
 June 30, 2002

	EXPENDABLE TRUST FUND	AGENCY FUND	
	Special Trust	Student Activities	Totals
<b>Assets</b>			
Equity in pooled cash and cash equivalents	\$369	\$71,235	\$71,604
<b>Total Assets</b>	<u>369</u>	<u>71,235</u>	<u>71,604</u>
<b>Liabilities</b>			
Interfund payable	0	275	275
Due to students	0	70,960	70,960
<b>Total liabilities</b>	<u>0</u>	<u>71,235</u>	<u>71,235</u>
<b>Fund balances:</b>			
Unreserved:			
Undesignated	369	0	369
<b>Total fund equity</b>	<u>369</u>	<u>0</u>	<u>369</u>
<b>Total Liabilities and fund equity</b>	<u>\$369</u>	<u>\$71,235</u>	<u>\$71,604</u>



LOVELAND CITY SCHOOL DISTRICT, OHIO  
Statement of Changes In Assets and Liabilities  
Agency Fund  
For The Fiscal Year Ended June 30, 2002

	Student Activities			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Assets</b>				
Equity in pooled cash and cash equivalents	\$73,586	\$131,362	\$133,713	\$71,235
<b>Total Assets</b>	<u>73,586</u>	<u>131,362</u>	<u>133,713</u>	<u>71,235</u>
<b>Liabilities</b>				
Due to students	73,586	131,362	133,713	71,235
<b>Total liabilities</b>	<u>\$73,586</u>	<u>\$131,362</u>	<u>\$133,713</u>	<u>\$71,235</u>

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## **GENERAL FIXED ASSETS ACCOUNT GROUP**

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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.

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LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Schedule of General Fixed Assets by Source  
 June 30, 2002

General fixed assets:	
Land and land improvements	\$1,436,356
Buildings and building improvements	39,899,365
Furniture and equipment	4,768,001
Construction in Progress	<u>431,465</u>
Total General Fixed Assets	<u>\$46,535,187</u>
Investment in general fixed assets by source:	
General Fund	\$1,967,864
Special Revenue Funds	306,680
Capital Projects Funds	23,713,598
Acquisitions Prior to July 1, 1997*	<u>20,547,045</u>
Total General Fixed Assets	<u>\$46,535,187</u>

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

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of General Fixed Assets

By Function and Type

June 30, 2002

Function	Land and land Improvements	Buildings and building Improvements	Furniture and Equipment	Construction In Progress	Total
<b>Instruction:</b>					
Regular	\$149,652	\$22,792,349	\$1,270,991	\$0	\$24,212,992
<b>Total instruction</b>	<b>149,652</b>	<b>22,792,349</b>	<b>1,270,991</b>	<b>0</b>	<b>24,212,992</b>
<b>Support services:</b>					
Pupil	0	0	12,750	0	12,750
Instructional staff	0	0	190,523	0	190,523
Administration	0	0	27,435	0	27,435
Fiscal	0	0	10,275	0	10,275
Business	0	0	6,675	0	6,675
Operations and maintenance	0	1,650,000	1,600	0	1,651,600
Pupil transportation	0	0	2,850,700	0	2,850,700
Central	0	0	356,700	0	356,700
<b>Total support services</b>	<b>0</b>	<b>1,650,000</b>	<b>3,456,658</b>	<b>0</b>	<b>5,106,658</b>
<b>Non-Instructional services</b>					
Capital Outlay	0	39,293	0	0	39,293
Construction in Progress	0	0	0	431,465	431,465
Other - Pre July 1, 1997 items*	1,286,704	15,417,723	0	0	16,704,427
<b>Total General Fixed Assets</b>	<b>\$1,436,356</b>	<b>\$39,899,365</b>	<b>\$4,768,001</b>	<b>\$431,465</b>	<b>\$46,535,187</b>

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

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of Changes in General Fixed

Assets by Function

For the Fiscal Year Ended June 30, 2002

Function	Balance at July 1, 2001	Additions	Deductions	Balance at June 30, 2002
<b>Instruction:</b>				
Regular	\$24,121,814	\$98,178	\$7,000	\$24,212,992
<b>Total Instruction</b>	<b>24,121,814</b>	<b>98,178</b>	<b>7,000</b>	<b>24,212,992</b>
<b>Support services:</b>				
Pupil	11,500	1,250	0	12,750
Instructional staff	154,118	36,405	0	190,523
Administration	21,535	5,900	0	27,435
Fiscal	10,275	0	0	10,275
Business	2,475	4,200	0	6,675
Operations and maintenance	1,651,600	0	0	1,651,600
Pupil transportation	2,850,700	0	0	2,850,700
Central	272,600	84,100	0	356,700
<b>Total Support services</b>	<b>4,974,803</b>	<b>131,855</b>	<b>0</b>	<b>5,106,658</b>
<b>Non-Instructional services</b>				
Non-Instructional services	40,352	0	0	40,352
Capital Outlay	39,293	0	0	39,293
Construction in Progress	2,793	431,465	2,793	431,465
Other - Pre July 1, 1997 items*	16,704,427	0	0	16,704,427
<b>Total General Fixed Assets</b>	<b>\$45,883,482</b>	<b>\$661,498</b>	<b>\$9,793</b>	<b>\$46,535,187</b>

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

## **STATISTICAL SECTION**

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

TABLE 1

Fiscal Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Taxes	\$6,370,434	\$7,129,802	\$7,694,423	\$8,439,958	\$10,821,052	\$10,862,965	\$13,883,486	\$13,171,221	\$15,235,977	\$17,202,208
Intergovernmental	5,746,250	5,662,888	5,954,048	6,271,122	6,353,117	7,209,493	8,221,555	8,522,170	10,013,853	11,779,910
Investment	84,503	84,795	153,450	174,446	123,289	245,418	279,688	152,556	65,787	78,926
Tuition and Fees	66,723	88,296	110,996	115,292	141,246	157,186	167,470	191,408	213,793	378,214
Extracurricular Activities	12	0	0	0	0	0	0	0	0	0
Other Revenues	34,932	16,718	51,778	39,811	68,263	137,581	63,119	127,832	142,154	25,430
<b>Total Revenues</b>	<b>\$12,302,854</b>	<b>\$12,982,499</b>	<b>\$13,964,695</b>	<b>\$15,040,629</b>	<b>\$17,506,967</b>	<b>\$18,612,643</b>	<b>\$22,615,318</b>	<b>\$22,165,187</b>	<b>\$25,671,564</b>	<b>\$29,464,688</b>

Source: Loveland City School District records

(1) Fiscal year 1997 is the first year reported on a GAAP basis.  
 All prior fiscal years are reported on a cash basis.

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

TABLE 2

Fiscal Year	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Regular Instruction	\$6,796,808	\$7,364,849	\$7,981,093	\$8,340,528	\$9,021,872	\$9,829,515	\$10,224,345	\$11,382,133	\$11,481,667	\$12,639,093
Special Instruction	490,402	648,731	898,543	1,050,389	1,266,618	1,554,854	1,703,951	1,782,590	2,024,874	2,452,330
Vocational Instruction	314,285	378,207	377,703	393,595	430,913	450,171	452,039	338,265	308,437	267,978
Other Instruction	7,943	0	0	0	0	0	27,102	81,805	114,394	106,411
Pupil	524,698	600,142	619,918	659,166	673,832	836,350	863,860	947,358	1,166,316	1,198,995
Instructional Staff	219,662	242,755	250,801	255,443	253,983	282,385	292,553	537,569	710,735	801,320
Board of Education	12,651	27,189	25,996	36,752	38,980	52,313	68,693	71,143	75,350	129,904
Administration	860,238	1,013,733	1,041,990	1,148,684	1,285,688	965,049	1,633,797	1,337,634	1,530,137	1,671,260
Fiscal	349,322	301,760	310,491	332,930	368,221	435,314	566,339	565,332	651,708	720,597
Business	140,734	197,873	175,215	190,881	238,900	240,643	331,390	158,147	142,304	153,372
Operations and Maintenance	904,313	1,191,198	1,279,369	1,490,321	1,455,882	1,833,557	1,970,441	1,950,989	2,337,937	2,741,794
Pupil Transportation	788,453	1,011,562	1,134,711	1,034,998	1,011,140	1,071,311	1,868,038	2,006,894	2,087,218	2,285,470
Central	0	46,575	86,429	127,575	394,136	282,408	228,734	505,591	486,114	757,203
Non-Instructional	0	0	0	0	0	0	0	115,404	175,153	184,663
Extracurricular Activities	86,879	134,975	136,196	166,401	162,352	193,626	220,508	423,779	506,647	557,096
Capital Outlay	14,522	176	24,165	11,975	16,306	14,026	100	1,650,000	0	108,663
Debt Service	0	0	0	0	62,500	130,204	0	161,262	197,994	264,194
<b>Total Expenditures</b>	<b>\$11,510,910</b>	<b>\$13,159,725</b>	<b>\$14,342,620</b>	<b>\$15,239,638</b>	<b>\$16,681,323</b>	<b>\$18,171,726</b>	<b>\$20,451,890</b>	<b>\$24,015,895</b>	<b>\$23,996,985</b>	<b>\$27,040,343</b>

Source: Loveland City School District records

(1) Fiscal year 1997 is the first year reported on a GAAP basis.  
 All prior fiscal years are reported on a cash basis.

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Property Tax Levies and Collections - Real and Public Utility Property  
 Last Ten Collection (Calendar) Years (1)

TABLE 3

Collection Year	Tax Levied (2)	Current Tax Collections (3)	Percent Collected	Delinquent Collection	Total Tax Collections	Percent Of Total Collections To Levy	Outstanding Delinquent Taxes (4)	Percent of Outstanding Delinquent Taxes To Tax Levied
1993	\$6,149,424	\$5,759,581	93.66%	\$136,833	\$5,896,414	95.89%	\$286,263	4.66%
1994	6,627,090	6,206,817	93.66%	161,613	6,368,430	96.10%	268,256	4.05%
1995	7,078,351	6,693,896	94.57%	188,627	6,882,523	97.23%	207,529	2.93%
1996	7,115,710	6,755,499	94.94%	141,058	6,896,557	96.92%	230,110	3.23%
1997	13,036,017	12,525,568	96.08%	261,768	12,787,336	98.09%	310,211	2.38%
1998	13,486,817	13,060,591	96.84%	243,934	13,304,525	98.65%	364,283	2.70%
1999	16,966,396	16,131,988	95.08%	326,805	16,458,793	97.01%	556,871	3.28%
2000	18,442,065	17,421,821	94.47%	440,710	17,862,531	96.86%	469,069	2.54%
2001	22,353,756	21,277,501	95.19%	476,070	21,753,571	97.32%	617,681	2.76%
2002	22,900,683	20,633,779	90.10%	570,869	21,204,448	92.59%	618,233	2.70%

Source: Hamilton, Clermont, and Warren County Auditors.

- (1) Information from 1993 through 1996 was not available from the Clermont County Auditor, with the exception of Total Tax Collections.
- (2) Taxes levied and collected are presented on a cash basis.
- (3) State reimbursements of rollback and homestead exemptions are included.
- (4) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

LOVELAND CITY SCHOOL DISTRICT, OHIO  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Collection (Calendar) Years (1)

TABLE 4

Collection Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total		
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1993	\$220,348,660	\$629,567,600	\$11,010,390	\$44,041,560	\$13,103,590	\$57,697,913	\$244,462,640	\$731,307,073	33.43%
1994	263,699,590	753,427,400	10,340,831	41,363,324	13,827,710	17,284,637	287,868,131	812,075,361	35.45%
1995	288,692,490	824,835,685	14,122,218	56,488,872	14,750,130	18,437,662	317,564,838	899,762,219	35.29%
1996	310,977,660	888,507,600	16,932,573	67,730,292	15,283,010	19,103,762	343,193,243	975,341,654	35.19%
1997	359,013,820	1,025,753,771	18,125,788	72,503,152	16,151,890	20,189,862	393,291,498	1,118,446,785	35.16%
1998 (3)	376,071,340	1,074,489,542	17,956,915	71,827,660	15,568,740	19,460,925	409,596,995	1,165,778,127	35.14%
1999	404,859,700	1,156,742,000	18,737,560	74,950,240	21,983,070	27,478,837	445,580,330	1,259,171,077	35.39%
2000	473,423,150	1,352,637,572	18,492,899	73,971,596	16,213,910	20,762,873	508,129,959	1,447,372,041	35.11%
2001	493,750,330	1,410,715,228	19,102,170	76,408,680	15,183,670	19,474,716	528,036,170	1,506,598,624	35.05%
2002	513,115,990	1,466,045,685	16,917,640	67,670,560	10,635,170	13,654,969	540,668,800	1,547,371,214	34.94%

Source: Hamilton, Clermont and Warren County Auditors.

(1) County Auditor property tax records are maintained on a calendar year basis.

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

(3) Information for 1998 was not available from Warren County. The 1998 values include only Hamilton County and Clermont County.

TABLE 5

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

Entity	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Loveland City School District	\$70.14	\$69.99	\$63.56	\$64.21	\$59.58	\$60.14	\$55.44	\$56.13	\$56.69	\$57.46
Hamilton County	21.47	19.92	20.83	19.54	19.01	19.44	18.30	18.30	18.33	18.56
City of Loveland	12.00	9.76	9.78	10.00	10.00	10.00	10.00	10.00	10.00	9.72
Symmes Township	11.75	11.75	11.75	11.90	11.00	11.00	11.00	11.00	10.30	10.30
Great Oaks Joint Vocational School	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Warren County	4.00	4.00	4.00	4.75	5.00	5.00	6.57	6.57	7.10	7.10
Clermont County	9.35	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25
Goshen Township	17.60	17.60	17.60	17.60	17.60	17.60	17.60	17.60	17.60	17.60
Miami Township	22.11	22.11	22.11	22.11	22.11	22.11	18.60	17.10	17.10	17.10

Source: Hamilton, Clermont and Warren County Auditors.

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

TABLE 6

Year	Population (1)	Total Assessed Value (2)	Gross Bonded Debt (Including Notes)	Less Debt Service Fund (3)	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value (%)	Estimated Net Bonded Debt Per Capita
1993	9,930	\$244,462,640	\$16,785,000	\$497,106	\$16,287,894	6.66%	\$1,640
1994	9,930	287,868,131	16,155,000	620,225	15,534,775	5.40%	1,564
1995	12,882	317,564,838	15,780,000	813,275	14,966,725	4.71%	1,162
1996	12,882	343,193,243	15,110,000	1,010,680	14,099,320	4.11%	1,094
1997	12,882	400,291,498	14,365,000	1,459,936	12,905,064	3.22%	1,002
1998	12,882	409,596,995	13,683,000	1,476,129	12,206,871	2.98%	948
1999	12,882	445,580,330	45,140,734	23,311,701	21,829,033	4.90%	1,695
2000	12,882	508,129,959	43,520,734	3,153,135	40,367,599	7.94%	3,134
2001	11,677	528,036,170	41,965,734	3,328,936	38,636,798	7.32%	3,309
2002	11,677	540,668,800	41,551,734	3,533,335	38,018,399	7.03%	3,256

Sources:

- (1) Estimates provided by the City of Loveland based on Census data. Data is included for the entire City of Loveland, information specific to the school district boundaries could not be obtained.
- (2) Hamilton, Clermont and Warren County Auditors, calendar year basis. 1998 data was not available from Warren County and thus only includes data from Hamilton and Warren counties.
- (3) Fiscal Year 1997 is the first year reported on a GAAP basis. All prior years are reported on a cash basis.

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Computation of Legal Debt Margin  
 June 30, 2002

TABLE 7

Assessed Valuation of District		<u>\$540,668,800</u>
<u>Overall Direct Debt Limitation</u>		
Direct debt limitation		
9% of assessed valuation		\$48,660,192
Amount available in Debt Service Fund		3,533,335
Gross indebtedness	\$41,551,734	
Less: Debt exempt from limitation	<u>0</u>	
Debt subject to 9% limitation		<u>(41,551,734)</u>
Legal debt margin within 9% limitation		<u>\$10,641,793</u>
<u>Unvoted Direct Debt Limitation</u>		
Unvoted debt limitation		
0.1% of assessed valuation		\$540,669
Amount available in Debt Service Fund related to unvoted debt		0
Gross indebtedness authorized by the Board	0	
Less: Debt exempt from limitation	<u>0</u>	
Debt subject to 0.1% limitation		<u>0</u>
Legal debt margin within 0.1% limitation		<u>\$540,669</u>
<u>Energy Conservation Bond Limitation</u> Ohio Revised Code Section 133.042		
Debt limitation		
0.9% of assessed valuation		\$4,866,019
Energy conservation notes authorized by the Board		<u>0</u>
Legal debt margin within 0.9% limitation		<u>\$4,866,019</u>

Source: Loveland City School District records.

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Computation of Direct and Overlapping Debt  
 June 30, 2002

TABLE 8

Governmental Unit	Gross General Obligation	Percent Applicable to District (1)	Amount Applicable to District
<b>Direct:</b>			
Loveland City School District	<u>\$41,551,734</u>	100.00%	<u>\$41,551,734</u>
<b>Overlapping:</b>			
Clermont County	\$10,556,000	7.14%	\$753,698
Hamilton County	140,300,000	1.75%	2,455,250
Warren County	6,793,170	0.18%	12,228
City of Loveland	4,465,000	89.48%	3,995,282
Goshen Township	150,000	6.22%	9,330
Hamilton Township	5,545,965	1.29%	71,543
Symmes Township	1,383,000	28.34%	391,942
Great Oaks Joint Vocational S/D	<u>7,130,000</u>	3.48%	<u>248,124</u>
<b>Total overlapping:</b>	<u>\$176,323,135</u>		<u>\$7,937,397</u>
<b>Total direct and overlapping debt:</b>	<u>\$217,874,869</u>		<u>\$49,489,131</u>

Source: Ohio Municipal Advisory Council

(1) Calculated by the Ohio Municipal Advisory Council



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

TABLE 9

<u>Fiscal Year (1)</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures (%)</u>
1993	\$1,839,441	\$11,510,910	15.98%
1994	1,683,439	13,159,725	12.79%
1995	1,672,886	14,342,620	11.66%
1996	1,661,161	15,239,638	10.90%
1997	1,648,069	16,681,323	9.88%
1998	1,493,226	18,171,726	8.22%
1999	1,536,542	20,410,282	7.53%
2000	3,662,997	24,015,895	15.25%
2001	3,545,493	23,996,985	14.77%
2002	3,703,508	27,040,343	13.70%

Source: Loveland City School District records.

- (1) Fiscal Year 1997 is the first year reported on a GAAP basis.  
All prior fiscal years are reported on a cash basis.

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Demographic Statistics  
 Last Ten Years

TABLE 10

	<u>1992-1994</u>	<u>1995-1999</u>	<u>2000-2002</u>
Population	9,930	12,882	11,677
Households	3,446	4,463	4,497
Average Household Income	\$44,876	\$54,299	*
Average Home Value	\$97,679	\$109,694	*
Population by Education			
Completed 4+ Years of College	1,485	1,693	*
Occupation			
White Collar Workers	3,729	4,214	*
Blue Collar Workers	1,268	1,458	*

Source: Estimates provided by the City of Loveland based on Census data.  
 Data is for the City of Loveland. Data for the District only was not available.

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

TABLE 11

Calendar Year	Construction (1)	Bank Deposits (2) (in Thousands)	Property Values (3)
1993	\$16,579,000	\$13,500,357	\$220,348,660
1994	13,613,000	15,290,052	263,699,590
1995	7,999,000	17,301,493	288,692,490
1996	11,834,000	18,661,138	310,977,660
1997	885,000	21,598,936	359,013,820
1998	10,797,000	18,070,437	376,071,340
1999	20,000,000	24,305,322	404,859,700
2000	15,000,000	41,302,569	508,129,959
2001	7,519,000	78,562,782	528,036,170
2002	4,000,000	133,726,320	540,668,800

Sources:

- (1) City of Loveland, Ohio.
- (2) Total deposits of all banks headquartered in Hamilton County, Ohio.  
 (includes national and state chartered banks.) Data was not available for  
 the District only. Federal Reserve Bank, Cleveland.
- (3) Hamilton, Clermont and Warren County Auditors, calendar year basis.  
 Real property assessed values.

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Real Property  
 Top Ten Principal Taxpayers  
 June 30, 2002

TABLE 12

<u>Name of Taxpayer</u>	<u>Real Property</u>	<u>% of Total Assessed Valuation</u>
CINERGY	\$4,075,920	0.75%
Arrowhead Apartments Ltd.	3,096,470	0.57%
Clermont Golf Ltd.	2,314,480	0.43%
Deer Ridge Partners Ltd	1,766,940	0.33%
Cincinnati Bell	1,577,430	0.29%
Loveland-Pierce Ltd	1,571,500	0.29%
Shoppers Haven Partnership	1,138,390	0.21%
Loveland Properties	1,050,430	0.19%
Kossman-Loveland-Madeira	1,029,980	0.19%
Zicka Properties	<u>1,003,340</u>	<u>0.19%</u>
	<u>\$18,624,880</u>	<u>3.44%</u>

Source: Hamilton, Clermont and Warren County Auditors.

LOVELAND CITY SCHOOL DISTRICT, OHIO  
 Miscellaneous Statistical Data  
 June 30, 2002

TABLE 13

Enrollment by Grade

	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2001-02	439	345	301	314	355	301	338	301	277	287	299	288	276	4,121
The following are projections:														
2002-03	363	317	298	299	312	351	324	346	326	289	301	292	261	4,079
2003-04	362	299	308	299	316	317	359	325	357	327	295	290	273	4,127
2004-05	361	298	290	309	316	321	325	360	334	357	333	284	271	4,159
2005-06	360	297	289	291	327	321	329	325	371	335	365	321	266	4,197
2006-07	358	296	288	291	308	332	329	330	335	372	342	351	300	4,232
2007-08	357	295	288	290	307	313	340	330	339	336	379	329	329	4,232
2008-09	355	295	290	288	290	303	310	342	332	335	335	375	320	4,170
2009-10	350	352	291	285	284	285	298	305	337	324	330	330	369	4,140
2010-11	355	290	295	291	285	285	285	285	290	300	310	320	330	3,921
2011-12	331	283	281	289	288	298	305	334	332	340	348	335	306	4,070

Source: Loveland City School District records.

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Betty Montgomery**

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**LOVELAND CITY SCHOOL DISTRICT**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 4, 2003**