

PRINCETON CITY SCHOOL DISTRICT

June 30, 2002

*INDEPENDENT AUDITORS' REPORTS
AND OTHER INFORMATION*



**Auditor of State
Betty Montgomery**

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Board of Education
Princeton City School District
26 West Sharon Avenue
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We have reviewed the Independent Auditor's Report of the Princeton City School District, Hamilton County, prepared by VonLehman & Company, 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 Princeton City School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

January 21, 2003

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Princeton City School District
Cincinnati, Ohio

We have audited the general purpose financial statements of the Princeton City School District as of and for the year ended June 30, 2002, and have issued our report thereon dated November 19, 2002. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Princeton City School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Princeton City School District in a separate letter dated November 19, 2002.

Internal Control Over Financial Reporting

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

Princeton City School District
Page Two

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

VonLehman & Company Inc.

Ft. Mitchell, Kentucky
November 19, 2002



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

Princeton City School District
Cincinnati, Ohio

Compliance

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

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Princeton City School 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 of the Princeton City School District's compliance with those requirements.

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

Internal Control Over Compliance

The management of the Princeton City School 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 Princeton City School 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.

We have audited the general purpose financial statements of the Princeton City School District as of and for the year ended June 30, 2002, and have issued our report thereon dated November 19, 2002. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards 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 the board, management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

VonLehman & Company Inc.

Ft. Mitchell, Kentucky
November 19, 2002

**PRINCETON CITY SCHOOL DISTRICT
HAMILTON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Federal Grantor/ Program Title	June 30, 2002			
	CFDA #	Pass-Through Grantor #	Federal Receipts	Federal Disbursements
<u>U.S. Department of Agriculture</u> (Passed Through Ohio Department of Education)				
Child Nutrition Cluster				
- Breakfast Program	10.553	05-PU-01/02	\$ 192,805	\$ 192,805
- National School Lunch Program	10.555	LLP1-01/02		
		LLP4-01/02	684,164	684,164
- Summer Food Service	10.559	23-PU-01		
		24-PU-01	40,028	40,028
Food Distribution ^	10.550	*	42,232	123,813
Total Child Nutrition Cluster			959,229	1,040,810
Total U.S. Department of Agriculture			959,229	1,040,810
<u>U.S. Department of Education</u> (Passed Through Ohio Department of Education)				
Special Education Cluster				
- Title VI-B	84.027	6BSF-02	399,674	378,307
- Title VI-B-Pre-School	84.173	PGS1-02	19,767	17,189
Total Special Education Cluster			419,441	395,496
DDE Prof. Development	84.281	MSS1-02	24,329	31,605
Title I	84.010	C1-S1-02	509,904	640,783
Reading Excellence	84.338	RNS1-00	129,600	185,584
Drug Free Schools (Title IV)	84.186	DRS1-02	29,156	31,800
Class Size Reduction	84.340	CRS1-02	167,996	153,894
Continuous Improvement	84.276	G2-S2-01/02	-	35,932
Goals 2000	84.276	G2-S4-99 G2-S2-00	-	478
Innovative Education Program Strategy	84.298	C2-S1-02	48,061	51,765
School Renovation, Idea & Technology	84.352	ATS1-02	8,205	-
<i>(Passed Through Ohio Department of Mental Retardation and Developmental Disabilities)</i>				
Community Alternative Fund System	93.778	*	61,764	61,764
<i>(Received Directly from U.S. Department of Education)</i>				
After School Learning Centers	84.287	*	152,805	173,532
Bilingual Education	84.288	*	158,582	179,728
Total U.S. Department of Education			1,709,843	1,942,361
			\$ 2,669,072	\$ 2,983,171

^ Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

* No pass-through grantor number available.

**PRINCETON CITY SCHOOL DISTRICT
HAMILTON COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Princeton City School District and is presented on the basis of accounting described in Note 2 of the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations". Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

**PRINCETON CITY SCHOOL DISTRICT
HAMILTON COUNTY
SCHEDULE OF FINDINGS
Year Ended June 30, 2002**

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS	
Type of Financial Statement Opinion	Unqualified
Were there any material control weakness conditions reported at the financial statements level (GAGAS)?	No
Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
FEDERAL AWARDS	
Were there any material internal control weakness conditions reported for major federal programs?	No
Were there any other reportable conditions identified, not considered to be material weaknesses reported for major programs?	No
Type of Major Programs Compliance Opinion	Unqualified
Are there any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510?	No
Major Programs (list):	Nutrition Cluster (Food Distribution, Breakfast, NSLP and Child Care Food Program [CFDA 10.550, 10.553, 10.555 and 10.558]), Special Education (Title VI-B and Title VI-B - Preschool [CFDA 84.027 and 84.173]), Title I (CFDA 84.010)
Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
Low Risk Auditee?	Yes

See accompanying notes.

**PRINCETON CITY SCHOOL DISTRICT
HAMILTON COUNTY
SCHEDULE OF FINDINGS
Year Ended June 30, 2002**

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

**PRINCETON CITY SCHOOL DISTRICT
HAMILTON COUNTY
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2001**

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

*Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2002*



*Princeton City School District
Cincinnati, Ohio*

**PRINCETON CITY SCHOOL DISTRICT
CINCINNATI, OHIO**

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

PREPARED BY: OFFICE OF THE TREASURER

**LARRY A. MCDONOUGH
TREASURER**

INTRODUCTORY SECTION

Mission Statement

The Mission of the Princeton City School District is to assure that all students thrive as productive life-long learners and citizens of integrity by providing a superior educational environment.

PRINCETON CITY SCHOOL DISTRICT, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2002

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PRINCETON CITY SCHOOL DISTRICT, OHIO
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Princeton City School District
25 West Sharon Avenue
Cincinnati, Ohio 45246

Office of the Treasurer

Phone: (513) 771-8560

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December 12, 2002

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

We are pleased to present the sixth Comprehensive Annual Financial Report (CAFR) of the Princeton City School District for the fiscal year ended June 30, 2002. This report was prepared by the Treasurer's Office, and contains financial statements, supplemental statements, and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2001-02 fiscal year.

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

This report has been divided into three sections:

- The Introductory Section includes this transmittal letter, the list of principal officials, and the District's organizational chart.
- The Financial Section includes the unqualified opinion of our independent auditors, VonLehman and Company, Inc., the general purpose financial statements, and the combining and individual fund and account group statements and schedules.
- The Statistical Section includes selective financial, economic, and demographic information, generally presented on a multi-year basis for comparative purposes.

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

In addition to providing these general activities, the District receives pass-through grants from the State and distributes these grants to parochial/private schools located within the District. This activity is included in the entity as a Special Revenue fund because of the District's administrative involvement in the program. The parochial/private schools served are: Cincinnati Hills Christian Academy, Lincoln Heights Christian Academy, Hillcrest Training Academy, Herman Turner Academy, Bethany School, St. Gabriel School, St. Michael School and St. Rita School for the Deaf. While these organizations share operational and service similarity with the District, each is a legally separate and distinct entity. Because of their independent nature, none of these organizations are included in this report.

DESCRIPTION OF THE DISTRICT

The District serves an area of 36 square miles in the north central part of Hamilton County, encompassing the villages of Glendale, Evendale, Woodlawn and Lincoln Heights, and, the cities of Springdale and Sharonville. It also encompasses a small portion of Butler and Warren Counties. The total District population has decreased slightly from 36,873 in 1990 to 36,733 in 2002, according to information provided by the municipalities. The tax base of the District is comprised of a unique blend of residential, commercial, and industrial property, with approximately 69.0% of the tax revenue of the District paid by business and industry.

During the 2001-02 school year, the District served 6,210 students enrolled in nine elementary schools, one junior high school and one high school. The District's enrollment remains relatively stable with no significant increase projected due to the lack of available land for new residential development.

The student enrollment of the District is a reflection of the diversity of the communities it serves. For the 2001-02 school year, 37% of the students enrolled were participating in the free lunch program; 126 students were enrolled in a full time trade program through vocational education; 710 students received instruction through a variety of special education programs; and over 1,600 students were served in the district's advanced academic programs. The District also offers a comprehensive adult education program to the community to help adults obtain a high school diploma.

ORGANIZATION OF THE DISTRICT

The Board of Education of the Princeton City School District is composed of five members elected at large by the citizens of the District. The board serves as the taxing authority, contracting body and policy initiator for the operation of the District. The Board is also responsible for the adoption of the tax budget, the annual operating budget and approves all expenditures of the District. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it by the Code.

The members of the Board, their current terms, and total years served on the Board as of June 30, 2002, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mr. Gary Bryson	Jan. 2000 - Dec. 2004	2 - 1/2
Mr. George Keyser	Jan. 2000 - Dec. 2004	2 - 1/2
Mr. Mark Lemen	Jan. 1998 - Dec. 2001	6
Mrs. Jenny Pansing	Jan. 1998 - Dec. 2001	4 - 1/2
Ms. Tawana Keels	Jan. 2000 - Dec. 2004	6 - 1/2

The Superintendent is the Chief Executive Officer of the District and is directly responsible to the Board for all operations of the District. Don Darby has served as Superintendent since July 1, 2001.

The Treasurer is the Chief Financial Officer of the District and is directly responsible to the Board for all financial operations, investments, and serves as Secretary to the Board. Mr. Larry McDonough has served as Treasurer since January 1987, and has 18 1/2 years experience as a school treasurer in Ohio. At its regular meeting in October 2000, the board approved a four-year contract extension, which will expire in January 2005.

ECONOMIC CONDITION AND OUTLOOK

The District is located in southwestern Ohio, just north of Cincinnati in the north central area of Hamilton County. The eastern boundary of the District is along Interstate 71, and, Interstate 75, which runs from Canada to Florida, directly dissects the District; the two interstate highways make the District a desirable location for many businesses that require easy access to the nation's interstate system.

The District's tax base is comprised of approximately 31.0% residential and agricultural properties and approximately 69.0% of a wide range of manufacturing, commercial, and other business properties. The following table shows how the composition of the District's tax base has gradually shifted to more reliance on the residential and agricultural properties since 1990.

<u>Year</u>	<u>Percent Residential/Agricultural</u>	<u>Percent Business</u>
1990	23.7%	76.3%
1991	24.6%	75.4%
1992	25.1%	74.9%
1993	25.1%	74.9%
1994	26.8%	73.2%
1995	27.3%	72.7%
1996	27.9%	72.1%
1997	29.5%	70.5%
1998	30.0%	70.0%
1999	30.0%	70.0%
2000	30.6%	69.4%
2001	30.6%	69.4%
2002	31.0%	69.0%

An integral part of the business valuation is the revenue generated by the tangible personal tax. Since 1991, as a percent of general revenue, the contribution from the tangible tax has dropped from a high of 43% to a current 30% rate. Information from the Ohio Department of Education shows that this still places the District in the top 2 percentile in Ohio in terms of reliance on this type of property tax.

In 2001, deregulation of utilities began, which resulted in the State-set assessment rate on utility personal property generation equipment being reduced from 88% of true value to 25% of true value. The State will hold districts harmless from this loss of revenue for a period of five (5) years, after which the district will lose approximately \$850,000 per year from this revenue source. Additionally, in June 1999, the State Assembly passed legislation reducing the assessment on property held in inventory from 25% of value to 0% of value over a 25-year period, beginning in 2002. The annual 1% reduction will reduce revenue by an estimated \$370,000 per year.

Further, in the spring of 1996, the Ohio Supreme Court rendered a far-reaching decision that declared the State's funding mechanism for schools to be unconstitutional, particularly the reliance on property taxes to fund education in Ohio. The District is concerned with these initiatives and is a charter member of Educational Tax Policy Institute, which is contributing to the dialogue on any State tax changes that may occur in the future. The funding issue still remains unresolved. A court-ordered settlement conference between the State and the grieving party failed to reach an agreement to create a funding mechanism that passes the constitutionality test. The Supreme Court is expected to revisit the case in late 2002.

The expectation is that tangible property values will continue to decline slightly over time and that the assessment rate reductions on inventory values will be accelerated by action of the State legislature. The District will have to replace these revenues by asking voters to increase the voted tax rate.

As a hedge against valuation declines and legislative and judicial initiatives, the District asked its voters to approve a 6.5 mill levy in November 1998. That levy request was defeated. The District then made \$4 million in budget reductions from its proposed fiscal year 2000 budget. With these reductions, the District asked its voters to approve a 3.95 mill levy in August 1999, which passed. That levy is expected to last until 2005 at which time consideration will be given to asking the voters for a tax increase.

EMPLOYEE RELATIONS

As of June 30, 2002, the Board employed 1,013 full-time employees. Of the Board's current employees, 590 were certificated by the Ohio Department of Education serving as classroom teachers, education specialists, and administrators, all of whom have at least a bachelor's degree.

Certificated teachers and education specialists are represented by the Princeton Association of Classroom Educators (PACE) which is a labor organization affiliated with the Ohio Education Association. As of June 30, 2002, the District and the association completed the second year of a three (3) year contract.

Operational personnel are represented by the Princeton Support Staff Association (PSSA) which is affiliated with the Ohio Association of Public School Employees, Chapter 174 (OAPSE) which is a labor organization affiliated with the American Federation of State, County and Municipal Employees (AFSCME). As of June 30, 2002, the District and the association completed the second year of a three (3) year contract.

MAJOR INITIATIVES FOR THE YEAR

The district continues its efforts to become a more effective institution. Through strategic planning, several areas have become the focus of increased activity. Early in the 2002-03 school year, an Operational Strategic Plan was developed. This plan mirrors components of the previous district-wide plan. Central office and building administrators were instrumental in its development and will lead the implementation effort. As in the past, the plan is based on the district's mission statement that states:

The mission of the Princeton City School District is to assure that all students thrive as productive life-long learners and citizens of integrity by providing a superior educational environment.

Goals developed for the 2002-03 school year are as follows:

1. Increase academic achievement for students, district-wide.
2. Close achievement gaps among students as evidenced by Ohio Department of Education Report Cards and locally generated disaggregated data reflecting minority students' performance.
3. Ensure adequate financial resources to provide for continued high quality and consistent educational opportunities for all students.
4. Address issues facing the district because of its aging school buildings and declining enrollments.
5. Develop and implement a customer focus initiative that will positively impact students, staff and community.
6. Continue the administrative development program to ensure effective leadership at all levels of administration.

Elements of these goals have been reflected in the Mutual Commitments and Expectations generated by the districts administrators. Student achievement has been identified as the number one goal of every district employee. Regardless of job classification, all staff members have dedicated themselves to this goal. The facilities goal receives major attention because of the severe need to replace/renovate buildings. At the building level, they form the basis for initiatives guiding the efforts of teachers on a day-to-day basis.

The Princeton Board of Education continues to work with its priority list. Priorities for School Year 2002-03 are as follows:

Priority Items

- Academics
- Facility Planning
- Personnel
- Technology Planning
- Customer Focus
- Legislation

Aligned with the district's goals, the board's priorities help them to maintain a sense of direction and operation that is consistent with other major initiatives in the district.

FINANCIAL INFORMATION

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

Internal Controls

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

Single Audit Act

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

As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2002, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by function and object of expenditure within an individual fund. The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Unencumbered appropriation balances are reviewed prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Accountability and Compliance

State statute requires that all funds have appropriations within approved limits. In Note 3 (Page 23), several funds are listed that have appropriations in excess of estimated resources. This excess is measured against the district's certificate of estimated resources as amended during the fiscal year. Interfund adjustments were approved at the end of the year by the Board of Education; however, the adjustments were not carried forward to the final certificate of estimated resources.

Governmental Funds

The following table presents the amount of revenues by source for the General Fund for the fiscal year ended June 30, 2002, and the percentage of increases and decreases in relation to prior year revenues.

REVENUES BY SOURCE

	<u>2001</u>	<u>2002</u>	<u>Percent of Total</u>	<u>Difference from 2001</u>	<u>Percent of Change</u>
Taxes	\$56,161,246	\$57,668,854	83.10%	\$1,507,608	2.68%
Intergovernmental	8,647,343	9,348,762	13.47%	701,419	8.11%
Interest	1,675,316	984,421	1.42%	(690,895)	(41.24%)
Tuition	331,893	436,392	0.63%	104,499	31.49%
Other local revenues	539,463	847,071	1.22%	307,608	57.02%
Intermediate sources	0	113,785	0.16%	113,785	
Claims and judgments	<u>150,000</u>	<u>0</u>	<u>0.00%</u>	<u>(150,000)</u>	<u>(100.00%)</u>
	<u>\$67,505,261</u>	<u>\$69,399,285</u>	<u>100.00%</u>	<u>\$1,894,024</u>	<u>2.81%</u>

For fiscal year 2002, the increase in tax revenue of 2.68% is the primary factor for the overall nominal increase in revenue of 2.81%. Interest revenue is down considerably by 41.24%, due to the economy.

The following table presents the amount of expenditures by function for the General Fund for the fiscal year ended June 30, 2002, and the percentage of increases and decreases in relation to prior year expenditures.

EXPENDITURES BY FUNCTION

	<u>2001</u>	<u>2002</u>	<u>Percent of Total</u>	<u>Difference from 2001</u>	<u>Percent of Change</u>
Instruction:					
Regular	\$25,317,906	\$26,824,609	41.44%	\$1,506,703	5.95%
Special	5,344,811	6,136,987	9.48%	792,176	14.82%
Vocational	454,756	506,224	0.78%	51,468	11.32%
Other	428,952	457,137	0.71%	28,185	6.57%
Support Services:					
Pupil	3,380,618	4,325,506	6.68%	944,888	27.95%
Instr. Staff	4,973,889	4,576,692	7.07%	(397,197)	(7.99%)
Board of Education	193,441	267,505	0.41%	74,064	38.29%
Administration	4,710,527	5,013,526	7.75%	302,999	6.43%
Fiscal	1,689,609	1,683,308	2.60%	(6,301)	(0.37%)
Business	361,022	392,707	0.61%	31,685	8.78%
Operations and					
Maintenance	8,012,885	7,829,002	12.09%	(183,883)	(2.29%)
Pupil Trans.	3,106,502	3,250,655	5.02%	144,153	4.64%
Central	974,043	969,141	1.50%	(4,902)	(0.50%)
Community Services	339,971	144,846	0.22%	(195,125)	(57.39%)
Extracurricular	846,236	1,052,196	1.63%	205,960	24.34%
Capital Outlay	238,658	867,144	1.34%	628,486	263.34%
Debt Service	<u>435,089</u>	<u>433,689</u>	<u>0.67%</u>	<u>(1,400)</u>	<u>(0.32%)</u>
	<u>\$60,808,915</u>	<u>\$64,730,874</u>	<u>100.00%</u>	<u>\$3,921,959</u>	<u>6.45%</u>

The District's 6.54% increase in expenditures is the result of salary increases averaging 5% and the cost of medical benefits increasing by 18%. Capital Outlay increased as projects delayed in the prior year were initiated and completed this year. Board of Education costs increased due to price increases in liability and property insurances.

Special Revenue Funds

Special Revenue Funds account for funds that derive revenue primarily from grants and entitlements restricted by law to expenditures for specific purposes. The fund balance for all Special Revenue Funds decreased \$518,031 during the 2002 fiscal year.

Capital Projects Funds

Capital Projects Funds account for the purchase of equipment and the financing of major improvement projects. The Capital Projects Funds ended the 2002 fiscal year with a fund balance of \$147,591.

Enterprise Funds

The District's three Enterprise Funds are the Food Service Fund, Early Childhood Program, and the Uniform School Supplies Fund. These funds are similar in nature to profit-making activities found in the private sector and are managed accordingly. The District's Enterprise Funds operated in 2002 with \$3,432,522 in total revenues and a recorded net income of \$114,234.

Internal Service Funds

The District has one Internal Service Fund. In fiscal year 2002, the Rotary Fund recorded net income of \$16,425.

Debt Administration

The District has three debt issues outstanding at June 30, 2002.

The first issue is \$4,220,130 of energy conservation bonds held by Fifth Third Bank for HVAC work done throughout the District. The bonds were issued on July 12, 1996, at an interest rate of 5.72%. The amount of outstanding bonds at June 30, 2002, is \$700,264. The issue will be retired on July 12, 2003.

The second issue was the result of change orders in the second issue energy conservation project. The additional \$392,099 was issued on October 30, 1997, at a rate of 5.40%. The amount outstanding at June 30, 2002, was \$79,963. The issue will be retired on April 12, 2003.

The third issue is \$728,500 of energy conservation bonds held by Fifth Third Bank for HVAC work done at Robert E. Lucas Intermediate School. The bonds were issued on June 7, 2000, at an interest rate of 5.90%. The amount of outstanding bonds at June 30, 2002, is \$448,548. The issue will be retired on May 7, 2005.

Cash Management

The District operates a cash management program designed to provide safety, liquidity, and yield, in that order. Funds are invested in overnight savings accounts, certificates of deposit, in the Ohio State Treasurer's Investment Pool (Star Ohio), or in United States Government bills or notes. The amount of investment income in fiscal year 2002 for all District funds was \$1,104,302. A more detailed description of the District's investment functions is provided in Note 4 to the financial statements.

Risk Management

The District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, property loss, and boiler and machinery coverage are purchased from insurance companies licensed to do business in the State of Ohio. The maximum deductible amount for these coverages is \$10,000 per loss incurred.

OTHER INFORMATION

Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. VonLehman and Company, Inc., conducted the District's audit for fiscal year 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 report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Princeton City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2001. This was the fourth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

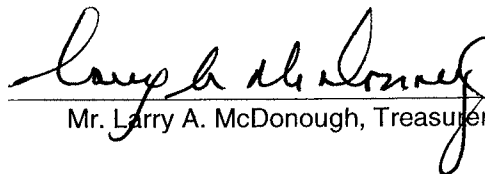
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence on Financial Reporting for the fiscal year ended June 30, 2001, to the District. The award was the fifth for the District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after extensive review of the report by an expert panel of certified public accountants and practicing school business officials. The District believes our current report conforms to the ASBO's principles and standards, and we are submitting it to ASBO to determine its eligibility for a certificate.

Acknowledgments

The preparation and publication of the 2002 Comprehensive Annual Financial Report of the Princeton City School District was made possible by the combined efforts of the entire Treasurer's office staff. Sincere appreciation is extended to Mr. Art Precht for his exceptional individual efforts in preparing this report. Finally, this report would not have been possible without the support, commitment, and leadership of the Board of Education to continue the pursuit of excellence in financial reporting.

Sincerely,



Mr. Larry A. McDonough, Treasurer



Mr. Donald Darby, Superintendent

PRINCETON CITY SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
June 30, 2002

Elected Officials

President, Board of Education Mr. George Keyser
Vice-President, Board of Education Mr. Gary Bryson
Board Member Ms. Tawana Keels
Board Member Mr. Mark Lemen
Board Member Mrs. Jenny Pansing

Administrative Officials

Superintendent Mr. Donald Darby
Treasurer/Chief Financial Officer Mr. Larry A. McDonough
Associate Superintendent Mr. Aaron Mackey
Assistant Superintendent, Curriculum, Instruction & Assessment Dr. Lon Stettler
Assistant Superintendent, Human Resources Dr. Michelle Means-Walker



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Princeton 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. Erwin
President

Jeffrey L. Esler
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

PRINCETON 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. Goldhill

President

Ann L. Miller

Executive Director

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FINANCIAL SECTION

CHARACTER EDUCATION VALUES

Trustworthiness--Be honest, dependable, and sincere to self and others.

Respect--Demonstrate courtesy and civility. Be good to self and others.

Responsibility--Be accountable for the results of your actions.

Honor--Stand by your word. Exhibit ethical conduct.

Compassion--Treat others and self with kindness.

Service--Give back to the community. Help others.



INDEPENDENT AUDITORS' REPORT

Princeton City School District
Cincinnati, OH

We have audited the accompanying general purpose financial statements of the Princeton City School District as of and for the year ended June 30, 2002, as listed in the table of contents. These financial statements are the responsibility of the Princeton City School 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 U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2002 on our consideration of the Princeton City School 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.

Princeton City School District
Page Two

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group financial statements and schedules and the statistical data listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Princeton City School 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.

VonLehman & Company Inc.

Ft. Mitchell, Kentucky
November 19, 2002

GENERAL PURPOSE FINANCIAL STATEMENTS

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 and results of operations and cash flows of its proprietary and non-expendable trust funds for the year ended June 30, 2002.

PRINCETON CITY SCHOOL DISTRICT
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 AS OF JUNE 30, 2002

	GOVERNMENTAL FUND TYPES		
	General Fund	Special Revenue	Capital Projects
ASSETS AND OTHER DEBITS:			
Assets:			
Equity in pooled cash and cash equivalents	\$21,547,265	\$ 1,434,374	\$ 147,591
Receivables			
Taxes - current	23,754,935	-	-
Taxes - delinquent	641,898	-	-
Accounts	231,703	6,918	-
Accrued interest	95,670	-	-
Intergovernmental - State	-	-	-
Intergovernmental - Federal	14,533	105,801	-
Interfund loan receivable	559,451	-	-
Restricted assets			
Cash and cash equivalents	592,611	-	-
Materials and supplies inventory	178,444	-	-
Property, plant and equipment (net of accumulated depreciation, where applicable)	-	-	-
Other debits:			
Amount to be provided for retirement of General Long-term Obligations	-	-	-
Total assets and other debits	\$47,616,510	\$ 1,547,093	\$ 147,591
LIABILITIES, EQUITY AND OTHER CREDITS:			
Liabilities:			
Accounts payable	\$ 350,760	\$ 444,104	\$ -
Accrued wages and benefits	6,577,050	193,494	-
Compensated absences payable	181,978	-	-
Interfund loans payable	-	559,451	-
Due to students	-	-	-
Deferred revenue	7,364,111	-	-
General obligation bonds payable	-	-	-
Obligation under capital leases	-	-	-
Total liabilities	14,473,899	1,197,049	-
Equity and other credits:			
Investment in general fixed assets	-	-	-
Retained earnings:			
Unreserved	-	-	-
Fund Balances:			
Reserved for trusts	-	-	-
Reserved for encumbrances	211,927	71,046	-
Reserved for property taxes	17,032,722	-	-
Reserved for budget stabilization	592,611	-	-
Reserved for supplies inventory	178,444	-	-
Reserved for advances	559,451	-	-
Unreserved:			
Undesignated	14,567,456	278,998	147,591
Total equity and other credits	33,142,611	350,044	147,591
Total liabilities, equity and other credits	\$47,616,510	\$ 1,547,093	\$ 147,591

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 784,687	\$ 74,213	\$ 400,631	\$ -	\$ -	\$ 24,388,761
-	-	-	-	-	23,754,935
-	-	-	-	-	641,898
13,005	52	12,159	-	-	263,837
-	-	-	-	-	95,670
9,763	-	-	-	-	9,763
123,622	-	-	-	-	243,956
-	-	-	-	-	559,451
-	-	-	-	-	592,611
65,880	-	-	-	-	244,324
105,968	-	-	64,480,665	-	64,586,633
-	-	-	-	3,820,228	3,820,228
<u>\$ 1,102,925</u>	<u>\$ 74,265</u>	<u>\$ 412,790</u>	<u>\$ 64,480,665</u>	<u>\$ 3,820,228</u>	<u>\$ 119,202,067</u>
\$ 24,561	\$ 328	\$ 4,424	\$ -	\$ -	\$ 824,177
255,062	-	-	-	-	7,025,606
23,536	-	-	-	1,239,934	1,445,448
-	-	-	-	-	559,451
-	-	26,211	-	-	26,211
38,669	-	-	-	-	7,402,780
-	-	-	-	1,228,775	1,228,775
-	-	-	-	1,351,519	1,351,519
341,828	328	30,635	-	3,820,228	19,863,967
-	-	-	64,480,665	-	64,480,665
761,097	73,937	-	-	-	835,034
-	-	282,139	-	-	282,139
-	-	-	-	-	282,973
-	-	-	-	-	17,032,722
-	-	-	-	-	592,611
-	-	-	-	-	178,444
-	-	-	-	-	559,451
-	-	100,016	-	-	15,094,061
<u>761,097</u>	<u>73,937</u>	<u>382,155</u>	<u>64,480,665</u>	<u>-</u>	<u>99,338,100</u>
<u>\$ 1,102,925</u>	<u>\$ 74,265</u>	<u>\$ 412,790</u>	<u>\$ 64,480,665</u>	<u>\$ 3,820,228</u>	<u>\$ 119,202,067</u>

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PRINCETON CITY SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR YEAR ENDED JUNE 30, 2002

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	Totals (Memorandum Only)
	General Fund	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Revenues:						
From local sources:						
Taxes	\$ 57,668,854	\$ -	\$ -	\$ -	\$ -	\$ 57,668,854
Tuition	436,392	-	-	-	-	436,392
Earnings on investments	984,421	6,347	-	15,625	-	1,006,393
Other local revenues	847,071	189,350	-	-	37,541	1,073,962
Extracurricular revenue	-	130,931	-	-	-	130,931
Intermediate sources	113,785	17,975	-	-	-	131,760
Intergovernmental - State	9,272,465	1,475,455	-	-	-	10,747,920
Intergovernmental - Federal	76,297	1,778,880	-	-	-	1,855,177
Total revenues	69,399,285	3,598,938	-	15,625	37,541	73,051,389
Expenditures:						
Current:						
Instruction:						
Regular	26,824,609	721,512	-	273,439	6,330	27,825,890
Special	6,136,987	767,240	-	-	96	6,904,323
Vocational	506,224	-	-	-	-	506,224
Other	457,137	173,529	-	2,499	-	633,165
Support services:						
Pupil	4,325,506	380,079	-	-	6,033	4,711,618
Instructional staff	4,576,692	598,856	-	-	653	5,176,201
Board of Education	267,505	-	-	-	-	267,505
School administration	5,013,526	54,711	-	-	-	5,068,237
Fiscal	1,683,308	1,253	-	-	263	1,684,824
Business	392,707	-	-	-	-	392,707
Operations and maintenance	7,829,002	303,865	-	317,890	-	8,450,757
Pupil transportation	3,250,655	214	-	379,980	-	3,630,849
Central	969,141	15,243	-	-	-	984,384
Community services	144,846	996,971	-	-	-	1,141,817
Extracurricular activities	1,052,196	502,415	-	-	-	1,554,611
Capital outlay	867,144	-	-	3,080	-	870,224
Debt service:						
Principal retirement	321,525	-	874,284	-	-	1,195,809
Interest and fiscal charges	112,164	-	101,647	-	-	213,811
Total expenditures	64,730,874	4,515,888	975,931	976,888	13,375	71,212,956
Excess (deficiency) of revenues over (under) expenditures	4,668,411	(916,950)	(975,931)	(961,263)	24,166	1,838,433
Other financing sources (uses):						
Proceeds of cap. lease trans.	841,739	-	-	-	-	841,739
Operating transfers in	-	398,919	975,931	47,350	-	1,422,200
Operating transfers (out)	(1,422,200)	-	-	-	-	(1,422,200)
Total other financing sources (uses)	(580,461)	398,919	975,931	47,350	-	841,739
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	4,087,950	(518,031)	-	(913,913)	24,166	2,680,172
Fund balance, July 1	29,054,661	868,075	-	1,061,504	75,850	31,060,090
Fund balance, June 30	\$ 33,142,611	\$ 350,044	\$ -	\$ 147,591	\$ 100,016	\$ 33,740,262

The notes to the financial statements are an integral part of this statement.

PRINCETON CITY SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
 ALL GOVERNMENTAL FUND TYPES
 FOR YEAR ENDED JUNE 30, 2002

	General Fund			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
From local sources:						
Taxes	\$ 55,886,179	\$ 55,886,180	\$ 1	\$ -	\$ -	\$ -
Tuition	417,355	417,355	-	-	-	-
Earnings on investments	1,066,649	1,066,649	-	6,345	6,347	2
Other local revenues	876,609	876,609	-	106,577	106,583	6
Extracurricular revenue	-	-	-	130,334	130,333	(1)
Intermediate sources	113,785	113,785	-	17,975	17,975	-
Intergovernmental - State	9,272,465	9,272,465	-	1,469,418	1,469,419	1
Intergovernmental - Federal	61,764	61,764	-	1,673,079	1,673,079	-
Total revenues	67,694,806	67,694,807	1	3,403,728	3,403,736	8
Expenditures:						
Current:						
Instruction:						
Regular	27,026,692	26,855,408	171,284	894,956	758,433	136,523
Special	6,150,644	6,069,408	81,236	805,021	778,808	26,213
Vocational	497,554	487,792	9,762	-	-	-
Other	483,751	457,873	25,878	-	-	-
Support services:						
Pupil	4,254,807	4,240,344	14,463	371,458	367,210	4,248
Instructional staff	4,998,183	4,505,800	492,383	748,200	683,306	64,894
Board of Education	286,102	277,604	8,498	-	-	-
School administration	5,122,756	5,033,586	89,170	75,646	54,973	20,673
Fiscal	1,912,356	1,676,488	235,868	1,121	1,121	-
Business	409,755	383,681	26,074	475	475	-
Operations and maintenance	8,598,201	8,230,829	367,372	313,596	313,596	-
Pupil transportation	3,312,970	3,240,042	72,928	251	251	-
Central	1,141,595	970,746	170,849	14,257	11,734	2,523
Community services	210,342	169,420	40,922	1,167,274	966,241	201,033
Extracurricular activities	1,069,558	1,015,173	54,385	510,213	510,211	2
Capital outlay	26,766	25,405	1,361	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Total expenditures	65,502,032	63,639,599	1,862,433	4,902,468	4,446,359	456,109
Excess (deficiency) of revenues over (under) expenditures	2,192,774	4,055,208	1,862,434	(1,498,740)	(1,042,623)	456,117
Other financing sources (uses):						
Operating transfers in	-	-	-	394,626	394,623	(3)
Operating transfers (out)	(1,475,492)	(1,475,492)	-	-	-	-
Advances in	697,046	697,046	-	319,415	319,415	-
Advances (out)	(319,415)	(319,415)	-	(371,103)	(303,488)	67,615
Proceeds of sale of fixed assets	-	2,406	2,406	-	-	-
Refund of prior years expense	-	38,321	38,321	-	4,018	4,018
Refund of prior year receipts	(17,316)	(1,562)	15,754	(71,739)	(71,639)	100
Total other financing sources (uses)	(1,115,177)	(1,058,696)	56,481	271,199	342,929	71,730
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,077,597	2,996,512	1,918,915	(1,227,541)	(699,694)	527,847
Fund balance, July 1	19,031,170	19,031,170	-	1,133,257	1,133,257	-
Prior year encumbrances appropriated	249,588	249,588	-	374,937	374,937	-
Fund balance, June 30	\$ 20,358,355	\$ 22,277,270	\$ 1,918,915	\$ 280,653	\$ 808,500	\$ 527,847

The notes to the financial statements are an integral part of this statement.

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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,886,179	\$ 55,886,180	\$ 1
-	-	-	-	-	-	417,355	417,355	-
-	-	-	15,624	15,625	1	1,088,618	1,088,621	3
-	-	-	(969)	(968)	1	982,217	982,224	7
-	-	-	-	-	-	130,334	130,333	(1)
-	-	-	-	-	-	131,760	131,760	-
-	-	-	-	-	-	10,741,883	10,741,884	1
-	-	-	-	-	-	1,734,843	1,734,843	-
-	-	-	14,655	14,657	2	71,113,189	71,113,200	11
-	-	-	280,905	273,439	7,466	28,202,553	27,887,280	315,273
-	-	-	-	-	-	6,955,665	6,848,216	107,449
-	-	-	-	-	-	497,554	487,792	9,762
-	-	-	-	-	-	483,751	457,873	25,878
-	-	-	21,683	-	21,683	4,647,948	4,607,554	40,394
-	-	-	33,057	-	33,057	5,779,440	5,189,106	590,334
-	-	-	-	-	-	286,102	277,604	8,498
-	-	-	8,796	-	8,796	5,207,198	5,088,559	118,639
-	-	-	-	-	-	1,913,477	1,677,609	235,868
-	-	-	2,548	-	2,548	412,778	384,156	28,622
-	-	-	1,366,520	323,890	1,042,630	10,278,317	8,868,315	1,410,002
-	-	-	762,159	379,980	382,179	4,075,380	3,620,273	455,107
-	-	-	-	-	-	1,155,852	982,480	173,372
-	-	-	-	-	-	1,377,616	1,135,661	241,955
-	-	-	2,199	-	2,199	1,581,970	1,525,384	56,586
-	-	-	34,958	6,305	28,653	61,724	31,710	30,014
975,931	975,931	-	-	-	-	975,931	975,931	-
975,931	975,931	-	2,512,825	983,614	1,529,211	73,893,256	70,045,503	3,847,753
(975,931)	(975,931)	-	(2,498,170)	(968,957)	1,529,213	(2,780,067)	1,067,697	3,847,764
975,931	975,931	-	47,350	47,350	-	1,417,907	1,417,904	(3)
-	-	-	-	-	-	(1,475,492)	(1,475,492)	-
-	-	-	-	-	-	1,016,461	1,016,461	-
-	-	-	(235,024)	(235,024)	-	(925,542)	(857,927)	67,615
-	-	-	-	-	-	-	2,406	2,406
-	-	-	-	-	-	-	42,339	42,339
-	-	-	(1,531)	(1,531)	-	(90,586)	(74,732)	15,854
975,931	975,931	-	(189,205)	(189,205)	-	(57,252)	70,959	128,211
-	-	-	(2,687,375)	(1,158,162)	1,529,213	(2,837,319)	1,138,656	3,975,975
-	-	-	593,002	593,002	-	20,757,429	20,757,429	-
-	-	-	712,751	712,751	-	1,337,276	1,337,276	-
\$ -	\$ -	\$ -	\$ (1,381,622)	\$ 147,591	\$ 1,529,213	\$ 19,257,386	\$ 23,233,361	\$ 3,975,975

**PRINCETON CITY SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
 FOR YEAR ENDED JUNE 30, 2002**

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	Totals (Memorandum only)
	Enterprise	Internal Service	Non-Expendable Trust	
Operating revenues:				
Tuition and fees	\$ 1,189,102	\$ 67,441	\$ -	\$ 1,256,543
Sales	1,095,377	-	-	1,095,377
Other operating revenues	6,263	59,788	100	66,151
Total operating revenues	2,290,742	127,229	100	2,418,071
Operating expenses:				
Salaries and wages	1,622,496	-	-	1,622,496
Fringe benefits	494,239	-	-	494,239
Contract services	76,439	4,345	-	80,784
Materials and supplies	1,086,484	23,451	140	1,110,075
Depreciation	33,204	-	-	33,204
Other operating expenses	5,426	83,008	10,300	98,734
Total operating expenses	3,318,288	110,804	10,440	3,439,532
Operating income (loss)	(1,027,546)	16,425	(10,340)	(1,021,461)
Nonoperating revenues (expenses):				
Interest revenue	8,581	-	7,100	15,681
Grants - state	72,505	-	-	72,505
Grants - federal	946,520	-	-	946,520
Grants - commodities	114,174	-	-	114,174
Total nonoperating revenues (expenses)	1,141,780	-	7,100	1,148,880
Net income (loss) before operating transfers	114,234	16,425	(3,240)	127,419
Net income (loss)	114,234	16,425	(3,240)	127,419
Retained earnings/ fund balance at July 1	646,863	57,512	285,379	989,754
Retained earnings/ fund balance at June 30	\$ 761,097	\$ 73,937	\$ 282,139	\$ 1,117,173

The notes to the financial statements are an integral part of this statement.

**PRINCETON CITY SCHOOL DISTRICT
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND NON-EXPENDABLE TRUST FUNDS
 FOR YEAR ENDED JUNE 30, 2002**

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	Totals (Memorandum only)
	Enterprise	Internal Service	Non-Expendable Trust	
Cash flows from operating activities:				
Cash received from tuition and fees	\$ 1,192,558	\$ 67,493	\$ -	\$ 1,260,051
Cash received from sales/charges for services	1,095,405	-	-	1,095,405
Cash received from other operations	6,116	59,454	100	65,670
Cash payments for personal services	(2,060,961)	-	-	(2,060,961)
Cash payments for contract services	(68,012)	(4,345)	-	(72,357)
Cash payments for supplies and materials	(965,652)	(23,451)	(140)	(989,243)
Cash payments for other expenses	(5,048)	(83,117)	(10,300)	(98,465)
Net cash provided by (used for) operating activities	(805,594)	16,034	(10,340)	(799,900)
Cash flows from noncapital financing activities:				
Cash received from grants (state)	62,742	-	-	62,742
Cash received from grants (federal)	916,997	-	-	916,997
Advances in(out) from(to) other funds	(150,000)	-	-	(150,000)
Refund of prior year transaction	(287)	660	-	373
Net cash provided by (used for) noncapital financing activities	829,452	660	-	830,112
Cash flows from capital and related financing activities:				
Acquisition/Disposition of capital assets	(84,955)	-	-	(84,955)
Net cash used for capital and related financing activities	(84,955)	-	-	(84,955)
Cash flows from investing activities:				
Interest on cash equivalents	8,581	-	7,100	15,681
Net cash provided by investing activities	8,581	-	7,100	15,681
Net increase (decrease) in cash and cash equivalents	(52,516)	16,694	(3,240)	(39,062)
Cash and cash equivalents at beginning of year	837,203	57,519	285,379	1,180,101
Cash and cash equivalents at end of year	\$ 784,687	\$ 74,213	\$ 282,139	\$ 1,141,039
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	(1,027,546)	16,425	(10,340)	(1,021,461)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation	33,204	-	-	33,204
Adjustments to capital outlay	8,494	-	-	8,494
Other adjustments to non-operating income	114,461	(660)	-	113,801
Changes in assets and liabilities:				
Supplies inventory	66,348	-	-	66,348
Accounts receivable/Due from other governments	3,483	1,000	-	4,483
Accounts payable	7,527	(686)	-	6,841
Accrued wages and benefits	43,160	(45)	-	43,115
Compensated absences payable	12,614	-	-	12,614
Deferred revenue	(67,339)	-	-	(67,339)
Net cash provided by (used for) operating activities	\$ (805,594)	\$ 16,034	\$ (10,340)	\$ (799,900)
Reconciliation of non-expendable trust funds to balance sheet:				
Cash and cash equivalents - all fiduciary funds			\$ 400,631	
Cash and cash equivalents - expendable trust and agency funds			(118,492)	
Cash and cash equivalents - non-expendable trust funds			282,139	

The notes to the financial statements are an integral part of this statement.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 1 - DESCRIPTION OF THE DISTRICT

The District is a consolidation of nine school districts originally chartered by the Ohio State Legislature. In 1853, State laws were enacted to create local Boards of Education. Eight districts -- Woodlawn, Glendale, Springdale, Crescentville, Sharonville, Runyan, Stewart, and Evendale -- were consolidated in April, 1955. The ninth -- Lincoln Heights -- was added in February, 1970. Today, the District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code.

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

The District is the 46th largest in the State of Ohio (among 613 Districts) in terms of enrollment and the 5th largest in Hamilton County. It currently operates 9 elementary schools, 1 junior high school (grades 7-8), and 1 comprehensive high school (grades 9-12).

NOTE 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. The Reporting Entity

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

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization.

Components units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation - Fund Accounting

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

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

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

Governmental Fund Types

Governmental funds are those through which most governmental functions of the 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 funds) are accounted for through governmental funds. The following are the District's governmental fund types:

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

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.

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

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

Proprietary Fund Types

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Internal Service Funds account for the financing of goods or 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 to account 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, nonexpendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of 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.

C. Measurement Focus and Basis of Accounting

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: taxpayer-assessed income taxes, interest, tuition, grants, and student fees.

The District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2002, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2003 operations, have been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year, and the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types and the nonexpendable trust fund. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

D. Budgetary Data

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

All funds are legally required to be budgeted and appropriated except for the Agency Fund and the Miscellaneous State Grants Special Revenue Fund. The District does not adopt an annual budget for the Agency Fund and the Miscellaneous State Grants Special Revenue Fund. The primary level of budgetary control is at the object level within each function within each fund. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Advances in and Advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

Tax Budget:

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

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

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2002.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures.

Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Expenditures plus encumbrances may not legally exceed appropriations. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

Lapsing of Appropriations:

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

E. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

During fiscal year 2002, investments were limited to obligations of the U.S. Treasury, certificate of deposits, and STAROhio. Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to auxiliary services, food services, certain trust funds, and permanent improvement which are individually authorized by Board resolution.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

The Princeton City School District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2002. 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 price the investment could be sold for on June 30, 2002.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2002 amounted to \$984,421 which excludes \$37,653 assigned to other District funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments. For fiscal year 2002, carrying value approximates fair market value of all investments.

F. Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of purchased food and school supplies held for resale and are expensed when used. Unused commodities at June 30, 2002, are reported as deferred revenue until the commodities are used.

G. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Fixed Assets and Depreciation

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized.

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

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

I. Intergovernmental Revenues

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

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

Entitlements

General Fund

- State Foundation Program
- State Property Tax Relief
- Medical Assistance Program - CAFS

Non-Reimbursable Grants

Special Revenue Funds

- Auxiliary Services
- Education Management Information Systems
- Disadvantaged Pupil Impact Aid
- Data Communications
- School Net Professional Development
- Ohio Reads
- Vocational Education Enhancement

PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Alternative Schools
- Conflict Management
- Title II
- Title VI-B
- Vocational Education
- Title I
- Title VI
- Title IV
- Preschool Grant
- Reducing Class Size
- After School Learning Centers
- Bilingual Education
- Reading Excellence Act
- School Renovation, Idea, and Technology
- Reimbursable Grants*
 - General Fund*
 - Driver Education
 - Proprietary Funds*
 - National School Lunch Program
 - National School Breakfast Program
 - Government Donated Commodities

Grants and entitlements amounted to approximately eighteen percent of the District's operating revenue during the 2002 fiscal year.

J. Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables." Long-term interfund loans are classified as "advances to/from other funds" and are equally offset by a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

K. Compensated Absences

The liability for compensated absences includes an accrual for salary-related payments which are directly and incrementally associated with payments made for compensated absences on termination.

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1. The employee's rights to receive compensation are attributed 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.

The District's policies regarding compensated absences are determined by negotiating agreements and/or state laws. In summary, the policies are as follows:

	<u>Vacation</u>		
	<u>Certificated</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How Earned	Not Eligible	20 days at start of each contract year	10-20 days for each service year depending on length of service.
Maximum Accumulation	Not Applicable	40 days unless otherwise stated in contract	40 days
Vested	Not Applicable	As Earned	As Earned
Termination Entitlement	Not Applicable	Paid upon Termination	Paid upon Termination

	<u>Sick Leave</u>		
	<u>Certificated</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How Earned	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)
Maximum Accumulation	255 days (according to bargaining agreements)	279 days	265 days (according to bargaining agreements)
Vested	As Earned	As Earned	As Earned
Termination Entitlement	Per Contract	Per Contract	Per Contract

For governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the respective governmental fund. Amounts that are not expected to be liquidated with expendable available resources are reported in the General Long-Term Obligations Account Group. Compensated absences of proprietary funds are recorded as an expense and liability of the respective proprietary fund.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 obligations account group. Long-term liabilities expected to be financed by proprietary funds are reported as liabilities in the appropriate proprietary 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 expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, inventories of supplies and materials, and debt services that must be kept intact. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The reserve for budget stabilization represents funds set aside as required by State statute and be used only with the approval of the State.

N. Total Columns on General Purpose Financial Statements

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

O. Estimates

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

The following special revenue funds had a deficit fund balance due to the timing of the reimbursement check from the state athletic association, the state, or federal agency:

<u>Fund Type/Fund</u>	<u>Fund Balance</u>
Special Revenue Funds:	
Other Grants	\$ 259,560
Athletic Fund	48,846
Teacher Development	85
Continuous Improvement Implementation Grant	27,222
After School Learning Centers	3,035
Bilingual Education	34,164

B. Compliance

The following funds had appropriations in excess of estimated resources plus available balances for the fiscal year ended June 30, 2002.

<u>Fund Type/Fund</u>	<u>Excess</u>
Special Revenue Funds:	
Other Grants	\$ 87,711
Venture Capital	1,827
Teacher Development	4,802
School Net Professional Development	102
Title II	41,278
Title VI-B	59,683
Title I	136,941
Title VI	42,256
Preschool Grant	3,768
Federal Grants	138,309
Capital Projects Funds:	
Permanent Improvement	46,487
Building Fund	235,024
SchoolNet Plus	864
Agency Fund	10,707

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the District in 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 District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

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

Interim monies may be invested in the following obligations. In general, investments must mature or be redeemable within two years from the date of purchase:

1. Bonds, notes or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including 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 (STAROhio); and

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

- 7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time.

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

Deposits: At year end, the government's carrying amount of deposits was \$1,738,713 and the bank balance was \$2,720,131. Of the bank balance, \$100,000 was covered by federal depository insurance or by collateral held by the government's agent in the government's name. Of the remaining balance, \$2,620,131 was collateralized with securities held by the pledging financial institution's trust department or agent in the government's name.

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

	<u>Category 2</u>	<u>Fair Value</u>
U.S. Government Securities	\$14,804,213	\$14,804,213
STAROhio	-0-	8,438,446
Totals	<u>\$14,804,213</u>	<u>\$23,242,659</u>

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting." A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 4 - DEPOSITS AND INVESTMENTS (continued)

GASB Statement 9:	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
Unrestricted Cash and Cash Equivalents	\$ 24,388,761	\$ -0-
Restricted Cash and Cash Equivalents	592,611	-0-
Investments:		
U.S. Government Securities	(14,804,213)	14,804,213
STAROhio	<u>(8,438,446)</u>	<u>8,438,446</u>
GASB Statement 3	\$ <u>1,738,713</u>	\$ <u>23,242,659</u>

NOTE 5 - SET-ASIDES

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside Cash Balance as of June 30, 2001	\$ -0-	\$ -0-	\$592,611
Current Year Set-aside Requirement	801,224	801,224	-0-
Qualifying Disbursements	<u>(2,162,063)</u>	<u>(2,922,686)</u>	<u>-0-</u>
Total	<u>(1,360,839)</u>	<u>(2,121,462)</u>	<u>592,611</u>
Set-aside Balances Carried Forward to FY 2002	<u>\$(1,360,839)</u>	<u>\$ -0-</u>	<u>\$592,611</u>
Amount Restricted for Budget Stabilization			<u>\$592,611</u>
Total Restricted Assets			<u>\$592,611</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 5 - SET-ASIDES (continued)

Effective April 10, 2001, Am. Sub. Senate Bill 345 amended ORC Section 5705.29 effectively eliminating the requirement for the School District to establish and maintain a budget stabilization reserve. The portion of monies, which had previously accumulated in the budget stabilization reserve that were not related to workers' compensation rebates received by the School District, are now available for ordinary operating costs incurred by the District and, therefore, are reported as unreserved and undesignated fund balance in the General Fund. Current State statute requires the school district to continue reporting funds received that were related to workers' compensation rebates in the budget stabilization reserve. Restrictions exist as to the manner in which these funds may be spent. As the School District's budget stabilization account is comprised entirely of workers' compensation rebate funds, the entire \$592,611 is maintained on the School District's balance sheet as a reservation of fund balance and restricted "equity in pooled cash and cash equivalents" in the General Fund.

NOTE 6 - INTERFUND RECEIVABLES/PAYABLES

Interfund balances at June 30, 2002, consisted of the following individual fund receivables and payables.

Short term interfund loans:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
General Fund	\$559,451	
Special Revenue Funds		
Other Grants		\$247,134
Athletic Fund		38,610
Title VI-B		11,959
Title I		43,960
Title VI		36,486
Preschool Grant		3,768
Miscellaneous Federal Grants		177,534
Total Special Revenue		<u>559,451</u>
Total All Funds	<u>\$559,451</u>	<u>\$559,451</u>

NOTE 7 - PROPERTY TAXES

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 7 - PROPERTY TAXES (continued)

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 is due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) is due January 20th with the remainder payable on June 20th.

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

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 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 fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2002, was \$17,032,722.

The assessed values upon which fiscal year 2002 taxes were collected are:

	<u>2001 Second- Half Collections</u>		<u>2002 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$1,267,991,720	69.78%	\$1,292,462,070	70.17%
Public Utility	78,471,720	4.32%	65,887,420	3.58%
Tangible Personal Property	<u>470,530,636</u>	<u>25.90%</u>	<u>483,486,370</u>	<u>26.25%</u>
Total Assessed Value	<u>\$1,816,994,076</u>	100.00%	<u>\$1,841,835,860</u>	100.00%
Tax Rate Per \$1,000 of Assessed Valuation	\$46.19		\$46.19	

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 8 - RECEIVABLES

Significant receivables at June 30, 2002, consisted of taxes, accounts receivables, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose of the nonpayment of taxes, the stable condition of State Programs, and the current year guarantee of Federal Funds.

A summary of the principal items of receivables follows:

<u>Fund</u>	<u>Type of Receivable</u>	<u>Amount</u>
General Fund	Taxes	\$24,396,833
Special Revenue Funds	Due from other Governments	\$ 105,801
Enterprise Funds	Due from other Governments	\$ 133,385

NOTE 9 - FIXED ASSETS

A summary of the changes in the General Fixed Assets Account Group during the fiscal year 2002 follows:

	<u>July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2002</u>
Land/Improvements	\$ 1,003,909	\$ -0-	\$ -0-	\$ 1,003,909
Building and Building Improvements	37,722,900	369,724	757,850	37,334,780
Furniture/Equipment	<u>24,487,957</u>	<u>2,399,298</u>	<u>745,279</u>	<u>26,141,976</u>
Total	<u>\$63,214,772</u>	<u>\$2,769,022</u>	<u>\$1,503,129</u>	<u>\$64,480,665</u>

A summary of the Enterprise Fund fixed assets at June 30, 2002, follows:

Furniture and Equipment	\$696,734
Less Accumulated Depreciation	(590,766)
Net Fixed Assets - Proprietary Fund	<u>\$105,968</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS

A. State Teachers Retirement System

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the Princeton City School District is required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$4,370,669, \$4,223,126, and \$3,962,405 respectively; 83 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$728,439, representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds.

B. School Employees Retirement System

The Princeton City 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. The School Employees Retirement System issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634 or by calling (614)222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the Princeton City School District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The school district's contributions to SERS for the years ended June 30, 2002, 2001, and 2000 were \$1,768,155, \$1,659,375, and \$1,542,751, respectively, equal to the required contributions for each year. \$946,313, representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2002, all members of the Board of Education have elected social security. The Board's liability is 6.2 percent of wages paid.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 11 - POST EMPLOYMENT BENEFITS

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

The State Teachers Retirement board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. Through June 30, 2001, the Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$1,404,858 during fiscal year 2002.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3,256 million at June 30, 2001. For the year ended June 30, 2001, net health care costs paid by STRS were \$369,354,000 and STRS had 83,918 eligible benefit recipients.

The Ohio Revised Code gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium.

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. At June 30, 2001, the allocation rate is 9.80%. 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, prorated for partial service credit. For fiscal 2001, the minimum pay has been established as \$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.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care of June 30, 2001, were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, the Retirement System's net assets available for payment of health care benefits was \$315.7 million. The number of benefit recipients currently receiving health care benefits is approximately 50,000. For the school district, the portion of employer contributions that were used to fund postemployment benefits equaled \$1,250,308 during the 2002 fiscal year.

NOTE 12 - CAPITALIZED LEASES - LESSEE DISCLOSURE

The District has entered into capitalized leases for the acquisition of copiers. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service in the combined financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 12 - CAPITALIZED LEASES - LESSEE DISCLOSURE (continued)

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

	June 2003	\$ 440,100
	June 2004	438,191
	June 2005	397,247
	June 2006	204,259
	June 2007	<u>90,982</u>
Total Payments		1,570,779
Less: Amounts Representing Interest		<u>(219,260)</u>
Present Value of Minimum Lease Payments		\$ <u>1,351,519</u>

NOTE 13 - BONDS

Bonds outstanding were issued to provide funds for energy conservation and the purchasing of school buses and are general obligations of the District for which the full faith and credit of the District are pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the general long-term obligations 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 outstanding at June 30, 2002.

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Matur-ity Date</u>	<u>Balance June 30, 2001</u>	<u>New Issues in 2002</u>	<u>Retired in 2002</u>	<u>Balance June 30, 2002</u>
Energy Conservation	5.72	7/12/96	7/12/03	\$1,361,863	-0-	\$661,599	\$700,264
Energy Conservation	5.40	10/30/97	4/12/03	\$155,751	-0-	\$75,788	\$79,963
Energy Conservation	5.90	6/7/00	5/7/05	\$585,446	-0-	\$136,898	\$448,548

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 13 – BONDS (continued)

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

Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 925,422	\$50,509	\$ 975,931
2004	153,999	13,778	167,777
2005	<u>149,354</u>	<u>4,442</u>	<u>153,796</u>
	<u>\$1,228,775</u>	<u>\$68,729</u>	<u>\$1,297,504</u>

NOTE 14 - GENERAL LONG TERM OBLIGATIONS ACCOUNT GROUP

During the year ended June 30, 2002, the following changes occurred in liabilities reported in the General Long Term Obligations Account Group. Compensated absences will be paid from the fund from which the employee is paid.

	<u>Balance 6/30/01</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/02</u>
Compensated Absences:				
Sick Leave and Vacation Leave	\$1,108,095	\$ 313,818	\$ 181,979	\$1,239,934
General Obligation Debt:				
Bonds	2,103,059	-0-	874,284	1,228,775
Capital Leases	<u>1,159,354</u>	<u>841,739</u>	<u>649,574</u>	<u>1,351,519</u>
Total	<u>\$4,370,508</u>	<u>\$1,155,557</u>	<u>\$1,705,837</u>	<u>\$3,820,228</u>

NOTE 15 - LEGAL DEBT MARGIN

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District.

The effects of these debt limitations at June 30, 2002, are a voted debt margin of \$165,765,227 and an unvoted debt margin of \$1,841,836.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 16 - SEGMENT INFORMATION

The District maintains three enterprise funds to account for the operations of food services, uniform school supply sales, and early childhood programs. The table below reflects, in a summarized format, the more significant financial data relating to the enterprise funds of the District as of and for the year ended June 30, 2002.

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Early Childhood Programs</u>	<u>Total</u>
Operating Revenues	\$1,095,832	\$31,327	\$1,163,583	\$2,290,742
Operating expenses before depreciation	2,190,501	16,449	1,078,134	3,285,084
Depreciation	32,663	-0-	541	33,204
Operating Income (Loss)	(1,127,332)	14,878	84,908	(1,027,546)
Interest Revenue	8,581	-0-	-0-	8,581
Operating Grants	1,019,025	-0-	-0-	1,019,025
Donated Commodities	114,174	-0-	-0-	114,174
Net Income (Loss)	14,448	14,878	84,908	114,234
Net Working Capital	372,094	91,278	215,293	678,665
Total Assets	662,302	91,278	349,345	1,102,925
Total Liabilities	208,501	-0-	133,327	341,828
Total Equity (Deficit)	453,801	91,278	216,018	761,097

NOTE 17 - 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. A reconciliation of the nature and amounts of the adjustments necessary to convert the GAAP financial statements to the budgetary basis follows:

**PRINCETON CITY SCHOOL DISTRICT, OHIO
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING (continued)

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

Governmental Fund Types

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>
GAAP Basis	\$4,087,950	\$(518,031)	\$-0-	\$(913,913)
Net Adjustment for Revenue Accruals	(1,704,478)	(189,166)	-0-	(968)
Net Adjustment for Expendi- ture Accruals	1,428,929	362,331	-0-	(6,726)
Net Adjustment for Other Sources	(478,235)	(51,694)	-0-	(236,555)
Net Adjustment for Encumbrances	(337,654)	(323,251)	-0-	-0-
Budgetary Basis	2,996,512	(719,811)	-0-	(1,158,162)
Adjustment for Unbudgeted State Special Revenue Funds		20,117		
Adjusted Budgetary Basis		(699,694)		

NOTE 18 - CONTINGENT LIABILITIES

A. Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2002.

**PRINCETON CITY SCHOOL DISTRICT, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

NOTE 19 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial general liability insurance against these risks and all other risks of loss, including workers' compensation and employee health and accident insurance. There were no settlements that exceeded insurance coverage for the past three years.

NOTE 20 - STATE FUNDING CHANGES

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.

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COMBINING, INDIVIDUAL FUND
AND
ACCOUNT GROUP FINANCIAL STATEMENTS
AND SCHEDULES

GENERAL FUND

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

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$ 55,886,179	\$ 55,886,180	\$ 1
Tuition	417,355	417,355	-
Earnings on investments	1,066,649	1,066,649	-
Other revenues	876,609	876,609	-
Intermediate sources	113,785	113,785	-
Intergovernmental - State	9,272,465	9,272,465	-
Intergovernmental - Federal	61,764	61,764	-
Total revenues	67,694,806	67,694,807	1
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	19,633,687	19,624,633	9,054
Fringe benefits	4,725,801	4,720,870	4,931
Purchased services	695,455	692,600	2,855
Materials and supplies	1,312,129	1,191,751	120,378
Capital outlay - new	187,286	168,043	19,243
Capital outlay - replacement	430,414	418,184	12,230
Other expenditures	41,920	39,327	2,593
Total regular instruction	27,026,692	26,855,408	171,284
Special:			
Salaries and wages	4,106,963	4,104,111	2,852
Fringe benefits	1,006,891	1,006,891	-
Purchased services	962,876	904,534	58,342
Materials and supplies	71,753	53,237	18,516
Capital outlay - new	1,178	-	1,178
Capital outlay - replacement	157	-	157
Other expenditures	826	635	191
Total special instruction	6,150,644	6,069,408	81,236
Vocational:			
Salaries and wages	395,186	387,008	8,178
Fringe benefits	101,459	100,634	825
Purchased services	909	150	759
Total vocational instruction	497,554	487,792	9,762

Continued

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund (Continued)
For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Other:			
Salaries and wages	84,725	73,812	10,913
Fringe benefits	18,559	14,236	4,323
Purchased services	375,736	365,094	10,642
Materials and supplies	4,731	4,731	-
Total other instruction	483,751	457,873	25,878
Support services:			
Pupil:			
Salaries and wages	3,117,706	3,115,213	2,493
Fringe benefits	821,067	820,791	276
Purchased services	168,672	163,334	5,338
Materials and supplies	146,260	140,276	5,984
Other expenditures	1,102	730	372
Total pupil	4,254,807	4,240,344	14,463
Instructional staff:			
Salaries and wages	3,143,040	3,043,999	99,041
Fringe benefits	1,198,900	879,802	319,098
Purchased services	403,092	392,576	10,516
Materials and supplies	166,122	143,751	22,371
Capital outlay - new	28,552	14,244	14,308
Capital outlay - replacement	54,756	29,271	25,485
Other expenditures	3,721	2,157	1,564
Total instructional staff	4,998,183	4,505,800	492,383
Board of Education:			
Salaries and wages	6,000	6,000	-
Fringe benefits	718	459	259
Purchased services	106,463	98,344	8,119
Materials and supplies	823	703	120
Other expenditures	172,098	172,098	-
Total board of education	286,102	277,604	8,498
School administration:			
Salaries and wages	3,793,214	3,776,846	16,368
Fringe benefits	940,456	935,748	4,708
Purchased services	267,591	227,274	40,317
Materials and supplies	83,947	72,259	11,688
Capital outlay - new	10,912	1,510	9,402
Capital outlay - replacement	17,796	11,109	6,687
Other expenditures	8,840	8,840	-
Total school administration	5,122,756	5,033,586	89,170

Continued

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund (Continued)
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Fiscal:			
Salaries and wages	454,246	408,873	45,373
Fringe benefits	173,094	99,271	73,823
Purchased services	217,413	129,999	87,414
Materials and supplies	12,962	12,957	5
Capital outlay - new	38,641	16,561	22,080
Capital outlay - replacement	9,989	7,621	2,368
Other expenditures	1,006,011	1,001,206	4,805
Total fiscal	1,912,356	1,676,488	235,868
Business:			
Salaries and wages	266,888	255,004	11,884
Fringe benefits	61,815	61,395	420
Purchased services	62,434	56,893	5,541
Materials and supplies	14,388	8,299	6,089
Capital outlay - new	2,137	-	2,137
Capital outlay - replacement	1,675	1,675	-
Other expenditures	418	415	3
Total business	409,755	383,681	26,074
Operations and maintenance:			
Salaries and wages	3,235,621	3,233,686	1,935
Fringe benefits	862,923	862,923	-
Purchased services	3,347,723	3,085,535	262,188
Materials and supplies	839,367	759,876	79,491
Capital outlay - new	68,728	61,307	7,421
Capital outlay - replacement	240,869	225,005	15,864
Other expenditures	2,970	2,497	473
Total operations and maintenance	8,598,201	8,230,829	367,372
Pupil transportation:			
Salaries and wages	2,093,562	2,068,610	24,952
Fringe benefits	633,980	633,684	296
Purchased services	161,558	161,334	224
Materials and supplies	421,268	375,855	45,413
Capital outlay - new	109	-	109
Capital outlay - replacement	1,600	-	1,600
Other expenditures	893	559	334
Total pupil transportation	3,312,970	3,240,042	72,928

Continued

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund (Continued)
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Central:			
Salaries and wages	534,429	532,921	1,508
Fringe benefits	298,089	163,429	134,660
Purchased services	158,331	149,642	8,689
Materials and supplies	136,597	119,238	17,359
Capital outlay - new	150	150	-
Capital outlay - replacement	7,894	66	7,828
Other expenditures	6,105	5,300	805
Total central	1,141,595	970,746	170,849
Community services:			
Salaries and wages	168,804	141,101	27,703
Fringe benefits	35,960	25,341	10,619
Purchased services	2,472	2,468	4
Materials and supplies	563	210	353
Capital outlay - replacement	2,243	-	2,243
Other expenditures	300	300	-
Total community services	210,342	169,420	40,922
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	22,078	17,222	4,856
Fringe benefits	4,648	3,811	837
Purchased services	3,416	3,416	-
Materials and supplies	766	546	220
Other expenditures	95,787	95,703	84
Total academic and subject oriented activities	126,695	120,698	5,997
Sports oriented activities:			
Salaries and wages	739,394	732,787	6,607
Fringe benefits	123,944	110,848	13,096
Purchased services	2,811	2,327	484
Materials and supplies	1,283	1,283	-
Capital outlay - replacement	30,729	4,330	26,399
Other expenditures	26,919	26,919	-
Total sports oriented activities	925,080	878,494	46,586

Continued

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund (Concluded)
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
School and public service:			
Salaries and wages	12,677	11,478	1,199
Fringe benefits	2,472	1,869	603
Purchased services	477	477	-
Other expenditures	2,157	2,157	-
Total school and public service	<u>17,783</u>	<u>15,981</u>	<u>1,802</u>
Total extracurricular activities	<u>1,069,558</u>	<u>1,015,173</u>	<u>54,385</u>
Capital outlay:			
Architecture and engineering services:			
Purchased services	26,766	25,405	1,361
Total architecture and engineering services	<u>26,766</u>	<u>25,405</u>	<u>1,361</u>
Total capital outlay	<u>26,766</u>	<u>25,405</u>	<u>1,361</u>
Total expenditures	<u>65,502,032</u>	<u>63,639,599</u>	<u>1,862,433</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,192,774</u>	<u>4,055,208</u>	<u>1,862,434</u>
Other financing sources (uses):			
Operating transfers (out)	(1,475,492)	(1,475,492)	-
Advances in	697,046	697,046	-
Advances (out)	(319,415)	(319,415)	-
Proceeds of sale of fixed assets	-	2,406	2,406
Refund of prior year expenditures	-	38,321	38,321
Refund of prior year receipts	(17,316)	(1,562)	15,754
Total other financing sources (uses)	<u>(1,115,177)</u>	<u>(1,058,696)</u>	<u>56,481</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,077,597	2,996,512	1,918,915
Fund balance, July 1	19,031,170	19,031,170	-
Prior year encumbrances appropriated	<u>249,588</u>	<u>249,588</u>	<u>-</u>
Fund balance, June 30	<u>\$ 20,358,355</u>	<u>\$ 22,277,270</u>	<u>\$ 1,918,915</u>

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SPECIAL REVENUE FUNDS

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

PUBLIC SCHOOL SUPPORT: To account for specific local revenue sources (other than taxes) generated by individual school buildings (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.

OTHER GRANTS: To account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

VENTURE CAPITAL: To account for unrestricted grants provided by the State Department of Education to individual schools within the District to improve classroom practices, assessment, and professional development.

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 DEVELOPMENT: To account for state and federal funds which are provided to introduce various career opportunities to students.

TEACHER DEVELOPMENT: To account for state funded receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs.

EDUCATION MANAGEMENT INFORMATION SYSTEMS: 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.

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.

DATA COMMUNICATIONS: To account for state funds appropriated for Ohio Educational Computer Network Connections.

SCHOOL NET PROFESSIONAL DEVELOPMENT: To account for state funds to be used for a limited number of professional development subsidy grants.

OHIO READS: To account for state funds to improve reading outcomes, especially on the fourth grade reading proficiency test and to pay for operating expenses associated with administering the program.

VOCATIONAL EDUCATION ENHANCEMENT: To account for state funds used to expand the number of students enrolled in tech prep programs, enable students to develop career plans, and replace or update vocational program equipment.

ALTERNATIVE SCHOOLS: To account for state funds used for alternative educational programs for existing and new at-risk and delinquent youth.

CONFLICT MANAGEMENT: To account for state school conflict grant transactions.

MISCELLANEOUS STATE GRANTS: To account for state funds that were originally legally restricted to expenditures for specified purposes. The residual balances are not legally required to be appropriated and, therefore, were not.

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

TITLE VI-B: To account for federal funds 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.

VOCATIONAL EDUCATION: To account for federal funds used in the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, cooperative education, advisory committees, and work-study projects.

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.

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

PRESCHOOL GRANT: To account for federal funds to be used to improve and expand the services to handicapped children ages three through five.

CONTINUOUS IMPROVEMENT IMPLEMENTATION GRANT: To account for federal funds used to support a broad range of education improvement goals.

REDUCING CLASS SIZE: To account for federal funds used to hire additional classroom teachers in Grades 1 through 3, so that the number of students per teacher will be reduced.

AFTERSCHOOL LEARNING CENTERS: To account for federal funds used to provide activities and assistance to the youth of the Lincoln Heights community.

BILINGUAL EDUCATION: To account for federal funds to assist students with Limited English Proficiency and to increase bilingual opportunities to students and staff.

READING EXCELLENCE ACT: To account for federal funds used to support local literacy initiatives based on the Ohio Literacy Framework.

SCHOOL RENOVATION, IDEA AND TECHNOLOGY: To account for federal funds used to assist districts in providing assistive technology devices that support access to general education for students with disabilities.

FAMILY AND SCHOOL PARTNERSHIP GRANT: To account for federal funds used to strengthen family and school partnerships that will lead to improved student performance.

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Princeton City School District, Ohio

Combining Balance Sheet
 All Special Revenue Funds
 As of June 30, 2002

	Public School Support	Other Grants	Venture Capital
Assets:			
Equity in pooled cash and cash equivalents	\$ 181,538	\$ -	\$ 990
Receivables:			
Accounts	3,144	-	-
Intergovernmental - Federal	-	-	-
Total assets	<u>184,682</u>	<u>-</u>	<u>990</u>
Liabilities:			
Accounts payable	5,970	12,147	-
Accrued wages and benefits	-	279	-
Interfund loans payable	-	247,134	-
Total liabilities	<u>5,970</u>	<u>259,560</u>	<u>-</u>
Fund balances:			
Reserved for encumbrances	312	22,380	-
Undesignated	178,400	(281,940)	990
Total fund equity (deficit)	<u>178,712</u>	<u>(259,560)</u>	<u>990</u>
Total liabilities and fund equity	<u>\$ 184,682</u>	<u>\$ -</u>	<u>\$ 990</u>

Athletic Fund	Auxiliary Services	Career Development	Teacher Development	Education Management Information Systems
\$ -	\$ 450,074	\$ 23,448	\$ -	\$ 49,325
3,774	-	-	-	-
-	-	-	-	-
<u>3,774</u>	<u>450,074</u>	<u>23,448</u>	<u>-</u>	<u>49,325</u>
9,056	335,280	-	-	800
4,954	5,603	-	85	-
38,610	-	-	-	-
<u>52,620</u>	<u>340,883</u>	<u>-</u>	<u>85</u>	<u>800</u>
902	-	-	-	-
(49,748)	109,191	23,448	(85)	48,525
<u>(48,846)</u>	<u>109,191</u>	<u>23,448</u>	<u>(85)</u>	<u>48,525</u>
<u>\$ 3,774</u>	<u>\$ 450,074</u>	<u>\$ 23,448</u>	<u>\$ -</u>	<u>\$ 49,325</u>

Continued

Princeton City School District, Ohio

Combining Balance Sheet
 All Special Revenue Funds (Continued)
 As of June 30, 2002

	Disadvantaged Pupil Impact Aid	Data Communications	School Net Professional Development
Assets:			
Equity in pooled cash and cash equivalents	\$ -	\$ 41,750	\$ 3,450
Receivables:			
Accounts	-	-	-
Intergovernmental - Federal	-	-	-
Total assets	<u>-</u>	<u>41,750</u>	<u>3,450</u>
Liabilities:			
Accounts payable	-	-	-
Accrued wages and benefits	-	-	117
Interfund loans payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>117</u>
Fund balances:			
Reserved for encumbrances	-	-	-
Undesignated	-	41,750	3,333
Total fund equity (deficit)	<u>-</u>	<u>41,750</u>	<u>3,333</u>
Total liabilities and fund equity	<u>\$ -</u>	<u>\$ 41,750</u>	<u>\$ 3,450</u>

Ohio Reads	Vocational Education Enhancement	Alternative Schools	Conflict Management	Misc. State Grants
\$ 38,965	\$ 4,805	\$ 14,139	\$ 93,301	\$ 62,587
-	-	-	-	-
-	-	-	-	-
<u>38,965</u>	<u>4,805</u>	<u>14,139</u>	<u>93,301</u>	<u>62,587</u>
3,167	2,900	-	-	-
683	-	-	-	-
-	-	-	-	-
<u>3,850</u>	<u>2,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,565	-	-	-	-
<u>28,550</u>	<u>1,905</u>	<u>14,139</u>	<u>93,301</u>	<u>62,587</u>
<u>35,115</u>	<u>1,905</u>	<u>14,139</u>	<u>93,301</u>	<u>62,587</u>
<u>\$ 38,965</u>	<u>\$ 4,805</u>	<u>\$ 14,139</u>	<u>\$ 93,301</u>	<u>\$ 62,587</u>

Continued

Princeton City School District, Ohio

Combining Balance Sheet

All Special Revenue Funds (Continued)

As of June 30, 2002

	<u>Title II</u>	<u>Title VI-B</u>	<u>Vocational Education</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 6,993	\$ 75,725	\$ 7,395
Receivables:			
Accounts	-	-	-
Intergovernmental - Federal	-	-	-
Total assets	<u>6,993</u>	<u>75,725</u>	<u>7,395</u>
Liabilities:			
Accounts payable	2,125	13,402	-
Accrued wages and benefits	108	42,403	-
Interfund loans payable	-	11,959	-
Total liabilities	<u>2,233</u>	<u>67,764</u>	<u>-</u>
Fund balances:			
Reserved for encumbrances	2,900	-	-
Undesignated	1,860	7,961	7,395
Total fund equity (deficit)	<u>4,760</u>	<u>7,961</u>	<u>7,395</u>
Total liabilities and fund equity	<u>\$ 6,993</u>	<u>\$ 75,725</u>	<u>\$ 7,395</u>

Title I	Title VI	Title IV	Preschool Grant	Continuous Improvement Implementation Grant
\$ 69,213	\$ 42,549	\$ 10,602	\$ 7,983	\$ 144,966
-	-	-	-	-
63,966	-	-	-	-
<u>133,179</u>	<u>42,549</u>	<u>10,602</u>	<u>7,983</u>	<u>144,966</u>
20	3,889	64	-	36,448
86,291	-	152	-	41
43,960	36,486	-	3,768	135,699
<u>130,271</u>	<u>40,375</u>	<u>216</u>	<u>3,768</u>	<u>172,188</u>
20	1,113	-	-	-
2,888	1,061	10,386	4,215	(27,222)
<u>2,908</u>	<u>2,174</u>	<u>10,386</u>	<u>4,215</u>	<u>(27,222)</u>
<u>\$ 133,179</u>	<u>\$ 42,549</u>	<u>\$ 10,602</u>	<u>\$ 7,983</u>	<u>\$ 144,966</u>

Continued

Princeton City School District, Ohio

Combining Balance Sheet

All Special Revenue Funds (Concluded)

As of June 30, 2002

	Reducing Class Size	After School Learning Centers	Bilingual Education
Assets:			
Equity in pooled cash and cash equivalents	\$ 36,184	\$ -	\$ -
Receivables:			
Accounts	-	-	-
Intergovernmental - Federal	-	20,728	21,107
Total assets	<u>36,184</u>	<u>20,728</u>	<u>21,107</u>
Liabilities:			
Accounts payable	-	3,035	8,860
Accrued wages and benefits	24,726	-	25,304
Interfund loans payable	-	20,728	21,107
Total liabilities	<u>24,726</u>	<u>23,763</u>	<u>55,271</u>
Fund balances:			
Reserved for encumbrances	-	2,184	17,286
Undesignated	11,458	(5,219)	(51,450)
Total fund equity (deficit)	<u>11,458</u>	<u>(3,035)</u>	<u>(34,164)</u>
Total liabilities and fund equity	<u>\$ 36,184</u>	<u>\$ 20,728</u>	<u>\$ 21,107</u>

Reading Excellence Act	School Renovation, Idea and Technology	Family and School Partnership Grant	Totals
\$ 57,385	\$ 8,205	\$ 2,802	\$ 1,434,374
-	-	-	6,918
-	-	-	105,801
<u>57,385</u>	<u>8,205</u>	<u>2,802</u>	<u>1,547,093</u>
6,941	-	-	444,104
2,748	-	-	193,494
-	-	-	559,451
<u>9,689</u>	<u>-</u>	<u>-</u>	<u>1,197,049</u>
17,384	-	-	71,046
<u>30,312</u>	<u>8,205</u>	<u>2,802</u>	<u>278,998</u>
<u>47,696</u>	<u>8,205</u>	<u>2,802</u>	<u>350,044</u>
<u>\$ 57,385</u>	<u>\$ 8,205</u>	<u>\$ 2,802</u>	<u>\$ 1,547,093</u>

Princeton City School District, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
All Special Revenue Funds
For Year Ended June 30, 2002

	Public School Support	Other Grants	Venture Capital
Revenues:			
Earnings on investments	\$ -	\$ -	\$ -
Other local revenues	58,331	92,904	322
Extracurricular revenue	-	-	-
Intermediate sources	-	-	-
Intergovernmental - State	-	-	-
Intergovernmental - Federal	-	-	-
Total revenues	<u>58,331</u>	<u>92,904</u>	<u>322</u>
Expenditures:			
Current:			
Instruction:			
Regular	16,581	24,200	-
Special	303	-	-
Other	-	-	-
Support services:			
Pupil	389	-	-
Instructional staff	707	38,781	-
School administration	22,806	-	-
Fiscal	1,253	-	-
Operations and maintenance	9,198	286,167	-
Pupil transportation	214	-	-
Central	2,086	-	-
Community services	213	-	-
Extracurricular activities	24,591	26,399	-
Total expenditures	<u>78,341</u>	<u>375,547</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(20,010)</u>	<u>(282,643)</u>	<u>322</u>
Other financing sources:			
Operating transfers in	-	168	2,817
Total other financing sources	<u>-</u>	<u>168</u>	<u>2,817</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(20,010)	(282,475)	3,139
Fund balance, July 1	<u>198,722</u>	<u>22,915</u>	<u>(2,149)</u>
Fund balance, June 30	<u>\$ 178,712</u>	<u>\$ (259,560)</u>	<u>\$ 990</u>

Athletic Fund	Auxiliary Services	Career Development	Teacher Development	Education Management Information Systems
\$ -	\$ 6,347	\$ -	\$ -	\$ -
18,197	937	-	-	-
130,931	-	-	-	-
-	-	-	-	-
-	958,108	-	-	22,949
-	-	-	-	-
<u>149,128</u>	<u>965,392</u>	<u>-</u>	<u>-</u>	<u>22,949</u>
-	-	-	-	-
-	-	-	-	-
-	32,185	-	-	-
-	-	2,274	-	15,011
-	-	-	10,580	-
-	-	-	-	-
-	-	-	-	-
8,500	-	-	-	-
-	-	-	-	-
-	-	-	7,509	-
-	993,295	-	-	-
451,425	-	-	-	-
<u>459,925</u>	<u>1,025,480</u>	<u>2,274</u>	<u>18,089</u>	<u>15,011</u>
<u>(310,797)</u>	<u>(60,088)</u>	<u>(2,274)</u>	<u>(18,089)</u>	<u>7,938</u>
<u>280,345</u>	<u>-</u>	<u>-</u>	<u>521</u>	<u>-</u>
<u>280,345</u>	<u>-</u>	<u>-</u>	<u>521</u>	<u>-</u>
(30,452)	(60,088)	(2,274)	(17,568)	7,938
<u>(18,394)</u>	<u>169,279</u>	<u>25,722</u>	<u>17,483</u>	<u>40,587</u>
<u>\$ (48,846)</u>	<u>\$ 109,191</u>	<u>\$ 23,448</u>	<u>\$ (85)</u>	<u>\$ 48,525</u>

Continued

Princeton City School District, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
All Special Revenue Funds (Continued)
For Year Ended June 30, 2002

	Disadvantaged Pupil Impact Aid	Data Communications	School Net Professional Development
Revenues:			
Earnings on investments	\$ -	\$ -	\$ -
Other local revenues	8,485	-	-
Extracurricular revenue	-	-	-
Intermediate sources	-	-	-
Intergovernmental - State	296,454	38,500	8,592
Intergovernmental - Federal	-	-	-
	<u>304,939</u>	<u>38,500</u>	<u>8,592</u>
Total revenues			
Expenditures:			
Current:			
Instruction:			
Regular	294,998	-	-
Special	1,151	-	-
Other	-	-	5,970
Support services:			
Pupil	-	-	-
Instructional staff	-	29,750	5,303
School administration	-	-	-
Fiscal	-	-	-
Operations and maintenance	-	-	-
Pupil transportation	-	-	-
Central	-	-	-
Community services	-	-	-
Extracurricular activities	-	-	-
	<u>296,149</u>	<u>29,750</u>	<u>11,273</u>
Total expenditures			
Excess of revenues over (under) expenditures	<u>8,790</u>	<u>8,750</u>	<u>(2,681)</u>
Other financing sources:			
Operating transfers in	-	-	103
	<u>-</u>	<u>-</u>	<u>103</u>
Total other financing sources			
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	8,790	8,750	(2,578)
Fund balance, July 1	<u>(8,790)</u>	<u>33,000</u>	<u>5,911</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 41,750</u>	<u>\$ 3,333</u>

Ohio Reads	Vocational Education Enhancement	Alternative Schools	Conflict Management	Misc. State Grants
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	7,448	-	-	-
55,001	-	89,815	-	6,036
-	-	-	-	-
<u>55,001</u>	<u>7,448</u>	<u>89,815</u>	<u>-</u>	<u>6,036</u>
30,353	2,698	966	424	25,000
1,401	-	71	-	-
-	-	-	-	-
-	219	-	-	-
14,611	2,626	89,797	206	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	5,449
-	-	-	-	-
-	-	-	-	-
<u>46,365</u>	<u>5,543</u>	<u>90,834</u>	<u>630</u>	<u>30,449</u>
<u>8,636</u>	<u>1,905</u>	<u>(1,019)</u>	<u>(630)</u>	<u>(24,413)</u>
-	-	-	-	4,296
-	-	-	-	4,296
8,636	1,905	(1,019)	(630)	(20,117)
<u>26,479</u>	<u>-</u>	<u>15,158</u>	<u>93,931</u>	<u>82,704</u>
<u>\$ 35,115</u>	<u>\$ 1,905</u>	<u>\$ 14,139</u>	<u>\$ 93,301</u>	<u>\$ 62,587</u>

Continued

Princeton City School District, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
All Special Revenue Funds (Continued)
For Year Ended June 30, 2002

	Title II	Title VI-B	Vocational Education
Revenues:			
Earnings on investments	\$ -	\$ -	\$ -
Other local revenues	201	-	-
Extracurricular revenue	-	-	-
Intermediate sources	-	-	10,527
Intergovernmental - State	-	-	-
Intergovernmental - Federal	24,329	424,674	-
Total revenues	24,530	424,674	10,527
Expenditures:			
Current:			
Instruction:			
Regular	894	-	3,559
Special	-	68,463	-
Other	4,192	57,080	-
Support services:			
Pupil	-	329,417	199
Instructional staff	22,139	22,595	7,964
School administration	-	-	-
Fiscal	-	-	-
Operations and maintenance	-	-	-
Pupil transportation	-	-	-
Central	-	-	-
Community services	-	770	-
Extracurricular activities	-	-	-
Total expenditures	27,225	478,325	11,722
Excess of revenues over (under) expenditures	(2,695)	(53,651)	(1,195)
Other financing sources:			
Operating transfers in	2,199	1,637	-
Total other financing sources	2,199	1,637	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(496)	(52,014)	(1,195)
Fund balance, July 1	5,256	59,975	8,590
Fund balance, June 30	\$ 4,760	\$ 7,961	\$ 7,395

Title I	Title VI	Title IV	Preschool Grant	Continuous Improvement Implementation Grant
\$ -	\$ -	\$ -	\$ -	\$ -
7,635	23	-	1,637	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>573,870</u>	<u>48,061</u>	<u>29,156</u>	<u>19,767</u>	<u>-</u>
<u>581,505</u>	<u>48,084</u>	<u>29,156</u>	<u>21,404</u>	<u>-</u>
-	2,452	6,705	-	-
554,274	-	-	17,189	-
8,143	2,572	12,751	-	36,448
-	-	594	-	-
46,561	51,393	21,644	-	28,288
31,905	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	2,693	-	-
-	-	-	-	-
<u>640,883</u>	<u>56,417</u>	<u>44,387</u>	<u>17,189</u>	<u>64,736</u>
<u>(59,378)</u>	<u>(8,333)</u>	<u>(15,231)</u>	<u>4,215</u>	<u>(64,736)</u>
<u>92,982</u>	<u>5,770</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>92,982</u>	<u>5,770</u>	<u>-</u>	<u>-</u>	<u>-</u>
33,604	(2,563)	(15,231)	4,215	(64,736)
<u>(30,696)</u>	<u>4,737</u>	<u>25,617</u>	<u>-</u>	<u>37,514</u>
<u>\$ 2,908</u>	<u>\$ 2,174</u>	<u>\$ 10,386</u>	<u>\$ 4,215</u>	<u>\$ (27,222)</u>

Continued

Princeton City School District, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
All Special Revenue Funds (Concluded)
For Year Ended June 30, 2002

	Reducing Class Size	After School Learning Centers	Bilingual Education
Revenues:			
Earnings on investments	\$ -	\$ -	\$ -
Other local revenues	72	-	-
Extracurricular revenue	-	-	-
Intermediate sources	-	-	-
Intergovernmental - State	-	-	-
Intergovernmental - Federal	167,996	173,532	179,690
Total revenues	<u>168,068</u>	<u>173,532</u>	<u>179,690</u>
Expenditures:			
Current:			
Instruction:			
Regular	155,717	114,216	1,629
Special	-	6,199	117,970
Other	11,796	-	-
Support services:			
Pupil	-	-	31,976
Instructional staff	-	42,288	41,760
School administration	-	-	-
Fiscal	-	-	-
Operations and maintenance	-	-	-
Pupil transportation	-	-	-
Central	-	-	-
Community services	-	-	-
Extracurricular activities	-	-	-
Total expenditures	<u>167,513</u>	<u>162,703</u>	<u>193,335</u>
Excess of revenues over (under) expenditures	<u>555</u>	<u>10,829</u>	<u>(13,645)</u>
Other financing sources:			
Operating transfers in	5,470	-	-
Total other financing sources	<u>5,470</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	6,025	10,829	(13,645)
Fund balance, July 1	<u>5,433</u>	<u>(13,864)</u>	<u>(20,519)</u>
Fund balance, June 30	<u>\$ 11,458</u>	<u>\$ (3,035)</u>	<u>\$ (34,164)</u>

Reading Excellence Act	School Renovation, Idea and Technology	Family and School Partnership Grant	Totals
\$ -	\$ -	\$ -	\$ 6,347
-	-	606	189,350
-	-	-	130,931
-	-	-	17,975
-	-	-	1,475,455
<u>129,600</u>	<u>8,205</u>	<u>-</u>	<u>1,778,880</u>
<u>129,600</u>	<u>8,205</u>	<u>606</u>	<u>3,598,938</u>
41,113	-	7	721,512
219	-	-	767,240
-	-	2,392	173,529
-	-	-	380,079
121,863	-	-	598,856
-	-	-	54,711
-	-	-	1,253
-	-	-	303,865
-	-	-	214
-	-	199	15,243
-	-	-	996,971
-	-	-	502,415
<u>163,195</u>	<u>-</u>	<u>2,598</u>	<u>4,515,888</u>
<u>(33,595)</u>	<u>8,205</u>	<u>(1,992)</u>	<u>(916,950)</u>
-	-	2,611	398,919
-	-	2,611	398,919
(33,595)	8,205	619	(518,031)
<u>81,291</u>	<u>-</u>	<u>2,183</u>	<u>868,075</u>
<u>\$ 47,696</u>	<u>\$ 8,205</u>	<u>\$ 2,802</u>	<u>\$ 350,044</u>

Princeton 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 Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other local revenues	\$ 59,631	\$ 59,634	\$ 3
Total revenues	<u>59,631</u>	<u>59,634</u>	<u>3</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	1,280	1,280	-
Materials and supplies	9,740	9,740	-
Other expenditures	5,787	5,787	-
Total regular instruction	<u>16,807</u>	<u>16,807</u>	<u>-</u>
Special:			
Other expenditures	303	303	-
Total special instruction	<u>303</u>	<u>303</u>	<u>-</u>
Support services:			
Pupil:			
Materials and supplies	389	389	-
Total pupil	<u>389</u>	<u>389</u>	<u>-</u>
Instructional staff:			
Purchased services	441	441	-
Materials and supplies	266	266	-
Total instructional staff	<u>707</u>	<u>707</u>	<u>-</u>
School administration:			
Purchased services	326	326	-
Materials and supplies	4,376	4,376	-
Other expenditures	18,191	18,191	-
Total school administration	<u>22,893</u>	<u>22,893</u>	<u>-</u>
Fiscal:			
Materials and supplies	1,121	1,121	-
Total fiscal	<u>1,121</u>	<u>1,121</u>	<u>-</u>
Operations and maintenance:			
Purchased services	1,616	1,616	-
Other expenditures	7,391	7,391	-
Total operations and maintenance	<u>9,007</u>	<u>9,007</u>	<u>-</u>

Continued

Princeton 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 (Concluded)
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Pupil transportation:			
Purchased services	214	214	-
Total pupil transportation	<u>214</u>	<u>214</u>	<u>-</u>
Central:			
Materials and supplies	2,086	2,086	-
Total central	<u>2,086</u>	<u>2,086</u>	<u>-</u>
Community services:			
Materials and supplies	213	213	-
Total community services	<u>213</u>	<u>213</u>	<u>-</u>
Extracurricular activities:			
Academic and subject oriented activities:			
Materials and supplies	14,794	14,792	2
Other expenditures	295	295	-
Total academic and subject oriented activities	<u>15,089</u>	<u>15,087</u>	<u>2</u>
School and public service:			
Materials and supplies	4,139	4,139	-
Other expenditures	5,533	5,533	-
Total school and public service	<u>9,672</u>	<u>9,672</u>	<u>-</u>
Total extracurricular activities	<u>24,761</u>	<u>24,759</u>	<u>2</u>
Total expenditures	<u>78,501</u>	<u>78,499</u>	<u>2</u>
Excess of revenues over (under) expenditures	(18,870)	(18,865)	5
Fund balance, July 1	194,253	194,253	-
Prior year encumbrances appropriated	<u>192</u>	<u>192</u>	<u>-</u>
Fund balance, June 30	<u>\$ 175,575</u>	<u>\$ 175,580</u>	<u>\$ 5</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Other Grants Special Revenue Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other local revenues	\$ 92,905	\$ 92,904	\$ (1)
Total revenues	<u>92,905</u>	<u>92,904</u>	<u>(1)</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	900	900	-
Materials and supplies	23,174	23,174	-
Other expenditures	623	623	-
Total regular instruction	<u>24,697</u>	<u>24,697</u>	<u>-</u>
Support services:			
Instructional staff:			
Salaries and wages	12,058	12,058	-
Fringe benefits	1,860	1,860	-
Purchased services	43,344	43,344	-
Materials and supplies	3,421	3,421	-
Total instructional staff	<u>60,683</u>	<u>60,683</u>	<u>-</u>
Operations and maintenance:			
Purchased services	175,100	175,100	-
Materials and supplies	120,989	120,989	-
Total operations and maintenance	<u>296,089</u>	<u>296,089</u>	<u>-</u>
Central:			
Other expenditures	1,440	1,440	-
Total central	<u>1,440</u>	<u>1,440</u>	<u>-</u>

Continued

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Other Grants Special Revenue Fund (Concluded)
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Extracurricular activities:			
Sports oriented activities:			
Capital outlay - replacement	26,399	26,399	-
Total sports oriented activities	<u>26,399</u>	<u>26,399</u>	-
Total extracurricular activities	<u>26,399</u>	<u>26,399</u>	-
Total expenditures	<u>409,308</u>	<u>409,308</u>	-
Excess of revenues over (under) expenditures	(316,403)	(316,404)	(1)
Other financing sources (uses):			
Transfers in	168	168	-
Advances in	87,543	87,543	-
Total other financing sources (uses)	<u>87,711</u>	<u>87,711</u>	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(228,692)	(228,693)	(1)
Fund balance, July 1	10,467	10,467	-
Prior year encumbrances appropriated	<u>26,066</u>	<u>26,066</u>	-
Fund balance, June 30	<u>\$ (192,159)</u>	<u>\$ (192,160)</u>	<u>\$ (1)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Venture Capital Special Revenue Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Total revenues	\$ -	\$ -	\$ -
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	-	-	-
Other financing sources (uses):			
Transfers in	2,817	2,817	-
Total other financing sources (uses)	2,817	2,817	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	2,817	2,817	-
Fund balance, July 1	(1,827)	(1,827)	-
Fund balance, June 30	\$ 990	\$ 990	\$ -

Princeton 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 Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other local revenues	\$ 16,702	\$ 16,702	\$ -
Extracurricular activities	130,334	130,333	(1)
Total revenues	147,036	147,035	(1)
Expenditures:			
Current:			
Support services:			
Operations and maintenance:			
Purchased services	8,500	8,500	-
Total operations and maintenance	8,500	8,500	-
Extracurricular activities:			
Academic and subject oriented activities:			
Purchased services	719	719	-
Materials and supplies	4,842	4,842	-
Other expenditures	48,877	48,877	-
Total academic and subject oriented activities	54,438	54,438	-
Sports oriented activities:			
Salaries and wages	69,561	69,561	-
Fringe benefits	10,203	10,203	-
Purchased services	86,755	86,755	-
Materials and supplies	108,498	108,498	-
Capital outlay - new	135	135	-
Capital outlay - replacement	1,660	1,660	-
Other expenditures	127,803	127,803	-
Total sports oriented activities	404,615	404,615	-
Total extracurricular activities	459,053	459,053	-
Total expenditures	467,553	467,553	-
Excess of revenues over (under) expenditures	(320,517)	(320,518)	(1)
Other financing sources (uses):			
Transfers in	280,345	280,345	-
Refund of prior year expenditures	-	442	442
Total other financing sources (uses)	280,345	280,787	442
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(40,172)	(39,731)	441
Fund balance, July 1	(15,964)	(15,964)	-
Prior year encumbrances appropriated	14,896	14,896	-
Fund balance, June 30	\$ (41,240)	\$ (40,799)	\$ 441

Princeton 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 Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Earnings on investments	\$ 6,345	\$ 6,347	\$ 2
Other local revenues	872	875	3
Intergovernmental - State	958,108	958,108	-
Total revenues	965,325	965,330	5
Expenditures:			
Current:			
Community services:			
Salaries and wages	24,221	24,221	-
Fringe benefits	17,647	12,283	5,364
Purchased services	392,055	372,912	19,143
Materials and supplies	691,133	524,429	166,704
Capital outlay - new	35,409	28,449	6,960
Other expenditures	5	5	-
Total community services	1,160,470	962,299	198,171
Total expenditures	1,160,470	962,299	198,171
Excess of revenues over (under) expenditures	(195,145)	3,031	198,176
Other financing sources (uses):			
Refund of prior year expenditures	-	2,380	2,380
Refund of prior year receipts	(32,185)	(32,185)	-
Total other financing sources (uses)	(32,185)	(29,805)	2,380
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(227,330)	(26,774)	200,556
Fund balance, July 1	38,738	38,738	-
Prior year encumbrances appropriated	228,918	228,918	-
Fund balance, June 30	\$ 40,326	\$ 240,882	\$ 200,556

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Career Development Special Revenue Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Total revenues	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Support services:			
Pupil:			
Purchased services	2,274	2,274	-
Total pupil	<u>2,274</u>	<u>2,274</u>	<u>-</u>
Instructional staff:			
Materials and supplies	600	-	600
Total instructional staff	<u>600</u>	<u>-</u>	<u>600</u>
Total expenditures	<u>2,874</u>	<u>2,274</u>	<u>600</u>
Excess of revenues over (under) expenditures	(2,874)	(2,274)	600
Fund balance, July 1	25,122	25,122	-
Prior year encumbrances appropriated	<u>600</u>	<u>600</u>	<u>-</u>
Fund balance, June 30	<u>\$ 22,848</u>	<u>\$ 23,448</u>	<u>\$ 600</u>

Princeton 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 Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Total revenues	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	41	-	41
Materials and supplies	130	-	130
Total regular instruction	<u>171</u>	<u>-</u>	<u>171</u>
Support services:			
Instructional staff:			
Salaries and wages	3,923	3,657	266
Fringe benefits	2,095	620	1,475
Purchased services	23,099	13,468	9,631
Materials and supplies	4,546	3,671	875
Total instructional staff	<u>33,663</u>	<u>21,416</u>	<u>12,247</u>
Central:			
Purchased services	2,594	1,899	695
Materials and supplies	7,938	6,110	1,828
Total central	<u>10,532</u>	<u>8,009</u>	<u>2,523</u>
Total expenditures	<u>44,366</u>	<u>29,425</u>	<u>14,941</u>
Excess of revenues over (under) expenditures	(44,366)	(29,425)	14,941
Other financing sources (uses):			
Transfers in	521	521	-
Total other financing sources (uses)	<u>521</u>	<u>521</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(43,845)	(28,904)	14,941
Fund balance, July 1	17,813	17,813	-
Prior year encumbrances appropriated	<u>11,093</u>	<u>11,093</u>	<u>-</u>
Fund balance, June 30	<u>\$ (14,939)</u>	<u>\$ 2</u>	<u>\$ 14,941</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Education Management Information Systems Special Revenue Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$ 22,949	\$ 22,949	\$ -
Total revenues	<u>22,949</u>	<u>22,949</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Pupil:			
Purchased services	7,893	4,500	3,393
Capital outlay - new	10,511	10,511	-
Total pupil	<u>18,404</u>	<u>15,011</u>	<u>3,393</u>
Total expenditures	<u>18,404</u>	<u>15,011</u>	<u>3,393</u>
Excess of revenues over (under) expenditures	4,545	7,938	3,393
Fund balance, July 1	<u>40,587</u>	<u>40,587</u>	<u>-</u>
Fund balance, June 30	<u>\$ 45,132</u>	<u>\$ 48,525</u>	<u>\$ 3,393</u>

Princeton 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 Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$ 296,454	\$ 296,454	\$ -
Total revenues	296,454	296,454	-
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	294,998	294,998	-
Total regular instruction	294,998	294,998	-
Special:			
Materials and supplies	1,456	1,456	-
Total special instruction	1,456	1,456	-
Total expenditures	296,454	296,454	-
Excess of revenues over (under) expenditures	-	-	-
Fund balance, July 1	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Data Communications Special Revenue Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$ 38,500	\$ 38,500	\$ -
Total revenues	<u>38,500</u>	<u>38,500</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff:			
Other expenditures	29,750	29,750	-
Total instructional staff	<u>29,750</u>	<u>29,750</u>	<u>-</u>
Total expenditures	<u>29,750</u>	<u>29,750</u>	<u>-</u>
Excess of revenues over (under) expenditures	8,750	8,750	-
Fund balance, July 1	<u>33,000</u>	<u>33,000</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ 41,750</u></u>	<u><u>\$ 41,750</u></u>	<u><u>\$ -</u></u>

Princeton 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 Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other local revenues	\$ (5,970)	\$ (5,970)	\$ -
Intergovernmental - State	8,592	8,592	-
Total revenues	<u>2,622</u>	<u>2,622</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff:			
Salaries and wages	4,541	4,541	-
Fringe benefits	704	704	-
Total instructional staff	<u>5,245</u>	<u>5,245</u>	<u>-</u>
Total expenditures	<u>5,245</u>	<u>5,245</u>	<u>-</u>
Excess of revenues over (under) expenditures	(2,623)	(2,623)	-
Other financing sources (uses):			
Transfers in	103	103	-
Total other financing sources (uses)	<u>103</u>	<u>103</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,520)	(2,520)	-
Fund balance, July 1	<u>5,970</u>	<u>5,970</u>	<u>-</u>
Fund balance, June 30	<u>\$ 3,450</u>	<u>\$ 3,450</u>	<u>\$ -</u>

Princeton 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 Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$ 55,000	\$ 55,001	\$ 1
Total revenues	55,000	55,001	1
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	11,916	11,540	376
Fringe benefits	1,670	816	854
Purchased services	36	36	-
Materials and supplies	30,984	28,403	2,581
Total regular instruction	44,606	40,795	3,811
Special:			
Purchased services	18,667	17,268	1,399
Total special instruction	18,667	17,268	1,399
Support services:			
Business:			
Capital outlay - replacement	475	475	-
Total business	475	475	-
Instructional staff:			
Salaries and wages	12,880	12,880	-
Fringe benefits	1,516	1,516	-
Purchased services	394	394	-
Total instructional staff	14,790	14,790	-
Total expenditures	78,538	73,328	5,210
Excess of revenues over (under) expenditures	(23,538)	(18,327)	5,211
Fund balance, July 1	29,458	29,458	-
Prior year encumbrances appropriated	18,101	18,101	-
Fund balance, June 30	\$ 24,021	\$ 29,232	\$ 5,211

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Vocational Education Enhancement Special Revenue Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intermediate sources	\$ 7,448	\$ 7,448	\$ -
Total revenues	<u>7,448</u>	<u>7,448</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and supplies	2,362	2,362	-
Other expenditures	198	198	-
Total regular instruction	<u>2,560</u>	<u>2,560</u>	<u>-</u>
Support services:			
Pupil:			
Materials and supplies	219	219	-
Total pupil	<u>219</u>	<u>219</u>	<u>-</u>
Instructional staff:			
Purchased services	1,234	1,234	-
Materials and supplies	1,392	1,392	-
Total instructional staff	<u>2,626</u>	<u>2,626</u>	<u>-</u>
Total expenditures	<u>5,405</u>	<u>5,405</u>	<u>-</u>
Excess of revenues over (under) expenditures	2,043	2,043	-
Fund balance, July 1	-	-	-
Fund balance, June 30	<u>\$ 2,043</u>	<u>\$ 2,043</u>	<u>\$ -</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Alternative Schools Special Revenue Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State	\$ 89,815	\$ 89,815	\$ -
Total revenues	<u>89,815</u>	<u>89,815</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and supplies	2,039	1,648	391
Total regular instruction	<u>2,039</u>	<u>1,648</u>	<u>391</u>
Special:			
Purchased services	71	71	-
Total special instruction	<u>71</u>	<u>71</u>	<u>-</u>
Support services:			
Instructional staff:			
Purchased services	89,815	89,815	-
Total instructional staff	<u>89,815</u>	<u>89,815</u>	<u>-</u>
Total expenditures	<u>91,925</u>	<u>91,534</u>	<u>391</u>
Excess of revenues over (under) expenditures	(2,110)	(1,719)	391
Fund balance, July 1	13,819	13,819	-
Prior year encumbrances appropriated	<u>2,039</u>	<u>2,039</u>	<u>-</u>
Fund balance, June 30	<u>\$ 13,748</u>	<u>\$ 14,139</u>	<u>\$ 391</u>

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Conflict Management Special Revenue Fund
For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Total revenues	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and supplies	424	424	-
Total regular instruction	424	424	-
Support services:			
Instructional staff:			
Fringe benefits	5,112	-	5,112
Purchased services	442	227	215
Other expenditures	25	25	-
Total instructional staff	5,579	252	5,327
Total expenditures	6,003	676	5,327
Excess of revenues over (under) expenditures	(6,003)	(676)	5,327
Fund balance, July 1	87,982	87,982	-
Prior year encumbrances appropriated	5,992	5,992	-
Fund balance, June 30	\$ 87,971	\$ 93,298	\$ 5,327

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title II Special Revenue Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other local revenues	\$ 200	\$ 201	\$ 1
Intergovernmental - Federal	24,329	24,329	-
Total revenues	<u>24,529</u>	<u>24,530</u>	<u>1</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	742	742	-
Fringe benefits	135	135	-
Total regular instruction	<u>877</u>	<u>877</u>	<u>-</u>
Support services:			
Instructional staff:			
Salaries and wages	3,438	3,438	-
Fringe benefits	2,820	374	2,446
Purchased services	61,024	29,375	31,649
Materials and supplies	2,407	2,407	-
Total instructional staff	<u>69,689</u>	<u>35,594</u>	<u>34,095</u>
Community services:			
Purchased services	316	160	156
Total community services	<u>316</u>	<u>160</u>	<u>156</u>
Total expenditures	<u>70,882</u>	<u>36,631</u>	<u>34,251</u>
Excess of revenues over (under) expenditures	(46,353)	(12,101)	34,252
Other financing sources (uses):			
Transfers in	2,202	2,199	(3)
Advances (out)	(14,808)	-	14,808
Refund of prior year receipts	(4,192)	(4,192)	-
Total other financing sources (uses)	<u>(16,798)</u>	<u>(1,993)</u>	<u>14,805</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(63,151)	(14,094)	49,057
Fund balance, July 1	2,896	2,896	-
Prior year encumbrances appropriated	<u>13,165</u>	<u>13,165</u>	<u>-</u>
Fund balance, June 30	<u>\$ (47,090)</u>	<u>\$ 1,967</u>	<u>\$ 49,057</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title VI-B Special Revenue Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other local revenues	\$ (57,081)	\$ (57,080)	\$ 1
Intergovernmental - Federal	424,674	424,674	-
Total revenues	367,593	367,594	1
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and wages	36,493	36,493	-
Fringe benefits	16,644	16,644	-
Materials and supplies	13,035	13,035	-
Total special instruction	66,172	66,172	-
Support services:			
Pupil:			
Salaries and wages	178,934	178,934	-
Fringe benefits	65,050	65,050	-
Purchased services	73,547	73,547	-
Total pupil	317,531	317,531	-
Instructional staff:			
Salaries and wages	(3,666)	(3,666)	-
Fringe benefits	(7,540)	(7,540)	-
Purchased services	35,325	35,325	-
Materials and supplies	113	113	-
Total instructional staff	24,232	24,232	-
Community services:			
Materials and supplies	770	770	-
Total community services	770	770	-
Total expenditures	408,705	408,705	-
Excess of revenues over (under) expenditures	(41,112)	(41,111)	1
Other financing sources (uses):			
Transfers in	1,637	1,637	-
Advances in	11,959	11,959	-
Advances (out)	(75,000)	(75,000)	-
Total other financing sources (uses)	(61,404)	(61,404)	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(102,516)	(102,515)	1
Fund balance, July 1	175,024	175,024	-
Fund balance, June 30	\$ 72,508	\$ 72,509	\$ 1

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Vocational Education Special Revenue Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intermediate sources	\$ 10,527	\$ 10,527	\$ -
Total revenues	<u>10,527</u>	<u>10,527</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and supplies	3,628	3,559	69
Total regular instruction	<u>3,628</u>	<u>3,559</u>	<u>69</u>
Support services:			
Pupil:			
Purchased services	412	199	213
Total pupil	<u>412</u>	<u>199</u>	<u>213</u>
Instructional staff:			
Fringe benefits	62	-	62
Purchased services	5,040	4,506	534
Materials and supplies	5,523	3,469	2,054
Total instructional staff	<u>10,625</u>	<u>7,975</u>	<u>2,650</u>
Pupil transportation:			
Purchased services	37	37	-
Total pupil transportation	<u>37</u>	<u>37</u>	<u>-</u>
Total expenditures	<u>14,702</u>	<u>11,770</u>	<u>2,932</u>
Excess of revenues over (under) expenditures	(4,175)	(1,243)	2,932
Fund balance, July 1	7,370	7,370	-
Prior year encumbrances appropriated	<u>1,268</u>	<u>1,268</u>	<u>-</u>
Fund balance, June 30	<u>\$ 4,463</u>	<u>\$ 7,395</u>	<u>\$ 2,932</u>

Princeton 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 Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$ 509,904	\$ 509,904	\$ -
Total revenues	509,904	509,904	-
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	1,480	-	1,480
Materials and supplies	14,188	3,017	11,171
Total regular instruction	15,668	3,017	12,651
Special:			
Salaries and wages	427,935	427,935	-
Fringe benefits	108,123	95,218	12,905
Purchased services	20,104	16,374	3,730
Materials and supplies	30,697	22,518	8,179
Total special instruction	586,859	562,045	24,814
Support services:			
Pupil:			
Purchased services	642	-	642
Total pupil	642	-	642
Instructional staff:			
Salaries and wages	29,794	28,213	1,581
Fringe benefits	10,312	7,822	2,490
Purchased services	8,025	7,204	821
Materials and supplies	423	423	-
Total instructional staff	48,554	43,662	4,892
School administration:			
Salaries and wages	40,575	26,285	14,290
Fringe benefits	11,016	4,978	6,038
Purchased services	215	215	-
Materials and supplies	947	602	345
Total school administration	52,753	32,080	20,673
Total expenditures	704,476	640,804	63,672

Continued

Princeton 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 (Concluded)
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Excess of revenues over (under) expenditures	(194,572)	(130,900)	63,672
Other financing sources (uses):			
Transfers in	92,982	92,982	
Advances in	43,960	43,960	-
Advances (out)	(70,526)	(70,526)	-
Refund of prior year receipts	(8,143)	(8,143)	-
Total other financing sources (uses)	<u>58,273</u>	<u>58,273</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(136,299)	(72,627)	63,672
Fund balance, July 1	114,737	114,737	-
Prior year encumbrances appropriated	<u>27,083</u>	<u>27,083</u>	<u>-</u>
Fund balance, June 30	<u>\$ 5,521</u>	<u>\$ 69,193</u>	<u>\$ 63,672</u>

Princeton 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 Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$ 48,061	\$ 48,061	\$ -
Total revenues	48,061	48,061	-
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	2,452	2,452	-
Total regular instruction	2,452	2,452	-
Support services:			
Instructional staff:			
Purchased services	3,289	3,289	-
Materials and supplies	51,027	51,027	-
Total instructional staff	54,316	54,316	-
Total expenditures	56,768	56,768	-
Excess of revenues over (under) expenditures	(8,707)	(8,707)	-
Other financing sources (uses):			
Transfers in	5,770	5,770	-
Advances in	36,486	36,486	-
Advances (out)	(37,546)	(37,546)	-
Refund of prior year expenditures	-	23	23
Refund of prior year receipts	(2,572)	(2,572)	-
Total other financing sources (uses)	2,138	2,161	23
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(6,569)	(6,546)	23
Fund balance, July 1	39,786	39,786	-
Prior year encumbrances appropriated	4,306	4,306	-
Fund balance, June 30	\$ 37,523	\$ 37,546	\$ 23

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title IV Special Revenue Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$ 29,156	\$ 29,156	\$ -
Total revenues	<u>29,156</u>	<u>29,156</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	5,943	5,931	12
Fringe benefits	1,223	896	327
Total regular instruction	<u>7,166</u>	<u>6,827</u>	<u>339</u>
Support services:			
Pupil:			
Purchased services	535	535	-
Materials and supplies	59	59	-
Total pupil	<u>594</u>	<u>594</u>	<u>-</u>
Instructional staff:			
Purchased services	15,494	15,494	-
Materials and supplies	11,169	6,086	5,083
Total instructional staff	<u>26,663</u>	<u>21,580</u>	<u>5,083</u>
Community services:			
Purchased services	2,050	500	1,550
Materials and supplies	3,455	2,299	1,156
Total community services	<u>5,505</u>	<u>2,799</u>	<u>2,706</u>
Total expenditures	<u>39,928</u>	<u>31,800</u>	<u>8,128</u>
Excess of revenues over (under) expenditures	(10,772)	(2,644)	8,128
Other financing sources (uses):			
Advances (out)	(115)	-	115
Refund of prior year receipts	(12,851)	(12,751)	100
Total other financing sources (uses)	<u>(12,966)</u>	<u>(12,751)</u>	<u>215</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(23,738)	(15,395)	8,343
Fund balance, July 1	25,859	25,859	-
Prior year encumbrances appropriated	<u>138</u>	<u>138</u>	<u>-</u>
Fund balance, June 30	<u>\$ 2,259</u>	<u>\$ 10,602</u>	<u>\$ 8,343</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Preschool Grant Special Revenue Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other local revenues	\$ 1,637	\$ 1,637	-
Intergovernmental - Federal	19,767	19,767	-
Total revenues	<u>21,404</u>	<u>21,404</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special:			
Purchased services	17,189	17,189	-
Total special instruction	<u>17,189</u>	<u>17,189</u>	<u>-</u>
Total expenditures	<u>17,189</u>	<u>17,189</u>	<u>-</u>
Excess of revenues over (under) expenditures	4,215	4,215	-
Other financing sources (uses):			
Advances in	3,768	3,768	-
Total other financing sources (uses)	<u>3,768</u>	<u>3,768</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	7,983	7,983	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 7,983</u>	<u>\$ 7,983</u>	<u>\$ -</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Continuous Improvement Implementation Grant Special Revenue Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Total revenues	\$ -	\$ -	\$ -
Expenditures:			
Support services:			
Instructional staff:			
Salaries and wages	2,004	2,004	-
Fringe benefits	312	312	-
Purchased services	17,421	17,421	-
Materials and supplies	15,934	15,934	-
Other expenditures	533	533	-
Total instructional staff	<u>36,204</u>	<u>36,204</u>	<u>-</u>
Total expenditures	<u>36,204</u>	<u>36,204</u>	<u>-</u>
Excess of revenues over (under) expenditures	(36,204)	(36,204)	-
Other financing sources (uses):			
Advances in	135,699	135,699	-
Advances (out)	(120,416)	(120,416)	-
Total other financing sources (uses)	<u>15,283</u>	<u>15,283</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(20,921)	(20,921)	-
Fund balance, July 1	165,687	165,687	-
Prior year encumbrances appropriated	<u>200</u>	<u>200</u>	<u>-</u>
Fund balance, June 30	<u>\$ 144,966</u>	<u>\$ 144,966</u>	<u>\$ -</u>

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Reducing Class Size Special Revenue Fund
For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other local revenues	\$ 73	\$ 72	(1)
Intergovernmental - Federal	167,996	167,996	-
Total revenues	168,069	168,068	(1)
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	212,518	119,590	92,928
Fringe benefits	60,466	34,304	26,162
Total regular instruction	272,984	153,894	119,090
Total expenditures	272,984	153,894	119,090
Excess of revenues over (under) expenditures	(104,915)	14,174	119,089
Other financing sources (uses):			
Transfers in	5,470	5,470	-
Advances (out)	(52,692)	-	52,692
Refund of prior year receipts	(11,796)	(11,796)	-
Total other financing sources (uses)	(59,018)	(6,326)	52,692
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(163,933)	7,848	171,781
Fund balance, July 1	28,336	28,336	-
Fund balance, June 30	\$ (135,597)	\$ 36,184	\$ 171,781

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 After School Learning Centers Special Revenue Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$ 152,804	\$ 152,804	\$ -
Total revenues	<u>152,804</u>	<u>152,804</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	98,620	98,619	1
Materials and supplies	30,740	30,740	-
Other expenditures	855	855	-
Total regular instruction	<u>130,215</u>	<u>130,214</u>	<u>1</u>
Special:			
Materials and supplies	6,199	6,199	-
Total special instruction	<u>6,199</u>	<u>6,199</u>	<u>-</u>
Support services:			
Instructional staff:			
Salaries and wages	36,892	36,892	-
Fringe benefits	5,396	5,396	-
Total instructional staff	<u>42,288</u>	<u>42,288</u>	<u>-</u>
Total expenditures	<u>178,702</u>	<u>178,701</u>	<u>1</u>
Excess of revenues over (under) expenditures	(25,898)	(25,897)	1
Fund balance, July 1	(453)	(453)	-
Prior year encumbrances appropriated	<u>452</u>	<u>452</u>	<u>-</u>
Fund balance, June 30	<u>\$ (25,899)</u>	<u>\$ (25,898)</u>	<u>\$ 1</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Bilingual Education Special Revenue Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$ 158,583	\$ 158,583	\$ -
Total revenues	<u>158,583</u>	<u>158,583</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	126	126	-
Materials and supplies	1,502	1,502	-
Total regular instruction	<u>1,628</u>	<u>1,628</u>	<u>-</u>
Special:			
Salaries and wages	81,032	81,032	-
Fringe benefits	17,814	17,814	-
Purchased services	9,000	9,000	-
Materials and supplies	40	40	-
Total special instruction	<u>107,886</u>	<u>107,886</u>	<u>-</u>
Support services:			
Pupil:			
Salaries and wages	20,839	20,839	-
Fringe benefits	9,569	9,569	-
Materials and supplies	585	585	-
Total pupil	<u>30,993</u>	<u>30,993</u>	<u>-</u>
Instructional staff:			
Salaries and wages	20,117	20,117	-
Fringe benefits	6,326	6,326	-
Purchased services	9,428	9,428	-
Materials and supplies	20,576	20,576	-
Other expenditures	60	60	-
Total instructional staff	<u>56,507</u>	<u>56,507</u>	<u>-</u>
Total expenditures	<u>197,014</u>	<u>197,014</u>	<u>-</u>
Excess of revenues over (under) expenditures	(38,431)	(38,431)	-
Fund balance, July 1	(1,367)	(1,367)	-
Prior year encumbrances appropriated	<u>1,405</u>	<u>1,405</u>	<u>-</u>
Fund balance, June 30	<u>\$ (38,393)</u>	<u>\$ (38,393)</u>	<u>\$ -</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Reading Excellence Act Special Revenue Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$ 129,600	\$ 129,600	\$ -
Total revenues	<u>129,600</u>	<u>129,600</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	21,798	21,798	-
Fringe benefits	4,584	4,584	-
Purchased services	3,846	3,846	-
Materials and supplies	43,801	43,801	-
Total regular instruction	<u>74,029</u>	<u>74,029</u>	<u>-</u>
Special:			
Materials and supplies	219	219	-
Total special instruction	<u>219</u>	<u>219</u>	<u>-</u>
Support services:			
Instructional staff:			
Salaries and wages	10,405	10,405	-
Fringe benefits	1,641	1,641	-
Purchased services	38,194	38,194	-
Materials and supplies	85,424	85,424	-
Total instructional staff	<u>135,664</u>	<u>135,664</u>	<u>-</u>
Total expenditures	<u>209,912</u>	<u>209,912</u>	<u>-</u>
Excess of revenues over (under) expenditures	(80,312)	(80,312)	-
Other financing sources (uses):			
Refund of prior year expenditures	-	1,173	1,173
Total other financing sources (uses)	<u>-</u>	<u>1,173</u>	<u>1,173</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(80,312)	(79,139)	1,173
Fund balance, July 1	93,175	93,175	-
Prior year encumbrances appropriated	<u>19,023</u>	<u>19,023</u>	<u>-</u>
Fund balance, June 30	<u>\$ 31,886</u>	<u>\$ 33,059</u>	<u>\$ 1,173</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 School Renovation, Idea and Technology Special Revenue Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$ 8,205	\$ 8,205	\$ -
Total revenues	<u>8,205</u>	<u>8,205</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	8,205	8,205	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ 8,205</u></u>	<u><u>\$ 8,205</u></u>	<u><u>\$ -</u></u>

Princeton City School District, Ohio

Schedule of Revenues, Expenditures

And Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Family and School Partnership Grant Special Revenue Fund

For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other local revenues	\$ (2,392)	\$ (2,392)	-
Total revenues	<u>(2,392)</u>	<u>(2,392)</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular:			
Materials and supplies	7	7	-
Total regular instruction	<u>7</u>	<u>7</u>	<u>-</u>
Support services:			
Central:			
Purchased services	-	-	-
Materials and supplies	199	199	-
Total central	<u>199</u>	<u>199</u>	<u>-</u>
Total expenditures	<u>206</u>	<u>206</u>	<u>-</u>
Excess of revenues over (under) expenditures	(2,598)	(2,598)	-
Other financing sources (uses):			
Transfers in	2,611	2,611	-
Total other financing sources (uses)	<u>2,611</u>	<u>2,611</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	13	13	-
Fund balance, July 1	<u>2,789</u>	<u>2,789</u>	<u>-</u>
Fund balance, June 30	<u>\$ 2,802</u>	<u>\$ 2,802</u>	<u>\$ -</u>

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DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for and the payment of general 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.

CAPITAL PROJECTS FUNDS

The Capital Project 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 or Nonexpendable Trust Funds. The following are descriptions of each Capital Projects Fund:

BUILDING: To account for revenues and expenditures 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 PLUS: To account for revenues and expenditures related to the development and implementation of the School Net network within the District.

Princeton City School District, Ohio
 Combining Balance Sheet
 All Capital Projects Funds
 As of June 30, 2002

	Building	Permanent Improvement	School Net Plus	Totals
Assets:				
Equity in pooled cash and cash equivalents	\$ 144,956	\$ 2,635	\$ -	\$ 147,591
Total assets	<u>144,956</u>	<u>2,635</u>	<u>-</u>	<u>147,591</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Undesignated	<u>144,956</u>	<u>2,635</u>	<u>-</u>	<u>147,591</u>
Total fund equity	<u>144,956</u>	<u>2,635</u>	<u>-</u>	<u>147,591</u>
Total liabilities and fund equity	<u>\$ 144,956</u>	<u>\$ 2,635</u>	<u>\$ -</u>	<u>\$ 147,591</u>

Princeton City School District, Ohio
Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
All Capital Projects Funds
For Year Ended June 30, 2002

	Building	Permanent Improvement	School Net Plus	Totals
Revenues:				
Earnings on investments	\$ -	\$ 15,625	\$ -	\$ 15,625
Total revenues	<u>-</u>	<u>15,625</u>	<u>-</u>	<u>15,625</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	273,439	273,439
Other	-	-	2,499	2,499
Support services:				
Operations and maintenance	-	317,265	625	317,890
Pupil transportation	-	379,980	-	379,980
Capital outlay	-	3,080	-	3,080
Total expenditures	<u>-</u>	<u>700,325</u>	<u>276,563</u>	<u>976,888</u>
Excess of revenues over (under) expenditures	-	(684,700)	(276,563)	(961,263)
Other financing sources (uses):				
Transfers in	-	46,487	863	47,350
Total other financing sources (uses)	<u>-</u>	<u>46,487</u>	<u>863</u>	<u>47,350</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	-	(638,213)	(275,700)	(913,913)
Fund balance, July 1	<u>144,956</u>	<u>640,848</u>	<u>275,700</u>	<u>1,061,504</u>
Fund balance, June 30	<u>\$ 144,956</u>	<u>\$ 2,635</u>	<u>\$ -</u>	<u>\$ 147,591</u>

Princeton 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 Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Total revenues	\$ -	\$ -	\$ -
Expenditures:			
Current:			
Support services:			
Pupil transportation:			
Capital outlay - new	12,180	-	12,180
Capital outlay - replacement	367,800	-	367,800
Total pupil transportation	<u>379,980</u>	<u>-</u>	<u>379,980</u>
Total expenditures	<u>379,980</u>	<u>-</u>	<u>379,980</u>
Excess of revenues over (under) expenditures	(379,980)	-	379,980
Other financing sources (uses):			
Advances out	(235,024)	(235,024)	-
Total other financing sources (uses)	<u>(235,024)</u>	<u>(235,024)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(615,004)	(235,024)	379,980
Fund balance, July 1	-	-	-
Prior year encumbrances appropriated	<u>379,980</u>	<u>379,980</u>	<u>-</u>
Fund balance, June 30	<u>\$ (235,024)</u>	<u>\$ 144,956</u>	<u>\$ 379,980</u>

Princeton 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 Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Earnings on investments	15,624	15,625	1
Total revenues	15,624	15,625	1
Expenditures:			
Current:			
Instruction:			
Regular:			
Capital outlay - replacement	7,466	-	7,466
Total regular instruction	7,466	-	7,466
Support services:			
Pupil:			
Capital outlay - replacement	21,683	-	21,683
Total pupil	21,683	-	21,683
Instructional staff:			
Capital outlay - new	13,245	-	13,245
Capital outlay - replacement	19,812	-	19,812
Total instructional staff	33,057	-	33,057
School administration:			
Capital outlay - replacement	8,796	-	8,796
Total school administration	8,796	-	8,796
Business:			
Capital outlay - replacement	2,548	-	2,548
Total business	2,548	-	2,548
Operations and maintenance:			
Capital outlay - new	181,277	-	181,277
Capital outlay - replacement	1,172,918	317,265	855,653
Total operation and maintenance	1,354,195	317,265	1,036,930
Pupil transportation:			
Capital outlay - new	12,180	12,180	-
Capital outlay - replacement	369,999	367,800	2,199
Total pupil transportation	382,179	379,980	2,199

Continued

Princeton 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 (Concluded)
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Extracurricular activities:			
Capital outlay - replacement	2,199	-	2,199
Total extracurricular activities	<u>2,199</u>	<u>-</u>	<u>2,199</u>
Capital outlay:			
Architecture and engineering services:			
Purchased services	34,958	6,305	28,653
Total architecture and engineering services	<u>34,958</u>	<u>6,305</u>	<u>28,653</u>
Total capital outlay	<u>34,958</u>	<u>6,305</u>	<u>28,653</u>
Total expenditures	<u>1,847,081</u>	<u>703,550</u>	<u>1,143,531</u>
Excess of revenues over (under) expenditures	(1,831,457)	(687,925)	1,143,532
Other financing sources (uses):			
Transfers in	46,487	46,487	-
Total other financing sources (uses)	<u>46,487</u>	<u>46,487</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,784,970)	(641,438)	1,143,532
Fund balance, July 1	317,302	317,302	-
Prior year encumbrances appropriated	<u>326,770</u>	<u>326,770</u>	<u>-</u>
Fund balance, June 30	<u>\$ (1,140,898)</u>	<u>\$ 2,634</u>	<u>\$ 1,143,532</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 School Net Plus Capital Projects Fund
 For Year Ended June 30, 2002

	Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Other local revenues	\$ (969)	\$ (968)	\$ 1
Total revenues	(969)	(968)	1
Expenditures:			
Current:			
Instruction:			
Regular:			
Capital outlay - new	31,780	31,780	-
Capital outlay - replacement	241,659	241,659	-
Total regular instruction	273,439	273,439	-
Support services:			
Operations and maintenance:			
Materials and supplies	625	625	-
Capital outlay - new	5,700	-	5,700
Capital outlay - replacement	6,000	6,000	-
Total operation and maintenance	12,325	6,625	5,700
Total expenditures	285,764	280,064	5,700
Excess of revenues over (under) expenditures	(286,733)	(281,032)	5,701
Other financing sources (uses):			
Transfers in	863	863	-
Refund of prior year receipts	(1,531)	(1,531)	-
Total other financing sources (uses)	(668)	(668)	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(287,401)	(281,700)	5,701
Fund balance, July 1	275,700	275,700	-
Prior year encumbrances appropriated	6,000	6,000	-
Fund balance, June 30	\$ (5,701)	\$ -	\$ 5,701

ENTERPRISE FUNDS

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:

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

EARLY CHILDHOOD PROGRAMS: To account for all revenues and expenses related to the District's early childhood programs which include, but are not limited to, a child care center, preschool, and tuition kindergarten.

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

Princeton City School District, Ohio

Combining Balance Sheet

All Enterprise Funds

As of June 30, 2002

	Food Service	Early Childhood Programs	Uniform School Supplies	Totals
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 357,772	\$ 335,647	\$ 91,268	\$ 784,687
Receivables:				
Accounts	22	12,973	10	13,005
Intergovernmental - State	9,763	-	-	9,763
Intergovernmental - Federal	123,622	-	-	123,622
Materials and supplies inventory	65,880	-	-	65,880
Total current assets	<u>557,059</u>	<u>348,620</u>	<u>91,278</u>	<u>996,957</u>
Non-current assets:				
Property, plant and equipment (net of accumulated depreciation)	105,243	725	-	105,968
Total non-current assets	<u>105,243</u>	<u>725</u>	<u>-</u>	<u>105,968</u>
Total assets	<u><u>662,302</u></u>	<u><u>349,345</u></u>	<u><u>91,278</u></u>	<u><u>1,102,925</u></u>
Liabilities:				
Current liabilities:				
Accounts payable	11,759	12,802	-	24,561
Accrued wages and benefits	134,537	120,525	-	255,062
Deferred revenue	38,669	-	-	38,669
Total current liabilities	<u>184,965</u>	<u>133,327</u>	<u>-</u>	<u>318,292</u>
Long-term liabilities:				
Compensated absences payable	23,536	-	-	23,536
Total long-term liabilities	<u>23,536</u>	<u>-</u>	<u>-</u>	<u>23,536</u>
Total liabilities	<u>208,501</u>	<u>133,327</u>	<u>-</u>	<u>341,828</u>
Retained earnings:				
Unreserved	453,801	216,018	91,278	761,097
Total retained earnings	<u>453,801</u>	<u>216,018</u>	<u>91,278</u>	<u>761,097</u>
Total liabilities and retained earnings	<u><u>\$ 662,302</u></u>	<u><u>\$ 349,345</u></u>	<u><u>\$ 91,278</u></u>	<u><u>\$ 1,102,925</u></u>

Princeton City School District, Ohio
Combining Statement of Revenues, Expenses
And Changes in Retained Earnings
All Enterprise Funds
For Year Ended June 30, 2002

	Food Service	Early Childhood Programs	Uniform School Supplies	Totals
Operating revenues:				
Tuition and fees	\$ -	\$ 1,163,436	\$ 25,666	\$ 1,189,102
Sales	1,095,377	-	-	1,095,377
Other operating revenues	455	147	5,661	6,263
Total operating revenues	1,095,832	1,163,583	31,327	2,290,742
Operating expenses:				
Salaries and wages	799,047	823,449	-	1,622,496
Fringe benefits	307,813	186,426	-	494,239
Contract services	72,143	4,296	-	76,439
Materials and supplies	1,008,339	61,696	16,449	1,086,484
Depreciation	32,663	541	-	33,204
Other operating expenses	3,159	2,267	-	5,426
Total operating expenses	2,223,164	1,078,675	16,449	3,318,288
Operating income (loss):	(1,127,332)	84,908	14,878	(1,027,546)
Nonoperating revenues:				
Interest revenue	8,581	-	-	8,581
Grants - state	72,505	-	-	72,505
Grants - federal	946,520	-	-	946,520
Grants - commodities	114,174	-	-	114,174
Total nonoperating revenues	1,141,780	-	-	1,141,780
Net income	14,448	84,908	14,878	114,234
Retained earnings (deficit) at July 1	439,353	131,110	76,400	646,863
Retained earnings (deficit) at June 30	<u>\$ 453,801</u>	<u>\$ 216,018</u>	<u>\$ 91,278</u>	<u>\$ 761,097</u>

Princeton City School District, Ohio
Combining Statement of Cash Flows
All Enterprise Funds
For Year Ended June 30, 2002

	Food Service	Early Childhood Programs	Uniform School Supplies	Totals
Cash flows from operating activities:				
Cash received from tuition and fees	\$ -	\$ 1,166,902	\$ 25,656	\$ 1,192,558
Cash received from sales/charges for services	1,095,405	-	-	1,095,405
Cash received from other operations	455	-	5,661	6,116
Cash payments for personal services	(1,049,437)	(1,011,524)	-	(2,060,961)
Cash payments for contract services	(64,026)	(3,986)	-	(68,012)
Cash payments for supplies and materials	(890,746)	(58,457)	(16,449)	(965,652)
Cash payments for other expenses	(3,129)	(1,919)	-	(5,048)
Net cash provided by (used for) operating activities	(911,478)	91,016	14,868	(805,594)
Cash flows from noncapital financing activities:				
Cash received from grants (state)	62,742	-	-	62,742
Cash received from grants (federal)	916,997	-	-	916,997
Advances out to other funds	-	(150,000)	-	(150,000)
Refund of prior year transaction	-	(287)	-	(287)
Net cash provided by (used for) noncapital financing activities	979,739	(150,287)	-	829,452
Cash flows from capital and related financing activities:				
Acquisition/disposition of capital assets	(84,385)	(570)	-	(84,955)
Net cash used for capital and related financing activities	(84,385)	(570)	-	(84,955)
Cash flows from investing activities:				
Interest on cash equivalents	8,581	-	-	8,581
Net cash provided by investing activities	8,581	-	-	8,581
Net increase in cash and cash equivalents	(7,543)	(59,841)	14,868	(52,516)
Cash and cash equivalents, July 1	365,315	395,488	76,400	837,203
Cash and cash equivalents, June 30	<u>\$ 357,772</u>	<u>\$ 335,647</u>	<u>\$ 91,268</u>	<u>\$ 784,687</u>
Reconciliation of operating income to net cash provided by (used for) operating activities				
Operating income (loss)	(1,127,332)	84,908	14,878	(1,027,546)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation	32,663	541	-	33,204
Adjustments to capital outlay	7,924	570	-	8,494
Other adjustments to non-operating income	114,174	287	-	114,461
Changes in assets and liabilities:				
Supplies inventory	66,348	-	-	66,348
Accounts payable	4,633	2,894	-	7,527
Accrued wages and benefits	33,887	9,273	-	43,160
Accounts receivable/Due from government	28	3,465	(10)	3,483
Compensated absences payable	23,536	(10,922)	-	12,614
Deferred revenue	(67,339)	-	-	(67,339)
Net cash provided by (used for) operating activities	\$ (911,478)	\$ 91,016	\$ 14,868	\$ (805,594)

INTERNAL SERVICE FUNDS

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.

FIDUCIARY FUNDS

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

NON-EXPENDABLE TRUST FUND

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

EXPENDABLE TRUST FUND

SPECIAL TRUST: To account for donations received by the District in a trustee capacity.

AGENCY FUNDS

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.

Princeton City School District, Ohio

Combining Balance Sheet

All Fiduciary Fund Types

As of June 30, 2002

	Non-Expendable -----Trust-----	Expendable -----Trust-----	-----Agency-----	
	Endowment	Special Trust	Student Activities Agency	Totals
Assets:				
Equity in pooled cash and cash equivalents	\$ 282,139	\$ 88,736	\$ 29,756	\$ 400,631
Receivables:				
Accounts	-	11,626	533	12,159
Total assets	<u>282,139</u>	<u>100,362</u>	<u>30,289</u>	<u>412,790</u>
Liabilities:				
Accounts payable	-	346	4,078	4,424
Due to students	-	-	26,211	26,211
Total liabilities	<u>-</u>	<u>346</u>	<u>30,289</u>	<u>30,635</u>
Fund equity:				
Fund balances:				
Reserved for trusts	282,139	-	-	282,139
Undesignated	-	100,016	-	100,016
Total fund equity	<u>282,139</u>	<u>100,016</u>	<u>-</u>	<u>382,155</u>
Total liabilities and fund equity	<u>\$ 282,139</u>	<u>\$ 100,362</u>	<u>\$ 30,289</u>	<u>\$ 412,790</u>

Princeton City School District, Ohio
Statement of Changes in Assets and Liabilities
Agency Fund
For year ended June 30, 2002

Student Activities Fund

	Beginning Balance	Additions	Deletions	Ending Balance
Assets:				
Equity in pooled cash and cash equivalents	\$ 33,326	\$ 275,183	\$ 278,753	\$ 29,756
Accounts receivable	860	-	327	533
Total assets	<u>34,186</u>	<u>275,183</u>	<u>279,080</u>	<u>30,289</u>
Liabilities:				
Accounts payable	3,325	753	-	4,078
Interfund loans payable	8,534	-	8,534	-
Due to students	22,327	275,183	271,299	26,211
Total liabilities	<u>\$ 34,186</u>	<u>\$ 275,936</u>	<u>\$ 279,833</u>	<u>\$ 30,289</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

Princeton City School District, Ohio
 Schedule of General Fixed Assets by Source
 As of June 30, 2002

General fixed assets:

	Land	\$	1,003,909
	Buildings		37,334,780
	Furniture and equipment		26,141,976
			<hr/>
Total		\$	<u>64,480,665</u>

Investment in general fixed assets by source:

	General fund	\$	5,313,631
	Capital project funds		10,981,559
	Special revenue funds		311,233
	Acquisitions prior to July 1, 1995*		47,874,242
			<hr/>
Total investment in general fixed assets		\$	<u>64,480,665</u>

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

Princeton City School District, Ohio

Schedule of General Fixed Assets by Function and Type
As of June 30, 2002

Function	Land	Buildings	Furniture and Equipment	Total
Instruction:				
Regular	\$ 903,909	\$ 26,653,490	\$ 6,985,194	\$ 34,542,593
Special			130,522	130,522
Vocational			2,854	2,854
Other			8,236	8,236
Total instruction	<u>903,909</u>	<u>26,653,490</u>	<u>7,126,806</u>	<u>34,684,205</u>
Support services:				
Pupil			169,033	169,033
Instructional staff			757,487	757,487
Administration	100,000	282,933	117,363	500,296
Fiscal			46,614	46,614
Business			2,326,135	2,326,135
Operations and maintenance			6,640,213	6,640,213
Pupil transportation			2,587,424	2,587,424
Central			81,619	81,619
Total support services	<u>100,000</u>	<u>282,933</u>	<u>12,725,888</u>	<u>13,108,821</u>
Non-instructional services			620,194	620,194
Extracurricular activities			738,334	738,334
Capital outlay		10,398,357	4,930,754	15,329,111
Total general fixed assets	<u>\$ 1,003,909</u>	<u>\$ 37,334,780</u>	<u>\$ 26,141,976</u>	<u>\$ 64,480,665</u>

Princeton City School District, Ohio

Schedule of Changes in General Fixed Assets by Function
 For the year ended June 30, 2002

Function	Balance at July 1, 2001	Additions	Deletions	Balance at June 30, 2002
Instruction:				
Regular	\$ 31,930,844	\$ 257,767	\$ 94,303	\$ 32,094,308
Special	111,030	4,817	1,762	114,085
Vocational	2,430	106	39	2,497
Other	7,006	304	111	7,199
Total instruction	32,051,310	262,994	96,215	32,218,089
Support services:				
Pupil	143,792	6,238	2,282	147,748
Instructional staff	644,368	27,953	10,227	662,094
Administration	613,105	42,735	1,585	654,255
Fiscal	39,655	1,720	629	40,746
Business	1,978,758	85,839	31,404	2,033,193
Operations and maintenance	5,648,589	245,037	89,646	5,803,980
Pupil transportation	2,201,026	95,481	34,932	2,261,575
Central	69,429	3,012	1,102	71,339
Total support services	11,338,722	508,015	171,807	11,674,930
Non-instructional services	527,578	22,886	8,372	542,092
Extracurricular activities	628,074	27,246	9,968	645,352
Capital outlay	18,669,088	1,947,882	1,216,768	19,400,202
Total general fixed assets	\$ 63,214,772	\$ 2,769,023	\$ 1,503,130	\$ 64,480,665

STATISTICAL SECTION

GOVERNING VALUES

WE KNOW

All students can learn.

All people have worth and value.

Open communication, honesty and integrity are the foundation for building trusting relationships.

Valuing the diversity of all people creates enhanced learning opportunities.

The home, school and community share the responsibility for educating children.

STATISTICAL TABLES

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

PRINCETON CITY SCHOOL DISTRICT, OHIO
GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS
1993 - 2002

TABLE 1

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Taxes	\$38,546,569	\$42,785,247	\$46,054,397	\$44,626,000	\$45,692,508	\$45,111,417	\$50,185,894	\$51,180,443	\$56,161,246	\$57,668,854
Tuition	330,103	319,898	348,690	325,009	388,962	226,164	261,259	260,682	331,893	436,392
Earnings on investments	865,587	574,598	1,144,038	1,517,648	1,532,249	1,399,904	1,207,811	1,314,483	1,675,316	984,421
Classroom materials and fees (1)	176,786	182,184	-	-	-	-	-	-	-	-
Other local revenues	124,634	220,057	297,671	348,974	476,259	813,243	250,326	341,768	539,463	847,071
Extracurricular revenue	6,764	6,873	-	9,590	4,895	2,327	-	-	-	-
Intermediate sources	-	-	-	2,785	4,743	700	-	14,835	-	113,785
Intergovernmental - state	6,458,533	6,486,865	6,667,897	6,932,774	7,027,600	6,641,508	7,062,658	8,429,941	8,575,181	9,272,465
Intergovernmental - federal	-	1,000	-	-	-	2,396	-	41,647	72,162	76,297
Claims and judgments (2)	-	-	-	-	-	-	-	-	150,000	-
Total	\$46,508,976	\$50,576,722	\$54,512,693	\$53,762,780	\$55,127,216	\$54,197,659	\$58,967,948	\$61,583,799	\$67,505,261	\$69,399,285

Source: Princeton City School District financial records.

(1) 1995 through 2002 fiscal years are reported with classroom materials and fees and other local revenues combined.

(2) If applicable for the 1993 through 2000 fiscal years, claims and judgments was reported in other financing sources.

TABLE 2

PRINCETON CITY SCHOOL DISTRICT, OHIO
GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
 1993 - 2002

	1993 (1)	1994 (1)	1995	1996	1997	1998	1999	2000	2001	2002
Regular instruction	\$ 19,322,603	\$ 21,325,342	\$ 22,444,023	\$ 22,906,742	\$ 24,158,170	\$ 24,190,576	\$ 25,699,666	\$ 23,982,792	\$ 25,317,906	\$ 26,824,609
Special instruction	2,758,803	2,901,475	3,263,691	3,294,577	3,486,926	3,747,861	4,387,809	4,504,864	5,344,811	6,136,987
Vocational instruction	543,316	580,171	659,085	744,227	766,633	727,441	353,593	366,785	454,756	506,224
Other instruction	234,359	281,366	332,543	326,188	320,263	328,846	391,754	416,838	428,952	457,137
Pupil	2,184,383	2,450,373	2,640,730	2,896,197	3,071,540	3,086,517	3,264,896	3,227,116	3,380,618	4,325,506
Instructional staff	2,941,245	3,136,108	3,265,446	3,526,004	4,048,150	4,258,437	4,749,706	4,534,725	4,973,889	4,576,692
Board of Education	125,610	267,306	201,667	777,208	276,521	214,611	178,781	201,641	193,441	267,505
School administration	3,748,376	4,000,408	4,055,744	4,472,423	4,503,981	4,295,264	4,459,878	4,204,972	4,710,527	5,013,526
Fiscal services	1,949,024	2,097,868	1,253,759	1,263,912	1,330,269	1,616,317	1,395,343	1,458,969	1,689,609	1,683,308
Business	-	-	529,124	515,690	584,844	714,178	630,837	584,361	361,022	392,707
Operation and maintenance of plant services	7,167,195	6,378,710	6,365,414	6,554,976	7,255,112	7,570,904	6,889,574	7,109,535	8,012,885	7,829,002
Pupil transportation	2,127,679	2,292,467	2,298,672	2,259,541	2,584,584	2,662,107	2,656,094	2,782,554	3,106,502	3,250,655
Central	704,449	881,203	969,376	971,224	930,431	907,999	901,475	1,005,214	974,043	969,141
Operation of non-instructional services	215,488	202,177	189,575	174,427	297,756	6,857	264,643	210,518	339,971	144,846
Extracurricular activities	710,231	543,532	565,457	575,630	602,242	637,126	703,691	743,735	846,236	1,052,196
Facilities acquisition and construction services	95,170	50,452	280,772	308,030	738,981	53,535	97,078	1,407,278	238,658	867,144
Miscellaneous	274	-	-	-	-	-	-	-	-	-
Debt service	103,168	155,338	187,437	175,278	188,747	203,228	189,565	297,952	435,089	433,689
Total	\$ 44,931,373	\$ 47,544,296	\$ 49,502,515	\$ 51,742,274	\$ 55,145,150	\$ 55,221,804	\$ 57,214,383	\$ 57,039,849	\$ 60,808,915	\$ 64,730,874

Source: Princeton City School District financial records.

(1) 1993 and 1994 fiscal years are reported with the fiscal and business function combined.

PRINCETON CITY SCHOOL DISTRICT, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
REAL AND PUBLIC UTILITY
LAST TEN CALENDAR YEARS
1993 - 2002

TABLE 3

Year (1)	Tax Levied (2)	Current Tax Collections (3)	Percent Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections to Levy	Outstanding Delinquent Taxes (4)	Percent of Outstanding Delinquent Taxes to Tax Levied
1993	\$ 27,230,656	\$ 25,155,668	92.38%	\$ 684,132	\$ 25,839,800	94.89%	\$ 741,908	2.72%
1994	28,349,076	27,186,459	95.90%	905,364	28,091,823	99.09%	567,798	2.00%
1995	29,341,079	27,026,132	92.11%	726,778	27,752,910	94.59%	510,453	1.74%
1996	29,545,049	27,082,295	91.66%	688,925	27,771,220	94.00%	841,292	2.85%
1997	29,860,878	27,053,016	90.60%	682,012	27,735,028	92.88%	849,542	2.85%
1998	29,685,600	27,784,701	93.60%	842,271	28,626,972	96.43%	388,825	1.31%
1999	29,936,630	27,906,438	93.22%	694,210	28,600,648	95.54%	435,619	1.46%
2000	35,750,340	33,435,460	93.52%	929,371	34,364,831	96.12%	436,178	1.22%
2001	36,456,290	34,200,211	93.81%	1,083,180	35,283,391	96.78%	398,115	1.09%
2002	36,676,496	34,248,633	93.38%	812,848	35,061,481	95.60%	472,499	1.29%

Source: Hamilton County Auditor. (Information for Butler and Warren Counties is not reported since they represent less than 1% of the total tax collections.)

(1) Represents collection year.

(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 tax obligation as assessment occurs.

TABLE 4

PRINCETON CITY SCHOOL DISTRICT, OHIO
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN CALENDAR YEARS
 1993 - 2002

Year (1)	Real Property		Tangible Personal Property		Public Utilities Personal		Total		Ratio (2)
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1993	\$ 769,805,530	\$2,199,444,371	\$407,208,018	\$1,628,832,072	\$69,694,950	\$79,198,807	\$1,246,708,498	\$3,907,475,250	31.91%
1994	908,596,140	2,595,988,971	403,035,210	1,612,140,840	71,313,970	81,038,602	1,382,945,320	4,289,168,414	32.24%
1995	929,649,530	2,656,141,514	399,889,900	1,599,559,600	82,647,730	93,917,875	1,412,187,160	4,349,618,989	32.47%
1996	931,114,260	2,660,326,457	389,588,480	1,558,353,920	74,137,260	84,246,886	1,394,840,000	4,302,927,264	32.42%
1997	964,361,560	2,755,318,743	393,557,600	1,574,230,400	72,083,190	81,912,716	1,430,002,350	4,411,461,859	32.42%
1998	969,842,720	2,770,979,200	413,521,590	1,654,086,360	68,634,990	77,994,307	1,451,999,300	4,503,059,867	32.24%
1999	979,193,070	2,797,694,486	433,706,660	1,734,826,640	70,718,000	80,361,364	1,483,617,730	4,612,882,489	32.16%
2000	1,144,748,820	3,270,710,914	438,526,560	1,754,106,240	68,921,740	78,320,159	1,652,197,120	5,103,137,313	32.38%
2001	1,159,115,740	3,311,759,257	452,832,700	1,811,330,800	75,031,110	85,262,625	1,686,979,550	5,208,352,682	32.39%
2002	1,182,629,890	3,378,942,543	442,634,670	1,770,538,680	64,083,860	72,822,568	1,689,348,420	5,222,303,791	32.35%

Source: Hamilton County Auditor. (Information for Butler and Warren Counties is not reported since they represent less than 1% of the total assessed value.)

(1) Represents collection year.

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

TABLE 5

PRINCETON CITY SCHOOL DISTRICT, OHIO
 PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)
 DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN CALENDAR YEARS (1)
 1993 - 2002

Entity	1993	1994	1995	1996	1997	1998 (2)	1999	2000	2001	2002
Princeton City School District	42.24	42.24	42.24	42.24	42.24	42.24	42.24	46.19	46.19	46.19
Hamilton County	18.56	18.33	18.30	18.30	19.44	19.01	19.54	20.83	19.92	21.47
City of Blue Ash	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
City of Springdale	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
Village of Evendale	3.34	3.34	3.34	3.34	3.34	3.34	3.34	-	-	-
Village of Glendale	26.98	25.38	25.38	23.68	23.26	22.34	19.66	21.93	21.65	21.55
Village of Lincoln Heights	24.34	24.34	10.08	20.08	20.08	20.08	20.08	20.08	20.08	24.58
Village of Woodlawn	4.08	4.08	4.08	4.08	4.08	5.08	5.08	5.08	5.08	5.08
Springfield Township	9.80	9.80	9.80	9.80	9.80	14.30	14.30	14.30	14.30	20.30
Sycamore Township	7.74	7.59	7.60	7.60	7.60	7.60	7.75	7.75	7.75	7.75
Great Oaks Joint Vocational School Dis	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
West Fork Fire District	12.30	14.30	14.30	14.30	14.30	-	-	-	-	-

Source: Hamilton County Auditor.

(1) Information provided by collection year.

(2) During 1998, the West Fork Fire District was consolidated with other fire districts within Springfield Township.

TABLE 6

PRINCETON CITY SCHOOL DISTRICT, OHIO
RATIO OF GENERAL OBLIGATION BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN YEARS
1993 - 2002

Year	General Obligation Bonded Debt (1)	Total Assessed Value (2)	District Population (3)	Ratio Of Debt To Assessed Value	Net Bonded Debt Per Capita
1993	\$ -	\$ 1,246,708,498	36,873	-	-
1994	98,000	1,382,945,320	36,873	0.01%	3
1995	-	1,412,187,160	36,873	-	-
1996	1,128,115	1,394,840,000	36,873	0.08%	31
1997	5,052,475	1,430,002,350	36,873	0.35%	137
1998	4,412,041	1,451,999,300	36,873	0.30%	120
1999	3,302,094	1,483,617,730	36,873	0.22%	90
2000	3,047,504	1,652,197,120	36,873	0.18%	83
2001	2,103,059	1,686,979,550	36,733	0.12%	57
2002	1,228,775	1,689,348,420	36,733	0.07%	33

Sources: (1) Princeton City School District financial records.

(2) Hamilton County Auditor. Information provided by collection year.

(Information for Butler and Warren Counties is not reported since they represent less than 1% of the total assessed value.)

(3) 1990 US Census data and 2000 US Census data.

PRINCETON CITY SCHOOL DISTRICT, OHIO
 COMPUTATION OF LEGAL DEBT MARGIN
 JUNE 30, 2002

TABLE 7

Assessed Valuation (1)	<u>\$1,689,348,420</u>
<u>OVERALL DIRECT DEBT LIMITATION</u>	
Direct Debt Limitation 9% of Assessed Valuation	\$ 152,041,358
Amount Available in Debt Service Fund	-
Gross Indebtedness	1,228,775
Less: Debt Exempt from Limitation	<u>1,228,775</u>
Debt Subject to 9% Limitation	-
Legal Debt Margin within 9% Limitation	<u>\$ 152,041,358</u>
<u>UNVOTED DIRECT DEBT LIMITATION</u>	
Unvoted Debt Limitation 0.1% of Assessed Valuation	\$ 1,689,348
Amount available in Debt Service Fund related to unvoted debt	-
Gross Indebtedness Authorized by the Board of Education	-
Less: Debt Exempt from Limitation	<u>-</u>
Debt Subject to 0.1% Limitation	-
Legal Debt Margin within 0.1% Limitation	<u>\$ 1,689,348</u>
<u>ENERGY CONSERVATION BOND LIMITATION</u>	
Ohio Revised Code Section 133.042	
Debt Limitation 0.9% of Assessed Valuation	\$ 15,204,136
Energy Conservation Bonds Authorized by the Board of Education	<u>(1,228,775)</u>
Legal Debt Margin within 0.9% Limitation	<u>\$ 13,975,361</u>

Source: Princeton City School District financial records.

(1) Assessed valuation does not include Butler and Warren Counties since they represent less than 1% of the total assessed value.

PRINCETON CITY SCHOOL DISTRICT, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 JUNE 30, 2002

TABLE 8

Governmental Unit	Gross General Obligation	Percent Applicable to School District (1)	Amount Applicable to School District
Direct debt:			
Princeton City School District	\$ 1,228,775	100.00%	\$ 1,228,775
Overlapping debt:			
Butler County	42,698,300	1.97%	841,157
Hamilton County	140,300,000	9.80%	13,749,400
Warren County	4,241,170	0.57%	24,175
City of Blue Ash	9,850,000	5.64%	555,540
City of Sharonville	6,135,000	99.95%	6,131,933
City of Springdale	5,800,000	99.99%	5,799,420
Village of Glendale	770,000	100.00%	770,000
Village of Lincoln Heights	22,000	100.00%	22,000
Village of Woodlawn	4,900,000	100.00%	4,900,000
Springfield Township	12,563,666	1.26%	158,302
West Chester Township	28,730,000	5.53%	1,588,769
Great Oaks Joint Vocational School District	7,130,000	11.88%	847,044
Total overlapping debt:	263,140,136		35,387,740
Total direct and overlapping debt:	\$ 264,368,911		\$ 36,616,515

Source: Ohio Municipal Advisory Council.

(1) Calculated by the Ohio Municipal Advisory Council.

TABLE 9

PRINCETON CITY SCHOOL DISTRICT, OHIO
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
 OBLIGATION BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
 LAST TEN FISCAL YEARS
 1993 - 2002

Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures
1993	\$ -	\$ -	\$ -	\$ 44,931,373	-
1994	-	-	-	47,544,296	-
1995	98,000	2,724	100,724	49,502,515	0.20%
1996	-	-	-	51,742,274	-
1997	847,770	218,877	1,066,647	55,145,150	1.93%
1998	1,032,533	272,422	1,304,955	55,221,804	2.36%
1999	1,109,947	230,255	1,340,202	57,214,383	2.34%
2000	983,090	169,237	1,152,327	57,039,849	2.02%
2001	944,444	151,163	1,095,607	60,808,915	1.80%
2002	874,284	101,647	975,931	64,730,874	1.51%

Source: Princeton City School District financial records.

PRINCETON CITY SCHOOL DISTRICT, OHIO **TABLE 10**
 DEMOGRAPHIC STATISTICS
 LAST TEN CALENDAR YEARS
 1993 - 2002

Year	Population (1)	School Enrollment (2)	Unemployment Rate Cincinnati Metropolitan Area (3)	Unemployment Rate State Of Ohio (4)
1993	36,873	6,683	5.4%	5.8%
1994	36,873	6,820	4.3%	5.4%
1995	36,873	6,903	4.3%	4.6%
1996	36,873	6,740	4.3%	5.0%
1997	36,873	6,718	3.3%	4.5%
1998	36,873	6,717	3.3%	4.3%
1999	36,873	6,577	3.8%	4.5%
2000	36,873	6,318	3.7%	4.2%
2001	36,733	6,139	3.9%	4.3%
2002	36,733	6,210	5.1%	5.7%

Source: (1) 1990 US Census data and 2000 US Census data.

(2) Princeton City School District records.

(3) Greater Cincinnati Chamber of Commerce.

(4) Ohio Bureau of Employment Services. (Figures for prior years have been restated to reflect current information.)

TABLE 11

PRINCETON CITY SCHOOL DISTRICT, OHIO
CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUES
LAST TEN CALENDAR YEARS
 1992 - 2001

Year	Construction (1)	Bank Deposits (in thousands) (2)	Property Values (3)
1992	\$ 51,577,965	\$ 12,899,203	767,090,250
1993	59,224,611	13,274,239	769,805,530
1994	61,649,875	15,035,485	908,596,140
1995	56,598,994	17,533,516	929,649,530
1996	73,265,242	20,217,176	931,114,260
1997	54,298,762	18,070,437	964,361,560
1998	193,421,678	24,484,435	969,842,720
1999	77,190,767	40,706,386	979,193,070
2000	108,688,787	76,238,995	1,144,748,820
2001	71,304,815	133,025,841	1,159,115,740

Source: (1) The Cities of Sharonville and Springdale. The Villages of Evendale, Glendale, Lincoln Heights and Woodlawn. (The City of Springdale did not provide this information for calendar year 1997.)

(2) Federal Reserve Bank of Cleveland. (Total deposits of all banks headquartered in Hamilton County, Ohio. Data was not available for the school district only.)

(3) Hamilton County Auditor. Information provided by collection year.
 (Property values do not include Butler and Warren Counties since they represent less than 1% of the total property values.)

TABLE 12
PRINCETON CITY SCHOOL DISTRICT, OHIO
REAL AND TANGIBLE PERSONAL PROPERTY
TOP TEN PRINCIPAL TAXPAYERS
JUNE 30, 2002

Name of Taxpayer	Type of Business	Total Assessed Valuation (1)	Percentage of Total Assessed Valuation
Ford Motor Company	Manufacturer of automobiles	\$ 74,828,860	4.43%
General Electric	Manufacturer of aircraft engines	53,991,780	3.20%
Concordia Properties LLC	Real estate holding company	52,568,800	3.11%
Procter & Gamble	Manufacturer of consumer products	40,483,550	2.40%
Cinergy	Public utility	30,891,580	1.83%
Cincinnati Bell	Public utility & cellular phone provider	27,899,150	1.65%
Formica	Manufacturer of laminates	19,334,210	1.14%
G & I Executive Center	Real estate holding company	17,500,020	1.04%
Duke Realty	Real estate holding company	16,409,000	0.97%
Fiat Avio	Manufacturer of aircraft engines	12,761,250	0.76%
	Total	346,668,200	20.52%
	All others	1,342,680,220	79.48%
	Grand total	<u>\$ 1,689,348,420</u>	<u>100.00%</u>

Source: Hamilton County Auditor. (Information for Butler and Warren Counties is not reported since they represent less than 1% of the total assessed value.)

(1) Information provided by collection year.

PRINCETON CITY SCHOOL DISTRICT, OHIO
TOP TEN LARGEST EMPLOYERS
JUNE 30, 2002

TABLE 13

Employer	Type of Business	Number of Employees
General Electric Company	Manufacturer of aircraft engines	7,600
Ford Motor Company	Manufacturer of automobiles	3,065
Avon	Manufacturer of consumer products	1,810
U S Bulk Mail Center	Delivery of U S mail	1,596
United Parcel Service	Delivery service	1,396
Adecco NA LLC	Provider of temporary employment services	1,374
John Morrell & Company	Manufacturer of food products	1,371
GE Client Business	Manufacturing sales and support	1,043
Princeton City School District	Primary and secondary education	1,013
Champion Window Manufacturing	Manufacturer and retailer of building materials	1,000

Source: Princeton City School District financial records.

TABLE 14

PRINCETON CITY SCHOOL DISTRICT, OHIO
 MISCELLANEOUS STATISTICAL DATA
 JUNE 30, 2002

Enrollment by grade		K	1	2	3	4	5	6	7	8	9	10	11	12	JVS TOTAL
2001-02		452	458	454	474	436	492	495	508	514	591	466	377	363	130 6,210
The following are projections:															
2002-03		434	446	444	417	444	456	490	489	477	551	501	420	411	130 6,110
2003-04		434	414	441	448	399	437	460	491	477	548	497	421	419	148 6,034
2004-05		433	413	409	445	429	393	441	461	479	548	429	418	420	151 5,869
2005-06		433	413	408	413	426	422	396	442	450	550	429	360	417	151 5,710
2006-07		432	412	408	412	395	419	426	397	432	517	431	360	360	150 5,551
2007-08		432	412	408	412	394	389	423	427	388	496	405	362	360	130 5,438
2008-09		429	412	407	411	394	388	392	424	417	445	388	340	361	130 5,338
2009-10		427	409	407	411	393	388	392	393	414	479	348	326	339	130 5,256
2010-11		424	407	404	411	393	387	392	393	384	475	375	293	325	122 5,185
2011-12		422	404	402	408	393	387	391	392	383	441	372	315	292	117 5,119
2012-13		419	402	399	406	390	387	391	392	383	440	345	312	314	105 5,085

Source: Princeton City School District records.



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PRINCETON 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**