



**Auditor of State
Betty Montgomery**

LITTLE MIAMI LOCAL SCHOOL DISTRICT
WARREN COUNTY

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**LITTLE MIAMI LOCAL SCHOOL DISTRICT
WARREN COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2003**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$0	\$100,388	\$0	\$55,413
National School Breakfast Program	05-PU-02	10.553	2,871		2,871	
	05-PU-03	10.553	5,855		5,855	
National School Lunch Program	LL-P4-02	10.555	30,140		30,140	
	LL-P4-03	10.555	80,546		80,546	
Total U.S. Department of Agriculture - Nutrition Cluster			<u>119,412</u>	<u>100,388</u>	<u>119,412</u>	<u>55,413</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)	6B-SF-01	84.027	29,355		22,390	
	6B-SF-02	84.027	197,004		182,502	
Total IDEA Part B			<u>226,359</u>		<u>204,892</u>	
Special Education - Preschool Grant	PG-S1-02	84.173	5,123		0	
Total Special Education Cluster			<u>231,482</u>	<u>0</u>	<u>204,892</u>	<u>0</u>
Grants to Local Educational Agencies (ESEA Title I)	C1-S1-02	84.010	37,395		30,044	
	C1-S1-03	84.010	233,693		226,873	
Total ESEA Title I			<u>271,088</u>		<u>256,917</u>	
Drug-Free Schools Grant	DR-S1-02	84.186	0		74	
	DR-S1-03	84.186	11,195		10,800	
Total Drug-Free Schools			<u>11,195</u>		<u>10,874</u>	
Eisenhower Prof. Dev. State Grant	MS-S1-02	84.281	1,189		11,843	
Innovative Education Program Grant	C2-S1-03	84.298	15,497		10,462	
Classroom Size Reduction	CR-S1-02	84.340	14,075		9,168	
Improving Teacher Quality	TR-S1-03	84.367	96,373		92,797	
Technology Literacy Challenge	TJ-S1-02	84.318	0		19,502	
	TJ-S1-03	84.318	6,315		2,982	
Total Technology Literacy Challenge			<u>6,315</u>		<u>22,484</u>	
Assistive Technology Infusion	AT-S2-02	84.352A	6,940		6,940	
	AT-S3-02	84.352A	4,923		4,923	
	AT-S4-02	84.352A	7,095		0	
Total Assistive Technology Infusion			<u>18,958</u>		<u>11,863</u>	
Total U.S. Department of Education			<u>666,172</u>	<u>0</u>	<u>631,300</u>	<u>0</u>
Total Federal Assistance			<u>\$785,584</u>	<u>\$100,388</u>	<u>\$750,712</u>	<u>\$55,413</u>

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

**LITTLE MIAMI LOCAL SCHOOL DISTRICT
WARREN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
JUNE 30, 2003**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the Government's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule as the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2003, the District had no significant food commodities in inventory.

NOTE C – MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditures of non-federal matching funds are not included on the Schedule.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Little Miami Local School District
Warren County
5819 Morrow-Rossburg Road
Morrow, Ohio 45152

To the Board of Education:

We have audited the basic financial statements of the Little Miami Local School District, Warren County, Ohio (the District), as of and for the year ended June 30, 2003, and have issued our report thereon dated December 19, 2003, wherein we noted the District adopted Government Accounting Standards Board Statements 34. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 19, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to management of the District in a separate letter dated December 19, 2003.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 19, 2003



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Little Miami Local School District
Warren County
5819 Morrow-Rossburg Road
Morrow, Ohio 45152

To the Board of Education:

Compliance

We have audited the compliance of the Little Miami Local School District, Warren County, Ohio (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2003. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

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

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

Schedule of Federal Awards Expenditures

We have audited the basic financial statements of the District as of and for the year ended June 30, 2003, and have issued our report thereon dated December 19, 2003, wherein we noted the District adopted Government Accounting Standards Board Statement 34. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

December 19, 2003

**LITTLE MIAMI LOCAL SCHOOL DISTRICT
WARREN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2003**

1. SUMMARY OF AUDITOR'S RESULTS

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

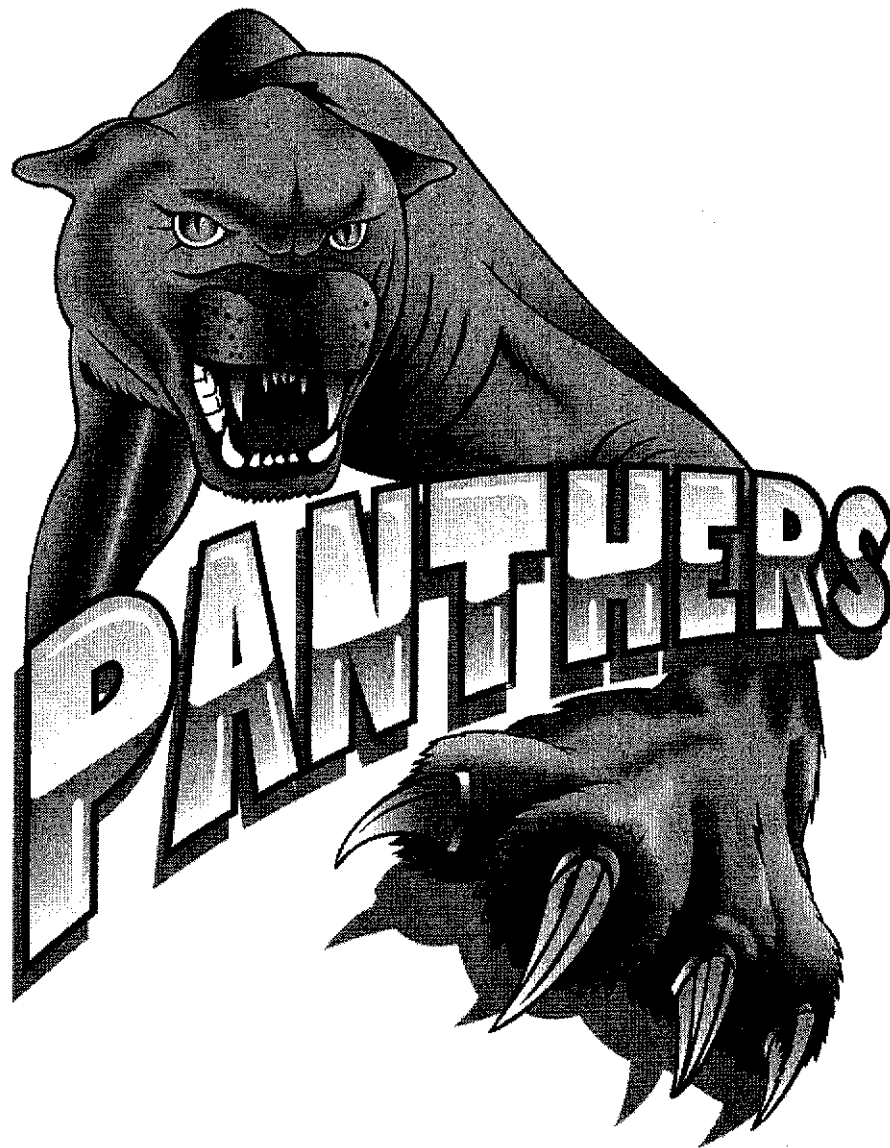
**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Little Miami Local School District
Warren County, Ohio



Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2003

LITTLE MIAMI LOCAL SCHOOL DISTRICT
WARREN COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Prepared By:
Office of the Treasurer
David B. Robinson
Treasurer/CFO

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***Little Miami Local School District
Warren County, Ohio
June 30, 2003***

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Warren County, Ohio***

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December 19, 2003

To The Citizens and Board of Education of the Little Miami Local School District:

The Comprehensive Annual Financial Report [CAFR] of the Little Miami Local School District for the fiscal year ended June 30, 2003 is hereby submitted. This report, prepared by the Treasurer's office, includes an opinion from the Auditor of State and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the taxpayers of the Little Miami Local School District with comprehensive financial data in a format, which will enable them to gain an understanding of the District's financial affairs. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties.

The Comprehensive Annual Financial Report is divided into three sections:

The **Introductory Section** includes a table of contents, this transmittal letter, a list of principal officials, and the District's organization chart. Also, included are the District's major current and future initiatives.

The **Financial Section** includes the independent accountants' report on the financial statements, management's discussion and analysis, basic financial statements, notes to the basic financial statements, and the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.

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

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

ECONOMIC CONDITION AND OUTLOOK

The District is located north of Cincinnati, in the southeastern part of Warren County. Approximately 86% of the District's tax base is agricultural and residential property; the remainder is composed of a wide range of manufacturing, commercial and other business properties. The overall economic outlook for the area remains very positive with low

Little Miami Local Schools

5819 Morrow-Rosburg Road • Morrow, OH 45152 • (513) 899-2264 • Fax (513) 899-3244
<http://www.littlemiamischools.com>

unemployment rates, growth in the local tax base, and low inflationary pressures. The district is experiencing steady growth in its commercial base in the Hamilton Township area of the District. The area known as Hopkinsville has been established by the trustees as an area for light industry, commercial and retail business. The local political subdivisions including the school district have agreed upon a development plan that provides new business with tax incentives but still allows the school district to receive some of tax revenue it otherwise would have lost as a result of the Tax Increment Financing.

The District is continually challenged by the responsibility bestowed upon it by the community at large. We are always striving to provide the very best opportunities to every student, while carefully guarding the District's resources.

THE DISTRICT AND ITS FACILITIES

The District is located in Warren County, approximately 30 miles from downtown Cincinnati, Ohio and covers an area of 98 square miles. It serves pupils from Hamilton, Harlan, and Salem Townships and the Village of Morrow, with Hamilton Township serving as its nucleus. Since 1995 the growth pattern in the District has been strong.

The District now houses 2,969 students in one high school, one junior high school, one intermediate school and three elementary schools.

<i>Constructed</i>	<i>School/Address</i>	<i>October, 2002 Enrollment</i>
2000	Little Miami High School 3001 U.S. 22-3 Morrow, OH 45152	811
1956	Little Miami Junior High School 605 Welch Road Morrow, OH 45152	462
1956	Little Miami Intermediate School 605 Welch Road Morrow, OH 45152	514
1937	Hamilton Maineville Elementary 373 E. Foster Maineville Road Maineville, OH 45039	555

1937	Harlan-Butlerville Elementary 8276 St. Rt. 132 Blanchester, OH 45107	206
1913	Morrow Elementary 10 Miranda Street Morrow, OH 45152	421

ORGANIZATION OF THE SCHOOL DISTRICT

The Board of Education of the Little Miami Local School District is a five-member body politic and corporate, as defined by Section 3313.02, Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars, and approves the annual appropriation resolution and tax budget.

The Board members represent a cross section of professions in the community. The board members on June 30, 2003 were as follows:

<i>Board Member</i>	<i>Began Service</i>	<i>Term Expires</i>	<i>Profession</i>
Nona Cress	01/01/2000	12/31/2003	Retired Teacher
Mary Beth Hamburg	01/01/2000	12/31/2003	Homemaker
Bobbie Grice	06/30/1997	12/31/2005	Facilitator, ESC Warren County
Michael Cremeans	01/01/2000	12/31/2003	Frederick Steel
Stephen Rothwell	01/01/2002	12/31/2005	Bethesda Hospital

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all educational and support operations. Mr. Ralph Shell was appointed Superintendent in 2000. Mr. Shell has extensive professional experience in the educational environment. He served education in many capacities as a teacher, principal, assistant superintendent, and business manager. Mr. Shell will retire effective July 31, 2003.

The Treasurer is the chief financial officer of the District, responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets and investing idle funds as specified by Ohio Law. Mr. David B. Robinson was appointed Treasurer/CFO in January 2003. Mr. Robinson holds a B.S.B.A. in Finance from Xavier University.

EMPLOYEE RELATIONS

As of June 30, 2003, the Board employed 357 full-time employees. Of the Board's current employees, 210 were certificated by the Ohio Department of Education serving as classroom teacher's education specialists, and administrators, all of whom have at least a bachelor's degree. The number of certificated and operational personnel continues to increase with enrollment.

Certificated teachers and education specialists are represented by the Little Miami Teachers Association, which is a labor organization affiliated with the Ohio Education Association. As of June 30, 2003, the District and the association were negotiating a successor agreement to the one that expired June 30, 2003. The parties used Traditional Bargaining methodology to negotiate and final ratification of the agreement occurred in October 2003. The new agreement expires on June 30, 2006.

Operational personnel are represented by the Ohio Association of Public School Employees, Chapter 516 (OAPSE) which is a labor organization affiliated with the American Federation of State, County and Municipal Employees (AFSCME). As of June 30, the District and the association were negotiating a successor agreement to the one that will expire on December 31, 2003. The parties will use the Traditional Bargaining methodology to negotiate and ratify the agreement which will occur sometime before December 31, 2003.

MAJOR INITIATIVES FOR THE YEAR

The District developed several major initiatives through the strategic planning process. Specifically, the major objectives were created to move the organization forward in responding to student needs, parent expectations, and community concerns. They are as follow:

1. To make all schools more inviting by developing a sense of community.
 - A. Improve public relations
 - B. Provide classes and programs to the community
 - C. Increase parental involvement
 - D. Promote external and internal teamwork

2. Evaluate and implement processes for hiring, evaluating and retaining effective staff members.
 - A. Develop hiring and training procedures
 - B. Improve job effectiveness
 - C. Evaluate implementation of curriculum

3. Define effective teaching strategies and determine staff development needs
 - A. Evaluate implementation of curriculum
 - B. Improve student advising

Action plans were designed to meet each of the objectives over a five-year period.

Other major accomplishments during the year focused on developing operational plans and relationships to keep the organization headed in a common direction to support the strategic initiatives.

LONG-RANGE BUILDING AND MAINTENANCE PLANS

The District, as part of its strategic planning, has engaged the architectural firm of Steed, Hammond, Paul, completed an Educational Facilities Master Plan. This plan will provide a blueprint for a multi-year facility improvement plan. The improvements will be funded through proceeds from the sale of bonds. The facility improvement plan includes several options over two phases. Community forums were held to solicit the input from the community.

The District began a five-year building maintenance program. This program is generated through input provided by each building administrator in an annual preventive maintenance checklist. This five-year plan provides the District direction for implementing maintenance and renovation projects and contributes to the financial planning and projection costs for these projects. An additional focus this year will be on determining future building needs and the impact of participation in the Ohio School Facilities Commission Expedited Local Partnership Program.

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund 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].

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

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

At the beginning of each fiscal year, the Board adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted within three months.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the object account level within a function and fund. All purchase order requests must be approved by the individual program managers and certified by the Treasurer; necessary funds are then encumbered and purchase orders are released to vendors.

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. In addition to interim financial statements, each program manager is furnished monthly reports showing the status of the budget accounts for which he or she is responsible. Each program manager may request additional financial reports during the month when necessary.

As an additional safeguard, all employees involved with receiving and depositing funds are covered by a blanket bond and certain individuals in policy-making roles are covered by a separate, higher bond.

The basis of accounting and the various funds utilized by the District are fully described in the notes to basic financial statements. Additional information on the District's budgetary accounts can also be found in the notes to the basic financial statements.

FINANCIAL CONDITION

This is the first year the District has prepared financial statements following GASB Statement 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 creates new basic financial statements for reporting on the School District's financial activities as follows:

Government-wide financial statements These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. However the district does not have any funds that are business type activities.

Fund financial statements These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements.

Statement of budgetary comparisons These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for 2003 and the outlook for the future.

CASH MANAGEMENT

The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently investing available cash in obligations collateralized by the United States Government or the State of Ohio issued instruments or insured by the Federal Deposit Insurance Corporation [FDIC]. The total amount of general fund earnings on investments was \$67,164 for the year ended June 30, 2003.

The cash management program is designed to minimize cash on hand and maximize investment holdings. All investments are spread among available investment options to insure maximum interest rates.

The District's investment policy is to minimize market risk while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by FDIC or collateralized. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

RISK MANAGEMENT

The District constantly faces the risk of loss of assets by fire, storm, theft, accident or other catastrophes. Generally, the District shifts the burden of such losses by entering into a casualty insurance contract whereby an insurance company, in consideration of a premium payment, assumes the risk of all or a portion of these losses.

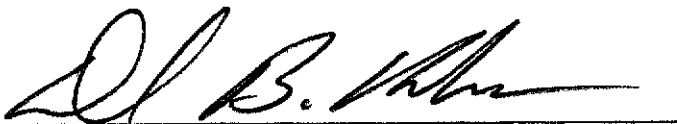
INDEPENDENT AUDIT

Provisions of State statute require that the District's financial statements be subjected to an annual examination by an independent auditor. The Auditor of State's unqualified opinion rendered on the District's basic financial statements, combining statements and individual fund schedules, is included in the financial section of this Comprehensive Annual Financial Report. Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The District adopted and has been in conformance with that system effective with its annual financial report since the 1979 calendar year.

ACKNOWLEDGEMENTS

The preparation of the 2003 Comprehensive Annual Financial Report of the Little Miami Local School District was made possible by the combined efforts of the District's Finance Department and Fraunfelter Accounting Services. The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability of the District to the taxpayers of the community.

Respectfully Submitted,



David B. Robinson
Treasurer / CFO

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**LITTLE MIAMI LOCAL SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
As of June 30, 2003**

BOARD OF EDUCATION

Nona Cress, President
Mary Beth Hamburg, Vice President
Michael Cremeans, Member
Bobbie Grice, Member
Stephen Rothwell, Member

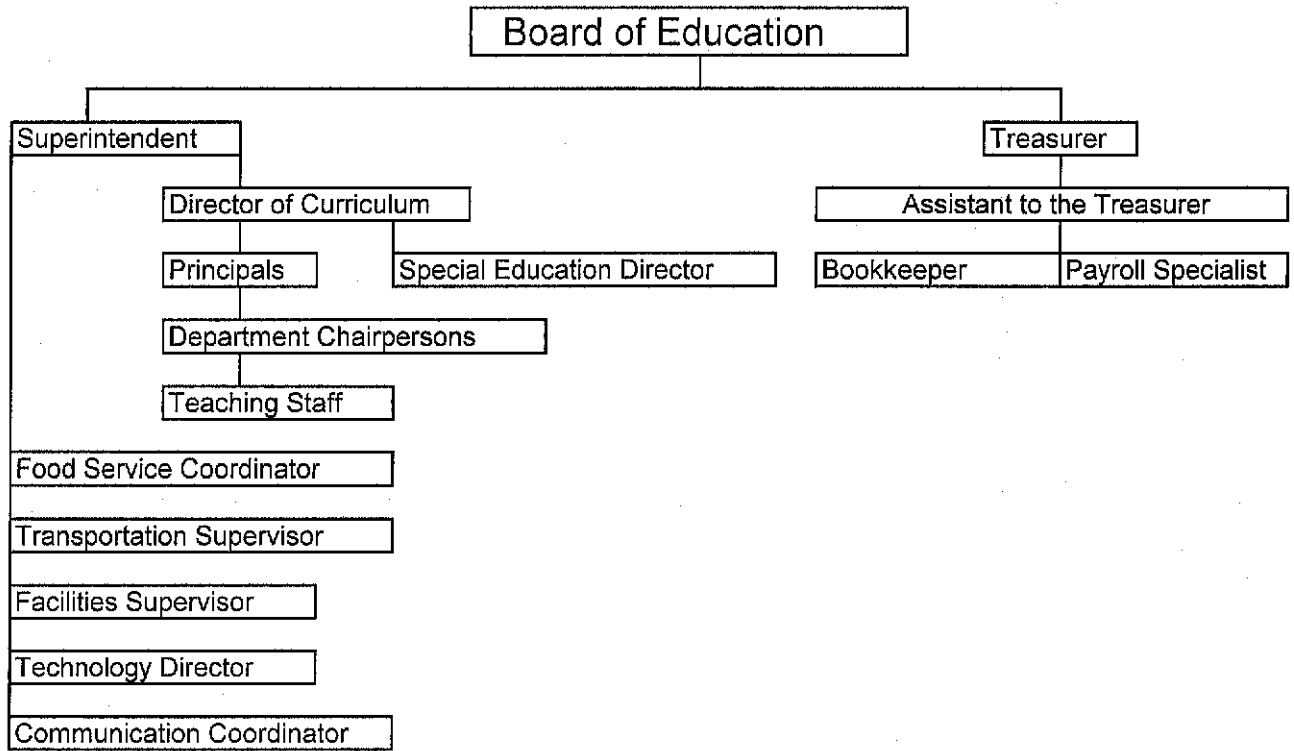
TREASURER / CHIEF FINANCIAL OFFICER

David B. Robinson

SUPERINTENDENT OF SCHOOLS

Ralph Shell

CITIZENS OF THE LITTLE MIAMI LOCAL SCHOOL DISTRICT





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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Little Miami Local School District
Warren County
5819 Morrow-Rosburg Road
Morrow, Ohio 45152

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Little Miami Local School District, Warren County, Ohio (the District), as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2003, and the respective changes in financial position and the respective budgetary comparison for the General fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2003, the District implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis— for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2003, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements, schedules, and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.



Betty Montgomery
Auditor of State

December 19, 2003

***Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003***

The discussion and analysis of Little Miami Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2003 are as follows:

- Assets, excluding capital assets, exceeded total current liabilities at the close of the most recent fiscal year by \$4.51 million. Of this amount, \$3.09 million is restricted for the School District.
- General revenues accounted for \$21.69 million in revenue or 91 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2.19 million or 9 percent of total revenues of \$23.89 million.
- The School District had \$22.1 million in expenses related to governmental activities; only \$2.1 million of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$21.69 million, along with cash balances, were adequate to provide for these programs.
- Among major funds, the general fund had \$19.73 million in revenues and \$17.88 in expenditures. The general fund's balance at the close of the current year was 8 percent of the current year's expenditures.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the School District's finances, in a manner similar to private-sector business.

***Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003***

The *statement of net assets* presents information on all the School District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave.)

The government-wide financial statements can be found on pages 13-14 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental activities statement of net assets and statement of activities.

The School District maintains twenty-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and the statement of fund revenues, expenditures and changes in fund balance for the general fund which is considered a major fund. Data from the other twenty-four governmental funds are combined into a single, aggregate presentation.

***Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003***

The School District adopts an annual appropriation budget for all of its governmental funds. Budgetary comparison statements have been provided for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 15-17 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The accounting used for fiduciary funds is much like that used for governmental funds. The basic fiduciary fund financial statement can be found on page 18 of this report.

Notes to the Financial Statement. The notes provide additional information that is essential to developing a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 19 of this report.

Individual Fund Statements and Schedules. The individual fund statements and schedules provides more detailed information about each individual fund for the District. These statements and schedules can be found starting on page 47 of this report.

Statistical Information. Statistical information presents a year by year comparison of how the District is doing in several areas. These information can be found starting on page 93 of this report.

Government-Wide Financial Analysis

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a comparison of the School District's net assets for 2003 to 2002.

*Table 1
Net Assets
(in Millions)*

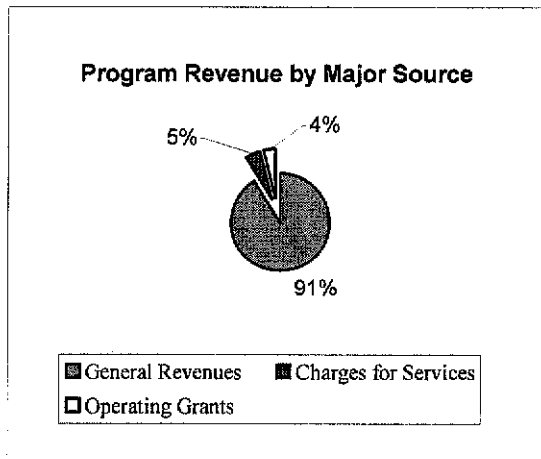
	<u>2003</u>	<u>2002</u>	<u>Change</u>
Assets			
Current and Other Assets	\$17.9	\$13.7	\$4.2
Capital Assets	<u>17.8</u>	<u>18.7</u>	<u>(0.9)</u>
<i>Total Assets</i>	<u>35.7</u>	<u>32.4</u>	<u>3.3</u>
Liabilities			
Long-term Liabilities	(17.9)	(18.2)	0.3
Other Liabilities	<u>(13.4)</u>	<u>(11.6)</u>	<u>(1.8)</u>
<i>Total Liabilities</i>	<u>(31.3)</u>	<u>(29.8)</u>	<u>(1.5)</u>

**Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003**

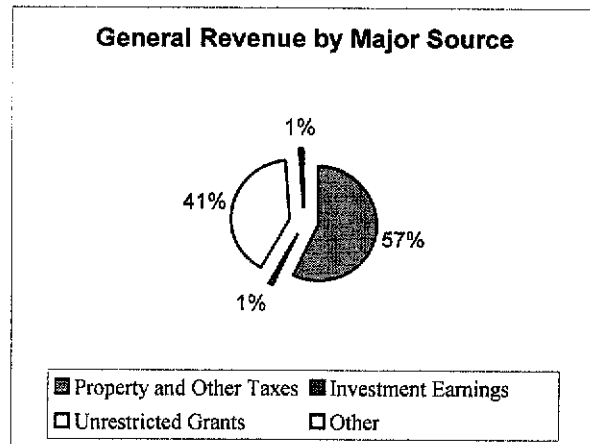
	2003	2002	Change
Net Assets			
Invested in Capital Assets	\$1.3	\$1.4	(\$0.1)
Restricted for:			
Debt Service	1.6	1.4	0.2
Grants	0.1	0.1	0.0
State Mandates	0.2	0.0	0.2
Capital Improvements	1.3	0.8	0.5
Unrestricted	0.0	(1.1)	1.1
Total Net Assets	\$4.4	\$2.6	\$1.4

Graphs 1 and 2 break down the School District's revenue into percentages by type of revenue.

Graph 1



Graph 2



**Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003**

Table 2 shows the revenue for the School District as a whole during fiscal year 2003.

*Table 2
Revenues
(in Millions)*

	Total Revenue
Revenues	
<i>Program Revenues</i>	
Charges for Services	\$1.3
Operating Grants/Contributions	0.9
<i>General Revenues</i>	
Property and Other Taxes	12.4
Unrestricted Grants	8.9
Investment Earnings	0.1
Other	0.2
Total Revenues	\$23.8

Table 3 shows total program expenses and net program expense.

*Table 3
Total Program Expenses
(in millions for Total Program Expense)*

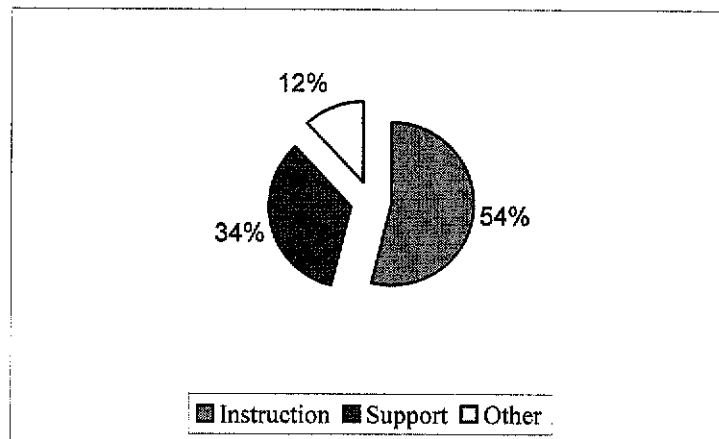
	Program Expense	Net Program Expense
Program Expenses		
<i>Instruction</i>		
Regular	\$9.6	\$9.5
Special	2.0	1.5
Other	0.2	0.2
<i>Support Services:</i>		
Pupil/Staff	1.6	1.4
Administration	1.7	1.6
Maintenance	2.0	2.0
Transportation	1.5	1.5

**Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003**

	Program Expense	Net Program Expense
Other	\$0.8	\$0.6
Food Services	0.7	0.0
Extracurricular Activities	0.8	0.4
Interest and Fiscal Charges	1.1	1.1
Total Expenses	22.0	<u>\$19.8</u>
Change in Net Assets	1.8	
Ending Net Assets	<u>\$4.4</u>	

Graph 3 shows a breakdown of expenditures by percentages in the major categories.

Graph 3



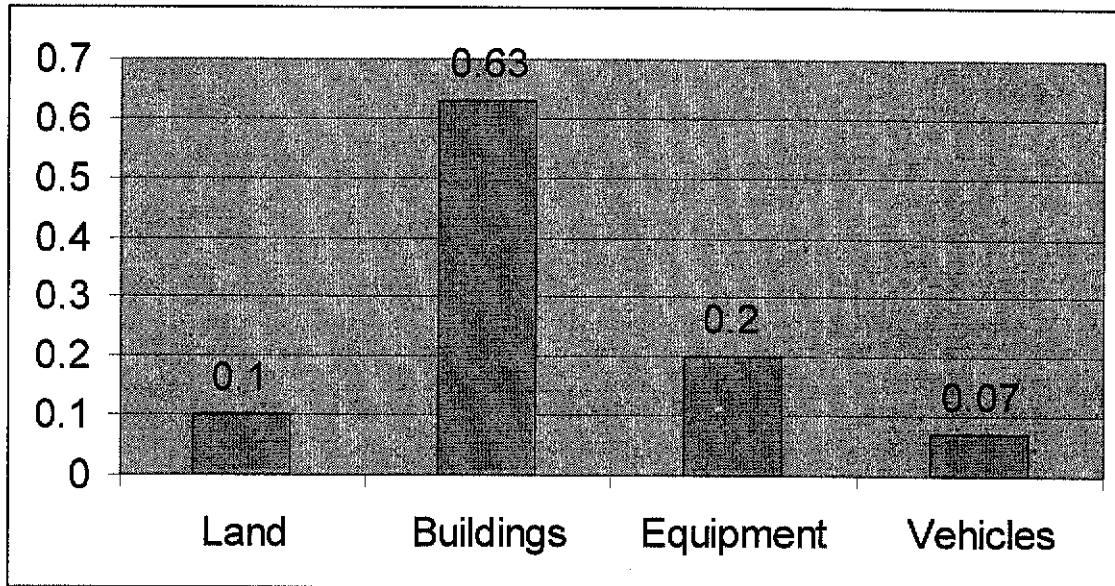
Capital Assets

At the end of the year, the School District had \$17.8 invested in land, buildings, equipment, and vehicles less accumulated depreciation. For further information on the District's capital assets refer to Note 8 of basic financial statements.

*Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003*

Graph 4 shows the breakdown by percentage of the individual classes for capital assets:

*Graph 4
Percentage of Capital Assets by Class*



The Major Funds

The School District's major funds start on page 15. These funds are accounted for using the modified accrual basis of accounting, focusing on the near term financial resources of the District. All governmental funds had total revenues of \$23.9 million and expenditures of \$21.3 million. The net change in fund balance for the year was most significant in the general fund, an increase of \$1.8 million.

The general fund recognized \$1.8 million in current liabilities for fiscal year 2003. Accrued salaries and benefits accounted for 76.8% of those liabilities. Taxes receivable accounted for 99.8% of the \$11.6 million receivables in the general fund.

**Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003**

General Fund Budgetary

Table 4 depicts the change from the original to the final general fund revenue budget for the fiscal year ended June 30, 2003.

*Table 4
Original Budget versus Final Budget for General Fund Revenues*

	Budget	
	Original	Final
<u>Revenues</u>		
Property and Other Local Taxes	\$8,790,350	\$9,792,572
Intergovernmental	7,864,159	8,760,782
Other	134,364	149,683
Total Revenues	<u>\$16,788,873</u>	<u>\$18,703,037</u>

The original revenue estimates come from the Tax Budget completed in January 2001. The County Auditor completes the tax estimates. The final amounts are higher due to a new tax levy being passed in 2002. One half year on new collections is included in this amount. The county auditor also included "Rollback and Homestead" estimates in the tax line.

State revenue makes up the majority of the intergovernmental revenue. At the time the tax budget was completed, a lower student count was estimated by the School District. In fiscal year 2003, the School District lost funds in open enrollment. The State of Ohio also cut funding in the spring of 2003. This was an unexpected loss of over \$178,000 to the district.

Table 5 depicts the change from the original to the final general fund expenditure budget for the fiscal year ended June 30, 2003.

*Table 5
Original Budget versus Final Budget for General Fund Expenditures*

	Budget	
	Original	Final
<u>Expenditures</u>		
Instruction	\$9,748,152	\$10,414,557
Support Services	6,878,604	7,348,841
Other	419,333	448,000
Total Expenditures	<u>\$17,046,089</u>	<u>\$18,211,398</u>

***Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003***

The original budget comes from the Tax Budget filed in January of 2001. Traditionally the tax budget expenditures include all possible needs for the future year. A line in the budget is included for contingencies in the original budget. Although this money is not spent, it still shows in the original budget.

Debt Administration

The School District has several long-term general obligation debt. There is a school improvement bond with a balance of \$16.0 million outstanding at the end of 2003. The energy conservation note has an outstanding balance of \$.5 million as of June 30, 2003. The School District also has a capital lease for \$47,199 (principal and interest) for copiers. For further information on the School District's obligation refer to note 14 of the basic financial statements.

For the Future

The School District has seen the school enrollment increase twelve percent over the past two years while assessed property values have increased by \$79.4 million over that same period. With continued economic growth and student population increases, the School District is positioning itself for continued growth and economic improvement in the future.

Externally, the State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional system, one that was neither "adequate" nor "equitable." Since 1997, the State has directed its tax revenue growth toward School Districts with little property tax wealth. The legislators and government officials continue to negotiate the plan for improvement of the financing of public schools in the State of Ohio.

In conclusion, the Little Miami Local School District has committed itself to financial excellence for many years. During this fiscal year the School District requested and passed operating millage. The School District's system of financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact David B. Robinson, Office of the Treasurer, Little Miami Local Schools, 5819 Morrow – Rossburg Road, Morrow OH 45152.

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Little Miami Local School District
Warren County, Ohio
Statement of Net Assets
June 30, 2003

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$4,380,404
Receivables:	
Property and Other Taxes	13,084,587
Accounts	130,442
Intergovernmental	59,830
Materials and Supplies Inventory	8,690
Issuance Costs	102,159
Restricted Assets:	
Equity in Pooled Cash and Cash Equivalents	159,827
Capital Assets (net of accumulated depreciation):	17,838,737
Total Assets	35,764,676
 <u>Liabilities</u>	
Payables:	
Accounts	62,663
Retainage	2,924
Arbitrage	275,037
Intergovernmental	380,228
Interest	82,873
Salaries and Employee Benefits	1,440,640
Deferred Revenue	11,163,487
Noncurrent Liabilities:	
Due within one year	535,743
Due in more than one year	17,445,387
Total Liabilities	31,388,982
 <u>Net Assets</u>	
Invested in capital assets, net of related debt	1,277,044
Restricted for:	
Debt Service	1,566,628
State Mandates	156,879
Principal	18,000
Grants	79,628
Capital Improvements	1,272,727
Unrestricted	4,788
Total Net Assets	\$4,375,694

See accompanying notes to the basic financial statements

**Little Miami Local School District
Warren County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2003**

Function/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction:				
Regular	\$9,583,627	\$25,730	\$67,506	(\$9,490,391)
Special	1,963,212	0	471,366	(1,491,846)
Other	233,668	0	0	(233,668)
Support Services:				
Pupils	899,948	0	114,775	(785,173)
Instructional Staff	746,716	0	108,812	(637,904)
Board of Education	73,382	0	0	(73,382)
Administration	1,652,114	0	2,317	(1,649,797)
Fiscal	496,759	0	0	(496,759)
Business	146,093	0	0	(146,093)
Operation and Maintenance of Plant	1,968,841	0	7,390	(1,961,451)
Pupil Transportation	1,546,957	14,186	0	(1,532,771)
Central	126,643	0	11,082	(115,561)
Operation of Non-Instructional Services	45,056	145,943	8,125	109,012
Food Service	713,279	652,423	124,891	64,035
Extracurricular Activities	811,335	436,744	0	(374,591)
Interest and Fiscal Charges	1,067,788	0	0	(1,067,788)
Total	\$22,075,418	\$1,275,026	\$916,264	(19,884,128)

General Revenues:

Property and Other Taxes	12,438,072
Payment in Lieu of Taxes	58,759
Grants and Contributions not restricted to specific programs	8,884,773
Unrestricted investment earnings	74,202
Miscellaneous	242,221
Total General Revenues	21,698,027
Changes in Net Assets	1,813,899
Net Assets-Beginning (Restated)	2,561,795
Net Assets-Ending	\$4,375,694

See accompanying notes to the basic financial statements

**Little Miami Local School District
Warren County, Ohio
Balance Sheet - Governmental Funds
June 30, 2003**

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<u>Assets and Other Debits</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,405,277	\$1,375,728	\$1,599,399	\$4,380,404
Receivables:				
Property and Other Taxes	11,599,513	1,127,650	357,424	13,084,587
Accounts	14,243	0	116,199	130,442
Interfund	5,700	0	0	5,700
Intergovernmental	2,976	0	56,854	59,830
Materials and Supplies Inventory	0	0	8,690	8,690
Restricted Assets:				
Cash and Cash Equivalents	156,879	0	2,948	159,827
Total Assets	\$13,184,588	\$2,503,378	\$2,141,514	\$17,829,480
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Payables:				
Accounts	\$48,727	\$0	\$13,936	\$62,663
Retainage	0	0	2,924	2,924
Due to Local Governments	356,026	0	24,202	380,228
Salaries and Employee Benefits	1,388,205	0	52,435	1,440,640
Interfund	0	0	5,700	5,700
Matured Leave Payable	13,899	0	0	13,899
Deferred Revenue	9,917,513	936,750	337,796	11,192,059
Total Liabilities	11,724,370	936,750	436,993	13,098,113
<u>Fund Balances:</u>				
Reserved for:				
Encumbrances	291,814	0	300,066	591,880
Property Taxes	1,552,000	176,000	45,000	1,773,000
Textbooks	156,879	0	0	156,879
Unreserved, reported in:				
General (Deficit)	(540,475)	0	0	(540,475)
Debt Service	0	1,390,628	0	1,390,628
Special Revenue	0	0	329,249	329,249
Capital Projects	0	0	1,011,919	1,011,919
Permanent Fund	0	0	18,287	18,287
Total Fund Balances	1,460,218	1,566,628	1,704,521	4,731,367
Total Liabilities and Fund Balances	\$13,184,588	\$2,503,378	\$2,141,514	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	17,838,737
Other long term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	130,731
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(18,325,141)

Net assets of governmental activities \$4,375,694

See accompanying notes to the basic financial statements

Little Miami Local School District
Warren County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2003

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Taxes	\$10,806,791	\$1,270,582	\$360,699	\$12,438,072
Intergovernmental	8,760,782	144,872	880,083	9,785,737
Charges for Services	0	0	652,423	652,423
Tuition and Fees	39,916	0	145,944	185,860
Interest	67,164	0	7,037	74,201
Gifts and Donations	307	0	94,791	95,098
Rent	5,785	0	0	5,785
Extracurricular Activities	6,858	0	429,789	436,647
Miscellaneous	48,217	0	126,896	177,113
Total Revenues	19,735,820	1,415,454	2,699,662	23,850,936
Expenditures:				
Current:				
Instruction:				
Regular	8,685,190	0	245,678	8,930,868
Special	1,449,543	0	472,493	1,922,036
Other	233,668	0	0	233,668
Support Services:				
Pupils	794,591	0	98,246	892,837
Instructional Staff	585,069	0	111,765	696,824
Board of Education	73,329	0	0	73,329
Administration	1,617,092	2,484	18,863	1,638,439
Fiscal	469,327	16,636	4,991	490,954
Business	141,334	0	3,311	144,645
Operation and Maintenance of Plant	1,912,763	0	39,986	1,952,749
Pupil Transportation	1,415,004	0	0	1,415,004
Central	64,589	0	61,379	125,968
Operation of Non-Instructional Services	0	0	715,673	715,673
Extracurricular Activities	318,167	0	446,682	764,839
Debt Service:				
Principal Retirement	92,184	450,000	0	542,184
Interest and Fiscal Charges	36,043	762,006	0	798,049
Total Expenditures	17,887,883	1,231,126	2,219,056	21,338,064
Excess of Revenues Over Expenditures	1,847,937	184,328	480,607	2,512,872
Other Financing Sources (Uses):				
Sale of Fixed Assets	4,219	0	0	4,219
Transfers - In	0	0	50,000	50,000
Transfers - Out	(50,000)	0	0	(50,000)
Total Other Financing Sources (Uses)	(45,781)	0	50,000	4,219
Net Change in Fund Balances	1,802,156	184,328	530,607	2,517,091
Fund Balances (Deficit) - beginning	(341,938)	1,382,300	1,173,914	
Fund Balances (Deficit) - ending	<u>\$1,460,218</u>	<u>\$1,566,628</u>	<u>\$1,704,521</u>	

Amounts reported in governmental activities in the statement of activities are different because:

Net Change in Fund Balances - total governmental funds	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(886,985)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	25,599
Repayment of long-term obligations is reported as an expenditure in governmental funds, the the repayment reduces long-term liabilities in the statement of net assets. In the current year, this amount is:	550,748
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures/revenues in governmental funds.	(392,553)
Change in net assets of governmental activities	<u>\$1,813,899</u>

See accompanying notes to the basic financial statements

Little Miami Local School District
Warren County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Local Taxes	\$8,790,350	\$9,792,572	\$9,792,572	\$0
Intergovernmental	7,864,159	8,760,782	8,760,782	0
Tuition and Fees	35,831	39,916	39,916	0
Interest	56,319	62,740	67,257	4,517
Rent	5,193	5,785	5,785	0
Extracurricular Activities	6,260	6,974	6,974	0
Gifts and Donations	277	308	308	0
Miscellaneous	30,484	33,960	33,960	0
Total Revenues	16,788,873	18,703,037	18,707,554	4,517
Expenditures:				
Current:				
Instruction:				
Regular	8,142,197	8,898,815	8,898,415	400
Special	1,385,089	1,479,777	1,479,683	94
Other	220,866	235,965	235,895	70
Support Services:				
Pupils	741,093	791,756	790,148	1,608
Instructional Staff	581,266	621,003	604,731	16,272
Board of Education	63,871	68,237	62,578	5,659
Administration	1,523,297	1,627,433	1,625,956	1,477
Fiscal	447,476	478,066	478,066	0
Business	191,752	204,861	199,890	4,971
Operation and Maintenance of Plant	1,920,107	2,051,370	2,044,346	7,024
Pupil Transportation	1,343,530	1,435,377	1,435,072	305
Central	66,212	70,738	64,255	6,483
Extracurricular Activities	317,028	338,701	321,733	16,968
Capital Outlay	12,986	13,874	0	13,874
Debt Service:				
Principal Retirement	64,351	68,750	68,750	0
Interest and Fiscal Charges	24,968	26,675	26,675	0
Total Expenditures	17,046,089	18,211,398	18,136,193	75,205
Excess of Revenues Over (Under) Expenditures	(257,216)	491,639	571,361	79,722
Other Financing Sources (Uses):				
Proceeds from Sale of Fixed Assets	3,788	4,219	4,219	0
Refund of Prior Year Expenditures	13,477	15,014	15,014	0
Refund of Prior Year Receipts	(749)	(800)	(782)	18
Advances In	27,893	31,073	31,073	0
Advances Out	(9,360)	(10,000)	(5,700)	4,300
Transfers Out	(136,120)	(145,425)	(50,000)	95,425
Other Financing Uses	(15,713)	(16,787)	0	16,787
Total Other Financing Sources (Uses)	(116,784)	(122,706)	(6,176)	116,530
Net Change in Fund Balance	(374,000)	368,933	565,185	196,252
Fund Balances at Beginning of Year	436,457	436,457	436,457	0
Prior Year Encumbrances Appropriated	200,501	200,501	200,501	0
Fund Balance at End of Year	\$262,958	\$1,005,891	\$1,202,143	\$196,252

See accompanying notes to the basic financial statements

**Little Miami Local School District
Warren County, Ohio
Statement of Fiduciary Net Assets -
Fiduciary Funds
June 30, 2003**

	<u>Student Activities Fund</u>
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	<u>\$77,888</u>
<u>Liabilities</u>	
Accounts Payable	9,045
Due to Students	<u>68,843</u>
Total Liabilities	<u>\$77,888</u>

See accompanying notes to the basic financial statements

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The School District serves an area of approximately 98 square miles. It is located in Warren County, including all of the Village of Morrow, Ohio, and portions of surrounding townships.

Reporting Entity

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

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

Entities, which perform activities within the School District's boundaries for the benefit of its residents, are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District. These entities include the Village of Morrow, Salem Township Public Library, Hamilton Township Public Library, Warren County Educational Service Center, Parent Teacher Organizations and Parent Booster Organizations.

The School District participates in three organizations, which are defined as jointly governed organizations. These organizations are the Southwest Ohio Computer Association (SWOCA), the Warren County Vocational School, and the Jewell Education Foundation. These organizations are presented in Note 16 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program Revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the fiscal period. Expenditures generally are recorded when a liability is expected to be liquidated with expendable, available resources. However, debt service expenditures, as well as compensated absences, are recorded only when payment is due.

Property taxes, grants and entitlements, tuition, fees and interest associated with the current fiscal period are all considered to susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the District.

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District employs the use of two categories of funds: governmental and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The District reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *debt service fund* accounts for the retirement of specific general governmental short and long-term obligations. All revenues derived from general or special levies, either within or exceeding the ten-mill limitation, which is levied for debt charges on bonds or loans are recorded in this fund.

Fiduciary Fund

Fiduciary fund reporting focuses on net assets and changes in net assets. The District maintains only one fiduciary fund, an agency fund known as the Students Activities Fund. The fund was established to account for revenues generated by student managed activities. The District's agency fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use the restricted resources first, and then unrestricted resources, as they are needed.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process

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

All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The Treasurer is authorized to further allocate appropriations to the function and object level for all funds.

Tax Budget:

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

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

Estimated Resources:

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

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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 is legally enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The total of expenditures and encumbrances may not exceed the appropriation totals at the legal level of control.

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 represent the final appropriation amounts, passed during the fiscal year, including all supplemental appropriations.

Lapsing of Appropriations:

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

D. Cash and Cash Equivalents

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

During fiscal year 2003, the School District's investments were limited to certificates of deposit, reported at cost, and the State Treasury Asset Reserve of Ohio (STAR Ohio).

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2003.

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 2003 amounted to \$67,164, which includes \$41,970 assigned from other School District funds. The food service special revenue and permanent fund also received interest of \$1,210 and \$718, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Restricted Assets

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts allowed by statute to be set aside by the School District for the creation of a reserve for budget stabilization. See Note 18 for additional information regarding set-asides. Cash is also restricted for amounts held in the escrow account that will be used for the payment of retainage on construction contracts.

F. Inventory

Inventories of governmental funds and governmental activities are stated at cost, which 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.

G. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and vehicles, are reported on the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if actual amounts were not available. Donated capital assets are recorded at an estimated fair market value at the date of donation. The School District reviewed possible infrastructure assets (roads, bridges, culverts, etc.), which could be required to be capitalized. The School District has no infrastructure assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	50
Vehicles and Equipment	5

H. Interfund Assets/Liabilities

Short-term interfund loans are classified as "interfund receivables" and "interfund payables". These amounts are eliminated in the statement of net assets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The School District records a liability for accumulated unused sick leave for all employees after fifteen years of current service with the School District.

For governmental funds, unpaid compensated absences due and payable at the end of the fiscal year are recorded as matured leave payable in the fund financial statements. These amounts are reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The entire compensated absences liability is reported on the government-wide statement of net assets.

J. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported on the government-wide financial statements.

In general, governmental fund payables and accrued liabilities are reported on the governmental fund financial statement as obligation whether they will be liquidated with current resources. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year-end are considered not to have used current available financial resources.

K. Fund Balance Reserves

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

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 textbooks represents money required to be set-aside by statute as part of mandated spending requirements for maintaining and updated the School District.

L. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchase funds. Flows of cash or goods from one fund to another without requirement for repayment are reported as interfund transfers. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

M. Net Assets

Net assets represent the difference between assets and liabilities in the statements of net assets. Net assets invested in capital assets are calculated, net of accumulated depreciation and reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

N. Deferred Revenues

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenues. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenues. On governmental fund financial statements, receivables that will not be collected with the available period have also been reported as deferred revenue.

O. Exchange/Non-Exchange Transactions

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

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6).

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

P. 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.

Q. Reconciliation of government-wide and fund financial statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheets includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$18,325,141) difference are as follows:

Capital Lease Payable	(\$47,199)
General Obligation Bonds Payable/Premium	(16,195,373)
Energy Conservation Bonds Payable	(481,250)
Accrued Interest Payable	(82,873)
Long Term Pension Obligation	(170,422)
Arbitrage Payable	(275,037)
Compensated Absences	(1,072,987)
Net Adjustment to reduces <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	(\$18,325,141)

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Another element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.” The details of the \$17,838,737 difference are as follows:

Capital Assets	\$26,868,163
Accumulated Depreciation	<u>(9,029,426)</u>
Net Adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$17,838,737</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

An element of that reconciliation states that “Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures/revenues in governmental funds.” The details of this (\$392,553) are as follows:

Change in SERS Obligation and Leave Balances	(\$122,814)
Interest on Bonds	10,013
Amortization of Issuance Costs	(4,715)
Bond arbitrage payment	<u>(275,037)</u>
Net Adjustment – current financial resources focus to reduce <i>fund balance</i> – <i>total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>(\$392,553)</u>

Another element of that reconciliation states that “Capital additions are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.” The details of this (\$886,985) are as follows:

Current Capital Additions	\$104,276
Depreciation Expense	<u>(991,261)</u>
Net Adjustment – capital assets to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>(\$886,985)</u>

NOTE 3 – BASIC FINANCIAL STATEMENT PRESENTATION

For fiscal year 2003, the School District has implemented the following GASB Statements:

- GASB Statement No. 34, “*Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments.*”
- GASB Statement No. 37, “*Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments: Omnibus.*”

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 3 – BASIC FINANCIAL STATEMENT PRESENTATION (Continued)

- GASB Statement No. 38, “*Certain Financial Statement Note Disclosures.*”
- GASB Statement No. 39, “*Determining whether Certain Organizations are Component Units*”
- GASB Statement No. 41, “*Budgetary Comparison Schedules – Perspective Differences*”
- GASB Interpretation No. 6, “*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.*”

GASB Statements No. 34, No. 37, No. 38 and No. 41 create and amend new basic financial statements and note disclosure for reporting on the School District’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Non-Major funds are presented in total in one column.

GASB Interpretation No. 6 clarifies the financial reporting of certain governmental fund liabilities.

The following is effect the implementation had on the special revenue governmental fund balance, enterprise net assets, and government-wide governmental activities:

	Special Revenue	Enterprise	Governmental Activities
6/30/02 Fund Balance/Net Assets	\$266,209	\$348,063	\$2,113,149
Fund Reclassification	81,164	(348,063)	101,127
Long term liabilities	0	0	(92,886)
Long term receivables	0	0	109,848
Long Term Debt Obligations	0	0	(18,395,165)
Net Governmental Capital Assets	0	0	18,725,722
Restated 6/30/02 Fund Balance/Net Assets	\$347,373	\$0	\$2,561,795

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the School District is 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, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) – General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (Continued)

The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund (GAAP basis).
4. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statement for the General Fund.

	General
GAAP Basis:	\$1,802,156
Adjustments	
Revenue Accruals	(1,013,252)
Expenditure Accruals	110,921
Advances	25,373
Encumbrances	(360,013)
Budget Basis	\$565,185

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current five-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.

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond 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) 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);
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; and

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

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 fiscal year end, the carrying amount of the School District's deposits was \$1,166,576 and the bank balance was \$4,811,559. Of the bank balance:

1. \$323,383 was covered by federal depository insurance; and
2. \$4,488,176 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments: The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at fiscal year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investments in STAR Ohio, an investment pool operated by the Ohio State Treasurer, are unclassified investments since they are not evidenced by securities that exist in physical or book entry form. The fair value of the School District's investment in Star Ohio at fiscal year-end was \$3,451,543.

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Cash and cash equivalents and investments are pooled for basic financial statements classification because the pool consists of deposits, short-term investments or long-term investments that can be converted to liquid assets. A reconciliation between the classifications of cash and investments on the basic financial statements and classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
Equity in Pooled Cash and Cash Equivalents – Basic Financial Statements	\$4,618,119	\$0
Investments:		
STAR Ohio	(3,451,543)	3,451,543
GASB Statement No. 3	\$1,166,576	\$3,451,543

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2003 for real and public utility property taxes represents collections of calendar 2002 taxes. Property tax payments received during calendar 2003 for tangible personal property (other than public utility property) are for calendar 2003 taxes.

2003 real property taxes are levied after April 1, 2003, on the assessed value as of January 1, 2003, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value. First half 2003 real property taxes are collected in and intended to finance fiscal year 2004.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2003 public utility property taxes became a lien December 31, 2002, are levied after April 1, 2003, and are collected in 2003 with real property taxes.

2003 tangible personal property taxes are levied after April 1, 2002, on the value as of December 31, 2002. Collections are made in 2003. Tangible personal property assessments are twenty-five percent of true value.

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 6 - PROPERTY TAXES (Continued)

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

The assessed values upon which the fiscal year 2003 taxes were collected are:

	2002 Second- Half Collections		2003 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$352,989,300	90.25%	\$398,482,930	90.65%
Public Utility	25,584,850	6.54%	25,176,710	5.73%
Tangible Personal Property	12,537,430	3.21%	15,927,780	3.62%
Total Assessed Value	<u>\$391,111,580</u>	<u>100.00%</u>	<u>\$439,587,420</u>	<u>100.00%</u>
Tax rate per \$1,000 of Assessed valuation		\$48.39		\$51.94

The School District receives property taxes from Warren County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2003, are available to finance fiscal year 2004 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, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amounts available as an advance at June 30 were levied to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations.

The amount available as an advance at June 30, 2003 was \$1,552,000 in the General Fund, \$176,000 in the Debt Service Fund, and \$45,000 in the Permanent Improvement Capital Projects Fund.

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 7 - RECEIVABLES

Receivables at June 30, 2003, consisted of taxes, accounts, intergovernmental, accrued interest, and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. Student fees are also considered collectible in full due to the School District's ability to withhold diplomas and grade cards. A summary of intergovernmental receivables follows:

Fund Type/Fund	Amounts
Major Funds	
General	\$2,976
Non-Major Funds	
Food Service	17,230
Miscellaneous State Grant	3,750
Title I Grant	22,736
Drug Free Grant	1,244
Reducing Class Size Grant	11,188
Miscellaneous Federal Grant	706
Total Non-Major Funds	56,854
Total	\$59,830

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	Restated Balance 7/01/02	Increases	Decreases	Balance 6/30/03
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$2,689,986	\$0	\$0	\$2,689,986
Capital Assets, being depreciated				
Buildings and Improvements	16,990,732	0	0	16,990,732
Furniture and Equipment	5,429,127	104,276	(48,692)	5,484,711
Vehicles	1,820,270	0	(117,536)	1,702,734
Total at Historical Cost	26,930,115	104,276	(166,228)	26,868,163
Total Accumulated Depreciation Governmental Activities	(8,155,701)	(991,261)	117,536	(9,029,426)
Capital Assets, Net	\$18,774,414	(\$886,985)	(\$48,692)	\$17,838,737

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 8 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$719,172
Special	150
Support Services:	
Pupils	3,925
Instructional Staff	46,317
Administration	11,253
Fiscal	4,877
Business	3,628
Operation and Maintenance of Plant	14,883
Pupil Transportation	120,142
Food Services	22,035
Extracurricular Activities	44,879
Total Depreciation Expense	<u>\$991,261</u>

NOTE 9 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2003, the School District contracted with Marsh USA, Inc. for property insurance. Professional liability was protected by Selective Insurance Company of South Carolina with a \$3,000,000 aggregate limit under a commercial policy.

The School District's vehicles are covered by the Nationwide Mutual Insurance Company and hold a \$1,000 deductible for collision. Automobile liability has a \$2,000,000 combined single limit of liability. Vehicles are also covered under the commercial umbrella policy. The Travelers Casualty and Surety Company of America maintains both a \$50,000 public official bond for the Treasurer and a \$20,000 blanket bond for other employees. The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

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

NOTE 10- DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute 14%. A portion of the School District's contribution is used to fund pension obligations. The contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's contributions to SERS for the years ending June 30, 2003, 2002, and 2001, were \$246,587, \$184,555, and \$107,307 respectively; 49.77 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. \$123,849 representing the unpaid contribution for fiscal year 2003 is recorded as a liability within the respective funds and the statement of net assets.

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment.

NOTE 10- DEFINED BENEFIT PENSION PLANS (Continued)

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance. Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14%; 1% was the portion to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's contributions to STRS for the years ending June 30, 2003, 2002, and 2001 were \$1,119,014, \$881,835, and \$854,371 respectively; 86.23 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. \$154,075 represents the unpaid contribution for fiscal year 2003 and is recorded as a liability within the respective funds and statement of net assets.

NOTE 11 - POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-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.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care 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 law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2003, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$86,078 during the 2003 fiscal year.

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 11 - POSTEMPLOYMENT BENEFITS (Continued)

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2002, (the latest information available) the balance in the Fund was \$47.9 billion. At June 30, 2002, net health care costs paid by STRS were \$354,697,000 and STRS had 105,000 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2003, employer contributions to fund health care benefits were 4.5 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2003 fiscal year equaled \$204,899.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2002 were \$182,046,777 and the target level was \$274.4 million. At June 30, 2002 SERS had net assets available for payment of health care benefits of \$335.2 million. SERS has 50,000 participants currently receiving health care benefits.

NOTE 12 - EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vested vacation and sick leave benefits are derived from negotiated agreements and State laws. Eligible classified employees earn 10 to 20 days of vacation per fiscal year, depending upon length of service. The Treasurer earns 25 days of vacation per year. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month for a total of 15 days of sick leave for each year under contract. Sick leave may be accumulated up to a maximum of 215 days for teachers and administrators, and 220 days for classified personnel. Upon retirement, payment is made for one-fourth of their accrued, but unused sick leave credit to a maximum of 53.75 days for teachers and administrators. Classified personnel, upon retirement, are paid for one-fourth of accrued, but unused sick leave credit to a maximum of 52 days.

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 12 - EMPLOYEE BENEFITS (Continued)

B. Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Prudential Life Insurance Company. The School District has elected to provide employee medical/surgical benefits through Choice Care. The employees share the cost of the monthly premium with the Board. The premium varies with each employee depending on the terms of the union contract. Dental insurance is provided by the School District to all employees through Core Source Inc. The premium varies for each employee depending on the terms of the employment or union contract. Vision insurance is provided by the School District to all employees through Anthem Insurance Company.

NOTE 13 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In prior years, the School District has entered into capitalized leases for the acquisition of reproduction equipment. The terms of each agreement provide options to purchase the equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease in prior years have been capitalized on the statement of net assets in the amount of \$164,821 which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net assets. Principal payments in fiscal year 2003 totaled \$23,434.

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, 2003.

Fiscal Year Ending June 30,	Governmental Activities
2004	\$24,085
2005	23,691
2006	19,566
Total:	67,342
Less: Amount Representing Interest	(20,143)
Present Value of Minimum Lease Payments	\$47,199

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 13 - CAPITALIZED LEASES - LESSEE DISCLOSURE (Continued)

The annual debt service requirements to maturity for the capital lease paid are as follows:

Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2004	\$15,880	\$8,205	\$24,085
2005	16,771	6,920	23,691
2006	14,548	5,018	19,566
Total	\$47,199	\$20,143	\$67,342

NOTE 14 – CHANGES IN LONG TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2003, was as follows:

	Restated amount at June 30, 2002	Additions	Deletions	Amount at June 30, 2003	Due Within One Year
<u>Governmental Activities</u>					
Reconstruction/Remodeling Bonds					
1977 5.75%	\$20,000	\$0	\$20,000	\$0	\$0
School Improvement Bonds					
1998 4.93%	16,439,810	0	430,000	16,009,810	138,171
Premium on Bonds	194,127	0	8,564	185,563	8,564
Energy Conservation Notes					
2001 4.85%	550,000	0	68,750	481,250	68,750
Compensated Absences	984,000	660,368	557,482	1,086,886	133,957
Intergovernmental Payable	136,595	170,422	136,595	170,422	170,422
Capital Leases Payable	70,633	0	23,434	47,199	15,879
Total Primary Government	\$18,395,165	\$830,790	\$1,244,825	\$17,981,130	\$535,743

General Obligation Bonds for Reconstruction and Remodeling

On January 1, 1977, the School District issued \$448,000 in voted general obligation bonds for the purpose of constructing, remodeling, reconstructing and adding to school buildings. The bonds were issued for a 25 year period and matured in fiscal year 2003. The bonds are being repaid from the debt service fund.

School Improvement Bonds

On March 4, 1998, the School District issued \$17,599,810 in school improvement bonds for the purpose of new construction, improvements, renovations, and additions to school facilities, including the construction of a new high school, and providing equipment, furnishings and site improvements. The bonds were issued for a 27 year period with final maturity during fiscal year 2025. The debt will be retired from the debt service fund.

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 14 – CHANGES IN LONG TERM LIABILITIES (Continued)

Energy Conservation Notes

On July 18, 2001 the School district issued \$550,000 in energy conservation notes for the purpose of paying the cost of installation, modifications of installations or remodeling constituting energy conservation measures. The notes were issued for nine years with maturity during 2010. The debt will be retired from the general fund.

Compensated absences and the intergovernmental payable will be paid from the funds from which the employees' salaries are paid. The intergovernmental payable represents contractually required pension contributions paid outside the available period. Capital lease obligations will be paid from the general fund.

The School District's overall legal debt margin was \$25,119,686, an energy conservation debt margin of \$3,475,037 with an unvoted debt margin of \$439,587 at June 30, 2003.

Principal and interest requirements for governmental activities to retire bonds and notes outstanding at June 30, 2003, are as follows:

School Improvement Bonds			
Fiscal Year Ending June 30,	Principal	Interest	Total
2004	\$138,171	\$1,084,661	\$1,222,832
2005	111,639	1,111,192	1,222,831
2006	500,000	742,456	1,242,456
2007	520,000	721,161	1,241,161
2008	540,000	698,631	1,238,631
2009-2013	3,075,000	3,106,596	6,181,596
2014-2018	3,865,000	2,283,830	6,148,830
2019-2023	4,935,000	1,119,081	6,134,081
2024-2025	2,325,000	116,916	2,441,916
Total	\$16,009,810	\$11,064,524	\$27,074,334

Energy Conservation Note			
Fiscal Year Ending June 30,	Principal	Interest	Total
2004	\$68,750	\$23,341	\$92,091
2005	68,750	20,006	88,756
2006	68,750	16,672	85,422
2007	68,750	13,338	82,088
2008	68,750	10,003	78,753
2009-2010	137,500	10,003	147,503
Total	\$481,250	\$93,363	\$574,613

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 15 - INTERFUND BALANCES/TRANSFERS

As of June 30, 2003, receivables and payables that resulted from various interfund transactions were as follows:

Fund Type/Fund	Interfund		Transfers	
	Receivable	Payable	In	Out
General	\$5,700	\$0	\$0	\$50,000
Nonmajor Funds:				
Education Management				
Information Systems	0	0	50,000	0
Miscellaneous State Grants	0	3,750	0	0
Drug-Free Grant	0	1,244	0	0
Miscellaneous Federal Grants	0	706	0	0
Total Nonmajor Funds	<u>0</u>	<u>5,700</u>	<u>50,000</u>	<u>0</u>
Total All Funds	<u>\$5,700</u>	<u>\$5,700</u>	<u>\$50,000</u>	<u>\$50,000</u>

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

The School District is a participant in the Southwest Ohio Computer Association (SWOCA), which is a computer consortium. SWOCA is an association of public schools and educational service centers within the boundaries of Butler, Preble, and Warren Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member school districts. The Board of SWOCA consists of one representative from each of the participating members. The degree of control exercised by any participating district is limited to its representation on the Board. The School District paid SWOCA \$59,248 for services provided during the year. Financial information can be obtained from Mike Crumley, Executive Director, Butler County JVS, 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

The Warren County Vocational School, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from the participating district's elected board, which possesses its own budgeting and taxing authority. Accordingly, the Warren County Vocational School is not part of the School District and its operations are not included as part of the reporting entity. The School District did not have any financial obligations to the Warren County Vocational School during fiscal year 2003. Financial information can be obtained from Karen Royer, Treasurer, Warren County Vocational School, 3525 North State Route 48, Lebanon, Ohio 45036.

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

The School District is a participant in the Jewell Education Foundation (the "Foundation"), which is a jointly governed educational foundation established as a non-profit corporation to benefit the school districts in Warren County. The Foundation was created to promote and assist in funding through soliciting grants and charitable contributions for distribution to member educational institutions of participating school districts. The governing board is made up of the Warren County Vocational School District superintendent, one member of the 1999 Warren County Vocational School District Board of Education, not on the current board, and one member selected by each participating school district. The School District made no financial contribution to the Foundation during the fiscal year. Financial information can be obtained from the director of planned giving, Rick Wood, at P.O. Box 854, Lebanon, Ohio 45036.

NOTE 17- ACCOUNTABILITY

The Miscellaneous State Grants, Title I Grant and Reducing Class Size Grant nonmajor Special Revenue Fund had deficit fund balances of \$3,750, \$19,223, and \$8,606 respectively, at June 30, 2003. These deficits were created by the recognition of accrued liabilities. The deficits in the grant programs were created by expending the monies for the grants and having an outstanding receivable at year end. The District provided advances from the general fund to cover the negative cash in these funds.

NOTE 18 - SET-ASIDE CALCULATIONS AND FUND RESERVES

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

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

Little Miami Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 18 - SET-ASIDE CALCULATIONS AND FUND RESERVES (Continued)

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set-Aside Cash Balance at June 30, 2002	(\$65,714)	(\$317,330)
Current Year Set-Aside Requirements	378,279	378,279
Permanent Improvement Levy	0	(339,778)
Qualifying Disbursements	(155,686)	(933,240)
Total	<u>156,879</u>	<u>(1,212,069)</u>
Set-Aside Balance Carried Forward to Future Years	<u>156,879</u>	<u>(339,778)</u>
Set-Aside Reserve Balance as of June 30, 2003	<u>\$156,879</u>	<u>\$0</u>

The negative amount for capital acquisitions may only be carried forward to the extent of proceeds from a property tax levy.

NOTE 19 – STATE SCHOOL FUNDING DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State’s school funding plan. The decision reaffirmed earlier decisions that Ohio’s current school-funding decision is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed “...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...”

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

NOTE 20 - CONTINGENCIES

Grants:

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2003.

Litigation:

There are currently no matters in litigation with the School District as defendant.

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Little Miami Local School District

Fund Descriptions

Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than permanent funds or for major capital projects) that are legally restricted to expenditures for specified purposes. The following are descriptions of the School District's nonmajor special revenue funds:

Nonmajor Special Revenue Funds

Food Service – A fund used to account for the financial transaction related to food service operation. It accounts for all food service charges for services, state and federal grants specific to the fund service activity, as well as related food service expenditures.

Special Trust – A fund used to account for assets held by a school system in a trustee capacity or as an agent for individuals, private organizations, other governmental and/or other funds.

Uniform School Supplies – A rotary fund used to account for purchase and sale of school supplies as adopted by the Board of Education for use in the School District.

Public School Support – This fund is used 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 Grant – This fund accounts for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

District Managed Activities – This fund accounts for those student activity programs that have student participation in the activity, but do not have student management of the programs.

Educational Management Information Systems – This fund accounts for hardware and software development, or other costs associated with the requirements of the management information system.

Entry Year Programs – A fund to implement entry-year programs pursuant to division (T) of section 3317.024 of the Revised Code.

OneNet Ohio – A fund provided to account for money appropriated for Ohio Educational Computer Network Connections.

School Net Professional Development – This fund accounts for the revenue and expenditures associated with a limited number of professional developments subsidy grants.

Ohio Reads – This fund accounts for state monies and operating expenditures associated with the Ohio Reads Program. The Ohio Reads Program is intended to improve reading outcomes, especially on the fourth grade reading proficiency test.

Miscellaneous State Grants – This fund accounts for various monies received from State agencies that are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

Little Miami Local School District

Fund Descriptions

Nonmajor Special Revenue Funds (continued)

EESA/NDEA Grant – This fund accounts for federal funds used to provide for strengthening instruction in science, mathematics, modern foreign languages, English, the arts, and computer learning.

Title VI-B Grant – This fund accounts for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels and to assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

Title I Grant – This fund accounts for federal funds expended for services provided to meet special educational needs of educationally deprived children.

Title VI Grant – This fund accounts 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.

Drug-Free Grant – This fund accounts for federal funds used to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

EHA Preschool Grants – The Preschool Grant Program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

E-Rate Grant – This fund accounts for monies refunded from telecommunications vendors. This money will be used to pay future telecommunications bills or will be transferred to the general fund.

Reducing Class Size Grant – This fund accounts for federal funds to be used to support the teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants – This fund accounts for the proceeds of specific federal grants that are legally restricted to expenditures for specific purposes.

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**Little Miami Local School District
Warren County, Ohio
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2003**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<u>Assets and Other Debits</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$459,359	\$1,121,753	\$18,287	\$1,599,399
Receivables:				
Property and Other Taxes	0	357,424	0	357,424
Accounts	13,449	102,750	0	116,199
Intergovernmental	56,854	0	0	56,854
Materials and Supplies Inventory	8,690	0	0	8,690
Restricted Assets:				
Cash and Cash Equivalents	0	2,948	0	2,948
Total Assets	<u>\$538,352</u>	<u>\$1,584,875</u>	<u>\$18,287</u>	<u>\$2,141,514</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Payables:				
Accounts	13,936	\$0	\$0	\$13,936
Retainage	0	2,924	0	2,924
Due to Local Governments	24,202	0	0	24,202
Salaries and Employee Benefits	52,435	0	0	52,435
Interfund	5,700	0	0	5,700
Deferred Revenue	28,572	309,224	0	337,796
Total Liabilities	<u>124,845</u>	<u>312,148</u>	<u>0</u>	<u>436,993</u>
<u>Fund Balances:</u>				
Reserved for:				
Encumbrances	84,258	215,808	0	300,066
Property Taxes	0	45,000	0	45,000
Unreserved, reported in:				
Special Revenue	329,249	0	0	329,249
Capital Projects	0	1,011,919	0	1,011,919
Permanent Fund	0	0	18,287	18,287
Total Fund Balances	<u>413,507</u>	<u>1,272,727</u>	<u>18,287</u>	<u>1,704,521</u>
Total Liabilities and Fund Balances	<u>\$538,352</u>	<u>\$1,584,875</u>	<u>\$18,287</u>	<u>\$2,141,514</u>

Little Miami Local School District
Warren County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
For the Year Ended June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$0	\$360,699	\$0	\$360,699
Intergovernmental	827,368	52,715	0	880,083
Charges for Services	652,423	0	0	652,423
Tuition and Fees	145,944	5,109	0	151,053
Interest	1,210	0	718	1,928
Gifts and Donations	48,441	46,350	0	94,791
Extracurricular Activities	429,789	0	0	429,789
Miscellaneous	26,146	102,750	0	128,896
Total Revenues	2,131,321	567,623	718	2,699,662
Expenditures:				
Current:				
Instruction:				
Regular	198,476	47,200	0	245,676
Special	472,493	0	0	472,493
Support Services:				
Pupils	98,246	0	0	98,246
Instructional Staff	111,755	0	0	111,755
Administration	12,877	5,986	0	18,863
Fiscal	0	4,991	0	4,991
Business	0	3,311	0	3,311
Operation and Maintenance of Plant	0	39,986	0	39,986
Central	61,379	0	0	61,379
Operation of Non-Instructional Services	713,279	0	2,394	715,673
Extracurricular Activities	446,682	0	0	446,682
Total Expenditures	2,115,187	101,474	2,394	2,219,055
Deficiency of Revenues Under Expenditures	16,134	466,149	(1,676)	480,607
Other Financing Sources				
Transfers - In	50,000	0	0	50,000
Total Other Financing Sources	50,000	0	0	50,000
Net Change in Fund Balances	66,134	466,149	(1,676)	530,607
Fund Balances - beginning	347,373	806,578	19,963	1,173,914
Fund Balances - ending	<u>\$413,507</u>	<u>\$1,272,727</u>	<u>\$18,287</u>	<u>\$1,704,521</u>

Little Miami Local School District
Warren County, Ohio
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2003

	<u>Food Service</u>	<u>Special Trust</u>	<u>Uniform School Supplies</u>	<u>Public School Support</u>
<u>Assets and Other Debits</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$103,164	\$2,350	\$37,767	\$77,134
Receivables:				
Accounts	11,855	0	0	469
Intergovernmental	17,230	0	0	0
Materials and Supplies Inventory	8,690	0	0	0
Total Assets	\$140,939	\$2,350	\$37,767	\$77,603
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Payables:				
Accounts	\$973	\$150	\$338	\$43
Due to Local Governments	9,993	0	0	0
Salaries and Employee Benefits	0	0	0	0
Interfund	0	0	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	10,966	150	338	43
<u>Fund Balances:</u>				
Reserved for:				
Encumbrances	20,353	150	1,454	11,218
Unreserved, reported in:				
Special Revenue (Deficit)	109,620	2,050	35,975	66,342
Total Fund Balances (Deficit)	129,973	2,200	37,429	77,560
Total Liabilities and Fund Balances	\$140,939	\$2,350	\$37,767	\$77,603

Little Miami Local School District
Warren County, Ohio
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2003

Other Grant	District Managed Activities	Educational Management Information Systems	OneNet Ohio	School Net Professional Development	Ohio Reads	Miscellaneous State Grants
\$16,627	\$101,311	\$9,686	\$17,500	\$3,104	\$32,127	\$0
0	1,125	0	0	0	0	0
0	0	0	0	0	0	3,750
0	0	0	0	0	0	0
<u>\$16,627</u>	<u>\$102,436</u>	<u>\$9,686</u>	<u>\$17,500</u>	<u>\$3,104</u>	<u>\$32,127</u>	<u>\$3,750</u>
\$545	\$222	\$0	\$0	\$0	\$11,450	\$0
0	0	982	0	0	0	0
0	0	4,198	0	0	0	0
0	0	0	0	0	0	3,750
0	0	0	0	0	0	3,750
<u>545</u>	<u>222</u>	<u>5,180</u>	<u>0</u>	<u>0</u>	<u>11,450</u>	<u>7,500</u>
70	6,647	0	0	0	17,677	0
<u>16,012</u>	<u>95,567</u>	<u>4,506</u>	<u>17,500</u>	<u>3,104</u>	<u>3,000</u>	<u>(3,750)</u>
<u>16,082</u>	<u>102,214</u>	<u>4,506</u>	<u>17,500</u>	<u>3,104</u>	<u>20,677</u>	<u>(3,750)</u>
<u>\$16,627</u>	<u>\$102,436</u>	<u>\$9,686</u>	<u>\$17,500</u>	<u>\$3,104</u>	<u>\$32,127</u>	<u>\$3,750</u>

Little Miami Local School District
Warren County, Ohio
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2003
(continued)

	Title VI-B Grant	Title I Grant	Title VI Grant	Drug-Free Grant
<u>Assets and Other Debits</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$14,503	\$6,819	\$4,565	\$1,640
Receivables:				
Accounts	0	0	0	0
Intergovernmental	0	22,736	0	1,244
Materials and Supplies Inventory	0	0	0	0
Total Assets	\$14,503	\$29,555	\$4,565	\$2,884
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Payables:				
Accounts	\$0	\$215	\$0	\$0
Due to Local Governments	1,326	4,987	0	0
Salaries and Employee Benefits	5,954	28,044	0	0
Interfund	0	0	0	1,244
Deferred Revenue	0	15,532	0	1,244
Total Liabilities	7,280	48,778	0	2,488
<u>Fund Balances:</u>				
Reserved for:				
Encumbrances	3,073	1,043	4,565	1,639
Unreserved, reported in:				
Special Revenue (Deficit)	4,150	(20,266)	0	(1,243)
Total Fund Balances (Deficit)	7,223	(19,223)	4,565	396
Total Liabilities and Fund Balances	\$14,503	\$29,555	\$4,565	\$2,884

Little Miami Local School District
Warren County, Ohio
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2003

<u>EHA Preschool Grant</u>	<u>E-Rate Grant</u>	<u>Reducing Class Size Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$5,123	\$11,229	\$3,576	\$11,134	\$459,359
0	0	0	0	13,449
0	0	11,188	706	56,854
0	0	0	0	8,690
<u>\$5,123</u>	<u>\$11,229</u>	<u>\$14,764</u>	<u>\$11,840</u>	<u>\$538,352</u>
\$0	\$0	\$0	\$0	\$13,936
5,123	0	1,791	0	24,202
0	0	14,239	0	52,435
0	0	0	706	5,700
0	0	7,340	706	28,572
<u>5,123</u>	<u>0</u>	<u>23,370</u>	<u>1,412</u>	<u>124,845</u>
5,123	0	112	11,134	84,258
<u>(5,123)</u>	<u>11,229</u>	<u>(8,718)</u>	<u>(706)</u>	<u>329,249</u>
<u>0</u>	<u>11,229</u>	<u>(8,606)</u>	<u>10,428</u>	<u>413,507</u>
<u>\$5,123</u>	<u>\$11,229</u>	<u>\$14,764</u>	<u>\$11,840</u>	<u>\$538,352</u>

Little Miami Local School District
Warren County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2003

	Food Service	Special Trust	Uniform School Supplies	Public School Support	Other Grant
Revenues:					
Intergovernmental	\$124,891	\$0	\$0	\$0	\$0
Charges for Services	652,423	0	0	0	0
Tuition and Fees	0	0	145,944	0	0
Interest	1,210	0	0	0	0
Gifts and Donations	0	0	0	0	48,441
Extracurricular Activities	0	0	0	232,454	0
Miscellaneous	22,396	3,750	0	0	0
Total Revenues	800,920	3,750	145,944	232,454	48,441
Expenditures:					
Current:					
Instruction:					
Regular	0	0	142,885	0	15,231
Special	0	0	0	0	44
Support Services:					
Pupils	0	0	0	0	3,500
Instructional Staff	0	6,013	0	0	4,106
Administration	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	713,279	0	0	0	0
Extracurricular Activities	0	0	0	229,944	30,491
Total Expenditures	713,279	6,013	142,885	229,944	53,372
Excess (deficiency) of Revenues Over (Under) Expenditures	87,641	(2,263)	3,059	2,510	(4,931)
Other Financing Sources					
Transfers - In	0	0	0	0	0
Total Other Financing Sources	0	0	0	0	0
Net Change in Fund Balances	87,641	(2,263)	3,059	2,510	(4,931)
Fund Balances (Deficit) - beginning	42,332	4,463	34,370	75,050	21,013
Fund Balances (Deficit) - ending	<u>\$129,973</u>	<u>\$2,200</u>	<u>\$37,429</u>	<u>\$77,560</u>	<u>\$16,082</u>

**Little Miami Local School District
Warren County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2003**

District Managed Activities	Educational Management Information Systems	Entry Year Programs	OneNet Ohio	School Net Professional Development	Ohio Reads	Miscellaneous State Grants
\$0	\$11,082	\$2,000	\$10,500	\$4,600	\$48,600	\$23,568
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
197,335	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>197,335</u>	<u>11,082</u>	<u>2,000</u>	<u>10,500</u>	<u>4,600</u>	<u>48,600</u>	<u>23,568</u>
0	0	0	0	0	4,883	1,260
0	2,899	0	0	0	0	0
0	0	0	0	0	0	0
0	0	2,000	0	8,788	30,377	23,740
0	102	0	0	0	0	3,381
0	61,379	0	0	0	0	0
0	0	0	0	0	0	0
186,247	0	0	0	0	0	0
<u>186,247</u>	<u>64,380</u>	<u>2,000</u>	<u>0</u>	<u>8,788</u>	<u>35,260</u>	<u>28,381</u>
11,088	(53,298)	0	10,500	(4,188)	13,340	(4,813)
0	50,000	0	0	0	0	0
0	50,000	0	0	0	0	0
11,088	(3,298)	0	10,500	(4,188)	13,340	(4,813)
91,126	7,804	0	7,000	7,292	7,337	1,063
<u>\$102,214</u>	<u>\$4,506</u>	<u>\$0</u>	<u>\$17,500</u>	<u>\$3,104</u>	<u>\$20,677</u>	<u>(\$3,750)</u>

Little Miami Local School District
Warren County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2003
(continued)

	EESA/NDEA Grant	Title VI-B Grant	Title I Grant	Title VI Grant	Drug-Free Grant
Revenues:					
Intergovernmental	\$0	\$197,004	\$240,897	\$15,024	\$11,195
Charges for Services	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
Interest	0	0	0	0	0
Gifts and Donations	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total Revenues	0	197,004	240,897	15,024	11,195
Expenditures:					
Current:					
Instruction:					
Regular	0	0	0	0	0
Special	0	93,584	267,163	7,464	0
Support Services:					
Pupils	0	94,746	0	0	0
Instructional Staff	11,752	105	200	2,999	10,873
Administration	0	9,394	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Total Expenditures	11,752	197,829	267,363	10,463	10,873
Excess (deficiency) of Revenues Over (Under) Expenditures	(11,752)	(825)	(26,466)	4,561	322
Other Financing Sources					
Operating Transfers - In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balances	(11,752)	(825)	(26,466)	4,561	322
Fund Balances (Deficit) - beginning	11,752	8,048	7,243	4	74
Fund Balances (Deficit) - ending	\$0	\$7,223	(\$19,223)	\$4,565	\$396

**Little Miami Local School District
Warren County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2003**

EHA Preschool Grant	E-Rate Grant	Reducing Class Size Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$5,123	\$7,390	\$100,221	\$25,273	\$827,368
0	0	0	0	652,423
0	0	0	0	145,944
0	0	0	0	1,210
0	0	0	0	48,441
0	0	0	0	429,789
0	0	0	0	26,146
<u>5,123</u>	<u>7,390</u>	<u>100,221</u>	<u>25,273</u>	<u>2,131,321</u>
0	0	1,969	32,248	198,476
0	0	101,339	0	472,493
0	0	0	0	98,246
5,123	0	5,490	189	111,755
0	0	0	0	12,877
0	0	0	0	61,379
0	0	0	0	713,279
0	0	0	0	446,682
<u>5,123</u>	<u>0</u>	<u>108,798</u>	<u>32,437</u>	<u>2,115,187</u>
0	7,390	(8,577)	(7,164)	16,134
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>50,000</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>50,000</u>
0	7,390	(8,577)	(7,164)	66,134
0	3,839	(29)	17,592	347,373
<u>\$0</u>	<u>\$11,229</u>	<u>(\$8,606)</u>	<u>\$10,428</u>	<u>\$413,507</u>

Little Miami Local School District
Warren County, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	Food Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$744,026	\$652,628	\$652,628	\$0
Intergovernmental	141,580	124,188	124,188	0
Interest	1,277	1,120	1,210	90
Miscellaneous	12,017	10,541	10,541	0
Total Revenues	<u>898,900</u>	<u>788,477</u>	<u>788,567</u>	<u>90</u>
<u>Expenditures:</u>				
Non-Instructional Services	881,410	861,731	779,570	82,161
Total Expenditures	<u>881,410</u>	<u>861,731</u>	<u>779,570</u>	<u>82,161</u>
Net Change in Fund Balance	<u>17,490</u>	<u>(73,254)</u>	<u>8,997</u>	<u>82,251</u>
Fund Balances at Beginning of Year	72,428	72,428	72,428	0
Prior Year Encumbrances Appropriated	412	412	412	0
Fund Balance at End of Year	<u><u>\$90,330</u></u>	<u><u>(\$414)</u></u>	<u><u>\$81,837</u></u>	<u><u>\$82,251</u></u>

Little Miami Local School District
Warren County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	Special Trust			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues (Governmental):</u>				
Miscellaneous	\$5,600	\$3,750	\$3,750	\$0
Total Revenues	5,600	3,750	3,750	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Instructional Staff	8,600	7,358	6,163	1,195
Total Expenditures	8,600	7,358	6,163	1,195
Net Change in Fund Balance	(3,000)	(3,608)	(2,413)	1,195
Fund Balances at Beginning of Year	4,279	4,279	4,279	0
Prior Year Encumbrances Appropriated	185	185	185	0
Fund Balances at End of Year	<u>\$1,464</u>	<u>\$856</u>	<u>\$2,051</u>	<u>\$1,195</u>

Little Miami Local School District
Warren County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	Uniform School Supplies			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Charges for Services	\$134,300	\$146,054	\$146,054	\$0
Total Revenues	134,300	146,054	146,054	0
<u>Expenditures:</u>				
Non-instructional Services	147,000	151,887	144,528	7,359
Total Expenditures	147,000	151,887	144,528	7,359
Net Change in Fund Balance	(12,700)	(5,833)	1,526	7,359
Fund Balances at Beginning of Year	32,662	32,662	32,662	0
Prior Year Encumbrances Appropriated	1,787	1,787	1,787	0
Fund Balances at End of Year	<u>\$21,749</u>	<u>\$28,616</u>	<u>\$35,975</u>	<u>\$7,359</u>

Little Miami Local School District
Warren County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	Public School Support			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Extracurricular Activities	\$213,599	\$233,074	\$234,044	\$970
Total Revenues	213,599	233,074	234,044	970
<u>Expenditures:</u>				
Extracurricular Activities	234,554	263,960	243,855	20,105
Total Expenditures	234,554	263,960	243,855	20,105
Excess of Revenues Over (Under) Expenditures	(20,955)	(30,886)	(9,811)	21,075
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	401	438	438	0
Refund of Prior Year Receipts	(446)	(500)	(500)	0
Total Other Financing Sources (Uses)	(45)	(62)	(62)	0
Net Change in Fund Balance	(21,000)	(30,948)	(9,873)	21,075
Fund Balances at Beginning of Year	64,688	64,688	64,688	0
Prior Year Encumbrances Appropriated	11,060	11,060	11,060	0
Fund Balances at End of Year	<u>\$54,748</u>	<u>\$44,800</u>	<u>\$65,875</u>	<u>\$21,075</u>

Little Miami Local School District
Warren County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	Other Grant		Actual	Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final		
<u>Revenues:</u>				
Gifts and Donations	\$12,460	\$51,387	\$51,387	\$0
Total Revenues	12,460	51,387	51,387	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	5,023	18,599	15,301	3,298
Special	12	44	44	0
Support Services:				
Pupils	2,181	8,075	3,500	4,575
Instructional Staff	1,249	4,625	4,106	519
Non-Instructional Services	8,485	31,415	30,695	720
Total Expenditures	16,950	62,758	53,646	9,112
Excess of Revenues Over (Under) Expenditures	(4,491)	(11,371)	(2,259)	9,112
<u>Other Financing Sources (Uses):</u>				
Refund of Prior Year Expenditures	41	170	170	0
Refund of Prior Year Receipts	(6)	(21)	(21)	0
Total Other Financing Sources (Uses)	36	149	149	0
Net Change in Fund Balance	(4,455)	(11,222)	(2,110)	9,112
Fund Balances at Beginning of Year	9,981	9,981	9,981	0
Prior Year Encumbrances Appropriated	8,141	8,141	8,141	0
Fund Balances at End of Year	<u>\$13,667</u>	<u>\$6,900</u>	<u>\$16,012</u>	<u>\$9,112</u>

Little Miami Local School District
Warren County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	District Managed Activities			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Extracurricular Activities	\$185,800	\$196,210	\$196,210	\$0
Total Revenues	185,800	196,210	196,210	0
<u>Expenditures:</u>				
Current:				
Extracurricular Activities	196,945	227,479	193,335	34,144
Total Expenditures	196,945	227,479	193,335	34,144
Net Change in Fund Balance	(11,145)	(31,269)	2,875	34,144
Fund Balances at Beginning of Year	84,045	84,045	84,045	0
Prior Year Encumbrances Appropriated	7,673	7,673	7,673	0
Fund Balances at End of Year	<u>\$80,573</u>	<u>\$60,449</u>	<u>\$94,593</u>	<u>\$34,144</u>

**Little Miami Local School District
Warren County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003**

	Educational Management Information Systems			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$55,000	\$11,082	\$11,082	\$0
Total Revenues	55,000	11,082	11,082	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Administration	99	110	102	8
Central	56,968	63,119	61,603	1,516
Total Expenditures	57,067	63,229	61,705	1,524
Excess of Revenues Over (Under) Expenditures	(2,067)	(52,147)	(50,623)	1,524
<u>Other Financing Sources:</u>				
Transfers In	0	50,000	50,000	0
Total Other Financing Sources	0	50,000	50,000	0
Net Change in Fund Balance	(2,067)	(2,147)	(623)	1,524
Fund Balances at Beginning of Year	9,934	9,934	9,934	0
Prior Year Encumbrances Appropriated	162	162	162	0
Fund Balances at End of Year	<u>\$8,029</u>	<u>\$7,949</u>	<u>\$9,473</u>	<u>\$1,524</u>

Little Miami Local School District
Warren County, Ohio
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For the Fiscal Year Ended June 30, 2003

	Entry Year Programs			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$2,000	\$2,000	\$0
Total Revenues	0	2,000	2,000	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff	0	2,000	2,000	0
Total Expenditures	0	2,000	2,000	0
Net Change in Fund Balance	0	0	0	0
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances at End of Year	\$0	\$0	\$0	\$0

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For the Fiscal Year Ended June 30, 2003

	OneNet Ohio			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$10,500	\$10,500	\$0
Total Revenues	0	10,500	10,500	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Operation and Maintenance of Plant	7,000	17,000	0	17,000
Total Expenditures	7,000	17,000	0	17,000
Net Change in Fund Balance	(7,000)	(6,500)	10,500	17,000
Fund Balances at Beginning of Year	7,000	7,000	7,000	0
Fund Balances at End of Year	\$0	\$500	\$17,500	\$17,000

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Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	School Net Professional Development			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$4,600	\$4,600	\$0
Total Revenues	0	4,600	4,600	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff	7,282	11,876	8,772	3,104
Total Expenditures	7,282	11,876	8,772	3,104
Excess of Revenues Over (Under) Expenditures	(7,282)	(7,276)	(4,172)	3,104
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	(10)	(16)	(16)	0
Total Other Financing Uses	(10)	(16)	(16)	0
Net Change in Fund Balance	(7,292)	(7,292)	(4,188)	3,104
Fund Balances at Beginning of Year	7,292	7,292	7,292	0
Fund Balances at End of Year	\$0	\$0	\$3,104	\$3,104

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Warren County, Ohio
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For the Fiscal Year Ended June 30, 2003**

	Ohio Reads Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$37,500	\$48,600	\$48,600	\$0
Total Revenues	37,500	48,600	48,600	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	5,089	8,179	6,179	2,000
Support Services:				
Instructional Staff	32,335	52,095	51,234	861
Total Expenditures	37,424	60,274	57,413	2,861
Excess of Revenues Over (Under) Expenditures	76	(11,674)	(8,813)	2,861
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	(75)	(139)	(139)	0
Total Other Financing Uses	(75)	(139)	(139)	0
Net Change in Fund Balance	1	(11,813)	(8,952)	2,861
Fund Balances at Beginning of Year	139	139	139	0
Prior Year Encumbrances Appropriated	11,813	11,813	11,813	0
Fund Balances at End of Year	<u>\$11,953</u>	<u>\$139</u>	<u>\$3,000</u>	<u>\$2,861</u>

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Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	Miscellaneous State Grants			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$23,567	\$23,567	\$0
Total Revenues	0	23,567	23,567	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	1,157	1,260	1,260	0
Support Services:				
Instructional Staff	21,802	23,740	23,740	0
Administration	3,104	3,380	3,380	0
Total Expenditures	26,063	28,380	28,380	0
Excess of Revenues Over (Under) Expenditures	(26,063)	(4,813)	(4,813)	0
<u>Other Financing Sources:</u>				
Advances In	0	3,750	3,750	0
Total Other Financing Sources	0	3,750	3,750	0
Net Change in Fund Balance	(26,063)	(1,063)	(1,063)	0
Fund Balances at Beginning of Year	1,063	1,063	1,063	0
Fund Balances (Deficit) at End of Year	(\$25,000)	\$0	\$0	\$0

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For the Fiscal Year Ended June 30, 2003

	EESA/NDEA Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$1,391	\$1,189	\$1,189	\$0
Total Revenues	1,391	1,189	1,189	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff	9,913	11,842	11,842	0
Total Expenditures	9,913	11,842	11,842	0
Net Change in Fund Balance	(8,522)	(10,653)	(10,653)	0
Fund Balances at Beginning of Year	9,714	9,714	9,714	0
Prior Year Encumbrances Appropriated	939	939	939	0
Fund Balances at End of Year	<u>\$2,131</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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For the Fiscal Year Ended June 30, 2003

	Title VI-B Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$217,692	\$226,359	\$226,359	\$0
Total Revenues	<u>217,692</u>	<u>226,359</u>	<u>226,359</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Special	94,628	107,348	96,400	10,948
Support Services:				
Pupils	112,607	102,041	102,041	0
Administration	<u>11,041</u>	<u>10,005</u>	<u>9,524</u>	<u>481</u>
Total Expenditures	<u>218,276</u>	<u>219,394</u>	<u>207,965</u>	<u>11,429</u>
Excess of Revenues Over (Under) Expenditures	(584)	6,965	18,394	11,429
<u>Other Financing Uses:</u>				
Advances Out	<u>(11,918)</u>	<u>(10,800)</u>	<u>(10,800)</u>	<u>0</u>
Total Other Financing Uses	<u>(11,918)</u>	<u>(10,800)</u>	<u>(10,800)</u>	<u>0</u>
Net Change in Fund Balance	<u>(12,502)</u>	<u>(3,835)</u>	<u>7,594</u>	<u>11,429</u>
Fund Balances at Beginning of Year	2,440	2,440	2,440	0
Prior Year Encumbrances Appropriated	<u>1,395</u>	<u>1,395</u>	<u>1,395</u>	<u>0</u>
Fund Balances (Deficit) at End of Year	<u>(\$8,667)</u>	<u>\$0</u>	<u>\$11,429</u>	<u>\$11,429</u>

Little Miami Local School District
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For the Fiscal Year Ended June 30, 2003

	Title I Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$303,598	\$271,088	\$271,088	\$0
Total Revenues	303,598	271,088	271,088	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Special	283,768	263,537	257,761	5,776
Support Services:				
Instructional Staff	239	200	200	0
Total Expenditures	284,007	263,737	257,961	5,776
Excess of Revenues Over (Under) Expenditures	19,591	7,351	13,127	5,776
<u>Other Financing Uses:</u>				
Advances Out	(15,266)	(12,800)	(12,800)	0
Total Other Financing Uses	(15,266)	(12,800)	(12,800)	0
Net Change in Fund Balance	4,325	(5,449)	327	5,776
Fund Balances at Beginning of Year	5,449	5,449	5,449	0
Fund Balances at End of Year	<u>\$9,774</u>	<u>\$0</u>	<u>\$5,776</u>	<u>\$5,776</u>

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	Title VI Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$15,204	\$15,497	\$15,497	\$0
Total Revenues	<u>15,204</u>	<u>15,497</u>	<u>15,497</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Special	6,729	7,463	7,463	0
Support Services:				
Instructional Staff	<u>7,809</u>	<u>7,564</u>	<u>7,564</u>	<u>0</u>
Total Expenditures	<u>14,538</u>	<u>15,027</u>	<u>15,027</u>	<u>0</u>
Excess of Revenues Over Expenditures	666	470	470	0
<u>Other Financing Uses:</u>				
Advances Out	<u>(488)</u>	<u>(473)</u>	<u>(473)</u>	<u>0</u>
Total Other Financing Uses	<u>(488)</u>	<u>(473)</u>	<u>(473)</u>	<u>0</u>
Net Change in Fund Balance	<u>178</u>	<u>(3)</u>	<u>(3)</u>	<u>0</u>
Fund Balances at Beginning of Year	<u>3</u>	<u>3</u>	<u>3</u>	<u>0</u>
Fund Balances at End of Year	<u>\$181</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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	Drug-Free Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$11,195	\$11,195	\$11,195	\$0
Total Revenues	11,195	11,195	11,195	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff	12,513	12,513	12,513	0
Total Expenditures	12,513	12,513	12,513	0
Excess of Revenues (Under) Expenditures	(1,318)	(1,318)	(1,318)	0
<u>Other Financing Sources:</u>				
Advances In	1,244	1,244	1,244	0
Total Other Financing Sources	1,244	1,244	1,244	0
Net Change in Fund Balance	(74)	(74)	(74)	0
Fund Balances at Beginning of Year	74	74	74	0
Fund Balances at End of Year	\$0	\$0	\$0	\$0

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	EHA Preschool Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$5,123	\$5,123	\$5,123	\$0
Total Revenues	5,123	5,123	5,123	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Instructional Staff	5,123	5,123	5,123	0
Total Expenditures	5,123	5,123	5,123	0
Net Change in Fund Balance	0	0	0	0
Fund Balances at Beginning of Year	0	0	0	0
Fund Balances at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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	E-Rate Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$0	\$7,390	\$7,390	\$0
Total Revenues	0	7,390	7,390	0
Total Expenditures	0	0	0	0
Net Change in Fund Balance	0	7,390	7,390	0
Fund Balances at Beginning of Year	3,839	3,839	3,839	0
Fund Balances at End of Year	<u>\$3,839</u>	<u>\$11,229</u>	<u>\$11,229</u>	<u>\$0</u>

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For the Fiscal Year Ended June 30, 2003

	Reducing Class Size Grant			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$13,000	\$110,448	\$110,448	\$0
Total Revenues	13,000	110,448	110,448	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	6,730	5,360	1,969	3,391
Special	101,176	94,579	94,506	73
Support Services:				
Instructional Staff	7,034	5,602	5,602	0
Total Expenditures	114,940	105,541	102,077	3,464
Excess of Revenues Over (Under) Expenditures	(101,940)	4,907	8,371	3,464
<u>Other Financing Uses:</u>				
Advances Out	(8,789)	(7,000)	(7,000)	0
Total Other Financing Uses	(8,789)	(7,000)	(7,000)	0
Net Change in Fund Balance	(110,729)	(2,093)	1,371	3,464
Fund Balances at Beginning of Year	2,093	2,093	2,093	0
Fund Balances (Deficit) at End of Year	(\$108,636)	\$0	\$3,464	\$3,464

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	<u>Miscellaneous Federal Grants</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Intergovernmental	\$0	\$25,273	\$25,273	\$0
Total Revenues	<u>0</u>	<u>25,273</u>	<u>25,273</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	6,765	46,497	43,724	2,773
Support Services:				
Instructional Staff	<u>256</u>	<u>1,756</u>	<u>1,756</u>	<u>0</u>
Total Expenditures	<u>7,021</u>	<u>48,253</u>	<u>45,480</u>	<u>2,773</u>
Excess of Revenues (Under) Expenditures	(7,021)	(22,980)	(20,207)	2,773
<u>Other Financing Sources:</u>				
Advances In	<u>0</u>	<u>706</u>	<u>706</u>	<u>0</u>
Total Other Financing Sources	<u>0</u>	<u>706</u>	<u>706</u>	<u>0</u>
Net Change in Fund Balance	<u>(7,021)</u>	<u>(22,274)</u>	<u>(19,501)</u>	<u>2,773</u>
Fund Balances at Beginning of Year	861	861	861	0
Prior Year Encumbrances Appropriated	<u>18,640</u>	<u>18,640</u>	<u>18,640</u>	<u>0</u>
Fund Balances (Deficits) at End of Year	<u>\$12,480</u>	<u>(\$2,773)</u>	<u>\$0</u>	<u>\$2,773</u>

Little Miami Local School District
Warren County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Major Debt Service Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$1,195,898	\$1,158,672	\$1,158,672	\$0
Intergovernmental	149,527	144,872	144,872	0
Total Revenues	1,345,425	1,303,544	1,303,544	0
<u>Expenditures:</u>				
Current:				
Support Services:				
Administration	2,565	2,484	2,484	0
Fiscal	17,554	17,000	16,636	364
Debt Service:				
Principal Retirement	492,415	476,869	450,000	26,869
Interest and Fiscal Charges	813,997	788,297	762,006	26,291
Total Expenditures	1,326,531	1,284,650	1,231,126	53,524
Net Change in Fund Balance	18,894	18,894	72,418	53,524
Fund Balances at Beginning of Year	1,303,310	1,303,310	1,303,310	0
Fund Balances at End of Year	\$1,322,204	\$1,322,204	\$1,375,728	\$53,524

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Little Miami Local School District

Fund Descriptions

Capital Projects Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, and for major renovation projects including equipment purchases. The following are descriptions of the School District's nonmajor project funds:

Nonmajor Capital Projects Funds

Permanent Improvement – This fund accounts for all transactions relating to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705, Ohio Revised Code.

Building - This fund accounts for the revenue and expenditures related to the acquisition and construction of capital facilities including real property. Debt proceeds related to this activity are recorded in this fund, except premium or accrued interest.

Schoolnet – This fund accounts for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

**Little Miami Local School District
Warren County, Ohio
Combining Balance Sheet - Nonmajor Capital Projects Funds
June 30, 2003**

	Permanent Improvement	Building	SchoolNet	Total Nonmajor Capital Projects Funds
<u>Assets and Other Debits</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$673,093	\$442,263	\$6,397	\$1,121,753
Cash with Fiscal Agent				
Receivables:				
Property and Other Taxes	357,424	0	0	357,424
Accounts	102,750	0	0	102,750
Restricted Assets:				
Cash and Cash Equivalents	0	2,948	0	2,948
Total Assets	\$1,133,267	\$445,211	\$6,397	\$1,584,875
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Payables:				
Retainage	\$0	\$2,924	\$0	\$2,924
Deferred Revenue	309,224	0	0	309,224
Total Liabilities	309,224	2,924	0	312,148
<u>Fund Balances:</u>				
Reserved for:				
Encumbrances	213,480	2,328	0	215,808
Property Taxes	45,000	0	0	45,000
Unreserved, reported in:				
Capital Projects	565,563	439,959	6,397	1,011,919
Total Fund Balances	824,043	442,287	6,397	1,272,727
Total Liabilities and Fund Balances	\$1,133,267	\$445,211	\$6,397	\$1,584,875

**Little Miami Local School District
Warren County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2003**

	Permanent Improvement	Building	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues:				
Property and Other Taxes	\$360,699	\$0	\$0	\$360,699
Intergovernmental	37,878	0	14,837	52,715
Tuition and Fees	0	5,109	0	5,109
Gifts and Donations	46,350	0	0	46,350
Miscellaneous	102,750	0	0	102,750
Total Revenues	547,677	5,109	14,837	567,623
Expenditures:				
Current:				
Instruction:				
Regular	5,657	0	41,543	47,200
Support Services:				
Administration	5,986	0	0	5,986
Fiscal	4,991	0	0	4,991
Business	3,311	0	0	3,311
Operation and Maintenance of Plant	39,986	0	0	39,986
Total Expenditures	59,931	0	41,543	101,474
Net Change in Fund Balances	487,746	5,109	(26,706)	466,149
Fund Balances - beginning	336,297	437,178	33,103	806,578
Fund Balances - ending	<u>\$824,043</u>	<u>\$442,287</u>	<u>\$6,397</u>	<u>\$1,272,727</u>

Little Miami Local School District
Warren County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2003

	Permanent Improvement			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$288,487	\$339,778	\$339,778	\$0
Intergovernmental	32,160	37,878	37,878	0
Gifts and Donations	39,353	46,350	46,350	0
Total Revenues	360,000	424,006	424,006	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	5,769	5,936	5,657	279
Support Services:				
Administration	5,831	6,000	5,986	14
Fiscal	4,860	5,000	4,991	9
Business	11,663	12,000	3,311	8,689
Operation and Maintenance of Plant	151,617	156,000	39,986	116,014
Pupil Transportation	207,483	213,480	213,480	0
Non-Instructional Services	1,477	1,520	0	1,520
Total Expenditures	388,700	399,936	273,411	126,525
Net Change in Fund Balance	(28,700)	24,070	150,595	126,525
Fund Balances at Beginning of Year	303,082	303,082	303,082	0
Prior Year Encumbrances Appropriated	5,936	5,936	5,936	0
Fund Balances at End of Year	\$280,318	\$333,088	\$459,613	\$126,525

Little Miami Local School District
Warren County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2003

	Building			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Interest	\$5,000	\$4,813	\$5,140	\$327
Total Revenues	5,000	4,813	5,140	327
<u>Expenditures:</u>				
Current:				
Capital Outlay	2,328	4,657	2,328	2,329
Total Expenditures	2,328	4,657	2,328	2,329
Excess of Revenues Over Expenditures	2,672	156	2,812	2,656
<u>Other Financing Uses:</u>				
Refund of Prior Year Receipts	(434,385)	(434,385)	0	434,385
Total Other Financing Uses	(434,385)	(434,385)	0	434,385
Net Change in Fund Balance	(431,713)	(434,229)	2,812	437,041
Fund Balances at Beginning of Year	437,743	437,743	437,743	0
Prior Year Encumbrances Appropriated	2,328	2,328	2,328	0
Fund Balances at End of Year	<u>\$8,358</u>	<u>\$5,842</u>	<u>\$442,883</u>	<u>\$437,041</u>

Little Miami Local School District
Warren County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2003

	Schoolnet			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$41,606	\$14,837	\$14,837	\$0
Total Revenues	41,606	14,837	14,837	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	47,940	47,940	41,543	6,397
Total Expenditures	47,940	47,940	41,543	6,397
Net Change in Fund Balance	(6,334)	(33,103)	(26,706)	6,397
Fund Balances at Beginning of Year	33,103	33,103	33,103	0
Fund Balances at End of Year	<u>\$26,769</u>	<u>\$0</u>	<u>\$6,397</u>	<u>\$6,397</u>

Little Miami Local School District

Fund Descriptions

Permanent Fund

Endowment – This fund is used to account for money, securities or lands which have been set aside as an investment for public school purposes. The income from such a fund may be expended, but the principal must remain intact.

Little Miami Local School District
Warren County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
Nonmajor Permanent Fund
For the Fiscal Year Ended June 30, 2003

	Smith Trust Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<u>Revenues:</u>				
Interest	\$1,000	\$911	\$911	\$0
Total Revenues	1,000	911	911	0
<u>Expenditures:</u>				
Current:				
Instruction:				
Other	2,770	2,680	2,394	286
Total Expenditures	2,770	2,680	2,394	286
Net Change in Fund Balance	(1,770)	(1,769)	(1,483)	286
Fund Balances at Beginning of Year	19,770	19,770	19,770	0
Fund Balances at End of Year	<u>\$18,000</u>	<u>\$18,001</u>	<u>\$18,287</u>	<u>\$286</u>

**Little Miami Local School District
Warren County, Ohio
Combining Statement of Changes
in Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2003**

Student Activities	Balance June 30, 2002	Additions	Deletions	Balance June 30, 2003
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$86,500	\$166,913	\$175,525	\$77,888
Total Assets	<u>\$86,500</u>	<u>\$166,913</u>	<u>\$175,525</u>	<u>\$77,888</u>
<u>Liabilities:</u>				
Accounts Payable	\$0	\$9,045	\$0	\$9,045
Due to Students	86,500	166,913	184,570	68,843
Total Liabilities	<u>\$86,500</u>	<u>\$175,958</u>	<u>\$184,570</u>	<u>\$77,888</u>

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Table 1

Little Miami Local School District
 General Fund Expenditures by Function
 Last Ten Fiscal Years

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Current:										
Instruction:										
Regular	\$ 4,688,957	\$ 5,058,279	\$ 5,327,345	\$ 5,660,478	\$ 6,041,888	\$ 6,666,078	\$ 7,054,690	\$ 8,145,816	\$ 8,495,537	\$ 8,685,190
Special	412,612	410,676	482,197	536,532	612,702	611,434	786,081	1,110,129	1,381,728	1,449,543
Other	12,384	25,983	28,468	43,008	51,583	76,168	41,713	153,052	135,038	233,668
Support Services										
Pupil	302,161	334,009	380,699	404,748	465,790	510,942	536,134	706,764	784,245	794,591
Instructional Staff	227,475	256,400	291,472	321,288	317,823	356,349	432,689	668,093	752,787	585,069
Board of Education	29,222	46,580	28,226	34,514	28,644	36,582	53,968	46,014	36,591	73,329
Administration	819,701	905,998	920,678	1,001,073	1,063,970	1,193,478	1,265,284	1,494,838	1,665,079	1,617,092
Fiscal	214,297	211,733	238,365	271,359	284,315	303,575	358,275	383,768	398,377	469,327
Business	82,713	80,106	99,505	94,031	145,521	171,143	200,142	203,915	200,175	141,334
Operations and Maintenance	808,041	1,102,309	892,608	986,697	1,064,101	1,122,436	1,288,585	1,964,104	2,395,212	1,912,763
Pupil Transportation	673,450	746,574	844,677	852,586	876,293	808,419	1,119,568	1,292,120	1,499,112	1,415,004
Central	14,535	9,974	10,208	12,882	19,154	19,598	16,455	20,675	59,820	64,589
Extracurricular Activities	114,943	131,044	137,794	133,140	152,957	156,626	203,324	304,550	328,749	318,157
Capital Outlay	-	-	-	18,000	98,597	-	-	77,269	46,126	-
Debt Service	-	9,843	10,958	12,209	14,017	18,104	19,607	22,142	33,017	92,184
Principal	-	4,209	3,094	1,842	6,076	6,302	4,851	5,844	11,309	36,043
Interest	-	-	-	-	-	-	-	-	-	-
Total	\$ 8,380,491	\$ 9,333,717	\$ 9,696,294	\$ 10,364,387	\$ 11,244,531	\$ 12,059,212	\$ 13,381,566	\$ 16,599,093	\$ 18,222,902	\$ 17,887,883

Source: School District Records

Table 2

Little Miami Local School District
 General Fund Revenue by Source
 Last Ten Fiscal Years

Fiscal Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Property and Other Taxes	\$ 4,205,448	\$ 4,527,686	\$ 4,793,186	\$ 5,033,189	\$ 5,898,787	\$ 5,676,130	\$ 6,900,158	\$ 7,627,758	\$ 8,239,562	\$ 10,806,791
Intergovernmental	4,409,841	4,611,142	4,743,159	4,907,485	5,500,818	6,174,902	6,700,899	7,521,491	8,351,114	8,760,782
Earnings on Investments	62,545	127,042	132,906	136,687	152,582	196,747	241,549	264,002	99,626	67,164
Tuition and Fees	6,628	11,543	8,846	12,178	13,917	15,666	10,413	13,690	14,424	39,916
Rent	-	5,838	7,776	8,168	611	292	163	5,420	6,855	5,785
Extracurricular Activities	1,791	1,424	2,885	1,937	10,708	7,958	13,954	13,858	10,357	6,858
Gifts and Donations	-	-	-	-	7,184	7,742	-	2,100	2,721	307
Miscellaneous Receipts	11,975	7,756	9,281	84,068	84,227	37,088	16,433	9,615	78,974	48,217
Total	\$ 8,698,228	\$ 9,292,443	\$ 9,698,039	\$ 10,183,722	\$ 11,668,834	\$ 12,116,525	\$ 13,883,569	\$ 15,457,934	\$ 16,803,633	\$ 19,735,820

Source: School District Records

Table 3

Little Miami Local School District
 Property Tax Levies and Collections - Real and Public Utility Property
 Last Ten Collection (Calendar) Years

Collection Year	Tax Levied (1)	Current Tax Collection (2)	Percent Collected	Delinquent Collected	Total Tax Collected	Percent of Total Collections to Levy	Outstanding Delinquent Taxes (3)	Percent of Outstanding Delinquent Taxes to Tax Levied
1994	\$ 4,666,659	\$ 4,527,536	97.02%	\$ 183,899	\$ 4,711,435	100.96%	\$ 87,382	1.87%
1995	4,962,419	4,835,586	97.44%	169,469	5,005,055	100.86%	81,453	1.64%
1996	5,557,468	5,428,940	97.69%	181,248	5,610,188	100.95%	47,181	0.85%
1997	5,640,592	5,495,239	97.42%	159,016	5,654,255	100.24%	43,902	0.78%
1998	5,975,796	5,887,601	98.52%	167,655	6,055,256	101.33%	45,936	0.77%
1999	9,029,342	8,775,617	97.19%	247,204	9,022,821	99.93%	74,090	0.82%
2000	10,520,823	10,236,144	97.29%	271,497	10,507,641	99.87%	100,774	0.96%
2001	11,007,571	10,735,264	97.53%	339,702	11,074,966	100.61%	98,206	0.89%
2002	13,917,067	13,439,835	96.57%	350,072	13,789,907	99.09%	88,119	0.63%

Source: Warren County Auditor

- (1) Taxes levied and collected are presented on a cash basis.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

Table 4

Little Miami Local School District
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Collection Years (1)

Collection Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total		
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1994	\$ 120,024,860	\$ 342,928,171	\$ 9,283,609	\$ 26,524,597	\$ 18,512,370	\$ 74,049,480	\$ 147,820,839	\$ 443,502,249	33.33%
1995	150,861,680	431,033,371	12,928,101	36,937,431	19,687,480	78,749,920	183,477,261	546,720,723	33.56%
1996	159,044,370	454,412,486	15,934,514	45,527,183	17,053,120	68,212,480	192,032,004	568,152,149	33.80%
1997	170,454,360	487,012,457	17,373,639	49,638,969	17,739,700	70,958,800	205,567,699	607,610,226	33.83%
1998	202,690,950	579,117,000	18,491,925	52,834,071	17,890,710	71,562,840	239,073,585	703,513,911	33.98%
1999	219,225,770	626,359,343	19,980,737	57,087,820	18,744,170	74,976,680	257,950,677	758,423,843	34.01%
2000	243,960,620	697,030,343	25,742,334	73,549,526	18,447,255	73,789,020	288,150,209	844,368,889	34.13%
2001	313,645,380	896,129,657	27,333,305	78,095,157	19,187,510	76,750,040	360,166,195	1,050,974,854	34.27%
2002	352,989,300	1,008,540,857	25,584,850	73,099,571	12,537,430	50,149,720	391,111,580	1,131,790,149	34.56%
2003	398,482,930	1,138,522,657	25,176,710	71,933,457	15,927,780	63,711,120	439,587,420	1,274,167,234	34.50%

Source: Warren County Auditor

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

(2) Ratio presents total assessed valuation/total estimated actual value.

Table 5

Little Miami Local School District
Property Tax Rates (per \$1,000 of Assessed Value)
Direct and Overlapping Debt
Last Ten Collection Years

<u>Collection Year</u>	<u>Little Miami LSD</u>	<u>City of Morrow</u>	<u>Hatlan Township</u>	<u>Warren County</u>	<u>Warren County JVS</u>	<u>Total</u>
1994	\$ 44.99	\$ 9.51	\$ 8.20	\$ 7.10	4.50	\$ 74.30
1995	43.65	7.51	8.22	7.07	4.50	70.95
1996	43.40	7.51	8.22	7.07	4.50	70.70
1997	43.15	7.51	7.22	5.50	4.50	67.88
1998	48.36	7.51	7.22	5.50	4.50	73.09
1999	47.59	7.51	7.22	5.25	4.50	72.07
2000	46.05	7.51	7.22	4.50	4.50	69.78
2001	44.34	7.51	8.72	4.50	4.50	69.57
2002	43.89	1.71	8.72	4.50	4.50	63.32

Source: Warren County Auditor

Little Miami Local School District
 Ratio of Net General Bonded Debt to Assessed Value
 And Net Bonded Debt per Capita
 Last Ten Collection Years

Table 6

Year	Population (1)	Total Assessed Value	Gross Bonded Debt (2)	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (%)	Net Bonded Debt per Capita (3)
1994	2,231	\$ 147,820,839	\$ 180,000	\$ 96,026	\$ 83,974	0.06%	\$ 37.64
1995	2,295	183,477,261	160,000	91,785	68,215	0.04	29.72
1996	2,321	192,032,004	140,000	82,052	57,948	0.03	24.97
1997	2,409	205,567,699	120,000	74,511	45,489	0.02	18.88
1998	2,469	239,073,585	17,699,810	616,733	17,083,077	7.15	6,919.03
1999	2,557	257,950,677	17,434,810	856,291	16,578,519	6.43	6,483.58
2000	2,521	288,150,209	17,169,810	1,203,630	15,966,180	5.54	6,333.27
2001	2,610	360,166,195	16,844,810	1,323,850	15,520,960	4.31	5,946.73
2002	2,814	391,111,580	16,459,810	1,382,300	15,077,510	3.86	5,358.03
2003	2,936	439,587,420	16,009,810	1,566,628	14,443,182	3.29	4,919.34

- Sources: (1) Population is the School District average daily membership
 (2) Gross bonded indebtedness does not include short term bond anticipation notes or energy conservation debt.
 (3) Ratio is net bonded debt divided by average daily membership

Little Miami LSD
 Computation of Legal Debt Margin
 June 30, 2003

Assessed Value	\$439,587,420
Bonded Debt Limit - 9% of Assessed Value (1)	\$39,562,868
Amount of Debt Applicable to Debt Limit: Bonded Debt less energy conservation loan and school bus bonds	(16,009,810)
Amount Available in Debt Service Fund	1,566,628
Net Bonded Debt	(14,443,182)
Overall Debt Margin	\$25,119,686
Bonded Debt Limit - 9/10% of 1% of Assessed Value (1)	\$3,956,287
Amount of Debt Applicable	(481,250)
Energy Conservation Debt Margin	\$3,475,037
Bonded Debt Limit - .10% of Assessed Value (1)	\$439,587
Amount of Debt Applicable	0
Unvoted Debt Margin	\$439,587

Source: County Auditor and School District's financial records.

(1) Ohio Bond Law sets a limit of 9% for voted debt, 9/10 of 1% for energy conservation and 1/10 of 1% for unvoted debt. All School District debt subject to the limitation is voted.

Little Miami LSD

Computation of Direct and Overlapping Debt
June 30, 2003

Table 8

<u>Governmental Unit</u>	<u>Gross General Obligation Bonds (1)</u>	<u>Percent Applicable to District</u>	<u>Amount Applicable to District</u>
Direct:			
Little Miami Local School District	<u>\$ 16,009,810</u>	100%	<u>\$ 16,009,810</u>
Overlapping:			
Warren County (2)	6,840,000	0%	-
City of Morrow (3)	<u>250,000</u>	0%	<u>-</u>
Total Overlapping	<u>7,090,000</u>		<u>-</u>
Total Direct and Overlapping Debt	<u>\$ 23,099,810</u>		<u>\$ 16,009,810</u>

Sources: School District records and Warren County financial records

(1) Only reflects bonded debt.

(2) As of December 31, 2002

(3) As of December 31, 2001 (latest available)

Little Miami Local School District**Table 9**

Ratio of Annual Debt Service Expenditures
 For General Bonded Debt to Total General Government Expenditures
 Last Ten Collection Years

<u>Fiscal Year</u>	<u>Principal (1)</u>	<u>Interest (1)</u>	<u>Total Debt Service</u>	<u>Total General Expenditures</u>	<u>Ratio of Debt Service to General Expenditures</u>
1994	\$ 20,000	\$ 11,500	\$ 31,500	\$ 8,380,491	0.38%
1995	20,000	9,775	29,775	9,333,717	0.32
1996	330,000	30,725	360,725	9,696,294	3.72
1997	90,000	16,883	106,883	10,364,387	1.03
1998	90,000	209,502	299,502	11,244,531	2.66
1999	335,000	817,880	1,152,880	12,059,212	9.56
2000	265,000	804,414	1,069,414	13,381,366	7.99
2001	325,000	792,936	1,117,936	16,599,093	6.73
2002	385,000	778,874	1,163,874	18,222,902	6.39
2003	450,000	762,006	1,212,006	17,887,883	6.78

Source: School District Records

- (1) Does not include capital lease payments recorded in the general fund or energy conservation payments in the debt service fund

Little Miami Local School District
Demographic Statistics
Last Ten Years

Table 10

<u>Year</u>	<u>Warren County Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Warren County (1)(*)</u>	<u>Unemployment Rate State of Ohio (3)</u>	<u>Unemployment Rate United States (3)</u>
1994	113,909	2,231	5.30%	5.80%	6.10%
1995	113,909	2,295	4.20%	4.80%	5.60%
1996	113,909	2,321	3.80%	5.00%	5.30%
1997	113,909	2,409	3.00%	4.50%	5.00%
1998	113,909	2,469	3.00%	4.40%	4.50%
1999	113,909	2,557	2.60%	4.60%	4.30%
2000	158,383	2,521	2.50%	4.30%	4.00%
2001	158,383	2,610	3.40%	4.40%	4.60%
2002	158,383	2,814	3.60%	6.00%	5.80%
2003	158,383	2,936	3.90%	6.60%	6.40%

Sources: (1) Warren County 2002 Financial Report

(2) School District Records

(3) US Department of Labor - Bureau of Labor Statistics

(*) 2003 Statistical is as of October 31, 2003

Little Miami Local School District**Table 11****Construction Permits, Bank Deposits and Property Values
Last Ten Years**

<u>Year</u>	<u>Construction (1)</u>	<u>County Bank Deposits (2) (*)</u>	<u>Property Values (3)</u>
1994	83	\$ 422,581,000	\$ 120,024,860
1995	116	460,950,000	150,861,680
1996	136	465,584,000	159,044,370
1997	229	523,595,000	170,454,360
1998	447	521,795,000	202,690,950
1999	774	533,873,000	219,225,770
2000	969	548,623,000	243,960,620
2001	1,405	618,781,000	313,645,380
2002	1,343	660,464,000	352,989,300
2003	1,314	628,208,000	398,482,930

Sources: (1) Warren County Information System Department and Hamilton Township
Figures are for December 31 of year.

(2) Federal Reserve Bank of Cleveland

(3) Warren County Auditor, calendar year basis -
assessed value of real property only.

(*) 2003 statistical as of June 30, 2003

Little Miami Local School District
Top Ten Principal Taxpayers
Real and Personal Property

Table 12

Name of Taxpayer	Assessed Valuation	% of Total Assessed Valuation
Sumco Phoenix Corporation	\$ 13,230,930	3.01%
Cincinnati Gas and Electric	7,462,590	1.70%
Miami Striker, LLC	4,154,980	0.95%
Cincinnati Semiconductor	3,872,040	0.88%
Dayton Power and Light	3,286,450	0.75%
M/I Schottenstein Homes	2,410,590	0.55%
Tournament Players Club	1,874,480	0.43%
Crossman Communities	1,650,810	0.38%
Elanie B. Rippe	1,357,800	0.31%
Rolls Royce Energy Systems, Inc.	1,306,930	0.30%
Total	\$ 40,607,600	9.24%
Total Assessed Valuation	\$ 439,587,420	

Source: Warren County Auditor's Office

Little Miami Local School District
 Miscellaneous Statistical Data
 June 30, 2003

TABLE 13

Form of Government	Public School District
Original Charter:	1964
Area of District:	98 square miles
Number of Miles Traveled by Transportation Fleet for the Fiscal 2003 School Year:	524,700
Number of Meals Served by Food Service Department for the Fiscal 2003 School Year:	213,246

<u>School</u>	<u>Grade Level</u>	<u>Enrollment</u>
High School	9-12	811
Junior High School	7-8	462
Intermediate School	5-6	514
Hamilton-Maineville Elementary	K - 4	555
Harlan-Butlerville Elementary	K - 4	206
Morrow Elementary	K - 4	421
Total		<u>2969</u>

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
Bachelor	43	20.57%
Bachelor + 20	65	31.10%
Masters	59	28.23%
Masters + 20	42	20.10%
Total	<u>209</u>	<u>100.00%</u>

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	95	45.45%
6 - 10	47	22.49%
11 - 15	17	8.13%
16 - 20	12	5.74%
21 - 25	6	2.87%
26 and over	32	15.31%
Total	<u>209</u>	<u>100.00%</u>

Sources: School District records

Table 14

Enrollment by Grade (1):														
	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2002-03	239	249	221	232	227	245	269	230	234	234	232	184	149	2,945
The following are projections (2):														
2003-04	173	260	264	226	244	237	255	283	235	237	235	182	178	3,009
2004-05	196	188	275	270	238	254	247	268	289	238	239	185	176	3,063
2005-06	196	213	199	282	283	248	265	259	274	293	240	187	178	3,117
2006-07	196	213	225	204	296	296	258	278	265	278	295	188	181	3,173
2007-08	196	213	225	231	214	309	308	272	284	269	280	231	182	3,214
2008-09	196	213	225	231	242	224	322	324	277	289	270	220	223	3,256
2009-10	196	213	225	231	242	253	233	338	331	281	290	212	212	3,257
2010-11	196	213	225	231	242	253	263	245	345	336	283	228	205	3,265
2011-12	196	213	225	231	242	253	263	277	250	350	338	222	220	3,280

Sources: School District records.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

LITTLE MIAMI LOCAL SCHOOL DISTRICT

WARREN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 27, 2004**