

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014



Princeton City School District
Cincinnati, Ohio



Dave Yost • Auditor of State

Board of Education
Princeton City School District
3900 Cottingham Drive
Cincinnati, OH 45241

We have reviewed the *Independent Auditor's Report* of the Princeton City School District, Hamilton County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2013 through June 30, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

April 10, 2015

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**PRINCETON CITY SCHOOL DISTRICT
CINCINNATI, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

PREPARED BY: OFFICE OF THE TREASURER

AMY TWAREK – CFO / TREASURER

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INTRODUCTORY SECTION





3900 Cottingham Drive
Cincinnati, OH 45241

Office of the Treasurer

Phone: (513) 864-1040

Fax: (513) 864-1059

December 30, 2014

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

We are pleased to present the fifteenth Comprehensive Annual Financial Report (CAFR) of the Princeton City School District (District) for the fiscal year ended June 30, 2014. This report was prepared by the Treasurer's Office, and contains financial statements, supplemental statements, and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2013-14 fiscal year.

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

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

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

DESCRIPTION OF THE DISTRICT

The District serves an area of 36 square miles in the north central part of Hamilton County, encompassing the villages of Glendale, Evendale, Woodlawn and Lincoln Heights, and, the cities of Springdale and Sharonville. It also encompasses a small portion of Butler and Warren Counties. The tax base of the District is comprised of a unique blend of residential, commercial, and industrial property, with approximately 55% of the tax revenue of the District paid by business and industry.

During the 2013-14 school year, the District served 5,416 students enrolled in preschool, eight elementary schools, one junior high school and one high school. The District's enrollment has stabilized with slight increases in elementary/middle school and a slight decrease in the high school.

The student enrollment of the District is a reflection of the diversity of the communities it serves. For the 2013-14 school year, approximately 65% of the students were considered low-income and eligible to participate in the free/reduced lunch program; 124 students were enrolled in a full time or part-time trade program, through vocational education; 748 (14%) students received instruction through a variety of special education programs; and all eligible students can participate in a number of advanced academic programs such as International Baccalaureate, advanced placement courses and gifted elementary programs. The District also offers a comprehensive adult education program to the community to help adults obtain a high school diploma.

ORGANIZATION OF THE DISTRICT

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

The members of the Board, their current terms, and total years served on the Board as of June 30, 2014, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mrs. Sandy Leach	Jan. 2012 - Dec. 2015	10 ½
Ms. Lillian Hawkins	Jan. 2014 - Dec. 2017	8 ½
Mrs. Mary Cleveland	Jan. 2014 - Dec. 2017	½
Mr. Susan Wyder	Jan. 2012 - Dec. 2015	2½
Mr. Steve Moore	Jan. 2008 - Dec. 2015	6 ½

The Superintendent is the Chief Executive Officer of the District and is directly responsible to the Board for all operations of the District. Dr. Gary Pack has served as Superintendent since August 1, 2008. Dr. Pack has 21 years experience as a school superintendent.

The Treasurer is the Chief Financial Officer of the District and is directly responsible to the Board for all financial operations, investments, and serves as Secretary to the Board. Amy Twarek began her role as Treasurer on August 1, 2012.

FINANCIAL CONDITION

This is the eleventh 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 created basic financial statements for reporting on the 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.

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 a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

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 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 fiscal year 2014 and the outlook for the future.

EMPLOYEE RELATIONS

During the 2013-2014 school year, the Board employed staff that totaled a full time equivalency (FTE) of 712. Of the Board's current employees, a total FTE of 394 were certificated by the Ohio Department of Education serving as classroom teachers or education specialists, all of whom have at least a bachelor's degree. Other certificated staff included administrators with and FTE of 31.

Certificated teachers and education specialists are represented by the Princeton Association of Classroom Educators (PACE) which is a labor organization affiliated with the Ohio Education Association. As of June 30, 2014, the District and the association have two years remaining on the contract.

Operational personnel are represented by the Princeton Support Staff Association (PSSA) which is affiliated with the Ohio Association of Public School Employees, Chapter 174 (OAPSE) which is a labor organization affiliated with the American Federation of State, County and Municipal Employees (AFSCME). As of June 30, 2014, the District and the association have two years remaining on the contract.

MAJOR INITIATIVES FOR THE YEAR

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

The mission: Princeton is a diverse community where we are all learners –
inspired to dream and challenge to achieve.

District goals for the 2013-2014 school year are as follows:

Goal One: Implement and monitor an enhanced unified plan for academic improvement to include an action plan for grades 6-12 student achievement, coordination of Success for All and Go Math for elementary school achievement, and alignment of the Common Core standards that focus on college and career ready skills for all students.

Goal Two: Complete the high school portion of the school construction project on time and within the approved school district budget. Provide a comprehensive, long-term Capital Improvement Plan to be adopted by the school board. Fully integrate the energy dashboard and analyze energy savings by school and the district. Review the APQC reports in the areas of safety and security, transportation and scheduling to provide better efficiency and effectiveness of operations.

Goal Three: Continue to communicate and reinforce measures to ensure a safe and secure learning environment for students and staff. Monitor benchmarks obtained from the No Nonsense Nurturing Program throughout the school year along with Effective School Surveys and other data points. Provide the community and constituents timely communication updates regarding all aspects of the Princeton City School District.

Goal Four: Review and update all aspects of personnel and the Human Resources Department to align with the Treasurer's Office to address staff retention, employee health care, salary and benefits, employment processes and procedures, communication with and relationship building with PACE and PSSA, and clarification of organizational structures for each school building and operation and administration centers.

Goal Five: Manage the financial operations of the school district to ensure that the third year of Plan A is completed, verified and documented. The school board will continue to lobby and have dialogue against the possible additional loss of tangible personal property tax used to finance the school district. By doing all of the above (steps 1-5), the school board will continue to work diligently to ensure that the current levy lasts as long as possible, without impacting instruction, as well as continuing to share these efforts with all stakeholders.

Relevant Financial Policies

In June of 2011, the State legislature passed Amended Substitute House Bill 153. Amended Substitute House Bill 153 (Biennial Budget Bill) changed many provisions regarding the funding of public education. The administration of Governor John Kasich has proposed a move away from the Evidence Based Model (EBM) to a new formula for fund distribution to school districts. However, since a new funding mechanism is not formulated as of yet, the administration has decided to fund school districts in FY2014 based on a transitional approach until a new formula is devised. This transitional approach is referred to as the "Bridge" formula which the administration hopes to replace with a permanent formula by FY2015. Another significant change in the budget bill was the restructuring of Tangible Personal Property (TPP) and Electric Deregulation Property Tax reimbursements. These reimbursements were restructured such that, for FY14, the reduction in the district's phase out for each reimbursement is limited to no more than 2% per year of its total resources (state & local funding) as compared to the base year. Any reimbursement a district is still receiving in FY14 continues to be received at that level in the future.

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 Controls

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

Single Audit Act

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

As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2014, provided no significant violations of applicable laws and regulations.

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established by individual fund. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Any budgetary modifications at this level may only be made by resolution of the Board. The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

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

Financial Policies

The District requires Board approval of all financial contracts exceeding \$1,000 as well as legal counsel review. Contracts are all processed through the District Treasurer.

Long-Term Financial Planning

The District maintains a five-year forecast as required by Ohio law with mandated updates in October and May of each year. In addition, the District has begun development on a short-term and long-term capital plan to address capital needs. In October 2010, the Princeton 2020 Task Force was created to identify the various programs and services offered by the District. The results of the Task Force contributed to the updated five-year forecast and serves as a foundation for determining strategies for maintaining fiscal sustainability throughout the forecast period.

OTHER INFORMATION

Independent Audit

Provisions of State statute require that the District's financial statements be subjected to an annual examination by an independent auditor. Plattenburg & Associates 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.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Princeton City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the fifteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2013, to the District. The award was the sixteenth for the District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after extensive review of the report by an expert panel of certified public accountants and practicing school business officials. The District believes our current report conforms to the ASBO's principles and standards, and we are submitting it to ASBO to determine its eligibility for a certificate.

Acknowledgments

The preparation and publication of the 2014 Comprehensive Annual Financial Report of the Princeton City School District was made possible by the combined efforts of the entire Treasurer's office staff. Finally, this report would not have been possible without the support, commitment, and leadership of the Board of Education to continue the pursuit of excellence in financial reporting.

Sincerely,

A handwritten signature in blue ink, appearing to read "Amy Twarek", written over a horizontal line.

Ms. Amy Twarek, CFO/Treasurer

A handwritten signature in blue ink, appearing to read "Gary Pack", written over a horizontal line.

Dr. Gary Pack, Superintendent

PRINCETON CITY SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
June 30, 2014

Elected Officials

President, Board of Education.....	Dr. Lillian Hawkins
Vice-President, Board of Education.....	Mrs. Susan Wyder
Board Member.....	Mr. Steve Moore
Board Member.....	Mrs. Sandy Leach
Board Member	Mrs. Mary Cleveland

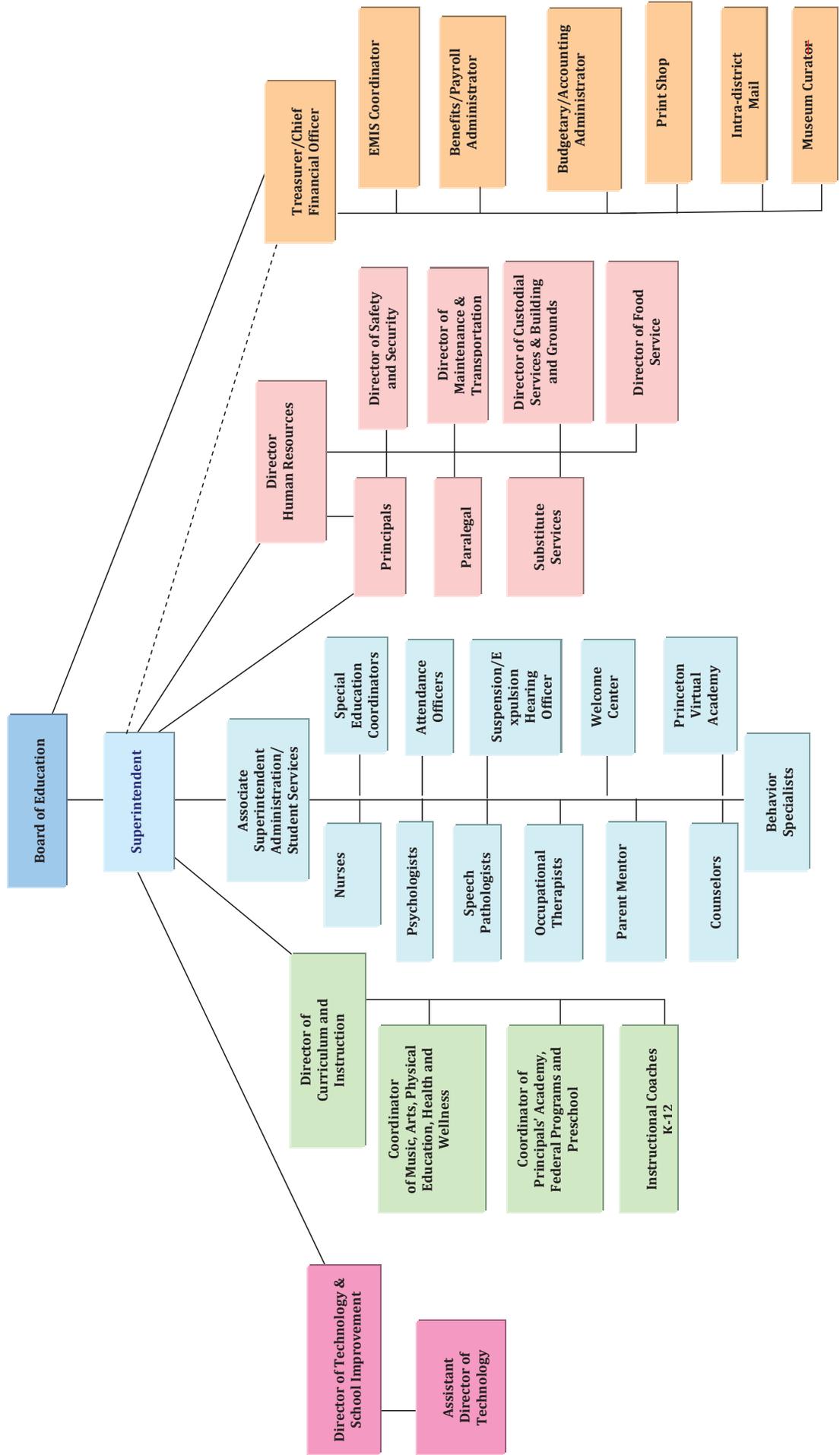
Administrative Officials

Superintendent.....	Dr. Gary Pack
Associate Superintendent.....	Dr. Amy Crouse
Director of Human Resources.....	Ms. Jemel Weathers
Treasurer / Chief Financial Officer.....	Ms. Amy Twarek

Notes:

Effective 9/12/14, Dr. Gary Pack resigned
Effective 7/31/14, Dr. Amy Crouse resigned

Organizational Chart of the Princeton City School District





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Princeton City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Princeton City School District, Ohio

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading "Terrie S. Simmons".

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA
Executive Director

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Education
Princeton City School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Princeton City School District (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 20 to the financial statements, the District adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2014, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Cincinnati, Ohio

December 30, 2014

Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

The management's discussion and analysis of Princeton City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the 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 District's performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- Net position of governmental activities increased \$18,317,946 which represents a 56% increase from 2013.
- General revenues accounted for \$91,192,214 in revenue or 86.7% of all revenues. Program specific revenues in the form of charges for services and sales, and operating grants and contributions accounted for \$13,947,911 or 13.3% of total revenues of \$105,140,125.
- The District had \$86,822,179 in expenses related to governmental activities; \$13,947,911 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of were also used to provide for these programs.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and the *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. The General, Bond Retirement and Building funds are the major funds of the District.

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2014?" The Government-wide Financial Statements answer this question. These statements include *all assets* and *liabilities* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the overall financial position of the District is presented in the following manner:

- **Governmental Activities** – Most of the District's programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities and interest and fiscal charges.

Fund Financial Statements

The analysis of the District's major funds is presented in the Fund Financial Statements (see Table of Contents). Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

Governmental Funds Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

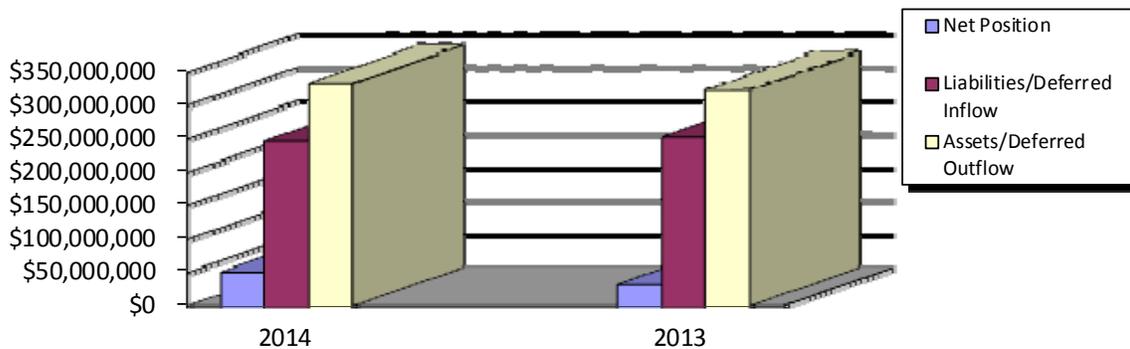
The District as a Whole

As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2014 compared to 2013:

Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Table 1
Net Position

	Governmental Activities	
	2014	2013 Restated
Assets:		
Current and Other Assets	\$129,581,121	\$145,632,966
Capital Assets	203,173,929	176,697,349
Total Assets	332,755,050	322,330,315
Total Deferred Outflows of Resources	1,914,655	2,030,695
Liabilities:		
Other Liabilities	18,068,014	25,167,625
Long-Term Liabilities	228,887,522	227,829,730
Total Liabilities	246,955,536	252,997,355
Total Deferred Inflows of Resources	36,798,778	34,704,820
Net Position:		
Net Investment in Capital Assets	7,255,387	1,346,980
Restricted	12,486,156	12,121,084
Unrestricted	31,173,848	19,129,381
Total Net Position	\$50,915,391	\$32,597,445



Over time, net position can serve as a useful indicator of a government’s financial position. At June 30, 2014, the District’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$50,915,391.

At year-end, capital assets represented 61% of total assets. Capital assets include land, construction in progress, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2014, was \$7,255,387. These capital assets are used to provide services to the students and are not available for future spending. Although the District’s investment in capital assets is

Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$12,486,156 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Capital Assets increased due to an increase in construction in progress. Long-term liabilities decreased mainly due to the District continuing to make principal payments on its long term debt obligations.

Table 2 shows the changes in net position for fiscal years 2014 and 2013.

Table 2
Changes in Net Position

	Governmental Activities	
	2014	2013 Restated
Revenues:		
Program Revenues		
Charges for Services	\$4,734,020	\$5,622,637
Operating Grants, Contributions	9,213,891	7,828,636
General Revenues:		
Property Taxes	62,939,584	57,539,338
Grants and Entitlements	26,859,702	26,600,918
Other	1,392,928	1,831,134
Total Revenues	<u>105,140,125</u>	<u>99,422,663</u>
Program Expenses:		
Instruction	42,489,229	49,289,509
Support Services:		
Pupil and Instructional Staff	7,157,474	6,437,850
School Administrative, General		
Administration, Fiscal and Business	7,094,509	8,467,620
Operations and Maintenance	7,191,825	7,404,673
Pupil Transportation	4,622,493	5,556,446
Central	1,168,493	936,744
Operation of Non-Instructional Services	3,331,906	4,053,667
Extracurricular Activities	1,166,289	1,263,001
Interest and Fiscal Charges	<u>12,599,961</u>	<u>12,167,816</u>
Total Program Expenses	<u>86,822,179</u>	<u>95,577,326</u>
Change in Net Position	18,317,946	3,845,337
Net Position - Beginning of Year	<u>32,597,445</u>	<u>28,752,108</u>
Net Position - End of Year	<u>\$50,915,391</u>	<u>\$32,597,445</u>

Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

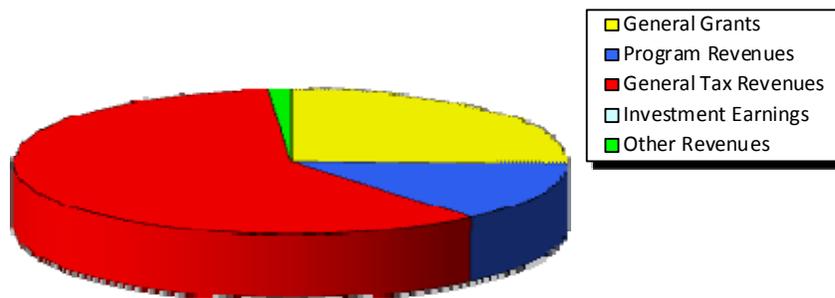
The District revenues are mainly from three sources. Property taxes levied for general, debt service and capital projects purposes, grants and entitlements and operating grants and contributions comprised most of the District’s revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus, Ohio districts do not receive additional property tax revenue from increases in appraisal values and must regularly return to the voters to maintain a constant level of service. Property taxes made up 59.9% of revenue for governmental activities for the District in fiscal year 2014.

Governmental Activities
Revenue Sources

Revenue Sources	2014	Percent of Total
General Grants	\$26,859,702	25.5%
Program Revenues	13,947,911	13.3%
General Tax Revenues	62,939,584	59.9%
Investment Earnings	(65,250)	0.0%
Other Revenues	1,458,178	1.3%
Program Revenues	<u>\$105,140,125</u>	<u>100.0%</u>



Instruction comprises 48.9% of governmental program expenses. Support services expenses were 31.4% of governmental program expenses. All other expenses and interest expense was 19.7% Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Property taxes revenue increased mainly due to an increase in taxes advances available in fiscal year 2014 as compared to fiscal year 2013. Total expenses decreased due to ongoing cost saving measures throughout the District.

Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2014	2013	2014	2013
Instruction	\$42,489,229	\$49,289,509	(\$34,776,095)	(\$41,939,853)
Support Services:				
Pupil and Instructional Staff	7,157,474	6,437,850	(4,941,474)	(4,608,587)
School Administrative, General				
Administration, Fiscal and Busin	7,094,509	8,467,620	(6,916,352)	(8,467,590)
Operations and Maintenance	7,191,825	7,404,673	(7,129,729)	(7,345,615)
Pupil Transportation	4,622,493	5,556,446	(4,494,102)	(5,373,037)
Central	1,168,493	936,744	(1,150,524)	(846,298)
Operation of Non-Instructional Service	3,331,906	4,053,667	120,786	(219,856)
Extracurricular Activities	1,166,289	1,263,001	(986,817)	(1,157,401)
Interest and Fiscal Charges	12,599,961	12,167,816	(12,599,961)	(12,167,816)
Total Expenses	<u>\$86,822,179</u>	<u>\$95,577,326</u>	<u>(\$72,874,268)</u>	<u>(\$82,126,053)</u>

The District's Funds

The District has three major governmental funds: the General Fund, Bond Retirement Fund and the Building Fund. Assets of these funds comprise \$117,908,982 (93%) of the total \$126,523,923 governmental funds' assets.

General Fund: Fund balance at June 30, 2014 was \$29,251,141. The primary reason for the increase in fund balance was due to an increase in taxes revenue and intergovernmental revenue in 2014 compared to 2013.

Bond Retirement Fund: Fund balance at June 30, 2014 was \$6,420,463. Fund balance decreased due to an increase in debt payments made in 2014 compared to 2013.

Building Fund: Fund balance at June 30, 2014 was \$25,284,308. The primary reason for the decrease in fund balance was due to capital outlay expenses being greater than revenues due to the ongoing building projects, which is consistent with prior years.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

For the General Fund, final budget basis revenue was \$76,479,771. The original budget estimate was \$68,822,938. The difference was \$7,656,833. Of this difference, most was due to under estimates for taxes and intergovernmental revenues.

The District’s ending unobligated cash balance was \$13,936,726.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$203,173,929 invested in land, construction in progress, buildings and improvements and equipment. Table 4 shows fiscal year 2014 balances compared to fiscal year 2013:

Table 4
Capital Assets at Year End
(Net of Depreciation)

	Governmental Activities	
	2014	2013
Land	\$6,278,189	\$6,278,189
Construction in Progress	82,355,958	88,873,264
Buildings and Improvements	112,644,071	79,090,322
Equipment	1,895,711	2,455,574
Total Net Capital Assets	<u>\$203,173,929</u>	<u>\$176,697,349</u>

The increase in capital assets is mainly due to an increase in construction in progress.

See Note 5 in the Notes to the Basic Financial Statements for further details on the District’s capital assets.

Debt

At June 30, 2014, the District had \$226,802,397 in debt outstanding, \$3,976,628 due within one year. Table 5 summarizes debt outstanding.

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Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2014	2013
2003 School Improvement Bonds	\$0	\$1,635,000
2003 School Improvement Bonds - Premium	0	30,433
2006 Refunding Bonds	69,900,000	70,010,000
2006 Refunding Bonds - Premium	3,717,144	3,942,426
2006 Refunding Bonds - Deferred amount on refunding	0	(2,030,695)
2010 School Improvement Bonds	116,500,000	118,280,000
2010 School Improvement Capital Appreciation		
Bonds - Principal Only	1,714,930	1,714,930
2010 School Improvement Capital Appreciation		
Bonds - Accreted Interest	3,993,526	2,405,463
2010 School Improvement Bonds - Premium	9,730,366	10,020,825
2012 Certificate of Participation	15,225,000	15,225,000
2012 Certificate of Participation - Discount	(218,161)	(226,094)
2013 Energy Conservation Bonds	625,000	645,000
2013 Certificate of Participation	2,240,000	2,300,000
2013 Certificate of Participation - Premium	123,415	127,670
OASBO Loan	3,130,000	3,260,000
Lease-purchase agreement	121,177	227,540
Total Long-Term Notes, Bonds and Capital Leases	<u>\$226,802,397</u>	<u>\$227,567,498</u>

See Notes 11-13 in the Notes to the Basic Financial Statements for further details on the District's long-term obligations.

For the Future

A challenge facing the School District is the future of state funds. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The Court found the state's school funding system unconstitutional but declined to retain jurisdiction of the matter meaning the decision included no timeline for compliance or accountability for lack of compliance.

While the State has made some progress in resolving the school funding issue, the court ruled that the funding system is far too reliant on property taxes which are inherently not equitable or adequate for many districts. Princeton, however, receives about 55% of its general funding from property taxes.

Princeton City School District, Ohio
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)

In June of 2005, the State legislature passed House Bill 66 which phases out the tax on tangible personal property of general business, telephone, and telecommunications companies, and railroads. The tax on general business and railroad property began being phased out in 2006 and was eliminated by 2009. The tax on telephone and telecommunication property began being phased out in 2009 and was eliminated in 2011.

In June of 2012, the State legislature passed House Bill 153 which restructured the reimbursement of tangible personal property and electric deregulation property tax reimbursement by no more than 2% per year of its total resources (state and local funding) as compared to the base year. Any reimbursement a School District is still receiving in FY13 will continue to be received at that level in the future.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer at Princeton City Schools, 3900 Cottingham Dr., Cincinnati, Ohio 45241.

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Princeton City School District
Statement of Net Position
June 30, 2014

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$60,152,738
Restricted Cash and Investments	2,273,183
Receivables (Net):	
Taxes	65,858,414
Accounts	313,784
Interest	80,254
Intergovernmental	878,778
Inventory	23,970
Nondepreciable Capital Assets	88,634,147
Depreciable Capital Assets, Net	<u>114,539,782</u>
 Total Assets	 <u>332,755,050</u>
Deferred Outflows of Resources:	
Deferred Charge on Refunding	<u>1,914,655</u>
 Total Deferred Outflows of Resources	 <u>1,914,655</u>
Liabilities:	
Accounts Payable	1,317,655
Accrued Wages and Benefits	7,574,673
Contracts Payable	2,076,810
Retainage Payable	2,060,276
Accrued Interest Payable	900,936
Claims Payable	382,664
Tax Anticipation Notes Payable	3,755,000
Long-Term Liabilities:	
Due Within One Year	5,030,787
Due In More Than One Year	<u>223,856,735</u>
 Total Liabilities	 <u>246,955,536</u>
Deferred Inflows of Resources:	
Property Taxes	<u>36,798,778</u>
 Total Deferred Inflows of Resources	 <u>36,798,778</u>
Net Position:	
Net Investment in Capital Assets	7,255,387
Restricted for:	
Debt Service	6,464,046
Capital Projects	3,017,034
Athletic	608,938
Auxiliary Services	328,096
State Grants	131,654
Federal Grants	286,112
Food Service	1,584,989
Other Purposes	65,268
Endowment Nonexpendable	19
Unrestricted	<u>31,173,848</u>
 Total Net Position	 <u><u>\$50,915,391</u></u>

See accompanying notes to the basic financial statements.

Princeton City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2014

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$29,492,412	\$1,126,425	\$1,800,143	(\$26,565,844)
Special	9,944,046	2,094,448	1,316,096	(6,533,502)
Vocational	158,178	0	451	(157,727)
Other	2,894,593	912,375	463,196	(1,519,022)
Support Services:				
Pupil	4,264,176	0	354,584	(3,909,592)
Instructional Staff	2,893,298	0	1,861,416	(1,031,882)
General Administration	226,937	0	0	(226,937)
School Administration	5,311,998	0	178,157	(5,133,841)
Fiscal	1,437,394	0	0	(1,437,394)
Business	118,180	0	0	(118,180)
Operations and Maintenance	7,191,825	60,096	2,000	(7,129,729)
Pupil Transportation	4,622,493	0	128,391	(4,494,102)
Central	1,168,493	0	17,969	(1,150,524)
Operation of Non-Instructional Services	3,331,906	361,204	3,091,488	120,786
Extracurricular Activities	1,166,289	179,472	0	(986,817)
Interest and Fiscal Charges	12,599,961	0	0	(12,599,961)
Totals	\$86,822,179	\$4,734,020	\$9,213,891	(72,874,268)

General Revenues:

Property Taxes Levied for:

General Purposes	50,771,955
Debt Service Purposes	10,090,334
Capital Projects Purposes	2,077,295
Grants and Entitlements, Not Restricted	26,859,702
Revenue in Lieu of Taxes	874,948
Unrestricted Contributions	66,434
Investment Earnings	(65,250)
Other Revenues	516,796

Total General Revenues 91,192,214

Change in Net Position 18,317,946

Net Position - Beginning of Year, Restated 32,597,445

Net Position - End of Year \$50,915,391

See accompanying notes to the basic financial statements.

Princeton City School District
Balance Sheet
Governmental Funds
June 30, 2014

	General	Bond Retirement	Building	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$17,441,422	\$2,601,120	\$28,764,339	\$5,399,636	\$54,206,517
Restricted Cash and Investments	212,907	0	2,060,276	0	2,273,183
Receivables (Net):					
Taxes	51,943,524	11,605,410	0	2,309,480	65,858,414
Accounts	130,021	0	0	3,077	133,098
Interest	1,605	0	78,649	0	80,254
Intergovernmental	0	0	0	878,778	878,778
Interfund	752,946	0	2,316,763	0	3,069,709
Inventory	0	0	0	23,970	23,970
Total Assets	70,482,425	14,206,530	33,220,027	8,614,941	126,523,923
Liabilities:					
Accounts Payable	1,109,536	0	0	203,500	1,313,036
Accrued Wages and Benefits	6,926,308	0	0	648,365	7,574,673
Compensated Absences	368,130	0	0	12,337	380,467
Contracts Payable	0	0	2,076,810	0	2,076,810
Retainage Payable	0	0	2,060,276	0	2,060,276
Accrued Interest Payable	0	0	8,244	0	8,244
Interfund Payable	0	0	0	752,946	752,946
Tax Anticipation Notes Payable	0	0	3,755,000	0	3,755,000
Total Liabilities	8,403,974	0	7,900,330	1,617,148	17,921,452
Deferred Inflows of Resources:					
Property Taxes	32,826,588	7,786,067	0	1,558,133	42,170,788
Grants and Other Taxes	0	0	0	878,778	878,778
Investment Earnings	722	0	35,389	0	36,111
Total Deferred Inflows of Resources	32,827,310	7,786,067	35,389	2,436,911	43,085,677
Fund Balances:					
Nonspendable	0	0	0	19	19
Restricted	212,907	6,420,463	25,284,308	5,221,812	37,139,490
Committed	11,000	0	0	0	11,000
Assigned	2,112,106	0	0	0	2,112,106
Unassigned	26,915,128	0	0	(660,949)	26,254,179
Total Fund Balances	29,251,141	6,420,463	25,284,308	4,560,882	65,516,794
Total Liabilities, Deferred Inflows and Fund Balances	\$70,482,425	\$14,206,530	\$33,220,027	\$8,614,941	\$126,523,923

See accompanying notes to the basic financial statements.

Princeton City School District
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 June 30, 2014

Total Governmental Fund Balance \$65,516,794

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

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital assets used in the operation of Governmental Funds 203,173,929

Other long-term assets are not available to pay for current-
 period expenditures and, therefore, are deferred in the funds.

Delinquent Property Taxes	5,372,010	
Interest	36,111	
Intergovernmental	<u>878,778</u>	
		6,286,899

An internal service fund is used by management to charge
 back costs to individual funds. The assets and
 liabilities of the internal service fund are included in
 governmental activities in the statement of net position.

Internal Service Net Position 3,422,861

In the statement of net position interest payable is accrued when
 incurred; whereas, in the governmental funds interest is
 reported as a liability only when it will require the use of
 current financial resources.

(892,692)

Some liabilities reported in the statement of net position do not
 require the use of current financial resources and, therefore,
 are not reported as liabilities in governmental funds.

Compensated Absences (1,704,658)

Deferred outflows of resources associated with long-term liabilities
 are not reported in the funds.

1,914,655

Long-term liabilities are not due and payable in the current
 period and, therefore, are not reported in the funds.

(226,802,397)

Net Position of Governmental Activities

\$50,915,391

See accompanying notes to the basic financial statements.

Princeton City School District
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2014

	General	Bond Retirement	Building	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and Other Taxes	\$49,175,968	\$9,769,858	\$0	\$1,978,664	\$60,924,490
Tuition and Fees	4,125,104	0	0	1,565	4,126,669
Investment Earnings	73,987	0	(175,362)	14	(101,361)
Intergovernmental	24,504,868	3,925,299	0	7,497,307	35,927,474
Extracurricular Activities	74,740	0	0	103,167	177,907
Charges for Services	56,102	0	0	361,204	417,306
Revenue in Lieu of Taxes	849,450	20,765	0	4,733	874,948
Other Revenues	591,525	0	0	3,844	595,369
Total Revenues	79,451,744	13,715,922	(175,362)	9,950,498	102,942,802
Expenditures:					
Current:					
Instruction:					
Regular	29,725,541	0	0	1,040,072	30,765,613
Special	9,164,346	0	0	789,683	9,954,029
Vocational	157,685	0	0	0	157,685
Other	2,710,120	0	0	214,367	2,924,487
Support Services:					
Pupil	3,877,062	0	0	431,110	4,308,172
Instructional Staff	1,037,891	0	0	1,829,319	2,867,210
General Administration	226,937	0	0	0	226,937
School Administration	5,169,576	0	0	129,193	5,298,769
Fiscal	1,242,423	158,845	0	33,312	1,434,580
Business	131,485	0	0	0	131,485
Operations and Maintenance	7,180,660	0	0	23,254	7,203,914
Pupil Transportation	4,422,796	0	0	12,477	4,435,273
Central	1,098,429	0	0	36,634	1,135,063
Operation of Non-Instructional Services	75,879	0	0	3,215,304	3,291,183
Extracurricular Activities	252,687	0	0	840,969	1,093,656
Capital Outlay	313,560	0	26,945,716	843	27,260,119
Debt Service:					
Principal Retirement	0	3,525,000	0	316,363	3,841,363
Interest and Fiscal Charges	0	10,448,686	102,701	912,596	11,463,983
Total Expenditures	66,787,077	14,132,531	27,048,417	9,825,496	117,793,521
Excess of Revenues Over (Under) Expenditures	12,664,667	(416,609)	(27,223,779)	125,002	(14,850,719)
Other Financing Sources (Uses):					
Transfers In	0	0	518,075	802,730	1,320,805
Transfers (Out)	(802,730)	0	0	(518,075)	(1,320,805)
Total Other Financing Sources (Uses)	(802,730)	0	518,075	284,655	0
Net Change in Fund Balance	11,861,937	(416,609)	(26,705,704)	409,657	(14,850,719)
Fund Balance - Beginning of Year	17,389,204	6,837,072	51,990,012	4,151,225	80,367,513
Fund Balance - End of Year	\$29,251,141	\$6,420,463	\$25,284,308	\$4,560,882	\$65,516,794

See accompanying notes to the basic financial statements.

Princeton City School District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2014

Net Change in Fund Balance - Total Governmental Funds (\$14,850,719)

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

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.

Capital assets used in governmental activities	29,005,992	
Depreciation Expense	<u>(2,529,412)</u>	
		26,476,580

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent Property Taxes	2,015,095	
Interest	36,111	
Intergovernmental	<u>146,117</u>	
		2,197,323

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

3,841,363

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.

25,629

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences	213,988	
Amortization of Bond Premium	550,429	
Amortization of Bond Discount	(7,933)	
Amortization of Deferred Charge on Refunding	(116,040)	
Bond Accretion	<u>(1,588,063)</u>	
		(947,619)

The internal service fund used by management to charge back costs to individual funds is not reported in the entity-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

Change in Net Position - Internal Service Funds		<u>1,575,389</u>
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Change in Net Position of Governmental Activities		<u><u>\$18,317,946</u></u>
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See accompanying notes to the basic financial statements.

Princeton City School District
Statement of Net Position
Proprietary Funds
June 30, 2014

	<u>Governmental Activities- Internal Service Funds</u>
Assets:	
Equity in Pooled Cash and Investments	\$5,946,221
Receivables (Net):	
Accounts	<u>180,686</u>
Total Assets	<u>6,126,907</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	4,619
Interfund Payable	2,316,763
Claims Payable	<u>382,664</u>
Total Liabilities	<u>2,704,046</u>
Net Position:	
Unrestricted	<u>3,422,861</u>
Total Net Position	<u><u>\$3,422,861</u></u>

See accompanying notes to the basic financial statements.

Princeton City School District
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	<u>Governmental Activities- Internal Service Funds</u>
Operating Revenues:	
Charges for Services	\$10,082,131
Other Revenues	<u>304,192</u>
Total Operating Revenues	<u>10,386,323</u>
Operating Expenses:	
Contactual Services	1,032,981
Claims	6,535,315
Other Expenses	<u>1,242,678</u>
Total Operating Expenses	<u>8,810,974</u>
Operating Income (Loss)	<u>1,575,349</u>
Non-Operating Revenues (Expenses):	
Interest (Expense)	<u>40</u>
Total Non-Operating Revenues (Expenses)	<u>40</u>
Change in Net Position	1,575,389
Net Position - Beginning of Year	<u>1,847,472</u>
Net Position - End of Year	<u>\$3,422,861</u>

See accompanying notes to the basic financial statements.

Princeton City School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	<u>Governmental Activities- Internal Service Funds</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$10,205,637
Cash Payments to Suppliers	<u>(9,088,413)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,117,224</u>
Cash Flows from Capital and Related Financing Activities:	
Debt Interest Payments	<u>40</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>40</u>
Net Increase (Decrease) in Cash and Cash Equivalent	1,117,264
Cash and Cash Equivalents - Beginning of Year	<u>4,828,957</u>
Cash and Cash Equivalents - End of Year	<u><u>5,946,221</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	1,575,349
Changes in Assets & Liabilities:	
(Increase) Decrease in Receivables	(180,686)
Increase (Decrease) in Payables	(49,748)
Increase (Decrease) in Claims Payables	<u>(227,691)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$1,117,224</u>

See accompanying notes to the basic financial statements.

Princeton City School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Private Purpose Trust	Agency
	<u> </u>	<u> </u>
Assets:		
Equity in Pooled Cash and Investments	\$167,706	\$149,490
Receivables (Net):		
Accounts	<u> 0</u>	<u> 2,555</u>
Total Assets	<u> 167,706</u>	<u> 152,045</u>
Liabilities:		
Accounts Payable	0	669
Other Liabilities	<u> 0</u>	<u> 151,376</u>
Total Liabilities	<u> 0</u>	<u> \$152,045</u>
Net Position:		
Held in Trust	<u> 167,706</u>	
Total Net Position	<u> \$167,706</u>	

See accompanying notes to the basic financial statements.

Princeton City School District
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2014

	Private Purpose Trust
Additions:	
Donations	<u>\$12,820</u>
Total Additions	<u>12,820</u>
Deductions:	
Scholarships	<u>10,476</u>
Total Deductions	<u>10,476</u>
Change in Net Position	2,344
Net Position - Beginning of Year	<u>165,362</u>
Net Position - End of Year	<u>\$167,706</u>

See accompanying notes to the basic financial statements.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

The School District is a consolidation of nine school districts originally chartered by the Ohio State Legislature. In 1853, state laws were enacted to create local Boards of Education. Today, the School District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.09 of the Ohio Revised Code. The School District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal guidelines. This Board controls the School District's instructional and support facilities to provide services to students and other community members.

The reporting entity is comprised of the primary government, which consists of all funds, departments, boards, and agencies that are not legally separate from the School District. This includes general operations, food service, and student related activities of the School District.

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

The following activity is included within the reporting entity:

Parochial and Private Schools - Within the School District boundaries, several parochial and private schools are operated. Current State legislation provides funding to these schools, which is received and disbursed on behalf of the schools by the Treasurer of the School District, as directed by the schools. The administration of the State monies by the School District is reflected in a special revenue fund for financial reporting purposes.

The School District is associated with two jointly governed organizations. These organizations are the Southwest Ohio Computer Association and Great Oaks Institute of Technology and Career Development. The organizations are presented in Note 14 to the basic financial statements.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The activity of the internal service funds is eliminated to avoid doubling up revenues and expenses. The interfund services provided and used are not eliminated in the consolidation.

The government-wide statements are prepared using the economic resources measurement focus, which differs from the manner in which the governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements Fund financial statements report detailed information about the School District. The focus of governmental and proprietary financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented separately. Fiduciary funds are reported by fund type.

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total assets.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Operating revenues and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non- operating revenues and expenses.

The private purpose trust funds are reported using the economic resources measurement focus. Agency funds do not have a measurement focus.

Fund Accounting

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self- balancing set of accounts. The funds of the School District are grouped into the categories governmental, proprietary, and fiduciary.

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes 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 following are the School District's major governmental funds:

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

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

Building Fund – The building fund accounts for the activity related to the construction of the middle and high school facilities and improvements to other existing school facilities.

Proprietary funds are used to account for the School District's ongoing activities that are similar to those found in the private sector where the intent of the governing body is that the cost of providing goods and services financed or recovered primarily through user charges. The School District created internal service funds for the operation of its self- insured employee benefits and workers' compensation activities.

Fiduciary funds report on net position and changes in net position. The School District's fiduciary funds consist of private-purpose trust funds and an agency fund. The School District's private-purpose trust funds account for scholarship programs for students. These assets are not available for the School District's use. The agency fund is custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency fund accounts for student activities.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Basis of Accounting

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

The modified accrual basis of accounting is used by the governmental funds. On a modified accrual basis, revenues are recorded when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end. Under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, interest, tuition, student fees, and grants.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Allocations of cost, such as depreciation, are not recognized in the governmental funds.

Government-wide financial statements are prepared using the accrual basis of accounting. Also, proprietary funds and fiduciary funds utilize accrual accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues - Exchange and Non-exchange transactions. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the School District receives value without directly giving 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 were levied.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the 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.

Deferred Outflows/Inflows of Resources. In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources include deferred charges on long term debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

School District, deferred inflows of resources include property taxes and grants and other taxes. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance year 2015 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements.

Equity in Pooled Cash and Cash Equivalents

Cash received by the School District is pooled for investment purposes. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the balance sheet.

During fiscal year 2014, the School District's investments were limited to STAROhio, Money Market Funds, US Treasury Notes, Commercial Paper, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, and Federal National Mortgage Association.

STAR Ohio is an investment pool managed by the State Treasurer's Office that 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, 2014. The School District recorded other investments held at June 30, 2014 at fair value.

Under existing Ohio statutes, all investment earnings accrue to the General Fund except those specifically related to agency funds, certain trust funds, and those other funds individually authorized by Board resolutions. Interest earnings are allocated to these funds based on average monthly cash balance.

For purposes of the statement of cash flows and for presentation on the balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of inventory items are recorded as expenditures in the governmental funds when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. The School District defines capital assets as those with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their estimated fair values as of the date received. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Land improvements	20 years
Buildings and improvements	20 - 50 years
Equipment and furniture	5-20 years
Vehicles	8 years

Interfund Balances

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

On fund financials, receivables and payables resulting from short-term interfund loans are classified as "interfund receivable/payable." These amounts are eliminated in the governmental activities column of the statement of net position.

Compensated Absences

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

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

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, a liability is recorded only for the portion of unpaid compensated absences that has matured due to employee resignations and retirements. These amounts are recorded as matured compensated absences payable.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources with the exception of compensated absences as noted above.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in a spendable form, or legally or contractually required to be maintained intact. The “not in a spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – Resources intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In the general fund, assigned amounts are intended to be used for specific purposes as approved through the School District’s formal purchase order procedure by the Superintendent and the Treasurer. The adoption of the board appropriation resolution is the established policy, which gives the authorization to assign resources for a specific purpose.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Restricted Assets

Restricted assets in the general fund represent equity in pooled cash and investments set aside to establish a budget set aside in accordance with state statutes.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its 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 which for the School District includes amounts set-aside for budget stabilization and restricted grants.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the District's \$12,486,156 in restricted net position, none was restricted by enabling legislation.

Estimates

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

Note 2 – 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 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.

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 or deposit accounts including pass book accounts.

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

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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

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

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

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

The following information classifies investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and amended by GASB Statement No. 40 "Deposit and Investment Risk Disclosures".

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a failure, the School District’s deposits may not be returned to it. The School District’s custodial credit risk policy requires that deposits be collateralized as required by ORC Chapter 135. At year end, \$12,062,356 of the School District’s bank balance of \$12,562,356 was exposed to custodial credit risk since it was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the School District’s name. ORC Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities.

Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that all times the total value of the securities so pledged is at least 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

Investments

The School District’s investments at June 30, 2014 are as summarized as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
STAROhio	\$14,367,102	0.14
Money Market Funds	1,630,585	0.00
US Treasury Notes	7,202,672	0.47
Commercial Paper	10,906,525	0.18
Federal Home Loan Bank	3,597,634	0.85
Federal Home Loan Mortgage Corp	3,362,139	0.56
Federal Farm Credit Bank	4,869,926	1.26
Federal National Mortgage Association	4,516,740	1.29
Total Fair Value	<u>\$50,453,323</u>	
Portfolio Weighted Average Maturity		0.49

Credit Risk – It is the School District’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. The School District’s investments in Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, Federal National Mortgage Association and U.S. Treasury Notes were rated AA+ by Standard & Poor’s and Aaa by Moody’s. The investment in commercial paper was rated A-1+ by Standard & Poor’s and P-1 by Moody’s. The School District’s investments in the U.S. Money Market Funds were rated AAA by Standard & Poor’s. Investments in STAR Ohio were rated AAAM by Standard & Poor’s.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a failure of a counter party, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District’s investment securities are registered in the name of the School District except for its investments in STAR Ohio and US Money Market Funds, which are not evidenced by securities that exist in physical or book entry form.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Concentration of Credit Risk – The School District’s policy places no limit on the amount it may invest in any one issuer. The School District has invested 28% in STAROhio, 3% in Money Market Funds, 14% in US Treasury Notes, 22% in Commercial Paper, 7% in Federal Home Loan Bank, 7% in Federal Home Loan Mortgage Corporation, 10% in Federal Farm Credit Bank, and 9% in Federal National Mortgage Association.

Interest Rate Risk – In accordance with the investment policy, the School District manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to five years.

Note 3 – Property Taxes

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

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, 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. The District receives property taxes primarily from Hamilton County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2014, are available to finance fiscal year 2015 operations. The amount available for advance 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 that became measurable as of June 30, 2014. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amounts available for advance at June 30, 2014 were \$19,116,936 in the General Fund, \$3,819,343 in the Bond Retirement Fund and \$751,347 in Other Governmental Funds.

The assessed values upon which fiscal year 2014 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,415,240,420
Public Utility Personal	<u>78,790,330</u>
Total	<u><u>\$1,494,030,750</u></u>

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 4 – Interfund Transactions

During the year ended June 30, 2014, the School District made the following transfers:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$752,946	\$0	\$0	\$802,730
Building Fund	2,316,763	0	518,075	0
Internal Service Funds	0	2,316,763	0	0
Nonmajor Governmental Funds	0	752,946	802,730	518,075
Total All Funds	<u>\$3,069,709</u>	<u>\$3,069,709</u>	<u>\$1,320,805</u>	<u>\$1,320,805</u>

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

The \$2,316,763 of interfund receivable in the Building Fund and interfund payable in Internal Service Funds is due to workers compensation being self-insured for all the people working on the various construction projects throughout the District. The Building Fund pays all workers' compensation self-insurance costs to the Workers' Compensation Self-Insurance Fund and therefore an interfund receivable is shown on the Building Fund and an interfund payable is shown on the Workers' Compensation Internal Service Fund.

The \$518,075 transfer out of the Permanent Improvement Fund in to the Building Fund is to help pay for all of the various construction projects throughout the District.

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Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Note 5 – Capital Assets

Capital assets activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$6,278,189	\$0	\$0	\$6,278,189
Construction in Progress	88,873,264	29,005,992	35,523,298	82,355,958
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	106,692,348	35,523,298	0	142,215,646
Equipment	12,850,872	0	0	12,850,872
Totals at Historical Cost	214,694,673	64,529,290	35,523,298	243,700,665
Less Accumulated Depreciation:				
Buildings and Improvements	27,602,026	1,969,549	0	29,571,575
Equipment	10,395,298	559,863	0	10,955,161
Total Accumulated Depreciation	37,997,324	2,529,412	0	40,526,736
Governmental Activities Capital Assets, Net	<u>\$176,697,349</u>	<u>\$61,999,878</u>	<u>\$35,523,298</u>	<u>\$203,173,929</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$2,078,530
Special	1,357
Vocational	493
Support Services:	
Instructional Staff	8,297
School Administration	9,156
Fiscal	943
Business	5,136
Operations and Maintenance	20,055
Pupil Transportation	277,335
Central	15,106
Operation of Non-Instructional Services	40,371
Extracurricular Activities	72,633
Total Depreciation Expense	<u>\$2,529,412</u>

Note 6 – Risk Management

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District carries commercial general liability insurance against these risks and all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Beginning in fiscal year 2011, the School District began providing health insurance coverage for its employees on a self-insurance basis. Expenses for claims are recorded on a current basis based on an actuarially determined charge per employee. The School District also purchased stop-loss insurance for claims over 125% of premiums. The School District accounts for such activity in an internal service fund in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

A summary of the changes in self-insurance medical claims liability is as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Claims liability at beginning of year	\$590,991	\$660,806	\$500,222
Claims incurred	6,450,053	6,550,216	8,227,811
Claims paid	<u>(6,671,146)</u>	<u>(6,620,031)</u>	<u>(8,067,227)</u>
Claims liability at end of year	<u>\$369,898</u>	<u>\$590,991</u>	<u>\$660,806</u>

Claims are accrued based upon estimates of the claims liability made by management and the third-party administrator of the School District. These estimates are based on past experience and current claims outstanding. Actual claims experience may differ from the estimate. An actuary was used in the determination of the current liability.

Beginning in January 2011, the School District began to self-insure its workers' compensation costs. Expenses for claims are recorded on the current basis based on an actuarially determined charge per employee. The School District accounts for the activities of this program in an internal service fund in accordance with GASB Statement No. 10.

A summary of the changes in self-insurance workers' compensation claims liability is as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Claims liability at beginning of year	\$19,364	\$19,364	\$34,995
Claims incurred	85,262	320,327	415,362
Claims paid	<u>(91,860)</u>	<u>(320,327)</u>	<u>(430,993)</u>
Claims liability at end of year	<u>\$12,766</u>	<u>\$19,364</u>	<u>\$19,364</u>

Note 7 - Pension Plans

School Employees Retirement System of Ohio

Plan Description

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor 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 can be obtained on SERS' website at www.ohsers.org under *Employers/Audit Resources*.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Funding Policy

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care fund) of the System. For fiscal year ending June 30, 2014, the allocation to pension and death benefits is 13.10%. The remaining 0.90% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's contributions to SERS for the years ended June 30, 2014, 2013, and 2012 were \$2,216,592, \$2,429,448, and \$2,331,912, respectively; contributions equaled the required contributions for each year.

State Teachers Retirement System of Ohio

Plan Description

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution, or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. Additional information or copies of STRS Ohio's *Comprehensive Annual Financial Report* can be requested by writing to STRS Ohio, 275 E. Broad Street, Columbus, OH 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio web site at www.strsoh.org.

Plan Options

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits

Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits

Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. 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.

Combined Plan Benefits

Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalizations, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

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 members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members’ beneficiaries.

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Funding Policy

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 11% for members and 14% for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2014, were 11% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2014, 2013, and 2012 were \$4,682,755, \$4,992,533, and \$4,985,439, respectively; 68% has been contributed for fiscal year 2014 and 100% for fiscal years 2013 and 2012.

Note 8- Post Employment Benefits

School Employees Retirement System of Ohio

Plan Description

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans.

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2014 was \$104.90 for most participants, but could be as high as \$335.70 depending on their income; SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2014, the actuarially required allocation was 0.76%. District contributions for the years ended June 30, 2014, 2013 and 2012 were \$120,329, \$128,414, and \$124,924, respectively, which equaled the required contributions each year.

Health Care Plan

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2014, the health care allocation was 0.14%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge

Princeton City School District, Ohio
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For the Fiscal Year Ended June 30, 2014

greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the minimum compensation level was established at \$20,525. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District contributions assigned to health care for the years ended June 30, 2014, 2013, and 2012 were \$22,166, \$27,765, and \$238,188, respectively.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained on SERS' website at www.ohsers.org under *Employers/Audit Resources*.

State Teachers Retirement System of Ohio

Plan Description

STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan; a self-directed Defined Contribution Plan and a Combined Plan that is a hybrid of the Defined Benefit and the Defined Contribution Plan.

Ohio law authorized STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

Pursuant to 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent *Comprehensive Annual Financial Report* by visiting www.strsoh.org or by requesting a copy by calling toll-free 1-888-227-7877.

Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2014, 2013 and 2012. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2014, 2013, and 2012 were \$334,483, \$356,610, and \$356,103, respectively; 68% has been contributed for fiscal year 2014 and 100% for fiscal years 2013 and 2012.

Note 9 – Employee Benefits Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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. Sick leave may be accumulated up to maximum of 260 days for teachers, 279 days for administrators and 265 days for classified staff. Upon retirement, payment is made for twenty-five percent of the employee's accumulated sick leave.

Note 10 – Short-Term Obligations

A summary of the short-term note transaction for the year ended June 30, 2014 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Funds				
Notes Payable:				
2012 Tax Anticipation Note	\$4,170,000	\$0	\$415,000	\$3,755,000
Total Short-Term Liabilities	<u>\$4,170,000</u>	<u>\$0</u>	<u>\$415,000</u>	<u>\$3,755,000</u>

The \$4,170,000 of Tax Anticipation Notes was issued to pay for construction of buildings.

Note 11 – Long-Term Obligations

The changes in the School District's long-term obligations during fiscal year 2014 were as follows:

	Interest Rate	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due In One Year
Governmental Activities:						
2003 School Improvement Bonds	2.00-4.75%	\$1,635,000	\$0	(\$1,635,000)	\$0	\$1,795,000
2003 School Improvement Bonds - Premium		30,433	0	(30,433)	0	0
2006 Refunding Bonds	4.00-5.25%	70,010,000	0	(110,000)	69,900,000	0
2006 Refunding Bonds - Premium		3,942,426	0	(225,282)	3,717,144	0
2010 School Improvement Bonds	1.64-6.39%	118,280,000	0	(1,780,000)	116,500,000	0
2010 School Improvement Capital Appreciation Bonds - Principal Only		1,714,930	0	0	1,714,930	478,575
2010 School Improvement Capital Appreciation Bonds - Accreted Interest		2,405,463	1,588,063	0	3,993,526	1,396,425
2010 School Improvement Bonds - Premium		10,020,825	0	(290,459)	9,730,366	0
2012 Certificate of Participation	4.50%	15,225,000	0	0	15,225,000	0
2012 Certificate of Participation - Discount		(226,094)	0	7,933	(218,161)	0
2013 Energy Conservation Bonds		645,000	0	(20,000)	625,000	40,000
2013 Certificate of Participation		2,300,000	0	(60,000)	2,240,000	20,000
2013 Certificate of Participation - Premium		127,670	0	(4,255)	123,415	0
OASBO Loan		3,260,000	0	(130,000)	3,130,000	135,000
Capital Lease Payable:						
Lease-Purchase Agreement	Various	227,540	0	(106,363)	121,177	111,628
Total General Obligation Bonds		<u>229,598,193</u>	<u>1,588,063</u>	<u>(4,383,859)</u>	<u>226,802,397</u>	<u>3,976,628</u>
Compensated Absences	N/A	<u>2,292,927</u>	<u>912,382</u>	<u>(1,120,184)</u>	<u>2,085,125</u>	<u>1,054,159</u>
Total Governmental Activities Long-Term Liabilities		<u>\$231,891,120</u>	<u>\$2,500,445</u>	<u>(\$5,504,043)</u>	<u>\$228,887,522</u>	<u>\$5,030,787</u>

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

2003 School Improvement Bonds – The School District issued School Improvement Bonds on December 1, 2003 in the amount of \$85,000,000 for the construction of new school buildings and renovation of certain existing buildings. These bonds mature on December 1, 2030 and pay interest at 4.77%. The bonds will be paid from the Debt Service Fund.

2006 School Improvement Refunding Bonds – The School District issued \$70,840,000 in refunding bonds for the partial advance refunding of \$71,800,000 of school improvement bonds issued in 2003. These bonds mature on December 1, 2030 and pay interest of 4.0% - 5.0%. The bonds are paid from the Debt Service Fund.

2010 School Improvement Bonds - The School District issued \$119,999,930 in school improvement bonds on September 9, 2010 for the refinancing of bond anticipation notes and paying for a portion of the costs of new construction, improvements, renovations and additions to school facilities. The issuance includes \$1,785,000 of current interest bonds due 12/1/2012 and 12/1/2013 at 2.0%; \$1,714,930 of capital appreciation bonds with maturities on December 1, 2014 through 2020 with yields from 1.64% to 3.27%.; \$9,515,000 in serial bonds at interest rates from 4.01%-4.86% and maturing on December 1, 2020 through 2024; \$95,730,000 of term bonds at a rate from 5.49%-6.39% with maturities on December 1, 2030, 2035, 2040 and 2047; and \$11,260,000 in term bonds at 5.24% with sinking requirements beginning December 1, 2024 until final maturity on September 15, 2027. The bonds will be paid from the Debt Service Fund.

2012 Certificate of Participation – The School District issued \$15,225,000 in certificate of participation bonds for the renovation of existing buildings. These bonds mature on December 1, 2041 and pay interest at 4.50%. The bonds are paid from the Debt Service Fund.

OASBO loan – The School District entered into a loan agreement through the Ohio Association of School Business Officials Asset Pooled Financing Program for \$3,628,000. The loan is being used for completion of the School District's renovation of buildings and is payable from the General Fund. The Loan matures on December 1, 2030.

2013 Certificate of Participation – The School District issued \$2,300,000 in certificate of participation bonds for the renovation of existing buildings. These bonds mature on December 1, 2042 and pay interest at 2.20%. The bonds are paid from the Debt Service Fund.

2013 Energy Conservation Bonds – The School District issued \$645,000 in energy conservation bonds for energy conservation measures associated with the renovation of existing buildings. These bonds mature on December 1, 2027 and pay interest at 1.75%. The bonds are paid from the Debt Service Fund.

All general obligation debt is supported by the full faith and credit of the School District. Compensated absences payable are generally paid from the General Fund and Special Revenue funds.

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Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Principal and Interest requirements to retire general obligation debt outstanding at year end are as follows:

Fiscal Year Ending June 30	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$1,990,000	\$11,036,935	\$13,026,935	\$478,575	\$1,396,425	\$1,875,000
2016	2,350,000	10,940,307	13,290,307	389,646	1,725,354	2,115,000
2017	2,445,000	10,823,272	13,268,272	286,572	1,868,428	2,155,000
2018	2,636,000	10,705,196	13,341,196	202,998	1,912,003	2,115,001
2019	3,006,000	10,580,157	13,586,157	167,658	2,252,343	2,420,001
2020-2024	28,364,000	50,012,135	78,376,135	189,481	4,157,336	4,346,817
2025-2029	46,896,000	41,717,118	88,613,118	0	0	0
2030-2034	37,598,000	28,936,207	66,534,207	0	0	0
2035-2039	26,850,000	21,222,118	48,072,118	0	0	0
2040-2044	30,210,000	12,678,903	42,888,903	0	0	0
2045-2048	25,275,000	3,312,100	28,587,100	0	0	0
Total	<u>\$207,620,000</u>	<u>\$211,964,448</u>	<u>\$419,584,448</u>	<u>\$1,714,930</u>	<u>\$13,311,889</u>	<u>\$15,026,819</u>

Note 12 - Prior Year Defeasance of Debt

In prior years, the School District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the School District's financial statements. On June 30, 2014, \$71,800,000 of bonds is considered defeased.

Note 13 – Capital Leases – Lessee Disclosure

On July 7, 2010, the District entered into a lease agreement for various copiers throughout the School District. Assets acquired under these leases were \$509,975. The lease meets the criteria of a capital lease as defined by generally accepted accounting principles. In the case of the copier lease, the term is sixty months. Capital lease payments have been reflected as debt service expenditures.

The following is a schedule of the future minimum lease payments for the capital leases, and the present value of the future minimum lease payments at June 30, 2014:

Fiscal Year Ending June 30	Principal
2015	\$115,038
2016	9,589
Total Minimum Lease Payments	\$124,627
Amount Representing Interest	(3,450)
Present Value of Minimum Lease Payments	<u>\$121,177</u>

Note 14 – Jointly Governed Organizations

Southwest Ohio Computer Association

The 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

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

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. Financial information can be obtained from Mike Crumley, Executive Director, Butler County JVS, 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

The Great Oaks Institute of Technology and Career Development

The Great Oaks Institute of Technology and Career Development, 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 each of the participating school district's elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. Great Oaks was formed for the purpose of providing vocational education opportunities to the students of the member school districts, which includes the students of the School District. The School District has no ongoing financial interest in or responsibility for Great Oaks. To obtain financial information, write to Great Oaks at 3254 East Kemper Road, Cincinnati, Ohio 45241.

Note 15 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

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Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

Fund Balances	General	Bond Retirement	Building	Nonmajor Governmental Funds	Total
Nonspendable:					
Endowment	\$0	\$0	\$0	\$19	\$19
Total Nonspendable	0	0	0	19	19
Restricted for:					
Budget Set Aside	212,907	0	0	0	212,907
Food Service	0	0	0	1,596,163	1,596,163
Other Grants	0	0	0	65,268	65,268
Athletic	0	0	0	608,938	608,938
Auxiliary Services	0	0	0	328,096	328,096
Data Communication	0	0	0	36,000	36,000
Ohio Reads	0	0	0	3,119	3,119
Alternative Schools	0	0	0	49,150	49,150
Vocational Education	0	0	0	584	584
Drug Free School Grant	0	0	0	2,620	2,620
Reducing Class Size	0	0	0	106	106
Bond Retirement	0	6,420,463	0	0	6,420,463
Permanent Improvement	0	0	0	2,531,768	2,531,768
Building	0	0	25,284,308	0	25,284,308
Total Restricted	212,907	6,420,463	25,284,308	5,221,812	37,139,490
Committed to:					
Underground Storage Tanks	11,000	0	0	0	11,000
Total Committed	11,000	0	0	0	11,000
Assigned to:					
Encumbrances	1,810,119	0	0	0	1,810,119
Public School	301,987	0	0	0	301,987
Total Assigned	2,112,106	0	0	0	2,112,106
Unassigned (Deficit)	26,915,128	0	0	(660,949)	26,254,179
Total Fund Balance	<u>\$29,251,141</u>	<u>\$6,420,463</u>	<u>\$25,284,308</u>	<u>\$4,560,882</u>	<u>\$65,516,794</u>

Note 16 – Accountability

At June 30, 2014, the following funds had deficit fund balances:

Other Governmental Funds	Deficit
Special Revenue Funds:	
Public School Subsidy	\$17,908
Race to the Top	105,663
Miscellaneous State Grants	80,574
IDEA Special Education	106,870
Title III	100,099
Title I	215,155
Preschool Development Grant	1,399
Miscellaneous Federal Grants	33,281

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

These deficit balances were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 17 – Contingencies Grants

Litigation

The School District is party to legal proceedings. The School District management is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

Note 18 – Required Set-Asides

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

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

	Capital Improvements	Budget Stabilization
Set Aside Reserve Balance as of June 30, 2013	\$0	\$212,907
Current Year Set Aside Requirements	897,738	0
Qualified Disbursements	(1,086,401)	0
Current Year Offsets	0	0
Set Aside Reserve Balance as of June 30, 2014	<u>(\$188,663)</u>	<u>\$212,907</u>
Restricted Cash as of June 30, 2014	<u>\$0</u>	<u>\$212,907</u>

The excess qualifying disbursements of the capital improvement set-aside may not be used to reduce the capital improvement set aside requirements of future years.

Note 19 – Significant Contractual Commitments

As of June 30, 2014, the School District had entered into various construction contracts for the construction and improvements under which it had a remaining unperformed and unpaid total commitment of approximately \$18,871,611.

Note 20 – Change in Accounting Principles

The District adopted the provisions of GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement Number 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of

Princeton City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012 and have been implemented by the District.

Note 21 – Prior Period Adjustment

In prior periods, the District had reported assets related to bond issuance costs in the Governmental Activities entity-wide financial statements. GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*, has reclassified debt issuance costs as an expense in the period incurred rather than amortizing the costs over the life of the debt. The implementation of GASB Statement Number 65 requires a restatement of prior period’s net position as follows:

	Governmental Activities
	<hr/>
Net Position - June 30, 2013	\$34,379,851
Prior Period Adjustment:	
Bond Issuance Costs	(1,782,406)
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Restated Net Position - June 30, 2013	<u><u>\$32,597,445</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2014

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$42,863,005	\$47,631,689	\$47,649,032	\$17,343
Revenue in lieu of taxes	764,128	849,141	849,450	309
Tuition and Fees	2,554,982	2,839,234	2,840,268	1,034
Investment Earnings	65,680	72,987	73,014	27
Intergovernmental	22,043,518	24,495,949	24,504,868	8,919
Extracurricular Activities	59,386	65,993	66,017	24
Charges for Services	56,813	63,134	63,157	23
Other Revenues	415,426	461,644	461,812	168
Total Revenues	68,822,938	76,479,771	76,507,618	27,847
Expenditures:				
Current:				
Instruction:				
Regular	30,374,780	30,622,184	29,783,785	838,399
Special	9,681,455	9,760,379	9,493,085	267,294
Vocational	160,814	162,125	157,685	4,440
Adult/Continuing	6,248	6,362	6,126	236
Other	2,784,704	2,807,405	2,730,523	76,882
Support Services:				
Pupil	4,004,980	4,037,629	3,927,056	110,573
Instructional Staff	1,109,673	1,118,719	1,088,082	30,637
General Administration	278,037	280,303	272,627	7,676
School Administration	5,164,119	5,206,217	5,063,642	142,575
Fiscal	1,289,858	1,300,373	1,264,762	35,611
Business	126,859	127,893	124,391	3,502
Operations and Maintenance	8,023,032	8,088,437	7,866,930	221,507
Pupil Transportation	5,145,075	5,187,017	5,044,968	142,049
Central	1,137,700	1,146,975	1,115,564	31,411
Operation of Non-Instructional Services	107,635	108,513	105,541	2,972
Extracurricular Activities	225,043	226,877	220,664	6,213
Capital Outlay	319,782	322,389	313,560	8,829
Total Expenditures	69,939,794	70,509,797	68,578,991	1,930,806
Excess of Revenues Over (Under) Expenditures	(1,116,856)	5,969,974	7,928,627	1,958,653
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	306	340	340	0
Advances In	123,239	136,950	137,000	50
Advances (Out)	(571,818)	(576,479)	(560,692)	15,787
Transfers In	121,440	134,951	135,000	49
Transfers (Out)	(1,118,880)	(1,128,001)	(1,097,110)	30,891
Total Other Financing Sources (Uses)	(1,445,713)	(1,432,239)	(1,385,462)	46,777
Net Change in Fund Balance	(2,562,569)	4,537,735	6,543,165	2,005,430
Fund Balance Beginning of Year, (includes prior year encumbrances appropriated)	7,393,561	7,393,561	7,393,561	0
Fund Balance - End of Year	\$4,830,992	\$11,931,296	\$13,936,726	\$2,005,430

See accompanying notes to the required supplementary information.

Princeton City School District, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2014

Note 1 - Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Any budgetary modifications at this level may only be made by resolution of the Board.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2014.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

While the District is reporting financial position, results of operations and changes in fund balance on the basis of 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 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as an assignment of fund balance for governmental fund types (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

Princeton City School District, Ohio
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2014

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$11,861,937
Revenue Accruals	(2,927,699)
Expenditure Accruals	830,597
Proceeds of Capital Assets	340
Transfers In	135,000
Transfers Out	(294,380)
Advances In	137,000
Advances (Out)	(560,692)
Encumbrances	(2,625,600)
Funds Budgeted Elsewhere	(13,338)
	<u>\$6,543,165</u>

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COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



MAJOR GOVERNMENTAL FUNDS

Bond Retirement Fund - The bond retirement fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for both are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Building Fund - The building fund is used to account for receipts and expenditures related to the acquisition and construction of capital facilities including real property. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for both are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$9,550,515	\$9,550,515	\$0
Revenue in lieu of taxes	20,765	20,765	0
Intergovernmental	1,190,215	1,190,215	0
Total Revenues	10,761,495	10,761,495	0
Expenditures:			
Current:			
Support Services:			
Fiscal	158,845	158,845	0
Debt Service:			
Principal Retirement	3,525,000	3,525,000	0
Interest and Fiscal Charges	7,713,603	7,713,602	1
Total Expenditures	11,397,448	11,397,447	1
Net Change in Fund Balance	(635,953)	(635,952)	1
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	3,237,073	3,237,073	0
Fund Balance - End of Year	\$2,601,120	\$2,601,121	\$1

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	(\$192,926)	(\$223,038)	(\$30,112)
Total Revenues	(192,926)	(223,038)	(30,112)
Expenditures:			
Current:			
Capital Outlay	64,131,423	56,040,923	8,090,500
Total Expenditures	64,131,423	56,040,923	8,090,500
Net Change in Fund Balance	(64,324,349)	(56,263,961)	8,060,388
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	64,794,743	64,794,743	0
Fund Balance - End of Year	\$470,394	\$8,530,782	\$8,060,388

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Permanent Fund

The Permanent Fund should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. The Permanent fund does not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.

Princeton City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$3,464,288	\$1,935,329	\$19	\$5,399,636
Receivables (Net):				
Taxes	0	2,309,480	0	2,309,480
Accounts	3,077	0	0	3,077
Intergovernmental	878,778	0	0	878,778
Inventory	23,970	0	0	23,970
Total Assets	4,370,113	4,244,809	19	8,614,941
Liabilities:				
Accounts Payable	198,592	4,908	0	203,500
Accrued Wages and Benefits	648,365	0	0	648,365
Compensated Absences	12,337	0	0	12,337
Interfund Payable	602,946	150,000	0	752,946
Total Liabilities	1,462,240	154,908	0	1,617,148
Deferred Inflows of Resources:				
Property Taxes	0	1,558,133	0	1,558,133
Grants and Other Taxes	878,778	0	0	878,778
Total Deferred Inflows of Resources	878,778	1,558,133	0	2,436,911
Fund Balances:				
Nonspendable	0	0	19	19
Restricted	2,690,044	2,531,768	0	5,221,812
Unassigned	(660,949)	0	0	(660,949)
Total Fund Balances	2,029,095	2,531,768	19	4,560,882
Total Liabilities, Deferred Inflows and Fund Balances	\$4,370,113	\$4,244,809	\$19	\$8,614,941

Princeton City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Property and Other Taxes	\$0	\$1,978,664	\$0	\$1,978,664
Tuition and Fees	1,565	0	0	1,565
Investment Earnings	0	1	13	14
Intergovernmental	7,337,982	159,325	0	7,497,307
Extracurricular Activities	103,167	0	0	103,167
Charges for Services	361,204	0	0	361,204
Revenue in Lieu of Taxes	0	4,733	0	4,733
Other Revenues	3,844	0	0	3,844
Total Revenues	7,807,762	2,142,723	13	9,950,498
Expenditures:				
Current:				
Instruction:				
Regular	882,813	157,259	0	1,040,072
Special	789,683	0	0	789,683
Other	214,367	0	0	214,367
Support Services:				
Pupil	431,110	0	0	431,110
Instructional Staff	1,829,319	0	0	1,829,319
School Administration	129,193	0	0	129,193
Fiscal	0	33,312	0	33,312
Operations and Maintenance	23,254	0	0	23,254
Pupil Transportation	12,477	0	0	12,477
Central	17,002	19,632	0	36,634
Operation of Non-Instructional Services	3,215,304	0	0	3,215,304
Extracurricular Activities	835,484	5,485	0	840,969
Capital Outlay	0	843	0	843
Debt Service:				
Principal Retirement	0	316,363	0	316,363
Interest and Fiscal Charges	0	912,596	0	912,596
Total Expenditures	8,380,006	1,445,490	0	9,825,496
Excess of Revenues Over (Under) Expenditures	(572,244)	697,233	13	125,002
Other Financing Sources (Uses):				
Transfers In	802,730	0	0	802,730
Transfers (Out)	0	(518,075)	0	(518,075)
Total Other Financing Sources (Uses)	802,730	(518,075)	0	284,655
Net Change in Fund Balance	230,486	179,158	13	409,657
Fund Balance - Beginning of Year	1,798,609	2,352,610	6	4,151,225
Fund Balance - End of Year	\$2,029,095	\$2,531,768	\$19	\$4,560,882

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

Food Service - To account for all revenues and expenses related to the provision of food services, including breakfast and lunch, for the District students and staff.

Other Grants - To account for local funds, which are provided to assist the District with various programs.

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

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

Public Preschool Subsidy - To account for state funds to assist school districts in paying the cost of preschool programs.

Data Communication - To account for funds to be used for communications.

Ohio Reads - To account for state monies and operating expenditures associated with the administering of the Ohio Reads Program. This program is intended to improve reading outcomes, particularly on the fourth grade proficiency test.

Alternative Schools - To account for state funds which provide for alternative educational programs for at-risk and delinquent youth.

Miscellaneous State Grants - To account for various monies received from state agencies which are not classified elsewhere.

Race to the Top – To account for a competitive grant program designed to encourage and reward states that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers.

IDEA Special Education - To account for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels; assist in the training of teachers, supervisors and other specialist in providing educational services to the handicapped.

NONMAJOR SPECIAL REVENUE FUNDS

Fund Descriptions

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

Title III - To account for federal funds provided for students whose native language is not English.

Title I - To account for federal funds for services provided to meet special educational needs of educationally deprived children.

Drug Free Schools Grant - To account for federal funds used for establishment, operation and improvement of programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

Preschool Development Grant - To account for revenues and expenditures made in conjunction with child abuse, child neglect prevention programs and other grants.

Reducing Class Size – To account for federal funds received for class size reduction.

Miscellaneous Federal Grants - To account for various monies received directly from the federal government, which are, not classified elsewhere.

Princeton City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014

	Food Service	Other Grants	Athletic	Auxiliary Services
Assets:				
Equity in Pooled Cash and Investments	\$1,728,632	\$65,347	\$615,617	\$436,484
Receivables (Net):				
Accounts	2,563	0	514	0
Intergovernmental	0	0	0	0
Inventory	23,970	0	0	0
Total Assets	1,755,165	65,347	616,131	436,484
Liabilities:				
Accounts Payable	6,251	22	1,058	75,127
Accrued Wages and Benefits	152,751	0	6,135	29,064
Compensated Absences	0	0	0	0
Interfund Payable	0	57	0	4,197
Total Liabilities	159,002	79	7,193	108,388
Deferred Inflows of Resources:				
Grants and Other Taxes	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
Fund Balances:				
Restricted	1,596,163	65,268	608,938	328,096
Unassigned	0	0	0	0
Total Fund Balances	1,596,163	65,268	608,938	328,096
Total Liabilities, Deferred Inflows and Fund Balances	\$1,755,165	\$65,347	\$616,131	\$436,484

Public Preschool Subsidy	Data Communication	Ohio Reads	Alternative Schools	Miscellaneous State Grants	Race To The Top	IDEA Special Education
\$23,589	\$36,000	\$3,119	\$98,200	\$12,196	\$3,182	\$173,679
0	0	0	0	0	0	0
20,679	0	0	40,614	0	151,930	206,466
0	0	0	0	0	0	0
<u>44,268</u>	<u>36,000</u>	<u>3,119</u>	<u>138,814</u>	<u>12,196</u>	<u>155,112</u>	<u>380,145</u>
0	0	0	6,050	0	0	84,251
41,497	0	0	0	7,770	20,845	88,961
0	0	0	0	0	0	12,337
0	0	0	43,000	85,000	88,000	95,000
<u>41,497</u>	<u>0</u>	<u>0</u>	<u>49,050</u>	<u>92,770</u>	<u>108,845</u>	<u>280,549</u>
<u>20,679</u>	<u>0</u>	<u>0</u>	<u>40,614</u>	<u>0</u>	<u>151,930</u>	<u>206,466</u>
<u>20,679</u>	<u>0</u>	<u>0</u>	<u>40,614</u>	<u>0</u>	<u>151,930</u>	<u>206,466</u>
0	36,000	3,119	49,150	0	0	0
(17,908)	0	0	0	(80,574)	(105,663)	(106,870)
<u>(17,908)</u>	<u>36,000</u>	<u>3,119</u>	<u>49,150</u>	<u>(80,574)</u>	<u>(105,663)</u>	<u>(106,870)</u>
<u>\$44,268</u>	<u>\$36,000</u>	<u>\$3,119</u>	<u>\$138,814</u>	<u>\$12,196</u>	<u>\$155,112</u>	<u>\$380,145</u>

Continued

Princeton City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2014

	Vocational Education	Title III	Title I	Drug Free School Grant
Assets:				
Equity in Pooled Cash and Investments	\$10,334	\$81,667	\$81,318	\$2,620
Receivables (Net):				
Accounts	0	0	0	0
Intergovernmental	0	99,538	253,307	0
Inventory	0	0	0	0
Total Assets	10,334	181,205	334,625	2,620
Liabilities:				
Accounts Payable	9,750	0	15,594	0
Accrued Wages and Benefits	0	19,766	260,879	0
Compensated Absences	0	0	0	0
Interfund Payable	0	162,000	20,000	0
Total Liabilities	9,750	181,766	296,473	0
Deferred Inflows of Resources:				
Grants and Other Taxes	0	99,538	253,307	0
Total Deferred Inflows of Resources	0	99,538	253,307	0
Fund Balances:				
Restricted	584	0	0	2,620
Unassigned	0	(100,099)	(215,155)	0
Total Fund Balances	584	(100,099)	(215,155)	2,620
Total Liabilities, Deferred Inflows and Fund Balances	\$10,334	\$181,205	\$334,625	\$2,620

Preschool Development Grant	Reducing Class Size	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$1,930	\$88,463	\$1,911	\$3,464,288
0	0	0	3,077
8,051	98,193	0	878,778
0	0	0	23,970
<u>9,981</u>	<u>186,656</u>	<u>1,911</u>	<u>4,370,113</u>
329	160	0	198,592
0	20,697	0	648,365
0	0	0	12,337
<u>3,000</u>	<u>67,500</u>	<u>35,192</u>	<u>602,946</u>
<u>3,329</u>	<u>88,357</u>	<u>35,192</u>	<u>1,462,240</u>
<u>8,051</u>	<u>98,193</u>	<u>0</u>	<u>878,778</u>
<u>8,051</u>	<u>98,193</u>	<u>0</u>	<u>878,778</u>
0	106	0	2,690,044
<u>(1,399)</u>	<u>0</u>	<u>(33,281)</u>	<u>(660,949)</u>
<u>(1,399)</u>	<u>106</u>	<u>(33,281)</u>	<u>2,029,095</u>
<u>\$9,981</u>	<u>\$186,656</u>	<u>\$1,911</u>	<u>\$4,370,113</u>

Princeton City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2014

	Food Service	Other Grants	Athletic	Auxiliary Services
Revenues:				
Tuition and Fees	\$0	\$0	\$1,565	\$0
Intergovernmental	1,796,984	0	0	1,251,705
Extracurricular Activities	0	0	103,167	0
Charges for Services	361,204	0	0	0
Other Revenues	0	2,815	1,029	0
Total Revenues	2,158,188	2,815	105,761	1,251,705
Expenditures:				
Current:				
Instruction:				
Regular	0	9,210	0	0
Special	0	0	0	0
Other	0	0	0	37,816
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	0
School Administration	0	0	0	0
Operations and Maintenance	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	2,151,080	0	0	986,416
Extracurricular Activities	0	0	835,484	0
Total Expenditures	2,151,080	9,210	835,484	1,024,232
Excess of Revenues Over (Under) Expenditures	7,108	(6,395)	(729,723)	227,473
Other Financing Sources (Uses):				
Transfers In	0	2	802,530	0
Total Other Financing Sources (Uses)	0	2	802,530	0
Net Change in Fund Balance	7,108	(6,393)	72,807	227,473
Fund Balance - Beginning of Year	1,589,055	71,661	536,131	100,623
Fund Balance - End of Year	\$1,596,163	\$65,268	\$608,938	\$328,096

Public Preschool Subsidy	Data Communication	Ohio Reads	Alternative Schools	Miscellaneous State Grants	Race To The Top	IDEA Special Education
\$0	\$0	\$0	\$0	\$0	\$0	\$0
246,234	18,000	0	12,275	0	244,779	1,426,303
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
246,234	18,000	0	12,275	0	244,779	1,426,303
198,469	0	0	3,000	0	70,600	915
0	0	0	0	0	0	518,211
0	0	0	7,100	0	0	146,379
0	0	0	55,378	51,114	0	273,382
0	0	0	555	0	207,764	231,772
0	0	0	0	0	40,086	89,107
0	0	0	0	0	0	0
0	0	0	0	10,000	0	0
0	0	0	0	0	0	17,002
0	0	0	0	0	0	29,921
0	0	0	0	0	0	0
198,469	0	0	66,033	61,114	318,450	1,306,689
47,765	18,000	0	(53,758)	(61,114)	(73,671)	119,614
0	0	0	0	72	0	109
0	0	0	0	72	0	109
47,765	18,000	0	(53,758)	(61,042)	(73,671)	119,723
(65,673)	18,000	3,119	102,908	(19,532)	(31,992)	(226,593)
<u>(\$17,908)</u>	<u>\$36,000</u>	<u>\$3,119</u>	<u>\$49,150</u>	<u>(\$80,574)</u>	<u>(\$105,663)</u>	<u>(\$106,870)</u>

Continued

Princeton City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2014

	Vocational Education	Title III	Title I	Drug Free School Grant
Revenues:				
Tuition and Fees	\$0	\$0	\$0	\$0
Intergovernmental	10,000	309,417	1,690,403	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Other Revenues	0	0	0	0
Total Revenues	10,000	309,417	1,690,403	0
Expenditures:				
Current:				
Instruction:				
Regular	9,750	0	590,869	0
Special	0	260,014	0	0
Other	0	0	23,072	0
Support Services:				
Pupil	532	39,992	0	0
Instructional Staff	0	30,342	1,082,231	0
School Administration	0	0	0	0
Operations and Maintenance	0	0	0	0
Pupil Transportation	0	0	2,477	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	26,244	0
Extracurricular Activities	0	0	0	0
Total Expenditures	10,282	330,348	1,724,893	0
Excess of Revenues Over (Under) Expenditures	(282)	(20,931)	(34,490)	0
Other Financing Sources (Uses):				
Transfers In	0	0	17	0
Total Other Financing Sources (Uses)	0	0	17	0
Net Change in Fund Balance	(282)	(20,931)	(34,473)	0
Fund Balance - Beginning of Year	866	(79,168)	(180,682)	2,620
Fund Balance - End of Year	\$584	(\$100,099)	(\$215,155)	\$2,620

Preschool Development Grant	Reducing Class Size	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$1,565
31,936	297,946	2,000	7,337,982
0	0	0	103,167
0	0	0	361,204
0	0	0	3,844
<u>31,936</u>	<u>297,946</u>	<u>2,000</u>	<u>7,807,762</u>
0	0	0	882,813
11,458	0	0	789,683
0	0	0	214,367
10,712	0	0	431,110
0	276,655	0	1,829,319
0	0	0	129,193
0	0	23,254	23,254
0	0	0	12,477
0	0	0	17,002
0	21,643	0	3,215,304
0	0	0	835,484
<u>22,170</u>	<u>298,298</u>	<u>23,254</u>	<u>8,380,006</u>
<u>9,766</u>	<u>(352)</u>	<u>(21,254)</u>	<u>(572,244)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>802,730</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>802,730</u>
9,766	(352)	(21,254)	230,486
(11,165)	458	(12,027)	1,798,609
<u>(\$1,399)</u>	<u>\$106</u>	<u>(\$33,281)</u>	<u>\$2,029,095</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,624,257	\$1,624,256	(\$1)
Charges for Services	361,377	361,377	0
Total Revenues	<u>1,985,634</u>	<u>1,985,633</u>	<u>(1)</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	<u>2,049,952</u>	<u>2,049,241</u>	<u>711</u>
Total Expenditures	<u>2,049,952</u>	<u>2,049,241</u>	<u>711</u>
Net Change in Fund Balance	(64,318)	(63,608)	710
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>1,720,374</u>	<u>1,720,374</u>	<u>0</u>
Fund Balance - End of Year	<u>\$1,656,056</u>	<u>\$1,656,766</u>	<u>\$710</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Other Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$2,815	\$2,815	\$0
Total Revenues	2,815	2,815	0
Expenditures:			
Current:			
Instruction:			
Regular	32,647	14,548	18,099
Total Expenditures	32,647	14,548	18,099
Excess of Revenues Over (Under) Expenditures	(29,832)	(11,733)	18,099
Other Financing Sources (Uses):			
Transfers In	2	2	0
Total Other Financing Sources (Uses)	2	2	0
Net Change in Fund Balance	(29,830)	(11,731)	18,099
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	71,989	71,989	0
Fund Balance - End of Year	\$42,159	\$60,258	\$18,099

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Athletic Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$1,565	\$1,565	\$0
Extracurricular Activities	102,653	102,653	0
Other Revenues	1,029	1,029	0
Total Revenues	<u>105,247</u>	<u>105,247</u>	<u>0</u>
Expenditures:			
Current:			
Extracurricular Activities	1,046,580	933,632	112,948
Total Expenditures	<u>1,046,580</u>	<u>933,632</u>	<u>112,948</u>
Excess of Revenues Over (Under) Expenditures	<u>(941,333)</u>	<u>(828,385)</u>	<u>112,948</u>
Other Financing Sources (Uses):			
Transfers In	842,594	842,594	0
Transfers (Out)	(44,911)	(40,064)	4,847
Total Other Financing Sources (Uses)	<u>797,683</u>	<u>802,530</u>	<u>4,847</u>
Net Change in Fund Balance	(143,650)	(25,855)	117,795
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>554,495</u>	<u>554,495</u>	<u>0</u>
Fund Balance - End of Year	<u>\$410,845</u>	<u>\$528,640</u>	<u>\$117,795</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,251,705	\$1,251,705	\$0
Total Revenues	<u>1,251,705</u>	<u>1,251,705</u>	<u>0</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	1,395,555	1,222,147	173,408
Total Expenditures	<u>1,395,555</u>	<u>1,222,147</u>	<u>173,408</u>
Net Change in Fund Balance	(143,850)	29,558	173,408
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>310,309</u>	<u>310,309</u>	<u>0</u>
Fund Balance - End of Year	<u>\$166,459</u>	<u>\$339,867</u>	<u>\$173,408</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Public Preschool Subsidy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$266,913	\$246,234	(\$20,679)
Total Revenues	266,913	246,234	(20,679)
Expenditures:			
Current:			
Instruction:			
Regular	242,319	203,921	38,398
Total Expenditures	242,319	203,921	38,398
Excess of Revenues Over (Under) Expenditures	24,594	42,313	17,719
Other Financing Sources (Uses):			
Advances (Out)	(17,825)	(15,000)	2,825
Total Other Financing Sources (Uses)	(17,825)	(15,000)	2,825
Net Change in Fund Balance	6,769	27,313	20,544
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	(3,724)	(3,724)	0
Fund Balance - End of Year	\$3,045	\$23,589	\$20,544

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Data Communication Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$18,000	\$18,000	\$0
Total Revenues	18,000	18,000	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	(0)
Total Expenditures	0	0	(0)
Net Change in Fund Balance	18,000	18,000	(0)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	18,000	18,000	0
Fund Balance - End of Year	\$36,000	\$36,000	(\$0)

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Ohio Reads Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	3,121	3,121	0
Fund Balance - End of Year	\$3,121	\$3,121	\$0

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2014

	Alternative Schools Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$21,294	\$12,275	(\$9,019)
Total Revenues	<u>21,294</u>	<u>12,275</u>	<u>(9,019)</u>
Expenditures:			
Current:			
Instruction:			
Regular	0	3,000	(3,000)
Other	0	4,155	(4,155)
Support Services:			
Pupil	0	58,378	(58,378)
Instructional Staff	0	555	(555)
Total Expenditures	<u>0</u>	<u>66,088</u>	<u>(66,088)</u>
Excess of Revenues Over (Under) Expenditures	<u>21,294</u>	<u>(53,813)</u>	<u>(75,107)</u>
Other Financing Sources (Uses):			
Advances In	74,595	43,000	(31,595)
Total Other Financing Sources (Uses)	<u>74,595</u>	<u>43,000</u>	<u>(31,595)</u>
Net Change in Fund Balance	95,889	(10,813)	(106,702)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>102,906</u>	<u>102,906</u>	<u>0</u>
Fund Balance - End of Year	<u>\$198,795</u>	<u>\$92,093</u>	<u>(\$106,702)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Pupil	0	45,280	(45,280)
Pupil Transportation	0	10,000	(10,000)
Total Expenditures	0	55,280	(55,280)
Excess of Revenues Over (Under) Expenditures	0	(55,280)	(55,280)
Other Financing Sources (Uses):			
Advances In	144,794	60,000	(84,794)
Transfers In	174	72	(102)
Total Other Financing Sources (Uses)	144,968	60,072	(84,896)
Net Change in Fund Balance	144,968	4,792	(140,176)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	7,404	7,404	0
Fund Balance - End of Year	<u>\$152,372</u>	<u>\$12,196</u>	<u>(\$140,176)</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Race To The Top Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$349,830	\$244,779	(\$105,051)
Total Revenues	349,830	244,779	(105,051)
Expenditures:			
Current:			
Instruction:			
Regular	83,513	71,163	12,350
Support Services:			
Instructional Staff	256,419	218,499	37,920
School Administration	47,043	40,086	6,957
Total Expenditures	386,975	329,748	57,227
Excess of Revenues Over (Under) Expenditures	(37,145)	(84,969)	(47,824)
Other Financing Sources (Uses):			
Advances In	125,767	88,000	(37,767)
Advances (Out)	(23,471)	(20,000)	3,471
Transfers In	30,363	21,245	(9,118)
Transfers (Out)	(24,932)	(21,245)	3,687
Total Other Financing Sources (Uses)	107,727	68,000	(39,727)
Net Change in Fund Balance	70,582	(16,969)	(87,551)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	20,155	20,155	0
Fund Balance - End of Year	\$90,737	\$3,186	(\$87,551)

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2014

	IDEA Special Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,690,379	\$1,426,303	(\$264,076)
Total Revenues	1,690,379	1,426,303	(264,076)
Expenditures:			
Current:			
Instruction:			
Regular	1,092	915	177
Special	740,599	620,815	119,784
Other	174,622	146,379	28,243
Support Services:			
Pupil	380,521	318,976	61,545
Instructional Staff	290,817	243,780	47,037
School Administration	127,052	106,503	20,549
Pupil Transportation	328	275	53
Central	20,282	17,002	3,280
Operation of Non-Instructional Services	36,770	30,823	5,947
Total Expenditures	1,772,083	1,485,468	286,615
Excess of Revenues Over (Under) Expenditures	(81,704)	(59,165)	22,539
Other Financing Sources (Uses):			
Advances In	112,589	95,000	(17,589)
Transfers In	129	109	(20)
Total Other Financing Sources (Uses)	112,718	95,109	(17,609)
Net Change in Fund Balance	31,014	35,944	4,930
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,819	1,819	0
Fund Balance - End of Year	\$32,833	\$37,763	\$4,930

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$10,000	\$10,000	\$0
Total Revenues	10,000	10,000	0
Expenditures:			
Current:			
Instruction:			
Regular	9,788	9,750	0
Support Services:			
Pupil	8,409	8,376	33
Total Expenditures	18,197	18,126	33
Net Change in Fund Balance	(8,197)	(8,126)	33
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	8,197	8,197	0
Fund Balance - End of Year	\$0	\$71	\$33

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$437,045	\$309,417	(\$127,628)
Total Revenues	437,045	309,417	(127,628)
Expenditures:			
Current:			
Instruction:			
Special	366,077	342,972	23,105
Support Services:			
Pupil	43,113	40,392	2,721
Instructional Staff	36,010	33,737	2,273
Total Expenditures	445,200	417,101	28,099
Excess of Revenues Over (Under) Expenditures	(8,155)	(107,684)	(99,529)
Other Financing Sources (Uses):			
Advances In	228,821	162,000	(66,821)
Advances (Out)	(96,063)	(90,000)	6,063
Transfers In	5,469	3,872	(1,597)
Transfers (Out)	(4,133)	(3,872)	261
Total Other Financing Sources (Uses)	134,094	72,000	(62,094)
Net Change in Fund Balance	125,939	(35,684)	(161,623)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	114,874	114,874	0
Fund Balance - End of Year	\$240,813	\$79,190	(\$161,623)

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,019,789	\$1,690,403	(\$329,386)
Total Revenues	2,019,789	1,690,403	(329,386)
Expenditures:			
Current:			
Instruction:			
Regular	810,002	683,513	126,489
Other	27,342	23,072	4,270
Support Services:			
Instructional Staff	1,240,452	1,046,744	193,708
Pupil Transportation	2,935	2,477	458
Operation of Non-Instructional Services	40,953	34,558	6,395
Total Expenditures	2,121,684	1,790,364	331,320
Excess of Revenues Over (Under) Expenditures	(101,895)	(99,961)	1,934
Other Financing Sources (Uses):			
Advances In	23,897	20,000	(3,897)
Transfers In	21,274	17,805	(3,469)
Transfers (Out)	(21,080)	(17,788)	3,292
Total Other Financing Sources (Uses)	24,091	20,017	(4,074)
Net Change in Fund Balance	(77,804)	(79,944)	(2,140)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	99,718	99,718	0
Fund Balance - End of Year	\$21,914	\$19,774	(\$2,140)

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Drug Free School Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	2,619	2,619	0
Fund Balance - End of Year	\$2,619	\$2,619	\$0

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Preschool Development Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$39,408	\$31,936	(\$7,472)
Total Revenues	39,408	31,936	(7,472)
Expenditures:			
Current:			
Instruction:			
Special	15,837	12,858	2,979
Support Services:			
Pupil	13,194	10,712	2,482
Total Expenditures	29,031	23,570	5,461
Excess of Revenues Over (Under) Expenditures	10,377	8,366	(2,011)
Other Financing Sources (Uses):			
Advances In	3,702	3,000	(702)
Advances (Out)	(14,780)	(12,000)	2,780
Transfers In	7,268	5,890	(1,378)
Transfers (Out)	(7,255)	(5,890)	1,365
Total Other Financing Sources (Uses)	(11,065)	(9,000)	2,065
Net Change in Fund Balance	(688)	(634)	54
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	833	833	0
Fund Balance - End of Year	\$145	\$199	\$54

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Final Budget	Actual	Variance from Final Budget
		Reducing Class Size Fund	
Revenues:			
Intergovernmental	\$390,015	\$297,946	(\$92,069)
Total Revenues	390,015	297,946	(92,069)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	413,573	360,987	52,586
Operation of Non-Instructional Services	27,024	23,588	3,436
Total Expenditures	440,597	384,575	56,022
Excess of Revenues Over (Under) Expenditures	(50,582)	(86,629)	(36,047)
Other Financing Sources (Uses):			
Advances In	88,358	67,500	(20,858)
Transfers In	9,912	7,572	(2,340)
Transfers (Out)	(8,675)	(7,572)	1,103
Total Other Financing Sources (Uses)	89,595	67,500	(22,095)
Net Change in Fund Balance	39,013	(19,129)	(58,142)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	20,778	20,778	0
Fund Balance - End of Year	\$59,791	\$1,649	(\$58,142)

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Miscellaneous Federal Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$3,837	\$2,000	(\$1,837)
Total Revenues	3,837	2,000	(1,837)
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	23,164	23,254	(90)
Total Expenditures	23,164	23,254	(90)
Excess of Revenues Over (Under) Expenditures	(19,327)	(21,254)	(1,927)
Other Financing Sources (Uses):			
Advances In	42,579	22,192	(20,387)
Total Other Financing Sources (Uses)	42,579	22,192	(20,387)
Net Change in Fund Balance	23,252	938	(22,314)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	972	972	0
Fund Balance - End of Year	\$24,224	\$1,910	(\$22,314)

NONMAJOR CAPITAL PROJECTS FUND

Fund Description

Permanent Improvement - To account for all transactions related to acquisition, construction or improvement of the infrastructure of buildings and grounds through permanent improvements. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for the Building Fund has been included in the Nonmajor Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,937,317	\$1,937,317	\$0
Revenue in lieu of taxes	4,733	4,733	0
Investment Earnings	1	1	0
Intergovernmental	159,325	159,325	0
Total Revenues	2,101,376	2,101,376	0
Expenditures:			
Current:			
Instruction:			
Regular	242,528	157,259	85,269
Support Services:			
Fiscal	51,374	33,312	18,062
Central	30,277	19,632	10,645
Extracurricular Activities	8,459	5,485	2,974
Capital Outlay	1,300	843	457
Debt Service:			
Principal Retirement	1,628,637	1,056,034	572,603
Interest and Fiscal Charges	1,065,674	691,000	374,674
Total Expenditures	3,028,249	1,963,565	1,064,684
Net Change in Fund Balance	(926,873)	137,811	1,064,684
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	1,554,983	1,554,983	0
Fund Balance - End of Year	\$628,110	\$1,692,794	\$1,064,684

NONMAJOR PERMANENT FUND

Fund Description

Permanent Fund - The Permanent fund should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. The Permanent fund does not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Nonmajor Governmental Funds Combining Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Permanent Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$17	\$13	(\$4)
Total Revenues	17	13	(4)
Expenditures:			
Current:			
Operation of Non-Instructional Services	0	0	(0)
Total Expenditures	0	0	(0)
Net Change in Fund Balance	17	13	(4)
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	6	6	0
Fund Balance - End of Year	\$23	\$19	(\$4)

OTHER GENERAL FUNDS

With the implementation of GASB Statement No. 54, certain funds that the District prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The District has only presented the budget schedules for these funds.

Fund Descriptions

Uniform School Supply - To account for the purchase and sale of school supplies as adopted by the Board of Education for use in all schools of the District.

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

Early Childhood - To account for preschool, extended day, and all day kindergarten operations provided to students primarily through user charges.

Underground Storage Tank - To account for local funds which are provided in the event of an underground storage tank leak.

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Uniform School Supply Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$11,041	\$11,041	\$0
Total Revenues	11,041	11,041	0
Expenditures:			
Current:			
Instruction:			
Regular	61,000	42,270	18,730
Total Expenditures	61,000	42,270	18,730
Net Change in Fund Balance	(49,959)	(31,229)	18,730
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	86,355	86,355	0
Fund Balance - End of Year	\$36,396	\$55,126	\$18,730

(1) This fund is combined with the General fund in GAAP Statements.

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Public School Support Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$1,090	\$1,090	\$0
Other Revenues	70,548	70,548	0
Total Revenues	71,638	71,638	0
Expenditures:			
Current:			
Instruction:			
Regular	71,264	46,770	24,494
Support Services:			
Instructional Staff	13,718	9,003	4,715
School Administration	12,537	8,228	4,309
Operations and Maintenance	152	100	52
Pupil Transportation	1,568	1,029	539
Central	2,865	1,880	985
Operation of Non-Instructional Services	2,190	1,437	753
Extracurricular Activities	7,091	4,654	2,437
Total Expenditures	111,385	73,101	38,284
Net Change in Fund Balance	(39,747)	(1,463)	38,284
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	241,999	241,999	0
Fund Balance - End of Year	\$202,252	\$240,536	\$38,284

(1) This fund is combined with the General fund in GAAP Statements.

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Early Childhood Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$283,824	\$283,825	\$1
Other Revenues	3,115	3,115	0
Total Revenues	286,939	286,940	1
Expenditures:			
Current:			
Instruction:			
Regular	86,910	77,109	9,801
Support Services:			
School Administration	7	6	1
Operation of Non-Instructional Services	14,325	12,710	1,615
Total Expenditures	101,242	89,825	11,417
Net Change in Fund Balance	185,697	197,115	11,418
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	105,500	105,500	0
Fund Balance - End of Year	\$291,197	\$302,615	\$11,418

(1) This fund is combined with the General fund in GAAP Statements.

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2014

	Underground Storage Tank Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	(0)
Total Expenditures	0	0	(0)
Net Change in Fund Balance	0	0	0
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	11,000	11,000	0
Fund Balance - End of Year	\$11,000	\$11,000	\$0

(1) This fund is combined with the General fund in GAAP Statements.

NONMAJOR FUNDS

Internal Service Funds

The Internal Service Funds are used to account for the financing of services provided by one department to other departments of the District on a cost-reimbursement basis. The following is a description of the District's non-major internal service funds.

Fund Descriptions

Employee Benefits Self Insurance - A fund used to account for monies received from other funds as payment for providing employee benefits and payments to the third party administrator for claims payment and administration.

Workers Compensation Self Insurance - A fund used to account for workers' compensation self-insurance revenues and expenses.

Princeton City School District
Combining Statement of Net Position
Internal Service Funds
June 30, 2014

	Employee Benefits	Worker's Compensation Self-Insurance	Total Internal Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$3,974,487	\$1,971,734	\$5,946,221
Receivables (Net):			
Accounts	180,686	0	180,686
Total Assets	<u>4,155,173</u>	<u>1,971,734</u>	<u>6,126,907</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	0	4,619	4,619
Interfund Payable	0	2,316,763	2,316,763
Claims Payable	369,898	12,766	382,664
Total Liabilities	<u>369,898</u>	<u>2,334,148</u>	<u>2,704,046</u>
Net Position:			
Unrestricted	<u>3,785,275</u>	<u>(362,414)</u>	<u>3,422,861</u>
Total Net Position	<u>\$3,785,275</u>	<u>(\$362,414)</u>	<u>\$3,422,861</u>

Princeton City School District
Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2014

	Employee Benefits	Worker's Compensation Self-Insurance	Total Internal Service Funds
Operating Revenues:			
Charges for Services	\$9,871,034	\$211,097	\$10,082,131
Other Revenues	304,192	0	304,192
Total Operating Revenues	<u>10,175,226</u>	<u>211,097</u>	<u>10,386,323</u>
Operating Expenses:			
Contactual Services	952,726	80,255	1,032,981
Claims	6,450,053	85,262	6,535,315
Other Expenses	854,664	388,014	1,242,678
Total Operating Expenses	<u>8,257,443</u>	<u>553,531</u>	<u>8,810,974</u>
Operating Income (Loss)	<u>1,917,783</u>	<u>(342,434)</u>	<u>1,575,349</u>
Non-Operating Revenues (Expenses):			
Interest (Expense)	40	0	40
Total Non-Operating Revenues (Expenses)	<u>40</u>	<u>0</u>	<u>40</u>
Change in Net Position	1,917,823	(342,434)	1,575,389
Net Position - Beginning of Year	<u>1,867,452</u>	<u>(19,980)</u>	<u>1,847,472</u>
Net Position - End of Year	<u>\$3,785,275</u>	<u>(\$362,414)</u>	<u>\$3,422,861</u>

Princeton City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2014

	Employee Benefits	Worker's Compensation Self-Insurance	Total Internal Service Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$9,994,540	\$211,097	\$10,205,637
Cash Payments to Suppliers	(8,531,143)	(557,270)	(9,088,413)
Net Cash Provided (Used) by Operating Activities	<u>1,463,397</u>	<u>(346,173)</u>	<u>1,117,224</u>
Cash Flows from Capital and Related Financing Activities:			
Debt Interest Payments	<u>40</u>	<u>0</u>	<u>40</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>40</u>	<u>0</u>	<u>40</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,463,437	(346,173)	1,117,264
Cash and Cash Equivalents - Beginning of Year	<u>2,511,050</u>	<u>2,317,907</u>	<u>4,828,957</u>
Cash and Cash Equivalents - End of Year	<u>3,974,487</u>	<u>1,971,734</u>	<u>5,946,221</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	1,917,783	(342,434)	1,575,349
Changes in Assets & Liabilities:			
(Increase) Decrease in Receivables	(180,686)	0	(180,686)
Increase (Decrease) in Payables	(52,607)	2,859	(49,748)
Increase (Decrease) in Claims Payables	<u>(221,093)</u>	<u>(6,598)</u>	<u>(227,691)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$1,463,397</u>	<u>(\$346,173)</u>	<u>\$1,117,224</u>

NONMAJOR FUND

Fiduciary fund

Fiduciary fund types are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental unites and/or other funds.

Student Managed Activity (Agency Fund) – Fund used to account for resources that belong to various student groups in the District. Students are involved in the management of the program.

Princeton City School District
Statement of Changes In Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2014

	Student Managed Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$159,455	\$131,802	\$141,767	\$149,490
Receivables (Net):				
Accounts	1,252	2,555	1,252	2,555
Total Assets	160,707	134,357	143,019	152,045
Liabilities:				
Accounts Payable	5,234	669	5,234	669
Other Liabilities	155,473	133,688	137,785	151,376
Total Liabilities	\$160,707	\$134,357	\$143,019	\$152,045

STATISTICAL SECTION



STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

CONTENTS

FINANCIAL TRENDS: These schedules contain trend information to help the reader understand how the District's financial position has changed over time.

REVENUE CAPACITY: These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax.

DEBT CAPACITY: These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

ECONOMIC AND DEMOGRAPHIC INFORMATION: These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

OPERATING INFORMATION: These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Princeton City School District, Ohio
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule 1

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Net Investment in Capital Assets	\$6,505,305	\$11,365,292	\$12,177,021	\$18,917,661	\$16,185,254	\$11,939,134	\$12,349,072	\$1,231,465	\$1,346,980	\$7,255,387
Restricted	5,722,643	8,181,478	9,790,620	8,748,433	6,347,424	7,958,748	4,461,165	9,946,127	12,121,084	12,486,156
Unrestricted	34,758,011	35,398,152	42,188,268	33,560,467	32,529,521	26,567,919	24,350,261	19,356,922	20,911,787	31,173,848
Total Governmental Net Position	\$46,985,959	\$54,944,922	\$64,155,909	\$61,226,561	\$55,062,199	\$46,465,801	\$41,160,498	\$30,534,514	\$34,379,851	\$50,915,391

Source: District Records

Princeton City School District, Ohio
 Expenses, Program Revenues and Net (Expense)/Revenue
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule 2

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities:										
Instruction	\$36,756,354	\$40,212,240	\$39,868,642	\$41,092,546	\$43,259,277	\$45,105,572	\$43,949,741	\$46,957,499	\$49,289,509	\$42,489,229
Pupil	5,255,056	4,742,701	4,853,378	4,362,878	4,973,405	5,176,839	4,838,552	4,135,169	4,303,537	4,264,176
Instructional Staff	5,167,170	5,991,323	6,104,382	5,860,843	6,930,120	7,268,709	7,408,565	7,301,286	2,134,313	2,893,298
General Administration	392,114	382,312	356,891	271,234	288,917	417,868	358,720	224,251	222,072	226,937
School Administration	5,131,871	5,961,291	6,148,062	6,515,014	8,292,485	7,747,880	3,666,881	5,901,904	5,932,219	5,311,998
Fiscal	1,739,623	2,266,379	2,582,803	2,945,291	2,455,576	2,433,305	2,616,425	2,021,731	2,093,683	1,437,394
Business	458,015	551,136	739,910	554,545	526,099	363,532	214,352	181,585	219,646	118,180
Operation and Maintenance	7,556,075	7,698,335	7,940,072	7,864,438	7,931,346	8,100,618	8,022,850	7,112,340	7,404,673	7,191,825
Pupil Transportation	4,831,948	3,795,527	4,996,401	5,159,594	4,839,807	4,943,041	5,133,648	4,838,681	5,556,446	4,622,493
Central	1,856,891	1,551,154	1,751,752	1,711,621	1,552,170	934,365	1,485,580	1,428,593	936,744	1,168,493
Operation of Non-Instructional Services	6,375,627	6,575,065	5,908,064	4,063,597	5,341,611	5,331,918	5,406,734	4,271,955	4,053,667	3,331,906
Extracurricular Activities	0	0	0	1,461,925	1,697,938	1,650,476	1,508,941	1,151,974	1,263,001	1,166,289
Interest and Fiscal Charges	4,070,873	4,021,596	3,412,151	3,727,692	3,557,493	3,592,012	10,093,624	11,417,579	12,167,816	12,599,961
Total Governmental Activities Expenses	79,591,617	83,749,059	84,662,508	85,591,218	91,646,244	93,066,135	94,704,613	96,944,547	95,577,326	86,822,179
Program Revenues										
Governmental Activities:										
Charges for Services and Sales	1,663,279	1,740,329	716,783	554,079	1,632,505	1,534,119	1,556,734	5,453,093	4,934,196	4,133,248
Instruction	0	0	0	878	0	0	0	0	0	0
Pupil	0	0	0	0	0	0	0	0	0	0
School Administration	0	0	0	8,618	0	0	0	0	0	0
Business	0	0	0	0	0	0	0	0	59,058	0
Operations and Maintenance	0	0	0	33,063	0	0	0	57,427	0	60,096
Pupil Transportation	0	0	0	20,862	0	0	0	0	0	0
Central	0	0	0	113	0	0	0	423	0	0
Operation of Non-Instructional Services	1,070,691	1,374,455	1,525,353	2,263,580	700,415	534,270	467,866	591,920	523,624	361,204
Extracurricular Activities	136,202	128,062	132,597	132,535	141,034	121,412	131,184	126,198	105,600	179,472
Food Service	960,987	998,984	994,316	0	822,040	823,267	682,191	0	0	0
Operating Grants and Contributions	6,079,032	5,669,450	5,798,481	6,008,920	7,246,048	8,356,788	10,743,225	8,586,992	7,828,636	9,213,891
Capital Grants and Contributions	51,345	1,634	45,197	26,979	50,165	0	0	0	0	0
Total Governmental Activities Program Revenues	9,961,536	9,912,914	9,212,727	9,049,627	10,592,207	11,369,856	13,581,200	14,815,753	13,451,273	13,947,911
Net (Expense)/Revenue	(\$69,630,081)	(\$73,836,145)	(\$75,449,781)	(\$76,541,591)	(\$81,054,037)	(\$81,696,279)	(\$81,123,413)	(\$82,128,794)	(\$82,126,053)	(\$72,874,268)

Source: District Records

Princeton City School District, Ohio
 General Revenues and Total Change in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Schedule 3

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue										
Total Government Net Expense	(\$69,630,081)	(\$73,836,145)	(\$75,449,781)	(\$76,541,591)	(\$81,054,037)	(\$81,696,279)	(\$81,123,413)	(\$82,128,794)	(\$82,126,053)	(\$72,874,268)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	65,629,652	65,600,762	66,930,812	50,230,088	51,717,675	45,314,998	45,487,235	42,437,792	57,539,338	62,939,584
Grants and Entitlements Not Restricted	10,233,936	10,566,991	14,367,565	18,864,593	23,242,456	26,779,285	27,489,047	27,503,063	26,600,918	26,859,702
Payment in Lieu of Taxes	0	0	0	556,594	0	0	0	318,935	294,599	0
Unrestricted Contributions	0	0	0	16,050	0	0	0	51,695	54,317	66,434
Revenue in Lieu of Taxes	0	0	0	0	0	0	0	0	0	874,948
Investment Earnings	2,209,135	3,321,120	2,846,626	1,996,557	1,021,262	116,100	1,603,978	724,883	353,627	(65,250)
Gain on Sale of Capital Assets	0	7,667	0	0	0	0	0	0	0	0
Other Revenues	1,333,139	1,478,996	1,202,956	522,171	1,399,776	889,498	1,237,850	466,442	1,128,591	516,796
Total Governmental Activities	79,405,862	80,975,536	85,347,959	72,186,053	77,381,169	73,099,881	75,818,110	71,502,810	85,971,390	91,192,214
Change in Net Position	\$9,775,781	\$7,139,391	\$9,898,178	(\$4,355,538)	(\$3,672,868)	(\$8,596,398)	(\$5,305,303)	(\$10,625,984)	\$3,845,337	\$18,317,946

Source: District Records

Princeton City School District, Ohio
 Governmental Funds - Fund Balances
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 4

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011 (1)	2012	2013	2014
General Fund										
Reserved	\$18,062,506	\$20,329,900	\$22,608,842	\$15,660,766	\$16,733,995	\$15,232,447	\$0	\$0	\$0	\$0
Unreserved	16,935,494	12,294,817	17,131,871	20,297,623	17,804,570	7,223,096	0	0	0	0
Nonspendable							70,088	0	0	0
Restricted							212,907	212,907	212,907	212,907
Committed							11,000	11,000	11,000	11,000
Assigned							1,762,134	1,665,971	2,502,626	2,112,106
Unassigned							17,279,293	14,513,410	14,662,671	26,915,128
Total General Fund	34,998,000	32,624,717	39,740,713	35,958,389	34,538,565	22,455,543	19,335,422	16,403,288	17,389,204	29,251,141
All Other Governmental Funds										
Reserved	29,556,294	21,325,576	10,052,289	3,264,264	2,831,215	2,041,047	0	0	0	0
Unreserved, Reported in:										
Capital Project Funds	46,873,525	12,899,423	(4,162,519)	(4,532,481)	(3,603,579)	6,429	0	0	0	0
Debt Service Funds	1,103,769	1,506,864	2,642,748	2,674,898	2,746,506	2,983,861	0	0	0	0
Special Revenue Funds	369,958	1,092,426	249,319	2,396,335	749,842	770,823	0	0	0	0
Permanent Funds	0	0	19,490	27,805	20,420	19,386	0	0	0	0
Nonspendable							305,097	31,428	18,830	19
Restricted							125,923,822	120,497,590	63,586,311	36,976,583
Unassigned							(845,338)	(23,989)	(626,832)	(660,949)
Total all Other Governmental Funds	\$77,903,546	\$36,824,289	\$8,801,327	\$3,830,821	\$2,744,404	\$5,821,546	\$125,383,581	\$120,505,029	\$62,978,309	\$36,265,653

Source: District Records

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance amounts are discussed in the Notes to the Financial Statements.

Princeton City School District, Ohio
 Governmental Funds - Revenues
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 5

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Taxes	\$65,740,919	\$62,512,646	\$67,624,833	\$52,786,846	\$50,200,683	\$44,164,544	\$45,225,898	\$45,001,017	\$57,396,548	\$60,924,490
Revenue in Lieu of Taxes	0	0	0	0	0	0	0	204,696	266,425	874,948
Tuition and Fees	1,663,279	1,774,304	751,060	1,018,668	1,639,115	1,539,478	1,570,137	5,447,149	4,917,204	4,126,669
Investment Earnings	2,211,600	3,448,933	2,862,617	2,020,746	1,028,715	116,602	1,603,104	647,201	490,367	(101,361)
Intergovernmental	14,907,680	14,864,188	18,646,683	24,846,527	30,314,195	34,438,786	38,060,361	36,018,462	33,768,487	35,927,474
Extracurricular Activities	0	0	0	0	0	0	0	124,859	105,584	177,907
Charges for Services	0	0	0	1,947,885	1,772,493	1,598,430	1,382,156	596,983	540,509	417,306
Other Revenues	1,464,236	1,573,083	1,437,376	1,062,672	1,276,150	788,858	1,121,294	643,797	523,926	595,369
Total Revenues	\$85,987,714	\$84,173,154	\$91,322,569	\$83,683,344	\$86,231,351	\$82,646,698	\$88,962,950	\$88,684,164	\$98,009,050	\$102,942,802

Source: District Records

Princeton City School District, Ohio
 Governmental Funds - Expenditures and Debt Service Ratio
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 6

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction	\$36,158,006	\$39,927,716	\$40,348,425	\$40,455,868	\$40,898,687	\$43,216,250	\$41,325,970	\$42,349,983	\$47,526,439	\$43,801,814
Pupil	5,253,048	4,883,938	4,913,808	4,451,245	4,933,419	5,146,093	4,879,958	4,113,558	4,292,060	4,308,172
Instructional Staff	5,138,665	6,172,017	6,068,675	5,797,624	6,777,010	7,200,116	7,288,612	6,979,434	2,202,967	2,867,210
General Administration	388,534	382,312	356,891	271,234	288,917	417,868	358,720	224,251	222,072	226,937
School Administration	5,127,096	6,007,403	5,990,165	6,217,725	6,009,337	6,669,776	5,999,568	5,934,410	5,894,558	5,298,769
Fiscal	1,836,629	2,335,416	2,581,376	2,945,291	2,395,328	2,436,579	2,342,938	2,026,008	2,083,024	1,434,580
Business	458,015	537,136	968,888	564,917	501,599	381,051	249,815	185,583	215,765	131,485
Operations and Maintenance	7,307,221	8,004,633	7,970,663	7,951,463	7,916,363	8,552,724	7,934,426	7,072,906	7,391,505	7,203,914
Pupil Transportation	4,712,953	4,297,383	4,237,681	4,466,487	4,522,788	5,829,450	4,756,146	4,482,907	5,299,350	4,435,273
Central	1,791,364	1,593,224	1,689,775	1,646,156	1,479,786	907,802	1,153,797	1,427,616	927,910	1,135,063
Operation of Non-Instructional Services	1,258,022	1,281,840	1,576,233	4,056,406	5,282,104	5,377,052	5,408,244	4,175,626	3,950,224	3,291,183
Extracurricular Activities	1,735,206	1,461,272	1,356,518	1,402,027	1,575,728	1,596,892	1,491,800	1,079,342	1,190,368	1,093,656
Capital Outlay	9,705,033	44,564,267	28,784,849	7,296,149	243,766	151,663	8,200,649	18,814,067	62,972,645	27,260,119
Debt Service:										
Principal Retirement	1,275,616	2,113,811	1,963,000	2,359,000	1,821,000	1,285,000	1,566,517	1,642,570	1,891,348	3,841,363
Interest and Fiscal Charges	4,137,441	4,070,993	3,640,237	3,737,224	3,668,790	3,681,776	9,597,684	10,931,934	11,355,573	11,463,983
Bond Issuance Costs	0	0	788,041	0	0	0	1,223,069	236,004	0	0
Total Expenditures	\$86,282,849	\$127,633,361	\$113,235,225	\$93,618,816	\$88,314,622	\$92,850,092	\$103,777,913	\$111,676,199	\$157,415,808	\$117,793,521
Debt Service as a Percentage of Noncapital Expenditures	7.12%	7.84%	6.76%	7.11%	6.23%	5.51%	11.69%	13.54%	14.01%	17.24%

Source: District Records

Princeton City School District, Ohio
 Governmental Funds - Other Financing Sources and Uses and Net Change in Fund Balances
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 7

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Other Financing Sources (Uses)										
Issuance of Loans	\$0	\$0	\$0	\$0	\$0	\$3,628,000	\$0	\$0	\$0	\$0
Payments to Refunded Bond Escrow Agent	0	0	(75,458,718)	0	0	0	0	0	0	0
Issuance of Refunding Bonds	0	0	70,840,000	0	0	0	0	0	0	0
Refunding Bond Premium	0	0	5,406,759	0	0	0	0	0	0	0
Proceeds from Sale of Capital Assets	0	7,667	0	54,486	77,030	69,514	0	48,348	736,784	0
Inception of Capital Leases	558,000	0	0	0	0	0	509,975	0	0	0
Premium on Bonds and Notes Issued	0	0	0	0	0	0	10,746,972	145,998	127,670	0
Issuance of Bonds	0	0	0	0	0	0	119,999,930	0	645,000	0
Discount on Certificate of Participation	0	0	0	0	0	0	0	15,225,000	2,300,000	0
Transfers In	1,009,680	1,775,110	2,644,918	2,080,616	1,402,458	1,839,536	11,493,131	1,141,801	2,164,261	1,320,805
Transfers (Out)	(1,009,680)	(1,775,110)	(2,699,794)	(2,080,616)	(1,902,458)	(4,339,536)	(11,493,131)	(1,141,801)	(3,107,761)	(1,320,805)
Total Other Financing Sources (Uses)	558,000	7,667	733,165	54,486	(422,970)	1,197,514	131,256,877	15,181,349	2,865,954	0
Net Change in Fund Balances	\$262,865	(\$43,452,540)	(\$21,179,491)	(\$9,880,986)	(\$2,506,241)	(\$9,005,880)	\$116,441,914	(\$7,810,686)	(\$56,540,804)	(\$14,850,719)

Source: District Records

Princeton City School District, Ohio
 Assessed Value and Actual Value of Taxable Property
 Last Ten Calendar Years (1)
 Schedule 8

Calendar Year	Real Property Assessed Value (2)	Tangible Personal Property Assessed Value (2)	Public Utilities Personal Assessed Value (2)	Total Assessed Value	Total Estimated Actual Value	Total Direct Rate
2004	\$1,367,594,010	\$421,066,962	\$68,900,980	\$1,857,561,952	\$5,307,319,863	49.03
2005	1,560,927,220	384,837,640	68,330,650	2,014,095,510	5,754,558,600	49.03
2006	1,565,323,230	208,144,506	59,406,820	1,832,874,556	5,236,784,446	49.03
2007(3)	1,462,254,440	101,686,690	40,902,420	1,604,843,550	4,585,267,286	49.03
2008	1,633,409,420	114,507,988	43,420,600	1,791,338,008	5,118,108,594	48.89
2009	1,620,811,910	17,853,270	48,392,540	1,687,057,720	4,820,164,914	48.89
2010	1,554,771,440	5,517,290	58,044,658	1,618,333,388	4,623,809,680	50.48
2011	1,449,563,270	0	52,029,740	1,501,593,010	4,290,265,743	50.83
2012	1,432,182,830	0	76,712,050	1,508,894,880	4,311,128,229	61.28
2013	1,415,476,540	0	78,641,030	1,494,117,570	4,268,907,343	61.28

Source: Hamilton County, Butler County and Warren County Auditor

(1) - 2004 through 2005 does not include information for Warren County.

(2) - Assessed values shown in this schedule will not agree to amounts in the notes to the financial statements, since the schedules are shown on a calendar year basis, which is consistent with the method county auditors maintain this information

(3) - Information for Warren County not available

Note: The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent. Property is assessed annually.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue to be received in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed.

Princeton City School District, Ohio
 Direct and Overlapping Property Tax Rates
 Last Ten Calendar Years
 Schedule 9

Calendar Year	District Direct Rates	Hamilton County	City of Blue Ash	City of Springdale	Village of Evendale	Village of Glendale	Overlapping Rates					Great Oaks Joint Vocational School
							Village of Lincoln Heights	Village of Woodlawn	Springfield Township	Sycamore Township	Joint Vocational School	
2004	49.03	21.06	3.08	3.08	0.00	21.83	26.33	5.08	20.30	7.75	2.70	
2005	49.03	20.81	3.08	3.08	0.00	21.39	28.33	5.08	20.30	7.75	2.70	
2006	49.03	20.18	3.08	3.08	0.00	21.18	28.33	5.08	20.30	8.75	2.70	
2007	49.03	20.18	3.08	3.08	0.00	21.18	28.33	5.08	20.30	8.75	2.70	
2008	48.99	20.63	3.08	3.08	0.00	20.08	35.33	5.08	22.80	8.75	2.70	
2009	48.99	20.48	3.08	3.08	0.00	20.08	35.33	5.08	22.80	8.75	2.70	
2010	50.48	19.45	3.08	3.08	0.00	20.08	39.33	5.08	22.80	8.75	2.70	
2011	50.83	19.03	3.08	3.08	0.00	20.08	40.73	5.08	22.80	8.75	2.70	
2012	61.28	19.03	3.08	3.08	0.00	21.58	48.73	5.08	23.80	8.75	2.70	
2013	61.28	19.03	3.08	3.08	0.00	21.58	48.73	5.08	23.80	8.75	2.70	

Source: Hamilton County Auditor

Note: Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

(1) - Components of the District direct rate are unavailable and will be shown in total only.

Princeton City School District, Ohio
Principal Property Tax Payers
Current Calendar Year and Eight Years Ago (1)
Schedule 10

Taxpayer	2013	
	Assessed Value	Percentage of Total Assessed Value
Duke Energy	\$64,209,070	4.30%
Tri-County Mall LLC	16,863,330	1.13%
Duke Energy	12,749,700	0.85%
Kemper Apartments LTD	7,784,960	0.52%
WOP Mallard Lakes LLC	6,779,860	0.45%
General Western Highland	6,655,730	0.45%
Springdale-Kemper Assoc	6,625,810	0.44%
Proctor & Gamble CO	6,154,290	0.41%
Sharonville Realty	5,853,680	0.39%
Pines Apartments LTD	5,731,430	0.38%
Total Principal Taxpayers	139,407,860	9.34%
All Other Taxpayers	1,354,709,710	90.66%
Total Taxpayers	\$1,494,117,570	100.00%

Taxpayer	2005 (2)	
	Assessed Value	Percentage of Total Assessed Value
General Electric	\$78,268,480	3.89%
Concordia Properties, LLC	52,585,110	2.61%
Ford Motor Company	51,640,040	2.56%
Cinergy	48,297,440	2.40%
Procter & Gamble	28,265,060	1.40%
Cincinnati Bell	18,668,550	0.93%
Duke Realty	15,924,870	0.79%
WHPHC Real Estate	14,540,210	0.72%
Quantum Chemical	12,456,070	0.62%
Kroger Company	11,334,250	0.57%
Total Principal Taxpayers	331,980,080	16.48%
All Other Taxpayers	1,682,115,430	83.52%
Total Taxpayers	\$2,014,095,510	100.00%

Source: Hamilton County Auditor (Information for Butler and Warren Counties is not reported since they represent a minor portion of the total tax collections)

(1) - Current and eight calendar years ago information only available. Information from nine years prior is not available.

(2) - 2005 tax year information is the latest available.

Princeton City School District, Ohio
Property Tax Levies and Collections
Last Ten Calendar Years
Schedule 11

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$43,363,212	\$41,689,007	96.14%	\$1,335,719	\$43,024,726	99.22%
2005	45,038,152	42,953,593	95.37%	1,249,715	44,203,308	98.15%
2006	45,856,077	43,492,919	94.85%	2,055,694	45,548,613	99.33%
2007	52,390,155	49,642,615	94.76%	393,460	50,036,075	95.51%
2008	54,042,097	48,370,357	89.50%	2,925,215	51,295,572	94.92%
2009	42,285,210	40,015,262	94.63%	1,337,248	41,352,510	97.79%
2010	45,148,878	42,920,852	95.07%	1,647,379	44,568,231	98.71%
2011	47,240,712	42,281,133	89.50%	1,992,615	44,273,748	93.72%
2012	63,099,261	58,120,642	92.11%	1,615,442	59,736,084	94.67%
2013	65,405,130	60,194,697	92.03%	1,652,853	61,847,550	94.56%

Source: Hamilton County Auditor (Information for Butler and Warren Counties is not reported since they represent a minor portion of the total tax collections)

Princeton City School District, Ohio
 Outstanding Debt by Type
 Last Ten Fiscal Years
 Schedule 12

Fiscal Year	Governmental Activities				Debt Service Fund Balance	General Bonded Debt Outstanding Net General Obligation Bonds	Percentage of Personal Income (1)	Per Capita	Ratio of General Bonded Debt to Estimated Actual Value (2)
	General Obligation Bonds	OASBO Loan	Capital Leases						
2005	\$86,745,177	\$0	\$348,811		\$2,758,769	\$83,986,408	1.34%	\$841.13	1.58%
2006	85,341,875	0	1,048,000		3,455,864	81,886,011	1.23%	821.80	1.42%
2007	83,740,220	0	595,000		4,389,748	79,350,472	1.13%	761.55	1.57%
2008	81,710,544	0	126,000		4,197,508	77,513,036	1.33%	772.14	1.75%
2009	79,875,868	0	0		4,310,806	75,565,062	1.29%	775.01	1.53%
2010	78,451,192	3,628,000	0		4,488,961	73,962,231	0.92%	689.77	1.58%
2011	207,984,994	3,506,000	425,458		10,638,613	197,346,381	2.96%	2,047.52	4.32%
2012	221,948,219	3,385,000	328,888		6,479,654	215,468,565	2.35%	1,786.87	5.08%
2013	224,079,958	3,260,000	227,540		6,837,072	217,242,886	2.29%	1,701.48	5.04%
2014	223,551,220	3,130,000	121,177		6,420,463	217,130,757	2.23%	1,670.55	5.09%

Source: District Records

(1) - On the calendar year basis

(2) - Assessed values are on a calendar year basis (i.e. fiscal year 2014 is calendar year 2013)

Princeton City School District, Ohio
 Direct and Overlapping Governmental Activities Debt -- All Counties
 As of June 30, 2014
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Counties:			
Butler County	\$50,968,150	1.30%	\$662,586
Hamilton County	83,375,000	7.56%	6,303,150
Cities:			
Sharonville City	1,640,000	99.98%	1,639,672
Blue Ash City	9,900,000	1.58%	156,420
Villages:			
Woodlawn Village	4,665,000	100.00%	4,665,000
Townships:			
Deerfield Township	11,220,000	2.42%	271,524
Springfield Township	10,105,000	1.42%	143,491
Sycamore Township	17,010,000	27.00%	4,592,700
West Chester Township	51,135,000	3.02%	1,544,277
School Districts:			
Great Oaks Career Center Jt. Voc. School District	14,695,000	8.35%	1,227,033
Subtotal Overlapping Debt	\$254,713,150		\$21,205,852
Princeton CSD Direct Debt	\$226,802,397	100.00%	\$226,802,397
Total Direct and Overlapping Debt	\$481,515,547		\$248,008,249

(1) - Percentages were determined by dividing the assessed valuation of the overlapping government located with the boundaries of the School District by the total assessed valuation of the government.

Source: Ohio Municipal Advisory Council

Princeton City School District, Ohio
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Schedule 14

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$167,180,576	\$181,268,596	\$164,958,710	\$144,435,920	\$161,220,421	\$151,835,195	\$145,650,005	\$135,143,371	\$135,800,539	\$134,470,581
Total net debt applicable to limit	87,848,946	86,848,739	89,109,903	81,644,141	82,370,723	80,830,007	210,247,769	194,554,930	229,596,747	226,802,397
Legal debt margin	\$79,331,630	\$94,419,857	\$75,848,807	\$62,791,779	\$78,849,698	\$71,005,188	(\$64,597,764)	(\$59,411,559)	(\$93,796,208)	(\$92,331,816)
Total net debt applicable to the limit as a percentage of debt limit	52.55%	47.91%	54.02%	56.53%	51.09%	53.24%	144.35%	143.96%	169.07%	168.66%

Legal Debt Margin Calculation for Fiscal Year 2014	
Assessed value (1)	\$1,494,117,570
Debt limit (9% of assessed value)	134,470,581
Debt applicable to limit	226,802,397
Legal debt margin	(\$92,331,816)

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2014 is calendar year 2013)

Princeton City School District, Ohio
 Demographic and Economic Statistics -- Butler County
 Last Ten Calendar Years
 Schedule 15

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2004	345,119	\$10,844,563	\$31,332	4.3%
2005	348,655	11,080,584	31,662	5.2%
2006	353,386	11,707,628	33,130	5.6%
2007	357,888	8,877,054	24,804	5.1%
2008	353,895	8,576,645	24,235	6.5%
2009	363,184	13,045,932	35,921	9.4%
2010	368,130	9,381,425	25,484	9.6%
2011	369,999	13,538,158	36,590	8.6%
2012	370,589	14,398,043	38,852	7.1%
2013	371,272	14,592,549	39,304	6.9%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau for Butler County
 - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Butler County
 - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Butler County
 - (4) - Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information -- Annual Average

Princeton City School District, Ohio
Demographic and Economic Statistics -- Hamilton County
Last Ten Calendar Years
Schedule 15

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2004	814,611	\$32,111,846	\$39,467	5.7%
2005	806,652	33,087,346	39,937	5.7%
2006	822,596	35,146,091	41,477	5.0%
2007	842,369	36,488,577	43,317	5.0%
2008	845,303	34,626,992	40,964	5.6%
2009	855,062	37,552,613	43,918	8.9%
2010	802,374	27,317,612	46,509	9.4%
2011	800,362	37,522,065	46,881	8.0%
2012	802,038	39,631,501	49,413	7.0%
2013	804,520	40,415,100	50,235	7.1%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau for Hamilton County
 - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Hamilton County
 - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Hamilton County
 - (4) - Ohio Department of Job and Family Services - Office of Workforce Development Bureau of Labor Market Information -- Annual Average

Princeton City School District, Ohio
 Demographic and Economic Statistics -- Warren County
 Last Ten Calendar Years
 Schedule 15

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2004	189,276	\$6,213,055	\$32,745	4.5%
2005	196,793	6,597,227	33,524	4.4%
2006	201,871	7,211,608	36,134	4.9%
2007	204,390	5,997,172	37,865	4.6%
2008	204,390	5,997,172	37,865	5.5%
2009	210,712	8,250,639	39,156	8.8%
2010	212,693	6,701,106	31,506	8.9%
2011	214,910	9,202,095	42,818	7.6%
2012	217,241	9,880,531	45,482	6.3%
2013	219,169	10,131,284	46,226	6.3%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau for Warren County
 - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Warren County
 - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Warren County
 - (4) - Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information -- Annual Average

Princeton City School District, Ohio
 Major Employers -- Butler County (1)
 Current Fiscal Year and Fiscal Period Five Years Ago (2)
 Schedule 16

2013			
Major Employer (3)	Type	Number of Employees	Employer's Percentage of Total Employment
AK Steel Holding Corp	Mfg	(4)	(5)
Butler County Government	Govt	(4)	(5)
Cincinnati Financial Corp	Ins	(4)	(5)
Cornerstone Brands Inc	Trade	(4)	(5)
Ft Hamilton Memorial Hospital	Serv	(4)	(5)
GE Aviation	Mfg	(4)	(5)
Hamilton City Schools	Govt	(4)	(5)
Lakota Local Schools	Govt	(4)	(5)
Liberty Mutual/Ohio Casualty Corp	Ins	(4)	(5)
Mercy Regional Hospital	Serv	(4)	(5)
Miami University	Govt	(4)	(5)
Middletown Regional Health System	Serv	(4)	(5)
Miller Coors	Mfg	(4)	(5)
Pierre Foods	Mfg	(4)	(5)

2008			
Major Employer (3)	Type	Number of Employees	Employer's Percentage Of Total Employment
AK Steel Holding Corp	Mfg	(4)	(5)
Amylin Pharmaceuticals Inc	Mfg	(4)	(5)
Armor Holdings Inc	Mfg	(4)	(5)
Butler County Government	Govt	(4)	(5)
Cincinnati Financial Corp	Ins	(4)	(5)
Cornerstone Brands Inc	Trade	(4)	(5)
Fairfield City Bd of Ed	Govt	(4)	(5)
Ft Hamilton Memorial Hospital	Serv	(4)	(5)
Hamilton City Bd of Ed	Govt	(4)	(5)
Lakota Local Bd of Ed	Govt	(4)	(5)
Liberty Mutual/Ohio Casualty Corp	Ins	(4)	(5)
Mercy Regional Hospital	Serv	(4)	(5)
Miami University	Govt	(4)	(5)
Middletown Regional Health System	Serv	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Butler County

(2) - Only current fiscal year and fiscal period five years ago information available. Information for fiscal period nine years ago not available.

(3) - Includes at minimum the ten largest employers for the county. In alphabetical order only.

(4) - The number of employees of each listed major employer was not available.

(5) - The employer's percentage of total employment for each major employer was not available.

Princeton City School District, Ohio
 Major Employers -- Hamilton County (1)
 Current Fiscal Year and Fiscal Period Five Years Ago (2)
 Schedule 16

2013			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
American Financial Group Inc	Ins	(4)	(5)
Cincinnati Children's Hospital	Serv	(4)	(5)
Fifth Third Bancorp	Fin	(4)	(5)
Ford Motor Co	Mfg	(4)	(5)
General Electric Co	Mfg	(4)	(5)
Johnson & Johnson/Ethicon	Mfg	(4)	(5)
Kroger Co	Trade	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mercy Health Partners	Serv	(4)	(5)
Procter & Gamble Co	Mfg	(4)	(5)
TriHealth Inc	Serv	(4)	(5)
University of Cincinnati	Govt	(4)	(5)

2008			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Population
American Financial Group Inc	Ins	(4)	(5)
Chiquita Brands International Inc	Trade	(4)	(5)
Convergys Corp	Serv	(4)	(5)
Duke Energy Corp	Utility	(4)	(5)
Fifth Third Bancorp	Fin	(4)	(5)
Ford Motor Co	Mfg	(4)	(5)
General Electric Co	Mfg	(4)	(5)
Health Alliance of Greater Cincinnati	Serv	(4)	(5)
Johnson & Johnson/Ethicon	Mfg	(4)	(5)
Kroger Co	Trade	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mercy Health Partners	Serv	(4)	(5)
Procter & Gamble Co	Mfg	(4)	(5)
TriHealth Inc	Serv	(4)	(5)
University of Cincinnati	Govt	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Hamilton County

(2) - Only current fiscal year and fiscal period five years ago information available. Information for fiscal period nine years ago not available.

(3) - Includes at minimum the ten largest employers for the county. In alphabetical order only.

(4) - The number of employees of each listed major employer was not available

(5) - The employer's percentage of total employment for each major employer was not available

Princeton City School District, Ohio
 Major Employers --Warren County (1)
 Current Fiscal Year and Fiscal Period Five Years Ago (2)
 Schedule 16

2013			
Major Employer (3)	Type	Number of Employees	Employer's Percentage of Total Employment
Aisin Seiki/ADVICS Co Ltd	Mfg	(4)	(5)
Atrium Medical Center	Serv	(4)	(5)
Cedar Fair/Kings Island	Serv	(4)	(5)
Cengage Learning Inc	Serv	(4)	(5)
Cintas Corp	Mfg	(4)	(5)
HJ Heinz/Portion Pac Inc	Mfg	(4)	(5)
L-3 Cincinnati Electronics	Mfg	(4)	(5)
Luxtotta Group SpA	Mfg	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mason Local Schools	Govt	(4)	(5)
Procter & Gamble Co	R&D	(4)	(5)
State of Ohio	Govt	(4)	(5)
WellPoint Inc/Anthem	Ins	(4)	(5)

2008			
Major Employer (3)	Type	Number Of Employees	Employer's Percentage Of Total Employment
Aisin Seiki/ADVICS Co Ltd	Mfg	(4)	(5)
Blackhawk Automotive Plastics Inc	Mfg	(4)	(5)
Cedar Fair/Kings Island	Serv	(4)	(5)
Cintas Corp	Mfg	(4)	(5)
HJ Heinz/Portion Pac Inc	Mfg	(4)	(5)
Luxtotta Group SpA	Mfg	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mason Local Bd of Ed	Govt	(4)	(5)
Procter & Gamble Co	R&D	(4)	(5)
State of Ohio	Govt	(4)	(5)
Sumco Phoenix	Mfg	(4)	(5)
WellPoint Inc/Anthem	Ins	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Warren County

(2) - Only current fiscal year and fiscal period five years ago information available. Information for fiscal period nine years ago not available.

(3) - Includes at minimum the ten largest employers for the county. In alphabetical order only.

(4) - The number of employees of each listed major employer was not available.

(5) - The employer's percentage of total employment for each major employer was not available.

Princeton City School District, Ohio
 Full-Time - Equivalent District Employees by Type
 Last Ten Fiscal Years
 Schedule 17

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Regular Instruction	300.40	316.53	305.23	303.98	332.60	325.44	306.96	269.44	260.23	260.78
REGULAR TEACHING	297.40	314.53	299.23	301.98	0.00	0.00	0.00	0.00	0.00	0.00
PERMANENT SUBSTITUTE	1.00	0.00	0.00	2.00	1.00	0.00	0.00	0.00	0.00	1.00
TEACHER/MENTOR/EVALUATOR	2.00	2.00	6.00	0.00	0.00	0.00	0.00	0.00	2.50	0.00
GENERAL EDUCATION	0.00	0.00	0.00	0.00	288.60	293.00	277.30	239.20	228.50	229.34
ART EDUCATION K-8	0.00	0.00	0.00	0.00	13.00	9.00	8.00	8.50	8.00	9.00
MUSIC EDUCATION K-8	0.00	0.00	0.00	0.00	21.00	14.00	13.00	13.00	13.00	13.00
PHYSICAL EDUCATION K-8	0.00	0.00	0.00	0.00	9.00	9.44	8.66	8.74	8.23	8.44
Special Instruction	43.75	42.04	39.04	37.02	15.00	16.00	6.80	7.90	6.30	7.50
AUDIO-VISUAL STAFF	3.00	3.00	2.00	2.00	3.00	4.00	4.00	3.00	2.00	2.00
EDUC SERVICE PERSONNEL TEACHER	40.75	39.04	37.04	35.02	0.00	0.00	0.00	0.00	0.00	0.00
GIFTED & TALENTED	0.00	0.00	0.00	0.00	10.00	10.00	0.80	2.90	2.30	3.50
PRESCHOOL SPECIAL EDUCATION	0.00	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00
Vocational Instruction	3.00	1.00	1.00	1.00	3.00	3.00	0.86	0.86	2.00	2.00
VACATIONAL EDUCATION TEACHING	3.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
CAREER-TECHNICAL PROGRAMS/PATHWAYS	0.00	0.00	0.00	0.00	3.00	3.00	0.86	0.86	2.00	2.00
Other Instruction	93.33	25.00	7.88	8.32	11.90	6.40	8.00	5.00	3.00	3.00
OTHER PROFESSIONAL	1.00	22.00	5.00	5.00	10.50	5.00	7.00	4.00	2.00	2.00
TEACHING AIDE	91.33	2.00	1.88	2.32	0.40	0.40	0.00	0.00	0.00	0.00
PARENT MENTOR	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Pupil Support Services	83.80	113.99	131.40	125.81	119.80	123.00	116.28	106.80	105.65	103.52
COUNSELING	12.00	12.00	12.00	11.00	13.00	14.00	10.00	7.50	8.00	7.00
REMEDIAL SPECIALIST	6.00	6.00	21.62	7.00	9.00	9.50	9.50	8.00	8.00	4.00
SPECIAL EDUCATION TEACHING	49.00	47.19	38.30	36.08	0.00	0.00	0.00	17.27	14.12	16.72
SUPPL SERVICE TEACHER (SPEC ED)	0.00	25.00	33.50	40.62	47.00	42.72	46.74	46.85	47.41	49.58
SPECIAL EDUCATION	0.00	0.00	0.00	0.00	22.00	27.00	20.26	0.00	0.00	0.00
DIETITIAN/NUTRITIONIST	0.00	0.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
PSYCHOLOGIST	6.00	7.00	8.60	11.00	10.00	10.00	11.00	9.00	9.00	8.00
REGISTERED NURSING	3.00	3.00	3.00	3.00	3.00	4.00	4.00	2.90	2.90	3.00
SOCIAL WORK	2.00	2.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00
SPEECH & LANGUAGE THERAPIST	4.80	4.80	4.80	4.80	5.80	6.80	6.80	6.80	6.80	5.80
OCCUPATIONAL THERAPIST	0.00	0.00	0.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
EUCATIONAL INTERPRETER	0.00	1.00	2.82	1.94	1.00	0.00	0.00	0.00	1.00	1.00
OTHER PROFESSIONAL-OTHER	0.00	0.00	0.00	1.50	1.00	1.00	0.00	1.00	0.94	0.94
PRACTICAL NURSING	0.00	5.00	3.76	2.87	3.00	2.00	2.00	3.50	3.50	3.50
ATTENDANCE OFFICER	1.00	1.00	1.00	2.00	2.00	2.98	2.98	1.98	2.98	2.98
Instructional Staff Support Services	52.50	111.00	118.36	111.72	125.52	128.89	120.18	103.43	111.89	100.52
CURRICULUM SPECIALIST	2.00	2.00	2.00	7.00	6.00	6.50	6.50	7.50	15.00	12.00
LIBRARIAN/MEDIA	8.50	5.00	5.00	8.00	7.50	5.50	3.00	2.00	2.00	2.00
TUTOR/SMALL GROUP INSTRUCTOR	31.00	7.00	16.00	4.50	7.00	11.50	11.50	11.50	9.50	10.00
LIBRARY TECHNICIAN	0.00	0.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LIBRARY AIDE	6.00	0.00	0.00	5.00	2.00	1.95	0.53	0.00	0.00	0.00
INSTRUCTIONAL PARAPROFESSIONAL	0.00	91.00	85.61	81.47	96.02	98.44	95.65	79.43	82.39	74.52
OTHER TECHNICAL	5.00	6.00	6.75	5.75	7.00	5.00	3.00	3.00	3.00	2.00
Administration Support Services	118.00	113.88	107.64	98.54	94.30	100.01	92.45	94.94	86.82	81.82
ADMIN. ASSISTANT	2.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ASSIST DEPUTY/ASSOC SUPERINTENDENT	3.00	4.00	3.00	2.00	1.00	1.00	0.80	1.00	1.00	1.00
ASSIST PRINCIPAL	9.00	5.00	7.00	7.00	11.00	8.00	6.00	5.00	5.50	5.50
PRINCIPAL	8.00	11.00	12.00	13.00	10.00	11.00	9.00	10.00	10.00	10.00
SUPERINTENDENT	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
SUPERVISING/MANAGING/DIRECTING	5.00	9.00	3.00	1.00	1.00	1.00	0.00	3.00	2.00	1.00
COORDINATOR	11.00	12.00	9.00	6.00	5.20	6.00	5.00	6.00	4.00	3.00
EDUCATION ADMINISTRATIVE SPECIALIST	0.00	0.00	0.00	0.00	0.00	3.00	3.00	2.00	0.00	0.00
DIRECTOR	0.00	0.00	0.00	0.00	3.00	5.00	5.00	5.00	7.50	6.50
OTHER OFFICIAL/ADMINISTRATIVE	2.00	1.00	1.00	0.00	1.00	2.00	1.00	4.94	4.00	5.00
PERSONNEL	0.00	0.00	0.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
CLERICAL	76.00	69.88	70.64	66.54	61.10	62.01	61.65	57.00	51.82	48.82
Fiscal Services	1.00	1.00	3.00	6.00	4.00	5.00	4.00	4.00	4.00	2.00
TREASURER	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
ACCOUNTING	0.00	0.00	2.00	3.00	1.00	2.00	2.00	1.00	1.00	1.00
RECORDS MANAGING	0.00	0.00	0.00	2.00	2.00	2.00	1.00	2.00	2.00	0.00
Business Support Services	3.00	4.00	1.76	1.00	1.00	1.00	1.00	1.00	0.00	1.00
PRINTER	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MESSENGER	2.00	3.00	1.76	1.00	1.00	1.00	1.00	1.00	0.00	1.00

Princeton City School District, Ohio
 Full-Time - Equivalent District Employees by Type
 Last Ten Fiscal Years
 Schedule 17 (Continued)

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Operation of Plant	74.50	80.00	75.75	80.00	77.50	80.25	81.25	76.25	73.72	67.56
GENERAL MAINTENANCE	13.00	13.00	12.00	11.00	11.00	12.00	12.00	12.00	11.00	8.84
MECHANIC	2.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	3.00
FOREMAN	1.00	1.00	5.00	4.00	4.00	4.00	4.00	0.00	0.00	0.00
CUSTODIAN	47.50	48.00	45.75	47.00	44.50	47.25	47.25	44.25	41.75	40.75
ELEVATOR OPERATING	0.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GUARD/WATCHMAN	9.00	12.00	5.00	13.00	13.00	7.00	7.00	6.00	6.00	6.00
MONITORING	1.00	0.00	0.00	0.00	0.00	6.00	7.00	10.00	9.97	8.97
ATTENDANT	1.00	1.00	3.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Pupil Transportation	69.58	72.62	62.77	53.88	53.11	55.22	56.53	52.30	56.96	52.59
DISPATCHING	1.00	1.00	1.86	0.86	1.00	1.00	1.00	1.00	1.00	1.00
VEHICLE OPERATOR (BUSES)	62.58	66.62	55.62	49.36	47.11	50.22	51.53	47.30	51.96	48.59
EQUIPMENT OPERATING ASSIGNMENT	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00
OTHER OPERATIVE	6.00	5.00	4.29	3.66	5.00	4.00	4.00	4.00	3.00	3.00
Central Support Services	9.00	4.00	4.00	5.00	4.00	5.00	4.00	3.00	1.00	0.00
PUBLICITY RELATIONS	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00
COMPUTER OPERATING	2.00	3.00	3.00	3.00	3.00	4.00	3.00	3.00	1.00	0.00
INSPECTOR	6.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Food Service Program	40.42	39.50	28.51	26.15	30.21	26.87	28.02	25.94	29.91	29.91
FOOD SERVICE	40.42	39.50	28.51	26.15	30.21	26.87	28.02	25.94	29.91	29.91
Grand Total	892.28	924.56	886.34	858.42	871.94	876.08	826.33	750.86	741.48	712.20

Source: State Department of Education

Note: Information is not available to provide a breakdown between High School and Elementary

Princeton City School District, Ohio
 Operating Statistics
 Last Ten Fiscal Years
 Schedule 18

Fiscal Year	Enrollment (1)	Operating Expenditure (2)	Cost Per Pupil (3)	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2005	5,934	\$67,662,885	\$11,403	-1.91%	457	13	30.00%
2006	5,714	72,099,035	12,618	10.66%	486	12	45.93%
2007	5,645	76,201,338	13,499	6.98%	479	12	45.22%
2008	5,485	85,591,218	15,605	15.60%	461	12	51.00%
2009	5,133	77,181,975	15,036	-3.64%	473	11	52.50%
2010	5,525	82,652,452	14,960	-0.51%	466	12	54.50%
2011	5,612	80,246,996	14,299	-4.42%	429	13	58.60%
2012	5,480	73,279,119	13,372	-6.48%	431	13	58.60%
2013	5,575	76,260,037	13,679	2.29%	405	14	64.00%
2014	5,416	68,274,652	12,606	-7.84%	394	14	65.00%

Source: District Records

(1) - Enrollment amount includes the satellite students in programs at partner districts.

(2) - Operating Expenditure is Total General Fund Cash Expenditures.

(3) - Operating Expenditure by Enrollment.

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Princeton City School District, Ohio
 School Building Information
 Last Ten Fiscal Years
 Schedule 19

School	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Elementary:										
Evendale (PK-6 / PK-5)										
Square feet	45,254	45,254	45,254	55,040	55,040	55,040	55,040	55,040	55,040	55,040
Capacity	625	625	625	364	364	364	364	364	364	364
Enrollment	297	273	244	250	238	261	250	281	322	290
Glendale (PK-6 / PK-5)										
Square feet	31,676	31,676	31,676	31,676	31,676	31,676	31,676	31,676	31,676	31,676
Capacity	575	575	575	364	364	364	364	364	364	364
Enrollment	292	264	164	219	203	245	261	289	284	265
Heritage Hill (PK-6 / PK-5)										
Square feet	64,895	64,895	Demo'd	63,093	63,093	63,093	63,093	63,093	63,093	63,093
Capacity	950	950		546	546	546	546	546	546	546
Enrollment	421	447		290	367	320	346	331	368	377
Sharonville (PK-6 / PK-5)										
Square feet	Demo'd	Demo'd	65,526	65,526	65,526	65,526	65,526	65,526	65,526	65,526
Capacity			546	546	546	546	546	546	546	546
Enrollment			395	375	417	436	469	438	461	486
Springdale (K-6)										
Square feet	57,124	57,124	63,131	65,526	65,526	65,526	65,526	65,526	65,526	65,526
Capacity	523	523	546	546	546	546	546	546	546	546
Enrollment	409	415	484	375	441	438	469	448	453	462
Stewart (PK-3 / PK-4)										
Square feet	34,150	34,150	62,420	62,240	62,240	62,240	62,240	62,240	62,240	62,240
Capacity	500	500	546	546	546	546	546	546	546	546
Enrollment	403	412	434	450	427	472	492	464	485	462
Woodlawn (Grades K-3)										
Square feet	Demo'd	Demo'd	52,711	52,711	52,711	52,711	52,711	52,711	52,711	52,711
Capacity			364	364	364	364	364	364	364	364
Enrollment			255	219	205	210	202	212	245	235
Lincoln Heights (PK-6 / PK-5)										
Square feet	50,908	50,908	63,301	63,301	63,301	63,301	63,301	63,301	63,301	63,301
Capacity	950	950	546	546	546	546	546	546	546	546
Enrollment	399	398	353	324	281	296	287	206	152	123

Princeton City School District, Ohio
 School Building Information
 Last Ten Fiscal Years
 Schedule 19 (Continued)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
RELIS										
Square feet	74,632	74,632	74,632	*	*	12,500	12,500	N/A	N/A	N/A
Capacity	1,000	1,000	1,000	*	*	1,000	1,000	N/A	N/A	N/A
Enrollment	424	370	300	*	*	36	46	N/A	N/A	N/A
Middle School										
Princeton Community (Grades 7-8 / 6-8)										
Square feet	154,952	154,952	154,952	176,195	176,195	176,195	176,195	176,195	176,195	160,518
Capacity	2,650	2,650	2,650	1,500	1,500	1,500	1,500	1,500	1,500	1,200
Enrollment	1349	1277	1182	1114	1114	1098	1147	1,126	1,187	1,204
High School										
Princeton HS (Grades 9-12)										
Square feet	347,217	347,217	347,217	347,217	347,217	347,217	347,217	347,217	347,217	347,217
Capacity	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Enrollment	1941	1883	1834	1768	1768	1749	1689	1,674	1,613	1,517

Source: School District Records and Ohio Department of Education

* - Building was not used in fiscal year 2008 and 2009.

Note:

Starting in 2004-2005 6th grade moved to the Princeton Community Middle School
 Starting in 2004-2005 Stewart Elementary added 4th grade
 Starting in 2007-08 Evendale the existing building was demo'd and a new building was opened

N/A - Information not available.

PRINCETON CITY SCHOOL DISTRICT



Single Audit Reports

June 30, 2014

**PRINCETON CITY SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2014**

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
School Breakfast Program	3L70	10.553	\$407,735	\$0	\$407,735	\$0
National School Lunch Program	3L60	10.555	1,177,849	172,728	1,177,849	172,728
Summer Food Program	3L60	10.559	13,021	0	13,021	0
Total Nutrition Cluster			1,598,605	172,728	1,598,605	172,728
Farm to School Initiative	3670	10.575	2,000	0	89	0
Total U.S. Department of Agriculture			1,600,605	172,728	1,598,694	172,728
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Special Education-Grants to States	3M20	84.027	1,426,303	0	1,349,539	0
Special Education-Preschool Grants	3C50	84.173	31,936	0	21,842	0
Total Special Education Cluster			1,458,239	0	1,371,381	0
Career & Technical Education Basic Grants to States	N/A	84.048	10,000	0	7,862	0
Readiness and Emergency Management for Schools	N/A	84.184E	0	0	23,165	0
Title I Grants to Local Educational Agencies	3M00	84.010	1,690,403	0	1,728,819	0
English Language Acquisition Grants	3Y70	84.365	309,417	0	414,624	0
Improving Teacher Quality	3Y60	84.367	297,946	0	297,760	0
Race to the Top Fund - ARRA	3FD0	84.395	244,779	0	329,748	0
Total Department of Education			4,010,784	0	4,173,359	0
Total Federal Assistance			\$5,611,389	\$172,728	\$5,772,053	\$172,728

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

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

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Education
Princeton City School District

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Princeton City School District (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 30, 2014, wherein we noted the District adopted GASB No. 65 as disclosed in Note 20.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.

Cincinnati, Ohio

December 30, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Education
Princeton City School District

Report on Compliance for Each Major Federal Program

We have audited the Princeton City School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the

auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 30, 2014, which contained unmodified opinions on those financial statements, wherein we noted the District adopted GASB No. 65 as disclosed in Note 20. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Cincinnati, Ohio
December 30, 2014

**PRINCETON CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

Section I – Summary of Auditor’s Results

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unmodified
(d)(1)(ii)	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any material reported non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other significant control deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510?</i>	No
(d)(1)(vii)	<i>Major Programs (list):</i> <u>Nutrition Cluster:</u> School Breakfast Program -CFDA #10.553 National School Lunch Program -CFDA #10.555 Summer Food Program -CFDA #10.559 English Language Acquisition -CFDA#84.365	<u>Special Education Cluster:</u> Grants to State -CFDA #84.027 Preschool Grants -CFDA #84.173
(d)(1)(viii)	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	No

Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

PRINCETON CITY SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133
June 30, 2014

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



Dave Yost • Auditor of State

PRINCETON CITY SCHOOL DISTRICT

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 7, 2015**