

**TROTWOOD-MADISON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SUPPLEMENTAL REPORTS

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2007***

DIANA WHITT, TREASURER



Mary Taylor, CPA
Auditor of State

Board of Education
Trotwood-Madison City School District
444 South Broadway
Trotwood, Ohio 45426

We have reviewed the *Independent Auditor's Report* of the Trotwood-Madison City School District, Montgomery County, prepared by Julian & Grube, Inc., for the audit period July 1, 2006 through June 30, 2007. 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 Trotwood-Madison City School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 27, 2008

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**TROTWOOD-MADISON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report on Supplementary Schedule of Receipts and Expenditures of Federal Awards

Board of Education
Trotwood-Madison City School District
444 South Broadway
Trotwood, Ohio 45410

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Trotwood-Madison City School District, Montgomery County, Ohio, as of and for the fiscal year ended June 30, 2007, and have issued our report thereon dated December 10, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Trotwood-Madison City School District's basic financial statements. The accompanying Schedule of Receipts and 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as whole.

Julian & Grube, Inc.
December 10, 2007

**TROTWOOD - MADISON CITY SCHOOL DISTRICT
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANT NUMBER	(D) CASH FEDERAL RECEIPTS	OTHER FEDERAL RECEIPTS	(D) CASH FEDERAL DISBURSEMENTS	OTHER FEDERAL DISBURSEMENTS
U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION						
(B) Food Donation	10.550	N/A	\$ -	\$ 27,087	\$ -	\$ 27,087
Total Food Donation	10.550	N/A	-	27,087	-	27,087
Nutrition Cluster:						
(A) (C) School Breakfast Program	10.553	048694-05PU-2006	86,560		86,560	
(A) (C) School Breakfast Program	10.553	048694-05PU-2007	189,494		189,494	
Total School Breakfast Program			276,054		276,054	
(A) (C) National School Lunch Program	10.555	048694-LLP1-2007	2,967		2,967	
(A) (C) National School Lunch Program	10.555	048694-LLP4-2006	205,366		205,366	
(A) (C) National School Lunch Program	10.555	048694-LLP4-2007	452,053		452,053	
Total National School Lunch Program			660,386		660,386	
(A) (C) Summer Food Service Program for Children	10.559	048694-24PU-2006	91,383		91,383	
(A) (C) Summer Food Service Program for Children	10.559	048694-24PU-2007	21,000		21,000	
Total Summer Food Service Program			112,383		112,383	
Total Nutrition Cluster			1,048,823		1,048,823	
Total U.S. Department of Agriculture			1,048,823	27,087	1,048,823	27,087
U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION						
Title I Grants to Local Educational Agencies	84.010	048694-C1S1-2006	43,805		139,394	
Title I Grants to Local Educational Agencies	84.010	048694-C1S1-2007	879,739		826,027	
Total Title I Grants to Local Educational Agencies			923,544		965,421	
Special Education Cluster:						
(I) Special Education Grants to States	84.027	048694-6BSF-2006	63,820		57,479	
(I) Special Education Grants to States	84.027	048694-6BSF-2007	896,758		896,758	
Total Special Education Grants to States			960,578		954,237	
(E) (I) Special Education Preschool Grants	84.173	048694-PGS1-2006	(71)		-	
(I) Special Education Preschool Grants	84.173	048694-PGS1-2007	6,113		5,864	
Total Special Education Preschool Grants			6,042		5,864	
Total Special Education Cluster			966,620		960,101	
(F) Safe and Drug-Free Schools and Communities State Grants	84.186	048694-DRS1-2006	(2,089)		-	
Safe and Drug-Free Schools and Communities State Grants	84.186	048694-DRS1-2007	25,422		25,422	
Total Safe and Drug-Free Schools and Communities State Grants			23,333		25,422	
(G) State Grants for Innovative Programs	84.298	048694-C2S1-2006	(654)		-	
State Grants for Innovative Programs	84.298	048694-C2S1-2007	3,037		2,407	
Total State Grants for Innovative Programs			2,383		2,407	
Education Technology State Grants	84.318	048694-TJS1-2006	4,201		4,396	
Education Technology State Grants	84.318	048694-TJS1-2007	2,972		10,401	
Education Technology State Grants	84.318	048694-TJSL-2007	128,821		117,463	
Total Educational Technology State Grants			135,994		132,260	
(H) Reading First State Grants	84.357	048694-RSS1-2006	(50,909)		4,142	
Reading First State Grants	84.357	048694-RSS1-2007	873,865		1,034,593	
Total Reading First State Grants			822,956		1,038,735	
Improving Teacher Quality State Grants	84.367	048694-TRS1-2006	69,319		22,640	
Improving Teacher Quality State Grants	84.367	048694-TRS1-2007	161,023		169,177	
Total Improving Teacher Quality State Grants			230,342		191,817	
Hurricane Education Recovery	84.938	048694-HR01-2006	13,000		19,500	
Total Hurricane Education Recovery			13,000		19,500	
Total U.S. Department of Education			3,118,172		3,335,663	
Total Federal Financial Assistance			\$ 4,166,995	\$ 27,087	\$ 4,384,486	\$ 27,087

- (A) Included as part of "Nutrition Grant Cluster" in determining major programs
- (B) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are valued at fair market prices.
- (C) Commingled with state and local revenue from sales of lunches; assumed expenditures were made on a first-in, first-out basis.
- (D) This schedule was prepared on the cash basis of accounting.
- (E) The amount of \$71 transferred to the next grant year based on Ohio Department of Education administrative action
- (F) The amount of \$2,089 transferred to the next grant year based on Ohio Department of Education administrative action
- (G) The amount of \$654 transferred to the next grant year based on Ohio Department of Education administrative action
- (H) The amount of \$50,909 transferred to the next grant year based on Ohio Department of Education administrative action
- (I) Included as part of "Special Education Grant Cluster" in determining major programs.



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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
Trotwood-Madison City School District
444 South Broadway
Trotwood, Ohio 45426

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Trotwood-Madison City School District, Montgomery County, Ohio, as of and for the fiscal year ended June 30, 2007, which collectively comprise Trotwood-Madison City School District's basic financial statements and have issued our report thereon dated December 10, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Trotwood-Madison City School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Trotwood-Madison City School District's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of Trotwood-Madison City School District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Trotwood-Madison City School District's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Trotwood-Madison City School District's financial statements that is more than inconsequential will not be prevented or detected by Trotwood-Madison City School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Trotwood-Madison City School District's internal control.

Board of Education
Trotwood-Madison City School District

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Trotwood-Madison City School District's financial statements are free of 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*.

We noted certain matters that were reported to management of Trotwood-Madison City School District in a separate letter dated December 10, 2007.

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



Julian & Grube, Inc.
December 10, 2007



Julian & Grube, Inc.

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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Board of Education
Trotwood-Madison City School District
444 South Broadway
Trotwood, Ohio 45426

Compliance

We have audited the compliance of Trotwood-Madison City School District with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the fiscal year ended June 30, 2007. Trotwood-Madison City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Trotwood-Madison City School District's management. Our responsibility is to express an opinion on Trotwood-Madison City School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audit 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 Trotwood-Madison City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Trotwood-Madison City School District's compliance with those requirements.

In our opinion, Trotwood-Madison City School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended June 30, 2007.

Board of Education
Trotwood-Madison City School District

Internal Control Over Compliance

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

A control deficiency in Trotwood-Madison City School District's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Trotwood-Madison City School District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by Trotwood-Madison City School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Trotwood-Madison City School District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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



Julian & Grube, Inc.
December 10, 2007

**TROTWOOD-MADISON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under §.510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Special Education: Grants to States, CFDA #84.027 and Special Education Preschool Grants, CFDA #84.173, Educational Technology State Grants, CFDA #84.318 and Safe and Drug Free Schools Grant, CFDA #84.186
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

**TROTWOOD-MADISON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
JUNE 30, 2007**

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**TROTWOOD-MADISON CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**STATUS OF PRIOR AUDIT FINDINGS AND RESPONSES
OMB CIRCULAR A-133 § .505
JUNE 30, 2007**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2006-TMCSO-001	Ohio Revised Code Section 5705.39 in part requires that the total appropriation from each fund should not exceed estimated resources.	Yes	N/A

TROTWOOD-MADISON CITY SCHOOL DISTRICT
TROTWOOD, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

PREPARED BY:
OFFICE OF THE TREASURER
DIANA WHITT, TREASURER

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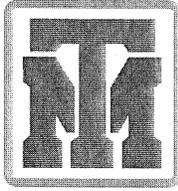
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INTRODUCTORY SECTION



TROTWOOD-MADISON
CITY SCHOOL DISTRICT

Our Mission Is 100% Student Success!

December 15, 2007

To The Citizens and Board of Education
of the Trotwood-Madison City School District:

The Comprehensive Annual Financial Report [CAFR] of the Trotwood-Madison City School District (the "District") for the fiscal year ended June 30, 2007, is hereby submitted. This report, prepared by the Treasurer's office, includes an opinion from Julian & Grube, Inc. and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the taxpayers of the Trotwood-Madison City School District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditors' report.

The Comprehensive Annual Financial Report is divided into three sections:

The **Introductory Section** includes a table of contents, this transmittal letter, a list of principal officials, the District's organization chart, the District's consultants and advisors, the GFOA and ASBO certificates the District received for the June 30, 2006 CAFR. Also included are the District's major current and future initiatives.

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

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

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

The District receives pass through grants from the State and distributes these grants to a private school located within the District. This activity is included in the entity as the Auxiliary Services Special Revenue Fund, because of the District's administrative involvement in the program. The private school served is Precious Blood. While this organization shares operational and service similarity with the District, it is a legally separate and distinct entity. Because of their independent nature, this organization is not included in this report.

ECONOMIC CONDITION AND OUTLOOK

The City of Trotwood is located in southwest Ohio approximately 55 miles north of Cincinnati, 75 miles southwest of Columbus and 100 miles east of Indianapolis, Ind. Trotwood is strategically located less than two miles from I-70, less than 5 miles from I-75 and less than 15 minutes from the Dayton International Airport.

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

THE DISTRICT AND ITS FACILITIES

The District is located in the City of Trotwood, in Montgomery County, west of Dayton. Montgomery County has traditionally had a strong economy with unemployment rates below state and national averages. The area has experienced growth during the past year in retail, business and industrial parks, and recreational facilities.

The District is comprised of a senior high school campus, a middle school serving grades 7-8, and 4 elementary schools serving grades K-6. The District currently services approximately 3,000 students.

Constructed	School Address	June 2007 Enrollment
1966	Broadmoor Academy 701 East Main Street	395
1961	Madison Park Elementary 301 South Broadway	Under Construction
1968	Shiloview Elementary 5600 Elgin Roof Drive	339

Constructed	School Address	June 2007 Enrollment
1957	Townview Elementary 5280 Gardendale Avenue	323
1976	Westbrook Elementary 6500 Westford Road	315
1975	Trotwood-Madison Middle School 3594 North Snyder Road	524
1959	Trotwood-Madison High School	1,059

ORGANIZATION OF THE SCHOOL DISTRICT

The Board of Education is a 5 member body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all the general laws of the State of Ohio are followed in the expenditures of the District's tax dollars and approves the annual appropriation resolution and tax budget.

The Board members represent a cross section of professions in the community. The board members on June 30, 2007, were as follows:

Board Member	Began Service	Term Expires	Profession
Vanessa Jeter-Freeman	January, 2004	December, 2007	Lead Manpower Analyst
Craig Ross, Sr.	June, 2003	December, 2007	Legal Assurance Administrator
Deborah L. Daniel	November, 1998	December, 2009	Bank Manager
Teena R. Davis	January, 1998	December, 2009	Child Care Facilitator
Denise E. Moore	January, 2006	December, 2009	Self Employed

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all educational and support operations. Dr. Lowell Draffen was appointed Superintendent in 2003. Prior to becoming the Superintendent of Trotwood-Madison City Schools, Dr. Draffen served as Principal at Holton School in Holton, Indiana (1967-1969); Assistant Principal of Lebanon Middle School, Lebanon, Indiana (1969-1972); Assistant Superintendent at Trotwood-Madison City Schools, Trotwood, Ohio (1972-1976); Superintendent of Valley View Local Schools, Germantown, Ohio (1976-1980); Superintendent of Mad River Local Schools, Riverside, Ohio (1980-1998). Dr. Draffen received his B.S. Degree from Purdue University and his Masters and Doctorate from Indiana University.

The Treasurer is the chief financial officer of the District, responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets and investing idle funds as specified by Ohio Law. Mrs. Diana C. Whitt was appointed Assistant Treasurer in March 2002, and became Treasurer of the District in September, 2002. Mrs. Whitt received her B.A. Degree from Notre Dame College in South Euclid, Ohio and her Masters Degree from the University of Phoenix.

EMPLOYEE RELATIONS

The District currently has approximately 439 full-time equivalent employees.

The District teachers and classified employees are represented for collective bargaining purposes by the Trotwood-Madison Education Association (TMEA). The District has a two year collective bargaining agreement which expires June 30, 2009.

SERVICES PROVIDED

The District provides a wide variety of educational and support services, as mandated by the Ohio Revised Code or board directives.

Transportation is provided for over 2,200 students each day. The District fleet of 20 buses travels over 1,745 miles each day transporting to 15 different sites. The department transported both public and non-public students on 541 extra-curricular trips during the year.

The food service department served 342,025 plate lunches through the District's 8 kitchens. This is accomplished through the full operation of 4 kitchens and 4 satellite sites, as well as a central bakery. The District currently offers a breakfast program at four elementary sites and the middle school site.

In addition to transportation and school lunch support services, students in the District also receive guidance, psychological, and limited health services free of charge. The guidance services are designed to help students match their natural skills with vocational and/or academic programs to help them achieve their full potential in life. Psychological services include the testing and identification of students for special education programs.

Limited health services are provided by health assistants at each of the 8 school sites under the supervision of a registered nurse.

The District offers regular instructional programs daily to students in grades K-12. There are approximately 102 students in the specific trades through vocational education. Over 590 students receive special services, due to physical or mental handicapping conditions. In grades 4-8, approximately 70 students participated in the gifted program. The District presented 192 high school diplomas in 2007.

MAJOR CURRENT AND FUTURE INITIATIVES

The following is The Mission Statement of the Board that is the guiding force for all initiatives acted upon by the Board:

The mission of the Trotwood-Madison City School District is to graduate all students prepared to excel in a global society with a commitment to lifelong learning by guaranteeing a challenging curriculum facilitated by innovative and dedicated staff, community participation and state-of-the-art resources in a stimulating atmosphere.

Beliefs

- We believe that learning is a lifelong process.
- We believe that each individual is unique.
- We believe that all people are capable of achieving success.
- We believe that there is strength in diversity.
- We believe that involvement is essential for a community to be successful.

The District has made major changes in our educational delivery system over the past several years. The high school has now converted from a block schedule to a seven period day. The general curriculum track has been phased out. All high school students are expected to take either challenging career and technical training or college preparatory courses.

The high school is firmly committed to the key practices developed for high schools that work. Also implemented is a transition program for all ninth grade students. An alternative program is offered to students from 3:30 p.m. to 7:30 p.m. for students who are at risk or have a difficult time in a traditional high school program.

The focus of the District is on student achievement. The District has been working hard to reach out to all students, from high achievers to at-risk to get them more actively engaged in their own learning.

The District has been engaged in training teachers to become clinic teachers with a focus on academic standards which are developed by the State of Ohio

CHALLENGES FOR 2006-2007 AND BEYOND

- Continue to improve proficiency scores
- Increase the graduation rate
- Recruit and retain quality staff
- Provide time and finances for staff development
- Provide a safe learning environment
- Increase individualized help to students
- Align District goals, initiatives and state standards
- Continue to improve the utilization of technology to support learning

DISTRICT GOALS FOR 2006-2007

To improve student achievement through:

- Aligning curriculum vertically and horizontally with the state standards and proficiency/achievement tests.
- Improving instruction strategies.
- Studying the reconfiguration of the changing enrollment and demographic patterns.

BUSINESS-SCHOOL PARTNERSHIP PROGRAM

Partners in Education is a program that brings together businesses and schools in order to address specific educational needs. The business-school partnerships are formal, voluntary relationships between one school and one business. Partnerships match available resources with identified needs to meet mutually agreed upon goals and objectives.

Partnerships provide opportunities for students to understand how the basic skills they learn in school are applied in the business world. However, it is not just the schools that benefit from partnerships. Businesses and their employees also gain from this special relationship, as many schools reciprocate with their own projects which help their corporate or industrial partners. Partnerships also give those in the business community insight into the workings of the school and a better understanding of the needs of the educational system.

LONG-RANGE BUILDING AND MAINTENANCE PLANS

The District, as part of its strategic planning, in conjunction with the architectural firm of Fanning & Howey completed an Educational Facilities Master Plan in March 2003 and amended in February 2004. The improvements were funded through proceeds from the sale of bonds. The facility improvement plan included the construction of a new high school building, a new middle school and two elementary buildings and a K-1 building. The District maintains a three year building maintenance program. This program is generated through input provided by each building administrator in an annual preventive maintenance check list. This three year plan provides the District direction for implementing maintenance and renovation projects and contributes to the financial planning and projection of costs for these projects.

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from generally accepted accounting principles [GAAP] as promulgated by the Governmental Accounting Standards Board [GASB].

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

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

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

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

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

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

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

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

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

FINANCIAL CONDITION

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

Government-wide financial statements These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

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. 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.

Management is responsible for preparing a Management's Discussion and analysis of the District. This discussion follows this letter of transmittal, providing and assessment of the District's finances for 2007 and the outlook for the future.

CASH MANAGEMENT

The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently investing available cash in obligations collateralized by the United States Government, or the State of Ohio issued instruments or insured by the Federal Deposit Insurance Corporation [FDIC]. The total amount of earnings on investments in the General Fund was \$864,378 for the fiscal year ended June 30, 2007.

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

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

RISK MANAGEMENT

The District constantly faces the risk of loss of assets by fire, storm, theft, accident or other catastrophes. Generally, the District shifts the burden of such losses by entering into a casualty insurance contract whereby an insurance company, in consideration of a premium payment, assumes the risk of all or a portion of these losses. The South Carolina Insurance Company purchased through the Southwestern Ohio Educational Purchasing Council provides insurance coverage on the buildings and contents, boiler and machinery, burglary/robbery/theft (inside and outside), earthquake, mobile instruction units, and radio and communication equipment. This company also provides our liability insurance and insures our fleet of vehicles.

All employees are covered under the District's liability policy with Nationwide Insurance Company. The limits of liability are \$1,000,000 for each occurrence and \$5,000,000 in aggregate.

The Superintendent, Director of Business Services, Board Members and Treasurer are covered with performance bonds from the Accordia Fidelity and Deposit Company in the amount of \$20,000 each. The District uses the State Workers' Compensation plan and pays a premium based on a rate per \$100 of salaries.

INDEPENDENT AUDIT

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

The 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.

The audit was also designed to meet the requirements of the federal Single Audit Act and the related U.S. Office of Management and Budget Circular A-133.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio.

The District adopted and has been in conformance with that system effective with its annual financial report since the 1979 calendar year.

AWARDS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada [GFOA] awarded a Certificate of Achievement to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2006. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

ASBO Certificate

The Association of School Business Officials International [ASBO] awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of the financial report by all expert panels of certified public accountants and practicing school business officials.

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2006. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2007, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

ACKNOWLEDGEMENTS

The preparation of the 2007 Comprehensive Annual Financial Report of the Trotwood-Madison City School District was made possible by the combined efforts of the District's Finance Department and Plattenburg and Associates, Incorporated. The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability of the District to the taxpayers of the community.

Respectfully submitted,



Diana C. Whitt
Treasurer/CFO

TROTWOOD-MADISON CITY SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2007

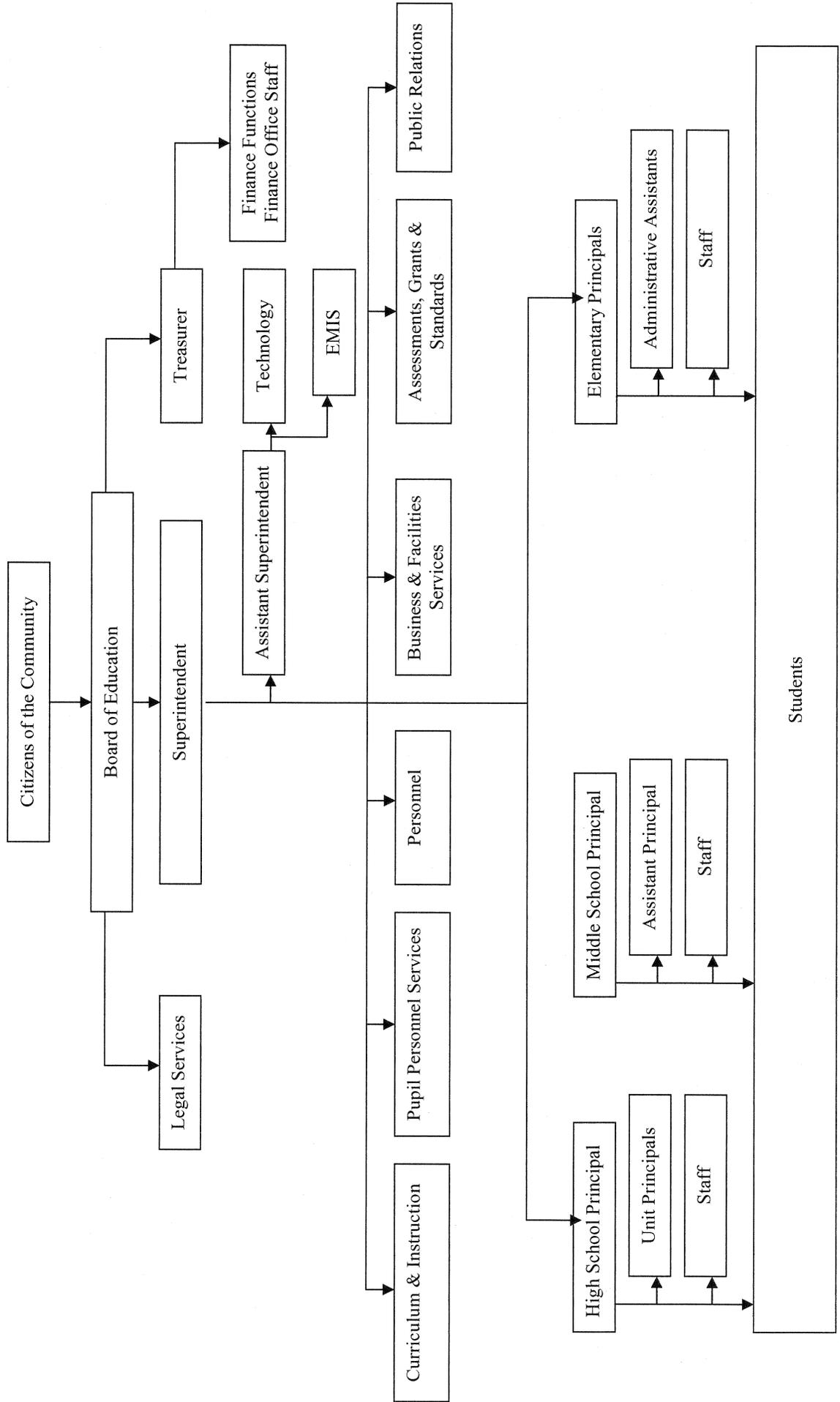
BOARD OF EDUCATION

President..... Mr. Craig Ross, Sr.
Vice President..... Mrs. Vanessa Jeter-Freeman
Board Member..... Mrs. Teena R. Davis
Board Member..... Mrs. Deborah Daniel
Board Member..... Mrs. Denise E. Moore

ADMINISTRATIVE OFFICIALS

Superintendent..... Dr. Lowell Draffen
Assistant Superintendent..... Dr. Rexann Wagner
Treasurer..... Mrs. Diana C. Whitt
Director of Operations..... Mr. John Smith
Director of Personnel..... Mr. John Jahoda
Director of Pupil Personnel..... Ms. Vivian Schooler
Director of Curriculum and Instruction..... Mr. Kevin Bell

TROTWOOD-MADISON CITY SCHOOL ORGANIZATIONAL CHART



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL



This Certificate of Excellence in Financial Reporting

is presented to

Trotwood-Madison City School District

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2006

upon recommendation of the Association's Panel of Review

which has judged that the Report substantially conforms

to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Trotwood-Madison
City School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

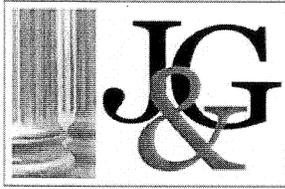
President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION



Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Board of Education
Trotwood-Madison City School District
444 South Broadway
Trotwood, Ohio 45410

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Trotwood-Madison City School District, Montgomery County, Ohio, as of and for the fiscal year ended June 30, 2007, which collectively comprise Trotwood-Madison City School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Trotwood-Madison City School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

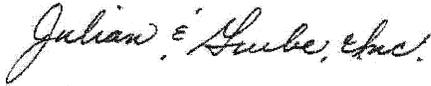
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Trotwood-Madison City School District, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable thereof, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2007, on our consideration of Trotwood-Madison City School District's internal control over financial reporting and on 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Independent Auditor's Report
Trotwood-Madison City School District

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Trotwood-Madison City School District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Julian & Grube, Inc.
December 10, 2007

**TROTWOOD-MADISON CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2007
(Unaudited)**

The management's discussion and analysis of Trotwood-Madison City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2007. 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 2007 are as follows:

- Net assets increased \$24,099,846 which represents a 66.5% increase from 2006.
- General revenues accounted for \$35,306,997 in revenue or 51.1% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$33,773,762 or 48.9% of total revenues of \$69,080,759.
- The District had \$44,980,913 in expenses related to governmental activities; \$33,773,762 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$35,306,997 were adequate 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 Assets* 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 Fund, Debt Service, Classroom Facilities and Permanent Improvement Renewal 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 2007?" 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.

These two statements report the District's *net assets* and changes in those assets. This change in net assets 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 Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

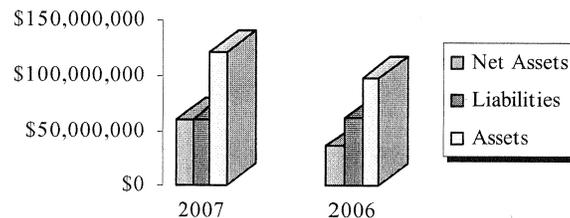
Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District as a Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole.

Table 1 provides a summary of the District's net assets for 2007 compared to 2006:

	Governmental Activities	
	2007	2006
Assets		
Current Assets	\$43,024,794	\$50,544,519
Capital Assets	77,880,560	46,813,831
Total Assets	120,905,354	97,358,350
Liabilities		
Long-Term Liabilities	44,213,047	44,715,889
Other Liabilities	16,337,519	16,387,519
Total Liabilities	60,550,566	61,103,408
Net Assets		
Invested in Capital		
Assets Net of Debt	35,274,560	9,169,596
Restricted	19,550,170	20,923,955
Unrestricted	5,530,058	6,161,391
Total Net Assets	\$60,354,788	\$36,254,942



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2007, the District's assets exceeded liabilities by \$60,354,788. This was an improvement from the prior year.

At year-end, capital assets represented 64.4% 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, 2007, was \$35,274,560. 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 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 assets, \$19,550,170, represents resources that are subject to external restriction on how they may be used. The balance of unrestricted net assets of \$5,530,058 may be used to meet the District's ongoing obligations to the students and creditors.

Table 2 shows the change in net assets for fiscal year 2007 compared to fiscal year 2006.

Table 2
Changes in Net Assets

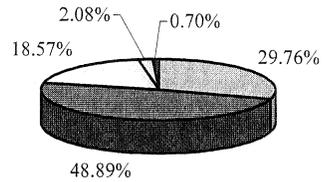
	Governmental Activities	
	2007	2006
Revenues		
Program Revenues:		
Charges for Services	\$1,117,128	\$1,131,880
Operating Grants	8,844,269	9,308,685
Capital Grants	23,812,365	22,314,973
General Revenue:		
Property Taxes	12,827,947	12,501,572
Grants and Entitlements	20,559,179	19,005,150
Other	1,919,871	560,285
Total Revenues	<u>69,080,759</u>	<u>64,822,545</u>
Program Expenses:		
Instruction	24,569,828	23,303,921
Support Services:		
Pupil and Instructional Staff	4,608,617	5,220,398
General and School Administrative, Fiscal and Business	4,538,740	4,165,034
Operations and Maintenance	3,025,115	3,002,859
Pupil Transportation	1,589,563	1,718,554
Central	1,405,039	1,955,050
Operation of Non-Instructional Services	2,021,177	1,846,835
Extracurricular Activities	633,568	640,491
Interest and Fiscal Charges	2,589,266	2,122,582
Total Expenses	<u>44,980,913</u>	<u>43,975,724</u>
Change in Net Assets	24,099,846	20,846,821
Beginning Net Assets	<u>36,254,942</u>	<u>15,408,121</u>
Ending Net Assets	<u>\$60,354,788</u>	<u>\$36,254,942</u>

The District revenues are mainly from three sources. Property taxes levied for general, debt service and capital projects purposes, grants and entitlements and capital grants and entitlements 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 18.6% of revenue for governmental activities for the District in fiscal year 2007.

Revenue Sources	2007	Percent of Total
General Grants	\$20,559,179	29.76%
Program Revenues	33,773,762	48.89%
General Tax Revenues	12,827,947	18.57%
Investment Earnings	1,434,501	2.08%
Other Revenues	485,370	0.70%
	<u>\$69,080,759</u>	<u>100.00%</u>



The District received \$23,812,365 in capital grants and contributions from the State of Ohio as part of ongoing school improvement projects.

Instruction comprises 54.6% of governmental program expenses. Support services expenses were 33.7% of governmental program expenses. All other expenses including interest expense were 11.7%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

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	
	2007	2006	2007	2006
Instruction	\$24,569,828	\$23,303,921	\$1,440,127	\$2,169,822
Support Services:				
Pupil and Instructional Staff	4,608,617	5,220,398	(1,872,706)	(2,975,857)
General and School Administrative, Fiscal and Business	4,538,740	4,165,034	(2,747,581)	(2,231,061)
Operations and Maintenance	3,025,115	3,002,859	(1,830,832)	(1,864,812)
Pupil Transportation	1,589,563	1,718,554	(1,440,202)	(1,552,698)
Central	1,405,039	1,955,050	(1,363,822)	(1,869,567)
Operation of Non-Instructional Services	2,021,177	1,846,835	(276,903)	(209,044)
Extracurricular Activities	633,568	640,491	(525,966)	(564,387)
Interest and Fiscal Charges	2,589,266	2,122,582	(2,589,266)	(2,122,582)
Total Expenses	<u>\$44,980,913</u>	<u>\$43,975,724</u>	<u>(\$11,207,151)</u>	<u>(\$11,220,186)</u>

The District's Funds

The District has four major governmental funds: the General Fund, Debt Service Fund and two Capital Projects Funds. Assets of these funds comprise \$39,312,556 (92%) of the total \$42,710,581 governmental funds assets.

General Fund: Fund balance at June 30, 2007 was \$5,254,165 including \$4,428,343 of unreserved balance which represents 14% of expenditures for 2007. The primary reason for the decrease in fund balance was payments to other funds.

Debt Service Fund: Fund balance at June 30, 2007 was \$1,214,145, which represents 53% of expenditures for fiscal year 2007. Current year change in fund balance was \$188,671.

Classroom Facilities Fund: The net change in fund balance for fiscal year 2007 was (\$7,322,633) and relates mainly to capital outlay expenditures in excess of the grant monies received for school improvements.

Permanent Improvement Renewal Fund: The net change in fund balance for fiscal year 2007 was (\$519,576) and relates to expenditures for the new high school.

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.

For the General Fund, budget basis revenue was \$33,455,350. The original budget estimate was \$30,010,313. The difference was \$3,445,037. Of this difference, most was due to conservative estimates for taxes and intergovernmental revenues. Actual revenues was \$206,988 above the final amended budget. This difference was mostly due to an underestimate for taxes and intergovernmental revenues.

The District's ending unobligated cash balance was \$2,626,613 above the final budgeted amount, due to a conservative budget estimates.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$77,880,560 invested in land, construction in progress, buildings and improvements and equipment. Table 4 shows fiscal 2007 balances compared to fiscal 2006:

Table 4
Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2007	2006
Land	\$1,156,779	\$1,156,779
Construction in Progress	42,784,868	10,322,703
Buildings and Improvements	32,175,513	33,220,186
Equipment	1,763,400	2,114,163
Total Net Capital Assets	<u>\$77,880,560</u>	<u>\$46,813,831</u>

The increase in capital assets is mainly due to the construction in progress on the four buildings.

See note 7 in the Notes to the Basic Financial Statements for further details on the District's capital assets.

Debt

At June 30, 2007, the District had \$33,196,531 in debt outstanding, \$435,000 due within one year. Table 5 summarizes debt outstanding.

Table 5
Outstanding Debt, at Year End

	Governmental Activities 2007	Governmental Activities 2006
1996 Energy Conservation Notes Payable	\$0	\$3,875
1999 Energy Conservation Notes Payable	145,000	215,000
2003 School Improvement:		
Current Interest Bonds	32,310,000	32,590,000
Capital Appreciation Bonds	741,531	630,554
Total Long-Term Notes and Bonds	<u>\$33,196,531</u>	<u>\$33,439,429</u>

See note 9 in the Notes to the Basic Financial Statements for further details on the District's long-term obligations.

For the Future

In June of 2005, the State legislature passed House Bill 66. House Bill 66 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 will be eliminated by 2009. The tax on telephone and telecommunication property will begin being phased out in 2009 and will be eliminated by 2011. The tax is being phased out by reducing the assessment rate on the property each year. In the first five years, school districts are being reimbursed fully for the lost revenue; in the following seven years, the reimbursements are phased out.

This scenario requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

With no increase in state funding projected, the District must increase revenues by submitting an operating levy to the community in the near future. At this time, the Board has not set the date and amount for the levy. Even though the District is projecting a slight decrease in enrollment, the need for increased revenues is projected for fiscal year 2008. This increased funding will be needed to provide all students a quality education. Financially, the future of the District is not without challenges. Management must diligently plan future expenditures.

The District has committed itself to financial excellence for many years. The District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1999 and the GFOA Budget Award since 1999.

The District's financial abilities will be needed to meet the challenges of the future. With careful planning and monitoring of the District's finances, the District's management is confident that the District can continue to provide a quality education for our students and provide a secure financial 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 Diana C. Whitt, Treasurer, Trotwood-Madison City Schools, 444 South Broadway, Trotwood, Ohio 45426. Telephone (937) 854-3050 x 222. Email dianawhitt@Trotwood.k12.oh.us.

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Trotwood-Madison City School District
Statement of Net Assets
June 30, 2007

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Investments	\$28,580,727
Restricted Cash and Investments	81,076
Cash and Cash Equivalents with Fiscal Agent	393,140
Receivables:	
Taxes	13,702,017
Intergovernmental	237,654
Inventory	30,180
Nondepreciable Capital Assets	43,941,647
Depreciable Capital Assets, Net	<u>33,938,913</u>
 Total Assets	 <u>120,905,354</u>
Liabilities:	
Accounts Payable	31,252
Accrued Wages and Benefits	2,936,021
Retainage Payable	393,140
Accrued Interest Payable	132,424
Contracts Payable	1,729,703
Unearned Revenue	10,825,645
Claims Payable	289,334
Long-Term Liabilities:	
Due Within One Year	921,953
Due In More Than One Year	<u>43,291,094</u>
 Total Liabilities	 <u>60,550,566</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	35,274,560
Restricted for:	
Special Revenue	1,649,781
Debt Service	1,328,217
Capital Projects	16,491,096
BWC Refunds	81,076
Unrestricted	<u>5,530,058</u>
 Total Net Assets	 <u>\$60,354,788</u>

See accompanying notes to the basic financial statements.

Trotwood-Madison City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2007

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$18,893,016	\$184,642	\$1,867,057	\$20,218,714	\$3,377,397
Special	4,961,182	128,886	1,613,854	1,189,336	(2,029,106)
Vocational	83	0	79,314	0	79,231
Other	715,547	21,731	706,421	0	12,605
Support Services:					
Pupil	2,040,797	2,854	688,929	0	(1,349,014)
Instructional Staff	2,567,820	8,602	2,035,526	0	(523,692)
General Administration	54,453	0	0	0	(54,453)
School Administration	2,750,758	265,487	335,653	1,189,336	(960,282)
Fiscal	1,472,368	0	683	0	(1,471,685)
Business	261,161	0	0	0	(261,161)
Operations and Maintenance	3,025,115	0	4,947	1,189,336	(1,830,832)
Pupil Transportation	1,589,563	0	123,718	25,643	(1,440,202)
Central	1,405,039	0	41,217	0	(1,363,822)
Operation of Non-Instructional Services	2,021,177	397,324	1,346,950	0	(276,903)
Extracurricular Activities	633,568	107,602	0	0	(525,966)
Interest and Fiscal Charges	2,589,266	0	0	0	(2,589,266)
Total Governmental Activities	\$44,980,913	\$1,117,128	\$8,844,269	\$23,812,365	(11,207,151)

General Revenues:

Property Taxes Levied for:

General Purposes	9,816,223
Special Revenue Purposes	126,558
Debt Service Purposes	2,241,294
Capital Projects Purposes	643,872
Grants and Entitlements not Restricted to Specific Programs	20,559,179
Payment in Lieu of Taxes	21,000
Unrestricted Contributions	20,707
Investment Earnings	1,434,501
Refunds and Reimbursements	25,619
Other Revenues	418,044

Total General Revenues 35,306,997

Change in Net Assets 24,099,846

Net Assets Beginning of Year 36,254,942

Net Assets End of Year \$60,354,788

See accompanying notes to the basic financial statements.

Trotwood-Madison City School District
 Balance Sheet
 Governmental Funds
 June 30, 2007

	General	Debt Service	Classroom Facilities	Permanent Improvement Renewal	Other Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$6,489,905	\$1,068,768	\$12,582,165	\$5,219,940	\$2,317,345
Restricted Cash and Investments	81,076	0	0	0	0
Cash and Cash Equivalents with Fiscal Agent	0	0	176,846	216,294	0
Receivables:					
Taxes	10,451,567	2,446,253	0	0	804,197
Intergovernmental	0	0	0	0	237,654
Interfund	579,742	0	0	0	8,649
Inventory	0	0	0	0	30,180
Total Assets	17,602,290	3,515,021	12,759,011	5,436,234	3,398,025
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	16,770	0	0	0	14,482
Accrued Wages and Benefits	2,428,919	0	0	0	507,102
Compensated Absences	43,844	0	0	0	0
Retainage Payable	0	0	176,846	216,294	0
Contracts Payable	0	0	1,729,703	0	0
Interfund Payable	0	0	45,917	0	542,474
Deferred Revenue	9,858,592	2,300,876	0	0	993,162
Total Liabilities	12,348,125	2,300,876	1,952,466	216,294	2,057,220
Fund Balances:					
Reserved for Encumbrances	151,771	0	7,209,617	784,926	154,746
Reserved for Inventory	0	0	0	0	30,180
Reserved for Property Tax Advances	592,975	145,377	0	0	48,689
Reserved for BWC Refunds	81,076	0	0	0	0
Unreserved, Undesignated, Reported in:					
General Fund	4,428,343	0	0	0	0
Special Revenue Funds	0	0	0	0	772,789
Debt Service Funds	0	1,068,768	0	0	0
Capital Projects Funds	0	0	3,596,928	4,435,014	334,401
Total Fund Balances	5,254,165	1,214,145	10,806,545	5,219,940	1,340,805
Total Liabilities and Fund Balances	\$17,602,290	\$3,515,021	\$12,759,011	\$5,436,234	\$3,398,025

See accompanying notes to the basic financial statements.

Total
Governmental
Funds

\$27,678,123
81,076
393,140

13,702,017
237,654
588,391
30,180

42,710,581

31,252
2,936,021
43,844
393,140
1,729,703
588,391
13,152,630

18,874,981

8,301,060
30,180
787,041
81,076

4,428,343
772,789
1,068,768
8,366,343

23,835,600

\$42,710,581

Trotwood-Madison City School District
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 June 30, 2007

Total Governmental Fund Balance \$23,835,600

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

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds. 77,880,560

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

Delinquent Property Taxes	1,405,530	
Intergovernmental	<u>921,455</u>	
		2,326,985

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 assets. 613,270

In the statement of net assets 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. (132,424)

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

Compensated Absences	<u>(1,176,672)</u>	
		(1,176,672)

Long-term liabilities, are not due and payable in the current
 period and therefore are not reported in the funds. (42,992,531)

Net Assets of Governmental Activities \$60,354,788

See accompanying notes to the basic financial statements.

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Trotwood-Madison City School District
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2007

	General	Debt Service	Classroom Facilities	Permanent Improvement Renewal	Other Governmental Funds
Revenues:					
Taxes	\$10,093,025	\$2,262,912	\$0	\$0	\$779,884
Tuition and Fees	317,954	0	0	0	0
Investment Earnings	864,378	7,256	350,072	2,038	210,757
Intergovernmental	21,821,061	226,070	23,785,572	0	7,130,334
Extracurricular Activities	0	0	0	0	390,997
Charges for Services	0	0	0	0	397,324
Other Revenues	441,184	0	1,150	25,619	8,418
Total Revenues	33,537,602	2,496,238	24,136,794	27,657	8,917,714
Expenditures:					
Current:					
Instruction:					
Regular	15,040,899	0	0	0	1,934,509
Special	4,553,233	0	0	0	382,324
Other	31,107	0	0	0	674,856
Support Services:					
Pupil	1,202,268	0	0	0	785,508
Instructional Staff	1,292,767	0	0	0	1,369,880
General Administration	54,335	0	0	0	0
School Administration	2,264,945	0	0	0	368,406
Fiscal	1,434,391	32,377	0	1,795	11,105
Business	261,524	0	0	0	0
Operations and Maintenance	2,969,437	0	0	0	52,839
Pupil Transportation	1,579,059	0	0	0	0
Central	851,962	0	0	0	393,028
Operation of Non-Instructional Services	14,225	0	0	0	1,974,192
Extracurricular Activities	560,333	0	0	0	49,188
Capital Outlay	86,944	0	31,916,727	545,438	0
Debt Service:					
Principal Retirement	3,875	280,000	0	0	217,000
Interest and Fiscal Charges	0	1,995,190	0	0	486,583
Total Expenditures	32,201,304	2,307,567	31,916,727	547,233	8,699,418
Excess of Revenues Over (Under) Expenditures	1,336,298	188,671	(7,779,933)	(519,576)	218,296
Other Financing Sources (Uses):					
Transfers In	0	0	457,300	0	103,751
Transfers (Out)	(1,601,275)	0	0	0	0
Total Other Financing Sources (Uses)	(1,601,275)	0	457,300	0	103,751
Net Change in Fund Balance	(264,977)	188,671	(7,322,633)	(519,576)	322,047
Fund Balance Beginning of Year	5,519,142	1,025,474	18,129,178	5,739,516	1,018,758
Fund Balance End of Year	\$5,254,165	\$1,214,145	\$10,806,545	\$5,219,940	\$1,340,805

See accompanying notes to the basic financial statements.

Total Governmental Funds
\$13,135,821
317,954
1,434,501
52,963,037
390,997
397,324
476,371
69,116,005
16,975,408
4,935,557
705,963
1,987,776
2,662,647
54,335
2,633,351
1,479,668
261,524
3,022,276
1,579,059
1,244,990
1,988,417
609,521
32,549,109
500,875
2,481,773
75,672,249
(6,556,244)
561,051
(1,601,275)
(1,040,224)
(7,596,468)
31,432,068
\$23,835,600

Trotwood-Madison 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, 2007

Net Change in Fund Balance - Total Governmental Funds (\$7,596,468)

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	32,596,755	
Depreciation Expense	<u>(1,530,026)</u>	31,066,729

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

Delinquent Property Taxes	(307,874)	
Intergovernmental	<u>272,628</u>	(35,246)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 500,875

In the statement of activities interest expense is accrued when incurred, whereas in governmental funds an interest expenditure is reported when due. 3,485

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	(290,572)	
Bond Accretion	<u>(110,977)</u>	(401,549)

The internal service fund used by management to charge back costs to individual funds is not reported in the district-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. 562,020

Change in Net Assets of Governmental Activities	<u><u>\$24,099,846</u></u>
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See accompanying notes to the basic financial statements.

Trotwood-Madison City School District
Statement of Net Assets
Proprietary Fund
June 30, 2007

	<u>Governmental Activities- Internal Service Fund</u>
Assets:	
Current Assets:	
Equity in Pooled Cash and Investments	<u>\$902,604</u>
Total Assets	<u>902,604</u>
Liabilities:	
Current Liabilities:	
Claims Payable	<u>289,334</u>
Total Liabilities	<u>289,334</u>
Net Assets:	
Unrestricted	<u>613,270</u>
Total Net Assets	<u><u>\$613,270</u></u>

See accompanying notes to the basic financial statements.

Trotwood-Madison City School District
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Fund
For the Fiscal Year Ended June 30, 2007

	Governmental Activities- Internal Service Fund
Operating Revenues:	
Charges for Services	\$3,040,724
Total Operating Revenues	3,040,724
Operating Expenses:	
Contactual Services	3,554,499
Total Operating Expenses	3,554,499
Operating Income (Loss)	(513,775)
Non-Operating Revenues (Expenses):	
Investment Earnings	35,571
Total Non-Operating Revenues (Expenses)	35,571
Income (Loss) Before Contributions & Transfers	(478,204)
Transfers In	1,040,224
Change in Net Assets	562,020
Net Assets Beginning of Year	51,250
Net Assets End of Year	\$613,270

See accompanying notes to the basic financial statements.

Trotwood-Madison City School District
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2007

	Governmental Activities- Internal Service Fund
Cash Flows from Operating Activities:	
Cash Received from Customers	\$3,040,724
Cash Payments for Claims	<u>(3,442,138)</u>
Net Cash Provided (Used) by Operating Activities	<u>(401,414)</u>
Cash Flows from Noncapital Financing Activities:	
Payments from Other Funds	<u>1,040,224</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,040,224</u>
Cash Flows from Investing Activities:	
Earnings on Investments	<u>35,571</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>35,571</u>
Net Increase (Decrease) in Cash and Cash Equivalents	674,381
Cash and Cash Equivalents Beginning of Year	<u>228,223</u>
Cash and Cash Equivalents End of Year	<u><u>902,604</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(513,775)
Adjustments:	
Changes in Assets & Liabilities:	
Increase (Decrease) in Accrued Liabilities	<u>112,361</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$401,414)</u></u>

See accompanying notes to the basic financial statements.

Trotwood-Madison City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$67,163	\$15,420
Total Assets	<u>67,163</u>	<u>\$15,420</u>
Liabilities:		
Other Liabilities	0	15,420
Total Liabilities	<u>0</u>	<u>\$15,420</u>
Net Assets:		
Held in Trust	<u>67,163</u>	
Total Net Assets	<u>\$67,163</u>	

See accompanying notes to the basic financial statements.

Trotwood-Madison City School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2007

	Private Purpose Trust
Additions:	
Investment Earnings	\$6,062
Other	578
Total Additions	<u>6,640</u>
Deductions:	
Other	<u>12,053</u>
Total Deductions	<u>12,053</u>
Change in Net Assets	(5,413)
Net Assets Beginning of Year	<u>72,576</u>
Net Assets End of Year	<u>\$67,163</u>

See accompanying notes to the basic financial statements.

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**TROTWOOD-MADISON CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2007**

1. DESCRIPTION OF THE DISTRICT

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

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

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

REPORTING ENTITY

In accordance with Governmental Accounting Standards Board [GASB] Statement 14, as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units", the financial reporting entity consists of a primary government. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

There are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing body is financially accountable. The District's major operations include education, pupil transportation, food service, and maintenance of District facilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and proprietary fund provided they do not conflict with or contradict GASB pronouncements.

MEASUREMENT FOCUS

Government-wide Financial Statements

The government-wide statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net assets. Fiduciary Funds are not included in entity-wide statements.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program 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 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 District.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds (excluding the Agency Fund) are reported using the economic resources measurement focus.

FUND ACCOUNTING

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

Governmental Funds

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 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 for any purpose provided it is expended or transferred according to the general laws of Ohio.

Debt Service Fund – The debt service 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.

Classroom Facilities – The classroom facilities fund is used to account for the receipts and expenditures related to construction projects.

Permanent Improvement Renewal – The permanent improvement renewal fund is used to account for the receipts and expenditures related to permanent improvement renewals.

Other governmental funds of the District are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by trust funds; and (c) for grants and other resources whose use is restricted to a particular purpose.

Proprietary Fund

Proprietary fund reporting focuses on the determination of operating income changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service.

Internal Service Funds – This fund is used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost reimbursement basis. The District has a self-insurance fund which is used to provide employee health and dental benefits.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Private purpose trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodian in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's only trust fund is a private purpose trust which accounts for scholarship programs for students. The District's Agency fund is a student managed activity fund which accounts for assets and liabilities generated by student managed activities.

3. BASIS OF ACCOUNTING

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the actual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

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. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes available for advance, grants and interest.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Unearned Revenue

Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

Expenses/Expenditures

On the accrual basis of accounting, expenditures are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. 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 and amortization, are not recognized in the governmental funds.

EQUITY IN POOLED CASH AND INVESTMENTS

Cash received by the District is pooled for investment purposes. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements.

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

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2007. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2A7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2007. The District also has invested in U.S. Agencies.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2007 amounted to \$864,378, which includes \$164,232 assigned from other District funds.

For purposes of the statement of cash flows, the internal service portion of pooled cash and investments is considered a cash equivalent because the District is able to withdraw resources from the internal service funds without prior notice or penalty.

INVENTORY

Inventories are presented at cost on a first-in, first-out basis and are expensed/expensed when used. Inventories consist of food held for resale and consumable supplies.

CAPITAL ASSETS

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five hundred dollars (\$500). The 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. Interest incurred during the construction of capital assets is also capitalized.

All reported capital assets are depreciated, except land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is allocated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Buildings and Improvements	20-40 years
Equipment	5-20 years

COMPENSATED ABSENCES

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for 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 District will compensate the employees for the benefits through paid time off or some other means. The 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 payment method. 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 have matured, for example, as a result of employee resignations and retirements.

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

<u>Vacation</u>	<u>Certificated</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How earned	not eligible	20-23 days	10-20 days for each service year depending on length of service
Maximum accumulation	not applicable	30 days unless special permission granted	30-60 days
Vested	not applicable	as earned	as earned
Termination entitlement	not applicable	30 days maximum	paid upon termination

Sick Leave

How earned	1 ¼ days per month of employment (15 days per year)	1 ¼ days per month of employment (15 days per year)	1 ¼ days per month of employment (15 days per year)
Maximum accumulation	350 days	350 days	350 days
Vested	as earned	as earned	as earned
Termination entitlement	per contract	per contract	per contract

These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid primarily from the General Fund.

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment the current year. Bonds are recognized as a liability on the fund financial statements when due.

NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. As of June 30, 2007, net assets restricted by enabling legislation was \$0 in the statement of net assets.

OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the internal service funds. For the District, these revenues are charges for services for the primary activity of the fund. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

INTERFUND ACTIVITY

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as interfund "receivables/payables". These amounts are eliminated in the governmental activities columns of the statement of net assets.

As a general rule, the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

FUND EQUITY

Reserved fund balances indicate a portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, inventory, property tax advances and BWC refunds. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The unreserved portion of fund equity, reflected for the Governmental Funds, is available for use within the specific purpose of those funds.

RESTRICTED RESOURCES

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

ESTIMATES

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

EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2007.

RESTRICTED ASSETS

Restricted assets in the general fund represent cash and investments set-aside to establish a BWC refund reserve. These reserves are required by state statute. A schedule of statutory reserves is presented in a separate note.

4. EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the statement of net assets and balance sheet as "Equity in Pooled Cash and Investments."

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

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand.

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.

- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds, and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and amended by GASB Statement 40, "Deposit and Investment Risk Disclosures".

Cash with Fiscal Agents

The District's cash with fiscal agents consists of amounts held in escrow for contractors for which the District has held retainage. The total amounts held by fiscal agents at June 30, 2007 was \$393,140.

Deposits

Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures", as of June 30, 2007, \$2,496,796 of the District's bank balance of \$2,796,796 was exposed to custodial risk as discussed below, while \$300,000 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

Investments

As of June 30, 2007, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighed Average Maturity (Years)</u>
Repurchase Agreements	\$13,088,000	0.00
Federal Home Loan Bank	1,000,000	1.51
Money Market Funds	1,400,072	0.00
STAROhio	<u>10,748,937</u>	0.11
Total Fair Value	<u>\$26,237,009</u>	
Portfolio Weighted Average Maturity		0.06

Interest rate risk - In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk – It is the 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 issued by nationally recognized statistical rating organizations. The District's investments in Federal Home Loan Bank and in the Money Market Funds were rated AAA by Standard & Poor's and Fitch Ratings and Aaa by Moody's Investors Service. The District's investments in the federal agency securities that underlie the District's repurchase agreement were rated Aaa by Moody's Investor Services. Investments in STAROhio were rated AAAM by Standard & Poor's.

Concentration of credit risk – The District's investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested 50% of the District's investments in Repurchase Agreements, 4% in Federal Home Loan Bank, 5% in Money Market Funds, and 41% in STAROhio.

Custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the District's securities are either insured and registered in the name of the District or at least registered in the name of the District.

5. PROPERTY TAXES

Real property taxes collected in 2007 were levied in April on the assessed values as of January 1, 2006, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update every third year.

Tangible personal property tax revenue received during calendar year 2007 (other than public utility property) represents the collection of 2007 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2006, on the value as of December 31, 2006. For 2006, tangible personal property was assessed at 18.75% for property including inventory. This percentage was reduced to 12.5% for 2007, and will be 6.25% for 2008 and zero for 2009. Payments by multi-county taxpayers are due September 20th. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30th; if paid semi-annually, the first payment is due April 30th, with the remainder payable by September 20th. Tangible personal property taxes paid by April 30th are usually received by the District prior to June 30th.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. This bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2006-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

Real property taxes are payable annually or semi-annually. In 2007, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

The County Auditor remits portions of the taxes collected to all taxing districts with periodic settlements of real and public utility property taxes in February and August and tangible personal property taxes in June and October. The District records billed but uncollected property taxes as receivables at their estimated net realizable value.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2007. Delinquent property taxes collected within 60 days of the fiscal year end are included as a receivable and tax revenue on the fund financial statements. All delinquent property taxes outstanding at June 30, 2007 are recognized as a revenue and receivable on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2007, was \$592,975 for General Fund, \$145,377 for Debt Service and \$48,689 for Other Governmental funds, and is recognized as revenue, with a corresponding reserve to fund balance since the Board did not appropriate these receivables for fiscal year 2007 operations.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2007 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$206,507,270
Public Utility Personal	10,205,470
Tangible Personal Property	13,013,167
Commercial/Industrial	<u>77,781,480</u>
Total	<u>\$307,507,387</u>

6. RECEIVABLES

Receivables at June 30, 2007, consisted of taxes, intergovernmental grants, and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2007, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,156,779	\$0	\$0	\$1,156,779
Construction in Progress	10,322,703	32,462,165	0	42,784,868
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	42,458,081	0	0	42,458,081
Equipment	5,734,520	134,590	0	5,869,110
Totals at Historical Cost	59,672,083	32,596,755	0	92,268,838
Less Accumulated Depreciation:				
Buildings and Improvements	9,237,895	1,044,673	0	10,282,568
Equipment	3,620,357	485,353	0	4,105,710
Total Accumulated Depreciation	12,858,252	1,530,026	0	14,388,278
Governmental Activities Capital Assets, Net	<u>\$46,813,831</u>	<u>\$31,066,729</u>	<u>\$0</u>	<u>\$77,880,560</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,108,601
Special	44,649
Vocational	83
Other Instruction	9,584
Support Services:	
Pupil	1,747
Instructional Staff	12,544
General Administration	118
School Administration	116,370
Fiscal	804
Business	1,310
Operations and Maintenance	29,333
Pupil Transportation	3,862
Central	160,105
Operation of Non-Instructional Services	19,769
Extracurricular Activities	21,147
Total Depreciation Expense	<u>\$1,530,026</u>

8. CAPITALIZED LEASES

The capital lease recorded in the Permanent Improvement Renewal Fund relates to the construction of a new building. The District is leasing the project from Rickenbacker Port Authority. Rickenbacker Port Authority will retain title to the project during the lease term. Rickenbacker Port Authority has assigned National City Bank as trustee. The full amount of the lease was \$10,129,000. Amounts will be paid to contractors by the District as the work progresses. The District will then submit invoices to the agent for reimbursement. The District will make monthly lease payments to National City Bank. Interest rates are based on a variable interest rate.

The District began making payments in fiscal year 2004. The principal amount owed on the lease at year-end is \$9,796,000.

The following is a schedule of the future long term minimum lease payments required under the capital lease and the present value of the net minimum lease payments at June 30, 2007:

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Long-Term</u> <u>Debt</u>
2008	\$676,614
2009	676,491
2010	675,831
2011	675,703
2012	675,062
2013-2017	3,373,291
2018-2022	3,363,282
2023-2027	3,353,711
2028-2032	3,339,548
Total	<u>16,809,533</u>
Less: amount representing interest	(6,838,687)
Less: additional program cost component	<u>(174,846)</u>
Present Value of Future Minimum Lease Payments	<u><u>\$9,796,000</u></u>

9. LONG-TERM LIABILITIES

Long-term notes payable activity for the District and at year end was as follows:

	Interest Rate	Issue Date	Maturity Date	Beginning Principal Outstanding	Issued	Retired	Ending Principal Outstanding	Due In One Year
Governmental Activities:								
1996 Energy Conservation Note Payable	5.63%	7/1/96	7/1/06	\$3,875	\$0	\$3,875	\$0	\$0
1999 Energy Conservation Note Payable	5.20%	7/1/99	6/1/09	215,000	0	70,000	145,000	70,000
2003 Current Interest Bonds - School Improvement	4.97%	11/21/02	12/1/30	32,590,000	0	280,000	32,310,000	365,000
2003 Capital Appreciation Bonds - School Improvement	4.97%	11/21/02	12/1/30	630,554	110,977	0	741,531	0
Total Notes and Bonds Payable				33,439,429	110,977	353,875	33,196,531	435,000
Capital Leases				9,943,000	0	147,000	9,796,000	218,000
Total Long-Term Debt				43,382,429	110,977	500,875	42,992,531	653,000
Compensated Absences				1,333,460	505,188	618,132	1,220,516	268,953
Total Governmental Activities Long-Term Liabilities				\$44,715,889	\$616,165	\$1,119,007	\$44,213,047	\$921,953

Bonds and notes payable will be paid from the general, debt service and permanent improvement funds. Compensated absences will mainly be paid from the general fund.

School Improvement Bonds - During fiscal year 2003, the District issued general obligation bonds to provide funds for various District building projects. These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the statement of net assets. Payments of principal and interest relating to this bond are recorded as an expenditure in the debt service fund.

This issue is comprised of both current interest bonds, par value \$34,645,000, and capital appreciation bonds, par value \$355,000. The interest rates on the current interest bonds range from 1.65% to 5.00%. The capital appreciation bonds mature on December 1, 2012 (effective interest 17.32%), December 1, 2013 (effective interest 16.73%) and December 1, 2014 (effective interest 16.67%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value (as of issue date) reported in the statement of net assets at June 30, 2007 was \$741,531. A total of \$110,977 in accreted interest on the capital appreciation bonds has been included in the statement of net assets at June 30, 2007.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2030.

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

Fiscal Year Ending June 30	Current Interest Bonds and Notes			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$435,000	\$1,583,379	\$2,018,379	\$0	\$0	\$0
2009	470,000	1,567,774	2,037,774	0	0	0
2010	535,000	1,548,774	2,083,774	0	0	0
2011	575,000	1,529,884	2,104,884	0	0	0
2012	615,000	1,508,752	2,123,752	0	0	0
2013-2017	2,000,000	7,388,410	9,388,410	355,000	1,770,000	2,125,000
2018-2022	6,400,000	6,257,156	12,657,156	0	0	0
2023-2027	9,920,000	4,192,966	14,112,966	0	0	0
2028-2031	11,505,000	1,191,125	12,696,125	0	0	0
Total	<u>\$32,455,000</u>	<u>\$26,768,220</u>	<u>\$59,223,220</u>	<u>\$355,000</u>	<u>\$1,770,000</u>	<u>\$2,125,000</u>

10. PENSION PLANS

SCHOOL EMPLOYEES RETIREMENT SYSTEM

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling toll-free (800) 878-5853. It is also posted on the SERS website at www.ohsers.org under Forms and Publications.

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2007, 2006, and 2005 were \$795,462, \$836,280, and \$762,831, respectively; 48% has been contributed for fiscal year 2007 and 100% for fiscal year 2006 and 2005.

STATE TEACHERS RETIREMENT SYSTEM

The District participates in State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090 or by visiting the STRS website at strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2007, plan members were required to contribute 10% of their annual covered salaries. The District was required to contribute 14%; 13% was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for members and employer contributions.

The District's required contributions for pension obligations for the fiscal years ended June 30, 2007, 2006, and 2005 were \$1,881,579, \$2,042,340, and \$1,788,274, respectively; 85% has been contributed for fiscal year 2007 and 100% for fiscal year 2006 and 2005.

11. POST EMPLOYMENT BENEFITS

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

STRS retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2007, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$134,399 for fiscal year 2007.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006 (the latest information available) the balance in the fund was \$3.5 billion. For the fiscal year ended June 30, 2006, net health care costs paid by STRS were \$282,743,000 and STRS had 119,184 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2007, employer contributions to fund health care benefits were 3.32 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2007, the minimum pay was established at \$35,800. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2007 fiscal year the District paid \$680,120 to fund health care benefits.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2006 (the latest information available), was \$158,751,207. At June 30, 2006, SERS had net assets available for payment of healthcare benefits of \$295.6 million. SERS has approximately 59,492 participants currently receiving health care benefits.

12. CONTINGENT LIABILITIES

GRANTS

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of June 30, 2007.

LITIGATION

The District's attorney estimates that all other potential claims against the District not covered by insurance resulting from all other litigation would not materially affect the financial statements of the District.

13. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the fiscal year, the District contracted with Selective Insurance Company of South Carolina for building and property insurance. This policy has a limit of insurance in the amount of \$73,387,330 for property. Property has a \$1,000 deductible. Vehicle insurance is covered by Selective Insurance Company of South Carolina for replacement cost with a \$500 deductible for comprehensive and a \$500 deductible for collision. General liability insurance is under Selective Insurance Company of South Carolina. The base policy has a \$2,000,000 per occurrence and a \$4,000,000 aggregate limit. The treasurer and business director are bonded. There were no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage during the past three fiscal years.

The District is a member of the Southwestern Ohio Educational Purchasing Counsel (SOEPC). The Counsel contracts with Accordia, Inc. to provide an insurance purchasing pool for workers compensation. The intent of the pool is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the pool. The workers compensation experience of the participating school district is calculated as one experience and a common premium rate is applied to all school districts in the pool. Each participant pays its workers compensation premium to the State based on the rate for the pool rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the pool. A participant will then either receive money from or be required to contribute to the pool. This equity pooling arrangement insures that each participant shares equally in the overall performance of the pool. Participation in the pool is limited to school districts that can meet the pool's selection criteria. Accordia, Inc. provides administrative, cost control and actuarial services to the SOEPC.

The District has elected to provide employee health and dental benefits through a self-insured program. The District maintains an Employee Benefits Internal Service Fund to account for and finance its uninsured risks of loss in these programs. The District utilizes a third party administrator, United Healthcare and Core Source, to review all claims, which are then paid by the District. Employees are required to share in the costs of the plan along with the District.

The claims liability of \$289,334 reported in the fund at June 30, 2007, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 10, as amended by GASB Statement No. 30, "Risk Financing Omnibus" which requires that a liability for claims be reported if information prior to issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Changes in the fund's claims liability amount in fiscal years 2005, 2006, and 2007 were as follows:

	Balance at <u>July 1</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>June 30</u>
2004/2005	\$166,857	\$2,559,792	\$2,591,944	\$134,705
2005/2006	134,705	3,262,438	3,220,170	176,973
2006/2007	176,973	3,554,499	3,442,138	289,334

14. JOINTLY GOVERNED ORGANIZATIONS

Metropolitan Dayton Educational Computer Association - The District is a member of the Metropolitan Dayton Educational Computer Association (MDECA), which is a computer consortium of area school districts sharing computer resources. MDECA is an association of public school districts in a geographical area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative instructional functions among member districts. The Board of MDECA consists of one representative from each of the participating members. Each member pays an annual membership fee plus any other fees for services performed by the consortium.

Southwestern Ohio Instructional Technology Association – The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation formed under section 1702.01 of the Ohio Revised Code. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs.

The Board of Trustees is comprised of twenty-one representatives of SOITA member schools or institutions. Nineteen representatives are elected from within the counties by the qualified members within the counties, i.e., Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene, and Butler Counties shall elect two representatives per area. All others shall elect one representative per area. All superintendents except for those from educational service centers vote on the representatives after the nominating committee nominates individuals to run. One at-large non-public service representative shall be elected by the non-public school SOITA members as the State assigned SOITA service area. One at-large higher education representative shall be elected by higher education SOITA members from within the State assigned SOITA service area.

All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government for a public purpose. Payments to SOITA are made from the General Fund. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Steve Strouse, who serves as Director, at 150 East Sixth Street, Franklin, Ohio 45005.

Miami Valley Career Technology Center – The Miami Valley Career Technology Center (MVCTC) 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 fifteen participating school districts’ elected boards, which possesses its own budgeting and taxing authority. One member is appointed from the following city and/or exempted village school districts: Carlisle, Miamisburg, Milton-Union, Northmont, Vandalia, Versailles, Huber Heights, Eaton, Trotwood, Tipp City, and West Carrollton. Three members are appointed from the Montgomery County Educational Service Center, one is appointed from the Miami County Educational Service Center, one from the Darke County Educational Service Center, and one from the Preble County Educational Service Center. All member districts are obligated to pay all fees, charges or other assessments as established by MVCTC. To obtain financial information, write to the Miami Valley Career Technology Center, Debbie Gossett, who serves as Treasurer, at 6800 Hoke Road, Clayton, Ohio 45315.

15. CONSTRUCTION AND OTHER COMMITMENTS

At June 30, 2007, uncompleted construction contracts are as follows:

<u>Description</u>	<u>Remaining Commitment</u>
Madison Park Elementary	\$1,165,595
Trotwood Madison Middle School	5,966,150
Westbrooke Elementary School	1,219,156
New Early Learning Center	<u>501,705</u>
Total	<u>\$8,852,606</u>

16. ACCOUNTABILITY

As of year end the following funds had deficit fund balances:

Auxiliary Services	\$3,512
Entry Year Programs	12,721
Reading Improvement Grant	7,743
Title VIB/Preschool	77,039
Title I	22,512
Title VI-R	8,152
Goals 2000	287,227
Food Service	106,387

The deficit in fund balances were primarily due to accrual in GAAP. The general fund is liable for any deficit in these funds and will provide operating transfers when cash is required not when accruals occur.

17. FUND BALANCE RESERVES FOR SET-ASIDES

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

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>BWC Refunds</u>
Set-aside Reserve Balance as of June 30, 2006	(\$1,552,160)	(\$44,473,058)	\$81,076
Current Year Set-aside Requirement	502,309	502,309	0
Qualified Disbursements	(644,275)	(67,381)	0
Current Year Offsets	<u>0</u>	<u>0</u>	<u>0</u>
Set-aside Reserve Balance as of June 30, 2007	<u>(\$1,694,126)</u>	<u>(\$44,038,130)</u>	<u>\$81,076</u>
Restricted Cash as of June 30, 2007			<u>\$81,076</u>
Carry Forward to FY 2008	<u>(\$1,694,126)</u>	<u>(\$44,038,130)</u>	

The District had qualifying disbursements for textbooks of \$644,275 that exceeded the required set-aside, resulting in a carry forward balance of \$1,694,126 that can be used against future year textbook set-asides. The District issued \$44,774,000 in bonds and loans in fiscal year 2002 to provide for the construction of a new school building. This amount is an allowable offset to future years for the capital improvement and maintenance set-aside. The District had qualifying disbursements and offset carry forwards from prior years for capital acquisitions that exceeded the required set-aside. Offsets can be carried forward to use against future year capital acquisition set-asides.

18. INTERFUND TRANSACTIONS

Interfund transactions at June 30, 2007, consisted of the following individual fund receivables and payables, transfers in and out.

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$579,742	\$0	\$0	\$1,601,275
Classroom Facilities	0	45,917	457,300	0
Permanent Improvement Renewal	0	0	0	0
Internal Service	0	0	1,040,224	0
Other Governmental Funds	<u>8,649</u>	<u>542,474</u>	<u>103,751</u>	<u>0</u>
Total all funds	<u>\$588,391</u>	<u>\$588,391</u>	<u>\$1,601,275</u>	<u>\$1,601,275</u>

Interfund balances/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 budgetary authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

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REQUIRED SUPPLEMENTARY INFORMATION

Trotwood-Madison City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2007

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$9,109,205	\$10,154,897	\$10,217,725	\$62,828
Tuition and Fees	283,459	315,999	317,954	1,955
Investment Earnings	770,602	859,063	864,378	5,315
Intergovernmental	19,453,695	21,686,884	21,821,061	134,177
Other Revenues	393,352	438,507	441,220	2,713
Total Revenues	30,010,313	33,455,350	33,662,338	206,988
Expenditures:				
Current:				
Instruction:				
Regular	16,444,158	16,444,158	15,378,458	1,065,700
Special	4,868,083	4,868,083	4,552,670	315,413
Other	33,262	33,262	31,107	2,155
Support Services:				
Pupil	1,203,396	1,203,396	1,125,426	77,970
Instructional Staff	1,383,567	1,383,567	1,293,923	89,644
General Administration	58,346	58,346	54,905	3,441
School Administration	2,421,474	2,421,474	2,264,582	156,892
Fiscal	1,535,402	1,535,402	1,435,920	99,482
Business	280,422	280,422	262,253	18,169
Operations and Maintenance	3,280,578	3,280,578	3,068,023	212,555
Pupil Transportation	1,720,209	1,720,209	1,608,753	111,456
Central	920,874	920,874	861,209	59,665
Operation of Non-Instructional Services	15,248	15,248	13,922	1,326
Extracurricular Activities	600,493	600,493	561,586	38,907
Capital Outlay	93,104	93,104	87,072	6,032
Debt Service:				
Principal Retirement	3,875	3,875	3,875	0
Total Expenditures	34,862,491	34,862,491	32,603,684	2,258,807
Excess of Revenues Over (Under) Expenditures	(4,852,178)	(1,407,141)	1,058,654	2,465,795
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	140,457	157,157	141	(157,016)
Advances In	54,168	60,386	60,760	374
Advances (Out)	(579,606)	(579,606)	(542,052)	37,554
Transfers (Out)	(1,881,181)	(1,881,181)	(1,601,275)	279,906
Total Other Financing Sources (Uses)	(2,266,162)	(2,243,244)	(2,082,426)	160,818
Net Change in Fund Balance	(7,118,340)	(3,650,385)	(1,023,772)	2,626,613
Fund Balance Beginning of Year, Restated (includes prior year encumbrances appropriated)	7,426,215	7,426,215	7,426,215	0
Fund Balance End of Year	\$307,875	\$3,775,830	\$6,402,443	\$2,626,613

See accompanying notes to the required supplementary information.

TROTWOOD-MADISON CITY SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended June 30, 2007

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 2007.

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 Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual 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 a reservation 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.

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	(\$264,977)
Net Adjustment for Revenue Accruals	185,637
Net Adjustment for Expenditure Accruals	(775,891)
Encumbrances	<u>(168,541)</u>
 Budget Basis	 <u>(\$1,023,772)</u>

The beginning balance has been restated in the general fund unencumbered fund balance at July 1, 2006 by \$42,296. This restatement is necessary to include the same funds that are presented as the general fund on the GAAP statements.

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

FUND DESCRIPTIONS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS: Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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

OTHER GRANTS: To account for local funds, which are provided to assist the District with various programs.

CLASSROOM FACILITIES MAINTENANCE: To account for state funds provided for classroom facilities maintenance.

EXTRACURRICULAR ACTIVITY: 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.

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

ENTRY YEAR PROGRAMS: To account for state funds provided for entry year programs.

DATA COMMUNICATIONS: To account for funds to be used for communications.

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

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

READING IMPROVEMENT GRANT: To account for funds to provide reading improvement programs.

TITLE VIB / PRESCHOOL: 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.

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

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

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

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

TITLE VI-R: To account for federal funds to provide programs to enhance student achievement.

GOALS 2000: To account for federal funds to provide student programs.

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.

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.

POVERTY BASED AID: To account for federal funds for the poverty based aid program.

CAPITAL PROJECTS FUNDS: The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

PERMANENT IMPROVEMENT: To account for all transactions related to improvements to existing District facilities.

SCHOOLNET PLUS: To account for funds received for the purchase of computer technology.

Trotwood-Madison City School District
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$1,972,317	\$345,028	\$2,317,345
Receivables:			
Taxes	133,587	670,610	804,197
Intergovernmental	237,654	0	237,654
Interfund	30	8,619	8,649
Inventory	30,180	0	30,180
Total Assets	2,373,768	1,024,257	3,398,025
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	14,482	0	14,482
Accrued Wages and Benefits	507,102	0	507,102
Interfund Payable	542,474	0	542,474
Deferred Revenue	363,153	630,009	993,162
Total Liabilities	1,427,211	630,009	2,057,220
Fund Balances:			
Reserved for Encumbrances	135,500	19,246	154,746
Reserved for Inventory	30,180	0	30,180
Reserved for Property Tax Advances	8,088	40,601	48,689
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	772,789	0	772,789
Capital Projects Funds	0	334,401	334,401
Total Fund Balances	946,557	394,248	1,340,805
Total Liabilities and Fund Balances	\$2,373,768	\$1,024,257	\$3,398,025

Trotwood-Madison City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Taxes	\$129,549	\$650,335	\$779,884
Investment Earnings	2,514	208,243	210,757
Intergovernmental	7,067,078	63,256	7,130,334
Extracurricular Activities	390,997	0	390,997
Charges for Services	397,324	0	397,324
Other Revenues	8,418	0	8,418
Total Revenues	7,995,880	921,834	8,917,714
Expenditures:			
Current:			
Instruction:			
Regular	1,934,509	0	1,934,509
Special	382,324	0	382,324
Support Services:			
Other	674,856	0	674,856
Pupil	785,508	0	785,508
Instructional Staff	1,369,880	0	1,369,880
School Administration	368,406	0	368,406
Fiscal	1,797	9,308	11,105
Operations and Maintenance	52,839	0	52,839
Central	81,543	311,485	393,028
Operation of Non-Instructional Services	1,974,192	0	1,974,192
Extracurricular Activities	49,188	0	49,188
Debt Service:			
Principal Retirement	0	217,000	217,000
Interest and Fiscal Charges	0	486,583	486,583
Total Expenditures	7,675,042	1,024,376	8,699,418
Excess of Revenues Over (Under) Expenditures	320,838	(102,542)	218,296
Other Financing Sources (Uses):			
Transfers In	0	103,751	103,751
Total Other Financing Sources (Uses)	0	103,751	103,751
Net Change in Fund Balance	320,838	1,209	322,047
Fund Balance Beginning of Year	625,719	393,039	1,018,758
Fund Balance End of Year	\$946,557	\$394,248	\$1,340,805

Trotwood-Madison City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007

	Public School	Other Grants	Classroom Facilities Maintenance	Extracurricular Activity	Auxiliary Services
Assets:					
Equity in Pooled Cash and Investments	\$23,223	\$26,142	\$287,796	\$18,437	\$5,252
Receivables:					
Taxes	0	0	133,587	0	0
Intergovernmental	0	0	0	0	0
Interfund	0	0	0	0	0
Inventory	0	0	0	0	0
Total Assets	23,223	26,142	421,383	18,437	5,252
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	325	0	0	0	0
Accrued Wages and Benefits	0	0	0	0	8,764
Interfund Payable	0	421	0	0	0
Deferred Revenue	0	0	125,499	0	0
Total Liabilities	325	421	125,499	0	8,764
Fund Balances:					
Reserved for Encumbrances	3,727	0	6,324	2,700	25
Reserved for Inventory	0	0	0	0	0
Reserved for Property Tax Advances	0	0	8,088	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	19,171	25,721	281,472	15,737	(3,537)
Total Fund Balances	22,898	25,721	295,884	18,437	(3,512)
Total Liabilities and Fund Balances	\$23,223	\$26,142	\$421,383	\$18,437	\$5,252

Management Information	Entry Year Programs	Data Communications	School Net Professional Development	Ohio Reads	Reading Improvement Grant
\$3,757	\$0	\$0	\$15,804	\$26	\$3,456
0	0	0	0	0	0
0	879	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>3,757</u>	<u>879</u>	<u>0</u>	<u>15,804</u>	<u>26</u>	<u>3,456</u>
247	0	0	0	0	0
0	0	0	0	0	11,199
0	12,721	0	15,654	0	0
0	879	0	0	0	0
<u>247</u>	<u>13,600</u>	<u>0</u>	<u>15,654</u>	<u>0</u>	<u>11,199</u>
0	0	0	150	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>3,510</u>	<u>(12,721)</u>	<u>0</u>	<u>0</u>	<u>26</u>	<u>(7,743)</u>
<u>3,510</u>	<u>(12,721)</u>	<u>0</u>	<u>150</u>	<u>26</u>	<u>(7,743)</u>
<u>\$3,757</u>	<u>\$879</u>	<u>\$0</u>	<u>\$15,804</u>	<u>\$26</u>	<u>\$3,456</u>

Continued

Trotwood-Madison City School District
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2007

	Title VIB / Preschool	Title I	Title V	Drug-Free Schools	EHA Pre-School Grant
Assets:					
Equity in Pooled Cash and Investments	\$2	\$53,711	\$632	\$0	\$250
Receivables:					
Taxes	0	0	0	0	0
Intergovernmental	66,704	12,383	0	0	0
Interfund	0	0	30	0	0
Inventory	0	0	0	0	0
Total Assets	66,706	66,094	662	0	250
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	0	0	0	0	0
Accrued Wages and Benefits	77,040	76,223	0	0	0
Interfund Payable	1	0	0	0	0
Deferred Revenue	66,704	12,383	0	0	0
Total Liabilities	143,745	88,606	0	0	0
Fund Balances:					
Reserved for Encumbrances	0	187	0	0	0
Reserved for Inventory	0	0	0	0	0
Reserved for Property Tax Advances	0	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	(77,039)	(22,699)	662	0	250
Total Fund Balances	(77,039)	(22,512)	662	0	250
Total Liabilities and Fund Balances	\$66,706	\$66,094	\$662	\$0	\$250

Title VI-R	Goals 2000	Food Service	Uniform School Supply	Poverty Based Aid	Total Nonmajor Special Revenue Funds
\$6,657	\$80,903	\$182,497	\$26,259	\$1,237,513	\$1,972,317
0	0	0	0	0	133,587
10,537	147,151	0	0	0	237,654
0	0	0	0	0	30
0	0	30,180	0	0	30,180
<u>17,194</u>	<u>228,054</u>	<u>212,677</u>	<u>26,259</u>	<u>1,237,513</u>	<u>2,373,768</u>
0	0	13,910	0	0	14,482
0	130,428	43,988	0	159,460	507,102
14,809	237,702	261,166	0	0	542,474
10,537	147,151	0	0	0	363,153
<u>25,346</u>	<u>515,281</u>	<u>319,064</u>	<u>0</u>	<u>159,460</u>	<u>1,427,211</u>
6,655	17,892	97,640	0	200	135,500
0	0	30,180	0	0	30,180
0	0	0	0	0	8,088
<u>(14,807)</u>	<u>(305,119)</u>	<u>(234,207)</u>	<u>26,259</u>	<u>1,077,853</u>	<u>772,789</u>
<u>(8,152)</u>	<u>(287,227)</u>	<u>(106,387)</u>	<u>26,259</u>	<u>1,078,053</u>	<u>946,557</u>
<u>\$17,194</u>	<u>\$228,054</u>	<u>\$212,677</u>	<u>\$26,259</u>	<u>\$1,237,513</u>	<u>\$2,373,768</u>

Trotwood-Madison City School District
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 For the Fiscal Year Ended June 30, 2007

	Public School	Other Grants	Classroom Facilities Maintenance	Extracurricular Activity	Auxiliary Services
Revenues:					
Taxes	\$0	\$0	\$129,549	\$0	\$0
Investment Earnings	0	0	0	0	2,514
Intergovernmental	0	5,500	12,377	0	0
Extracurricular Activities	22,815	5,200	0	180,017	182,965
Charges for Services	0	0	0	0	0
Other Revenues	618	7,800	0	0	0
Total Revenues	23,433	18,500	141,926	180,017	185,479
Expenditures:					
Current:					
Instruction:					
Regular	0	0	0	0	0
Special	0	0	0	0	0
Other	0	0	0	0	0
Support Services:					
Pupil	0	2,668	0	0	0
Instructional Staff	0	4,069	0	0	0
School Administration	0	0	0	169,387	0
Fiscal	0	0	1,797	0	0
Operations and Maintenance	0	0	52,839	0	0
Central	0	0	0	0	1,380
Operation of Non-Instructional Services	0	0	0	0	209,552
Extracurricular Activities	31,490	0	0	17,698	0
Total Expenditures	31,490	6,737	54,636	187,085	210,932
Net Change in Fund Balance	(8,057)	11,763	87,290	(7,068)	(25,453)
Fund Balance Beginning of Year	30,955	13,958	208,594	25,505	21,941
Fund Balance End of Year	\$22,898	\$25,721	\$295,884	\$18,437	(\$3,512)

Management Information	Entry Year Programs	Data Communications	School Net Professional Development	Ohio Reads	Reading Improvement Grant
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
10,077	0	18,000	25,300	98,380	80,003
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
10,077	0	18,000	25,300	98,380	80,003
0	0	0	0	84,013	51,086
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	29,611
0	12,728	0	31,850	5,770	8,505
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
10,037	0	18,000	4,586	13,699	0
0	0	0	0	0	0
0	0	0	0	0	0
10,037	12,728	18,000	36,436	103,482	89,202
40	(12,728)	0	(11,136)	(5,102)	(9,199)
3,470	7	0	11,286	5,128	1,456
\$3,510	(\$12,721)	\$0	\$150	\$26	(\$7,743)

Continued

Trotwood-Madison City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007

	Title VIB / Preschool	Title I	Title V	Drug-Free Schools	EHA Pre-School Grant
Revenues:					
Taxes	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	0	0
Intergovernmental	960,578	923,544	2,384	26,244	6,043
Extracurricular Activities	0	0	0	0	0
Charges for Services	0	0	0	0	0
Other Revenues	0	0	0	0	0
Total Revenues	960,578	923,544	2,384	26,244	6,043
Expenditures:					
Current:					
Instruction:					
Regular	4,048	0	0	0	0
Special	0	382,324	0	0	0
Other	0	285,878	0	0	0
Support Services:					
Pupil	707,116	7,341	2,055	25,422	5,864
Instructional Staff	0	200,812	0	0	0
School Administration	199,019	0	0	0	0
Fiscal	0	0	0	0	0
Operations and Maintenance	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	62,388	37,544	352	0	0
Extracurricular Activities	0	0	0	0	0
Total Expenditures	972,571	913,899	2,407	25,422	5,864
Net Change in Fund Balance	(11,993)	9,645	(23)	822	179
Fund Balance Beginning of Year	(65,046)	(32,157)	685	(822)	71
Fund Balance End of Year	(\$77,039)	(\$22,512)	\$662	\$0	\$250

Title VI-R	Goals 2000	Food Service	Uniform School Supply	Poverty Based Aid	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$129,549
0	0	0	0	0	2,514
171,035	971,950	1,162,425	0	2,593,238	7,067,078
0	0	0	0	0	390,997
0	0	339,466	57,858	0	397,324
0	0	0	0	0	8,418
171,035	971,950	1,501,891	57,858	2,593,238	7,995,880
51,279	396,437	0	0	1,347,646	1,934,509
0	0	0	0	0	382,324
0	5,549	0	0	383,429	674,856
0	0	0	0	5,431	785,508
126,992	754,293	0	0	224,861	1,369,880
0	0	0	0	0	368,406
0	0	0	0	0	1,797
0	0	0	0	0	52,839
0	22,857	0	0	10,984	81,543
0	3,447	1,603,429	57,480	0	1,974,192
0	0	0	0	0	49,188
178,271	1,182,583	1,603,429	57,480	1,972,351	7,675,042
(7,236)	(210,633)	(101,538)	378	620,887	320,838
(916)	(76,594)	(4,849)	25,881	457,166	625,719
(\$8,152)	(\$287,227)	(\$106,387)	\$26,259	\$1,078,053	\$946,557

Trotwood-Madison City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2007

	Permanent Improvement	SchoolNet Plus	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$345,028	\$0	\$345,028
Receivables:			
Taxes	670,610	0	670,610
Interfund	0	8,619	8,619
Total Assets	<u>1,015,638</u>	<u>8,619</u>	<u>1,024,257</u>
Liabilities and Fund Balances:			
Liabilities:			
Deferred Revenue	630,009	0	630,009
Total Liabilities	<u>630,009</u>	<u>0</u>	<u>630,009</u>
Fund Balances:			
Reserved for Encumbrances	19,246	0	19,246
Reserved for Property Tax Advances	40,601	0	40,601
Unreserved, Undesignated, Reported in: Capital Projects Funds	325,782	8,619	334,401
Total Fund Balances	<u>385,629</u>	<u>8,619</u>	<u>394,248</u>
Total Liabilities and Fund Balances	<u>\$1,015,638</u>	<u>\$8,619</u>	<u>\$1,024,257</u>

Trotwood-Madison City School District
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Nonmajor Capital Projects Funds
 For the Fiscal Year Ended June 30, 2007

	Permanent Improvement	SchoolNet Plus	Total Nonmajor Capital Projects Funds
Revenues:			
Taxes	\$650,335	\$0	\$650,335
Investment Earnings	208,243	0	208,243
Intergovernmental	63,256	0	63,256
Total Revenues	921,834	0	921,834
Expenditures:			
Current:			
Support Services:			
Fiscal	9,308	0	9,308
Central	289,263	22,222	311,485
Debt Service:			
Principal Retirement	217,000	0	217,000
Interest and Fiscal Charges	486,583	0	486,583
Total Expenditures	1,002,154	22,222	1,024,376
Excess of Revenues Over (Under) Expenditures	(80,320)	(22,222)	(102,542)
Other Financing Sources (Uses):			
Transfers In	103,751	0	103,751
Total Other Financing Sources (Uses)	103,751	0	103,751
Net Change in Fund Balance	23,431	(22,222)	1,209
Fund Balance Beginning of Year	362,198	30,841	393,039
Fund Balance End of Year	\$385,629	\$8,619	\$394,248

Trotwood-Madison City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2007

	Public School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$16,874	\$23,140	\$6,266
Other Revenues	451	618	167
Total Revenues	<u>17,325</u>	<u>23,758</u>	<u>6,433</u>
Expenditures:			
Current:			
Support Services:			
Extracurricular Activities	36,475	35,543	932
Total Expenditures	<u>36,475</u>	<u>35,543</u>	<u>932</u>
Net Change in Fund Balance	(19,150)	(11,785)	7,365
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>30,954</u>	<u>30,954</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$11,804</u></u>	<u><u>\$19,169</u></u>	<u><u>\$7,365</u></u>

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Other Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$5,500	\$5,500	\$0
Extracurricular Activities	5,200	5,200	0
Other Revenues	7,800	7,800	0
Total Revenues	<u>18,500</u>	<u>18,500</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Pupil	6,732	2,668	4,064
Instructional Staff	10,268	4,069	6,199
Total Expenditures	<u>17,000</u>	<u>6,737</u>	<u>10,263</u>
Net Change in Fund Balance	1,500	11,763	10,263
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>14,379</u>	<u>14,379</u>	<u>0</u>
Fund Balance End of Year	<u>\$15,879</u>	<u>\$26,142</u>	<u>\$10,263</u>

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Classroom Facilities Maintenance Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$131,250	\$131,250	\$0
Intergovernmental	12,377	12,377	0
Total Revenues	<u>143,627</u>	<u>143,627</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	1,798	1,797	1
Operations and Maintenance	59,202	59,164	38
Total Expenditures	<u>61,000</u>	<u>60,961</u>	<u>39</u>
Net Change in Fund Balance	82,627	82,666	39
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>198,806</u>	<u>198,806</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$281,433</u></u>	<u><u>\$281,472</u></u>	<u><u>\$39</u></u>

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Extracurricular Activity Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$180,017	\$180,017	\$0
Total Revenues	180,017	180,017	0
Expenditures:			
Current:			
Support Services:			
School Administration	173,666	171,087	2,579
Extracurricular Activities	18,980	18,698	282
Total Expenditures	192,646	189,785	2,861
Net Change in Fund Balance	(12,629)	(9,768)	2,861
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	25,502	25,502	0
Fund Balance End of Year	\$12,873	\$15,734	\$2,861

Trotwood-Madison City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2007

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$2,500	\$2,514	\$14
Intergovernmental	181,962	182,965	1,003
Total Revenues	<u>184,462</u>	<u>185,479</u>	<u>1,017</u>
Expenditures:			
Current:			
Support Services:			
Central	1,373	1,380	(7)
Operation of Non-Instructional Services	209,472	210,581	(1,109)
Total Expenditures	<u>210,845</u>	<u>211,961</u>	<u>(1,116)</u>
Excess of Revenues Over (Under) Expenditures	<u>(26,383)</u>	<u>(26,482)</u>	<u>(99)</u>
Other financing sources (uses):			
Transfers In	1,016	1,022	6
Transfers (Out)	(1,017)	(1,022)	(5)
Total Other Financing Sources (Uses)	<u>(1)</u>	<u>0</u>	<u>1</u>
Net Change in Fund Balance	(26,384)	(26,482)	(98)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>31,707</u>	<u>31,707</u>	<u>0</u>
Fund Balance End of Year	<u>\$5,323</u>	<u>\$5,225</u>	<u>(\$98)</u>

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Management Information Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$10,077	\$10,077	\$0
Total Revenues	10,077	10,077	0
Expenditures:			
Current:			
Support Services:			
Central	10,256	10,054	202
Total Expenditures	10,256	10,054	202
Net Change in Fund Balance	(179)	23	202
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,585	3,585	0
Fund Balance End of Year	<u>\$3,406</u>	<u>\$3,608</u>	<u>\$202</u>

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Entry Year Programs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$13,021	\$0	(\$13,021)
Total Revenues	13,021	0	(13,021)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	13,000	12,729	271
Total Expenditures	13,000	12,729	271
Excess of Revenues Over (Under) Expenditures	21	(12,729)	(12,750)
Other financing sources (uses):			
Advances In	300	12,721	12,421
Total Other Financing Sources (Uses)	300	12,721	12,421
Net Change in Fund Balance	321	(8)	(329)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	8	8	0
Fund Balance End of Year	\$329	\$0	(\$329)

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Data Communications Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$43,000	\$18,000	(\$25,000)
Total Revenues	43,000	18,000	(25,000)
Expenditures:			
Current:			
Support Services:			
Central	18,000	18,000	0
Total Expenditures	18,000	18,000	0
Net Change in Fund Balance	25,000	0	(25,000)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$25,000	\$0	(\$25,000)

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	School Net Professional Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$3,300	\$25,300	\$22,000
Total Revenues	3,300	25,300	22,000
Expenditures:			
Current:			
Support Services:			
Instructional Staff	4,416	32,000	(27,584)
Central	633	4,587	(3,954)
Total Expenditures	5,049	36,587	(31,538)
Excess of Revenues Over (Under) Expenditures	(1,749)	(11,287)	(9,538)
Other financing sources (uses):			
Advances In	0	15,654	15,654
Total Other Financing Sources (Uses)	0	15,654	15,654
Net Change in Fund Balance	(1,749)	4,367	6,116
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,287	11,287	0
Fund Balance End of Year	\$9,538	\$15,654	\$6,116

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Ohio Reads Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$102,380	\$102,380	\$0
Total Revenues	102,380	102,380	0
Expenditures:			
Current:			
Instruction:			
Regular	81,185	84,012	(2,827)
Support Services:			
Instructional Staff	5,577	5,771	(194)
Central	13,238	13,699	(461)
Total Expenditures	100,000	103,482	(3,482)
Net Change in Fund Balance	2,380	(1,102)	(3,482)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,129	1,129	0
Fund Balance End of Year	\$3,509	\$27	(\$3,482)

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Reading Improvement Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$118,070	\$80,002	(\$38,068)
Total Revenues	118,070	80,002	(38,068)
Expenditures:			
Current:			
Instruction:			
Regular	40,884	39,887	997
Support Services:			
Pupil	30,351	29,611	740
Instructional Staff	8,718	8,505	213
Total Expenditures	79,953	78,003	1,950
Net Change in Fund Balance	38,117	1,999	(36,118)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,457	1,457	0
Fund Balance End of Year	\$39,574	\$3,456	(\$36,118)

Trotwood-Madison City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2007

	Title VIB / Preschool Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,045,321	\$960,578	(\$84,743)
Total Revenues	1,045,321	960,578	(84,743)
Expenditures:			
Current:			
Instruction:			
Regular	4,403	4,048	355
Support Services:			
Pupil	755,518	694,558	60,960
School Administration	216,487	199,019	17,468
Operation of Non-Instructional Services	67,264	61,836	5,428
Total Expenditures	1,043,672	959,461	84,211
Excess of Revenues Over (Under) Expenditures	1,649	1,117	(532)
Other financing sources (uses):			
Advances (Out)	(5,683)	(5,224)	459
Total Other Financing Sources (Uses)	(5,683)	(5,224)	459
Net Change in Fund Balance	(4,034)	(4,107)	(73)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,107	4,107	0
Fund Balance End of Year	\$73	\$0	(\$73)

Trotwood-Madison City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2007

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,509,172	\$923,544	(\$585,628)
Total Revenues	1,509,172	923,544	(585,628)
Expenditures:			
Current:			
Instruction:			
Special	510,501	314,843	195,658
Other	477,113	294,252	182,861
Support Services:			
Pupil	111,332	68,662	42,670
Instructional Staff	408,810	252,127	156,683
Operation of Non-Instructional Services	57,924	35,724	22,200
Total Expenditures	1,565,680	965,608	600,072
Net Change in Fund Balance	(56,508)	(42,064)	14,444
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	95,588	95,588	0
Fund Balance End of Year	\$39,080	\$53,524	\$14,444

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Title V Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$9,873	\$2,384	(\$7,489)
Total Revenues	9,873	2,384	(7,489)
Expenditures:			
Current:			
Support Services:			
Pupil	8,681	2,055	6,626
Operation of Non-Instructional Services	1,487	352	1,135
Total Expenditures	10,168	2,407	7,761
Excess of Revenues Over (Under) Expenditures	(295)	(23)	272
Other financing sources (uses):			
Transfers In	2,708	654	(2,054)
Transfers (Out)	(2,763)	(654)	2,109
Total Other Financing Sources (Uses)	(55)	0	55
Net Change in Fund Balance	(350)	(23)	327
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	654	654	0
Fund Balance End of Year	\$304	\$631	\$327

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Drug-Free Schools Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$26,244	\$26,244	\$0
Total Revenues	26,244	26,244	0
Expenditures:			
Current:			
Support Services:			
Pupil	25,422	25,422	0
Total Expenditures	25,422	25,422	0
Excess of Revenues Over (Under) Expenditures	822	822	0
Other financing sources (uses):			
Advances (Out)	(825)	(825)	0
Total Other Financing Sources (Uses)	(825)	(825)	0
Net Change in Fund Balance	(3)	(3)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3	3	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	EHA Pre-School Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$10,743	\$6,043	(\$4,700)
Total Revenues	10,743	6,043	(4,700)
Expenditures:			
Current:			
Support Services:			
Pupil	10,739	5,864	4,875
Total Expenditures	10,739	5,864	4,875
Excess of Revenues Over (Under) Expenditures	4	179	175
Other financing sources (uses):			
Transfers In	126	71	(55)
Transfers (Out)	(130)	(71)	59
Total Other Financing Sources (Uses)	(4)	0	4
Net Change in Fund Balance	0	179	179
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	71	71	0
Fund Balance End of Year	\$71	\$250	\$179

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Title VI-R Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$335,514	\$230,342	(\$105,172)
Total Revenues	335,514	230,342	(105,172)
Expenditures:			
Current:			
Instruction:			
Regular	89,910	64,824	25,086
Support Services:			
Instructional Staff	185,366	133,647	51,719
Total Expenditures	275,276	198,471	76,805
Excess of Revenues Over (Under) Expenditures	60,238	31,871	(28,367)
Other financing sources (uses):			
Advances In	20,619	14,809	(5,810)
Advances (Out)	(69,398)	(50,035)	19,363
Total Other Financing Sources (Uses)	(48,779)	(35,226)	13,553
Net Change in Fund Balance	11,459	(3,355)	(14,814)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,355	3,355	0
Fund Balance End of Year	<u>\$14,814</u>	<u>\$0</u>	<u>(\$14,814)</u>

Trotwood-Madison City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2007

	Goals 2000 Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$991,561	\$971,951	(\$19,610)
Total Revenues	991,561	971,951	(19,610)
Expenditures:			
Current:			
Instruction:			
Regular	394,528	394,502	26
Other	5,549	5,549	0
Support Services:			
Instructional Staff	782,083	782,032	51
Central	22,858	22,857	1
Operation of Non-Instructional Services	3,447	3,447	0
Total Expenditures	1,208,465	1,208,387	78
Excess of Revenues Over (Under) Expenditures	(216,904)	(236,436)	(19,532)
Other financing sources (uses):			
Advances In	184,365	237,702	53,337
Advances (Out)	(4,677)	(4,677)	0
Transfers In	39,486	50,909	11,423
Transfers (Out)	(50,912)	(50,909)	3
Total Other Financing Sources (Uses)	168,262	233,025	64,763
Net Change in Fund Balance	(48,642)	(3,411)	45,231
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	66,423	66,423	0
Fund Balance End of Year	\$17,781	\$63,012	\$45,231

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,129,922	\$1,099,368	(\$30,554)
Charges for Services	349,034	339,466	(9,568)
Total Revenues	1,478,956	1,438,834	(40,122)
Expenditures:			
Current:			
Support Services:			
Operation of Non-Instructional Services	1,710,951	1,658,921	52,030
Total Expenditures	1,710,951	1,658,921	52,030
Excess of Revenues Over (Under) Expenditures	(231,995)	(220,087)	11,908
Other financing sources (uses):			
Advances In	221,044	261,166	40,122
Total Other Financing Sources (Uses)	221,044	261,166	40,122
Net Change in Fund Balance	(10,951)	41,079	52,030
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	29,866	29,866	0
Fund Balance End of Year	\$18,915	\$70,945	\$52,030

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Uniform School Supply Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$57,107	\$57,858	\$751
Total Revenues	57,107	57,858	751
Expenditures:			
Current:			
Operation of Non-Instructional Services	58,196	57,480	716
Total Expenditures	58,196	57,480	716
Net Change in Fund Balance	(1,089)	378	1,467
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	25,881	25,881	0
Fund Balance End of Year	\$24,792	\$26,259	\$1,467

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Poverty Based Aid Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,805,375	\$2,593,239	\$787,864
Total Revenues	<u>1,805,375</u>	<u>2,593,239</u>	<u>787,864</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,543,036	1,400,784	142,252
Other	395,426	358,972	36,454
Support Services:			
Pupil	5,983	5,431	552
Instructional Staff	247,696	224,861	22,835
Central	12,099	10,984	1,115
Total Expenditures	<u>2,204,240</u>	<u>2,001,032</u>	<u>203,208</u>
Excess of Revenues Over (Under) Expenditures	<u>(398,865)</u>	<u>592,207</u>	<u>991,072</u>
Other financing sources (uses):			
Transfers In	256,958	369,095	112,137
Transfers (Out)	<u>(406,577)</u>	<u>(369,095)</u>	<u>37,482</u>
Total Other Financing Sources (Uses)	<u>(149,619)</u>	<u>0</u>	<u>149,619</u>
Net Change in Fund Balance	(548,484)	592,207	1,140,691
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>645,110</u>	<u>645,110</u>	<u>0</u>
Fund Balance End of Year	<u>\$96,626</u>	<u>\$1,237,317</u>	<u>\$1,140,691</u>

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$2,293,445	\$2,293,445	\$0
Investment Earnings	7,256	7,256	0
Intergovernmental	226,070	226,070	0
Total Revenues	<u>2,526,771</u>	<u>2,526,771</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	33,674	32,377	1,297
Debt Service:			
Principal Retirement	291,216	280,000	11,216
Interest and Fiscal Charges	2,075,110	1,995,190	79,920
Total Expenditures	<u>2,400,000</u>	<u>2,307,567</u>	<u>92,433</u>
Net Change in Fund Balance	126,771	219,204	92,433
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>849,564</u>	<u>849,564</u>	<u>0</u>
Fund Balance End of Year	<u>\$976,335</u>	<u>\$1,068,768</u>	<u>\$92,433</u>

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Classroom Facilities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$418,680	\$350,072	(\$68,608)
Intergovernmental	28,447,124	23,785,572	(4,661,552)
Other Revenues	1,375	1,150	(225)
Total Revenues	<u>28,867,179</u>	<u>24,136,794</u>	<u>(4,730,385)</u>
Expenditures:			
Capital Outlay	48,940,602	40,490,284	8,450,318
Total Expenditures	<u>48,940,602</u>	<u>40,490,284</u>	<u>8,450,318</u>
Excess of Revenues Over (Under) Expenditures	<u>(20,073,423)</u>	<u>(16,353,490)</u>	<u>3,719,933</u>
Other financing sources (uses):			
Transfers In	546,923	457,300	(89,623)
Total Other Financing Sources (Uses)	<u>546,923</u>	<u>457,300</u>	<u>(89,623)</u>
Net Change in Fund Balance	(19,526,500)	(15,896,190)	3,630,310
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>19,539,034</u>	<u>19,539,034</u>	<u>0</u>
Fund Balance End of Year	<u>\$12,534</u>	<u>\$3,642,844</u>	<u>\$3,630,310</u>

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Permanent Improvement Renewal Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$511	\$2,038	\$1,527
Other Revenues	6,423	25,618	19,195
Total Revenues	<u>6,934</u>	<u>27,656</u>	<u>20,722</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	998	473	525
Capital Outlay	2,807,141	1,330,364	1,476,777
Total Expenditures	<u>2,808,139</u>	<u>1,330,837</u>	<u>1,477,302</u>
Net Change in Fund Balance	(2,801,205)	(1,303,181)	1,498,024
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,738,194	5,738,194	0
Fund Balance End of Year	<u>\$2,936,989</u>	<u>\$4,435,013</u>	<u>\$1,498,024</u>

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$580,753	\$658,877	\$78,124
Investment Earnings	183,741	208,243	24,502
Intergovernmental	55,779	63,256	7,477
Total Revenues	<u>820,273</u>	<u>930,376</u>	<u>110,103</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	10,045	9,308	737
Central	332,924	308,509	24,415
Debt Service:			
Principal Retirement	234,173	217,000	17,173
Interest and Fiscal Charges	525,090	486,583	38,507
Total Expenditures	<u>1,102,232</u>	<u>1,021,400</u>	<u>80,832</u>
Excess of Revenues Over (Under) Expenditures	<u>(281,959)</u>	<u>(91,024)</u>	<u>190,935</u>
Other financing sources (uses):			
Transfers In	201,135	103,751	(97,384)
Total Other Financing Sources (Uses)	<u>201,135</u>	<u>103,751</u>	<u>(97,384)</u>
Net Change in Fund Balance	(80,824)	12,727	93,551
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>313,054</u>	<u>313,054</u>	<u>0</u>
Fund Balance End of Year	<u>\$232,230</u>	<u>\$325,781</u>	<u>\$93,551</u>

Trotwood-Madison City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2007

	SchoolNet Plus Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$22,221	\$0	(\$22,221)
Total Revenues	22,221	0	(22,221)
Expenditures:			
Current:			
Central	22,256	22,222	34
Total Expenditures	22,256	22,222	34
Net Change in Fund Balance	(35)	(22,222)	(22,187)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	22,222	22,222	0
Fund Balance End of Year	\$22,187	\$0	(\$22,187)

FUND DESCRIPTIONS

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.

AGENCY FUND – STUDENT MANAGED ACTIVITY: To account for assets and liabilities generated by student managed activities. The fund accounts for sales and other revenue generating activities by student activity programs, which have students involved in the management of the program.

Trotwood-Madison City School District
Statement of Changes In Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2007

	Student Managed Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$20,069	\$17,999	\$22,648	\$15,420
Total Assets	<u>20,069</u>	<u>17,999</u>	<u>22,648</u>	<u>15,420</u>
Liabilities:				
Other Liabilities	20,069	17,999	22,648	15,420
Total Liabilities	<u>\$20,069</u>	<u>\$17,999</u>	<u>\$22,648</u>	<u>\$15,420</u>

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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 District's ability to generate its most significant local revenue source(s), the property tax (and the income tax).

DEBT CAPACITY: These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the 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 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 District's financial report relates to the services the 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. The District implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

Trotwood-Madison City School District
 Net Assets by Component,
 Last Five Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 1

	Fiscal Year				
	2003	2004	2005 - Restated	2006	2007
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$6,737,050	\$4,698,472	\$0	\$9,169,596	\$35,274,560
Restricted	3,213,449	5,254,994	5,673,721	20,923,955	19,550,170
Unrestricted	1,090,984	5,197,491	4,860,773	6,161,391	5,530,058
Total Government Net Assets	<u>\$11,041,483</u>	<u>\$15,150,957</u>	<u>\$10,534,494</u>	<u>\$36,254,942</u>	<u>\$60,354,788</u>

(1) - The district began to report accrual information when it implemented GASB Statement 34 in 2003

Source: District Records

Trotwood-Madison City School District
 Expenses, Program Revenues and Net (Expense)/Revenue
 Last Five Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 2

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental Activities:					
Instruction	\$19,239,136	\$21,250,122	\$21,254,126	\$23,303,921	\$24,569,828
Pupil	1,407,173	1,474,997	1,792,572	2,054,086	2,040,797
Instructional Staff	1,899,162	1,873,503	2,566,856	3,166,312	2,567,820
General Administration	118,082	47,559	39,136	47,089	54,453
School Administration	2,471,413	2,567,107	2,702,760	2,835,488	2,750,758
Business and Fiscal	876,610	1,108,488	939,295	1,282,457	1,733,529
Operation and Maintenance	2,229,176	2,488,552	2,566,632	3,002,859	3,025,115
Pupil Transportation	1,300,394	1,599,259	1,772,666	1,718,554	1,589,563
Central	762,348	888,264	1,760,909	1,955,050	1,405,039
Operation of Non-Instructional Services	153,418	1,899,807	1,901,656	1,846,835	2,021,177
Extracurricular Activities	495,499	664,663	649,110	640,491	633,568
Interest and Fiscal Charges	1,085,459	1,828,252	2,027,662	2,122,582	2,589,266
Total Government Expenses	<u>32,037,870</u>	<u>37,690,573</u>	<u>39,973,380</u>	<u>43,975,724</u>	<u>44,980,913</u>
Program Revenues					
Governmental Activities:					
Charges for Services					
Instruction	322,933	439,380	497,567	388,807	335,259
Pupil	2,463	649	0	0	2,854
Instructional Staff	350	93	0	0	8,602
School Administration	3,356	15,389	99,644	185,082	265,487
Operation and Maintenance	11,024	1,601	1,248	23,058	0
Pupil Transportation	72,454	0	0	0	0
Operation of Non-Instructional Services	0	497,182	0	458,829	397,324
Extracurricular Activities	112,438	138,622	76,025	76,104	107,602
Operating Grants and Contributions	5,574,064	7,237,406	5,120,360	9,308,685	8,844,269
Capital Grants and Contributions	0	26,165	1,750,966	22,314,973	23,812,365
Total Government Revenues	<u>6,099,082</u>	<u>8,356,487</u>	<u>7,545,810</u>	<u>32,755,538</u>	<u>33,773,762</u>
Net (Expense)/Revenue	<u>(\$25,938,788)</u>	<u>(\$29,334,086)</u>	<u>(\$32,427,570)</u>	<u>(\$11,220,186)</u>	<u>(\$11,207,151)</u>

(1) - The district began to report accrual information when it implemented GASB Statement 34 in 2003

Source: District Records

Trotwood-Madison City School District
 General Revenues and Total Change in Net Assets,
 Last Five Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 3

	Fiscal Year				
	2003	2004	2005	2006	2007
Net (Expense)/Revenue	(\$25,938,788)	(\$29,334,086)	(\$32,427,570)	(\$11,220,186)	(\$11,207,151)
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Property Taxes					
Property Taxes Levied for General Purposes	10,733,352	10,404,898	9,352,390	9,472,597	9,816,223
Property Taxes Levied for Special Revenue Purposes	0	0	0	232,700	126,558
Property Taxes Levied for Debt Service Purposes	1,546,904	2,321,932	2,089,660	2,156,926	2,241,294
Property Taxes Levied for Capital Projects Purposes	757,194	723,340	652,540	639,349	643,872
Grants and Entitlements Not Restricted to Specific Programs	16,418,135	18,862,095	19,932,305	19,005,150	20,559,179
Payment in Lieu of Taxes	0	0	0	0	21,000
Investment Earnings	866,183	655,825	2,067,063	443,894	1,434,501
Unrestricted Contributions	0	0	0	985	20,707
Refunds and Reimbursements	0	0	0	0	25,619
Other Revenues	566,453	727,282	1,037,593	115,406	418,044
Total Governmental Activities	<u>30,888,221</u>	<u>33,695,372</u>	<u>35,131,551</u>	<u>32,067,007</u>	<u>35,306,997</u>
Change in Net Assets	<u>\$4,949,433</u>	<u>\$4,361,286</u>	<u>\$2,703,981</u>	<u>\$20,846,821</u>	<u>\$24,099,846</u>

(1) - The district began to report accrual information when it implemented GASB Statement 34 in 2003

Source: District Records

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	N/A	\$978,441	\$1,717,652	\$1,735,096	\$1,354,748	\$1,010,303	\$713,517	\$1,196,084	\$1,107,565	\$825,822
Unreserved	N/A	(1,804,221)	(4,430,839)	1,224,877	1,332,783	2,526,726	4,479,415	5,455,335	4,411,577	4,428,343
Total General Fund	N/A	(825,780)	(2,713,187)	2,959,973	2,687,531	3,537,029	5,192,932	6,651,419	5,519,142	5,254,165
All Other Governmental Funds										
Reserved	N/A	0	707,171	246,739	0	400,193	334,670	2,190,254	10,257,922	8,373,535
Unreserved, Reported in:										
Capital Project Funds	N/A	(606,496)	445,575	661,730	19,252	33,294,871	31,805,045	12,265,489	14,305,618	8,366,343
Debt Service Funds	N/A	92,259	92,259	0	0	401,810	568,931	681,420	849,564	1,068,768
Special Revenue Funds	N/A	3,068,705	3,218,498	506,988	(45,440)	(1,332,398)	(476,493)	(532,326)	499,822	772,789
Total all Other Governmental Funds	N/A	\$2,554,468	\$4,463,503	\$1,415,457	(\$26,188)	\$32,764,476	\$32,232,133	\$14,584,837	\$25,912,926	\$18,581,435

Source: District Records

N/A - Information not available

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues:										
Taxes	N/A	\$9,408,354	\$9,757,585	\$9,696,692	\$9,525,767	\$10,983,365	\$12,272,287	\$13,112,188	\$13,002,537	\$13,135,821
Tuition and Fees	N/A	460,982	646,067	656,545	642,918	349,333	438,388	545,451	269,525	317,954
Investment Earnings	N/A	344,143	413,277	410,011	174,936	866,182	655,825	641,432	924,112	1,434,501
Intergovernmental	N/A	16,873,915	17,541,312	18,732,650	20,088,331	20,741,782	26,301,097	28,972,539	50,726,377	52,963,037
Extracurricular Activities	N/A	142,497	151,626	144,258	130,290	122,263	128,222	133,818	212,400	390,997
Charges for Services	N/A	0	0	0	0	0	524,705	0	458,829	397,324
Other Revenues	N/A	131,107	358,212	491,351	219,017	577,477	704,654	891,503	231,264	476,371
Total Revenues	N/A	\$27,360,998	\$28,868,079	\$30,131,507	\$30,781,259	\$33,640,402	\$41,025,178	\$44,296,931	\$65,825,044	\$69,116,005

Source: District Records

N/A - Information not available

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Regular Instruction	N/A	\$9,841,914	\$10,947,752	\$11,067,246	\$11,408,565	\$11,143,502	\$11,669,388	\$12,498,772	\$16,916,648	\$16,975,408
Special Instruction	N/A	4,954,661	4,774,198	5,069,101	5,904,393	6,845,033	8,676,652	8,535,025	4,500,000	4,935,557
Vocational Instruction	N/A	180,911	261,864	183,376	114,182	73,277	68,498	8,128	0	0
Other Instruction	N/A	20,667	18,035	8,075	126,266	46,784	97,987	62,674	520,563	705,963
Pupil	N/A	1,002,577	1,572,363	1,162,475	1,396,115	1,513,542	1,434,751	1,762,939	2,066,939	1,987,776
Instructional Staff	N/A	1,893,523	1,584,653	1,947,678	2,189,437	2,053,022	1,821,391	2,570,799	3,096,595	2,662,647
General Administration	N/A	77,614	63,990	91,779	60,718	115,555	45,032	36,609	45,787	54,335
School Administration	N/A	1,908,427	1,993,284	1,880,467	2,722,191	2,533,275	2,471,079	2,688,950	2,682,576	2,633,351
Fiscal	N/A	518,550	797,468	387,455	521,839	684,529	864,654	703,508	1,044,601	1,479,668
Business	N/A	205,879	394,212	7,018	240,260	223,745	224,818	231,696	241,799	261,524
Operations and Maintenance	N/A	2,789,946	3,712,541	1,337,284	2,308,202	2,250,885	2,394,250	2,595,880	2,929,502	3,022,276
Pupil Transportation	N/A	1,560,122	1,413,453	1,213,203	1,505,163	1,320,799	1,532,190	1,700,623	1,718,858	1,579,059
Central	N/A	866,009	1,283,737	1,154,007	876,302	1,042,194	1,198,833	1,582,291	1,778,091	1,244,990
Operation of Non-Instructional Services	N/A	66,969	18,953	58,150	28,742	154,267	1,797,240	1,894,853	1,812,050	1,988,417
Extracurricular Activities	N/A	457,394	433,215	437,767	416,011	713,357	618,822	607,482	627,603	609,521
Capital Outlay	N/A	46,536	281,721	1,257,758	503,666	2,570,080	12,225,982	19,818,735	12,718,076	32,549,109
Debt Service	N/A	1,094,274	1,144,604	1,141,392	1,187,718	1,313,327	2,783,580	2,943,297	2,981,752	2,982,648
Total Expenditures	N/A	\$27,485,973	\$30,696,043	\$28,404,231	\$31,509,770	\$34,597,173	\$49,925,147	\$60,242,261	\$55,681,440	\$75,672,249
Debt Service as a Percentage of Noncapital Expenditures	N/A	4.44%	4.29%	4.42%	4.14%	4.41%	7.88%	7.78%	7.45%	7.44%

Source: District Records

N/A - Information not available

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Other Financing Sources (Uses)	N/A	\$0	\$0	\$0	\$0	\$35,000,000	\$0	\$0	\$0	\$0
Proceeds of Long Term Debt	N/A	0	1,100,000	900,805	0	0	0	0	0	0
Proceeds of Notes	N/A	0	0	0	371,450	0	0	0	0	0
Proceeds of Capital Leases	N/A	2,196	9,153	656	883	0	594	549	52,207	0
Sale of Capital Assets	N/A	3,345,500	4,113,824	0	315,650	35,185,398	215,000	320,277	205,809	561,051
Transfers In	N/A	(3,345,500)	(4,113,824)	0	(635,650)	(35,734,286)	(215,000)	(320,277)	(205,809)	(1,601,275)
Transfers Out	N/A	2,196	1,109,153	901,461	52,333	34,451,112	594	549	52,207	(1,040,224)
Total Other Financing Sources (Uses)	N/A	(\$122,779)	(\$718,811)	\$2,628,737	(\$676,178)	\$33,494,341	(\$8,899,375)	(\$15,944,781)	\$10,195,811	(\$7,596,468)
Net Change in Fund Balances	N/A	(\$122,779)	(\$718,811)	\$2,628,737	(\$676,178)	\$33,494,341	(\$8,899,375)	(\$15,944,781)	\$10,195,811	(\$7,596,468)

Source: District Records

N/A - Information not available

Trotwood-Madison City School District
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Collection (Calendar) Years (1)
 Schedule 8

Collection Year	Real Property Assessed Value (1)	Tangible Personal Property Assessed Value (1)	Public Utilities Personal Assessed Value (1)	Total Assessed Value (1)	Total Estimated Actual Value	Total Direct Rate
1997	\$204,600,340	\$26,392,499	\$17,268,210	\$248,261,049	\$709,765,362	N/A
1998	205,800,690	28,652,050	16,721,950	251,174,690	721,612,387	N/A
1999	208,856,650	27,039,712	16,267,380	252,163,742	723,377,793	N/A
2000	220,632,420	26,275,809	14,815,900	261,724,129	752,367,829	52.64
2001	220,430,720	24,947,808	13,390,910	258,769,438	744,810,232	52.91
2002	220,961,430	22,837,365	10,706,700	254,505,495	750,138,604	61.05
2003	252,118,370	20,069,465	10,870,750	283,058,585	828,534,150	60.85
2004	251,199,900	20,422,178	10,644,960	282,267,038	826,740,905	60.70
2005	251,503,910	19,182,894	10,647,830	281,334,634	822,659,739	60.06
2006	284,288,750	13,013,167	10,205,470	307,507,387	883,620,249	60.06

Source: Montgomery County Auditor

(1) - 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

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.

N/A - Information not available

Trotwood-Madison City School District
 Direct and Overlapping Property Tax Rates,
 Last Ten Calendar Years
 Schedule 9

Calendar Year	District Direct Rates					Overlapping Rates				
	General Purpose	Debt	Capital Purpose	Classroom Facilities	Total	Montgomery County	City of Trotwood	City of Dayton	Library	MVCTC
1997	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1998	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1999	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2000	49.49	0.00	3.15	0.00	52.64	17.24	11.64	10.00	0.26	2.58
2001	49.76	0.00	3.15	0.00	52.91	17.24	17.39	10.00	0.26	2.58
2002	49.29	8.61	3.15	0.00	61.05	17.24	17.39	10.00	0.26	2.58
2003	49.09	8.61	3.15	0.00	60.85	18.24	17.39	10.00	0.26	2.58
2004	48.94	8.61	3.15	0.00	60.70	18.24	17.39	10.00	1.25	2.58
2005	48.94	8.11	2.51	0.50	60.06	18.24	17.39	10.00	1.25	2.58
2006	48.94	8.11	2.51	0.50	60.06	18.24	17.39	10.00	1.25	2.58

Source: Montgomery County Auditor

N/A - Information not available

Trotwood-Madison City School District
Principal Property Tax Payers,
Current Year and Prior Year (1)
Schedule 10

Taxpayer	2006 (2)	
	Tangible Personal & Real Property	Percentage of Total Assessed Value
Dayton Power and Light Company	\$16,669,790	5.42%
Ohio Bell Telephone Co.	11,185,320	3.64%
Cross Pointe Associates, Inc.	8,052,100	2.62%
Miller Farm Apartments	6,926,300	2.25%
Washington Place Limited	6,506,070	2.12%
Streetplacechase Advisors	5,220,670	1.70%
CVS Partnerships	4,593,100	1.49%
Voss Chevrolet, Inc.	4,126,830	1.34%
Chesapeake Landing	3,963,350	1.29%
United Dominion Realty	3,623,490	1.18%
Total Principal Taxpayers	70,867,020	23.05%
All Other Taxpayers	236,640,367	76.95%
Total All Taxpayers	\$307,507,387	100.00%

Taxpayer	2005 (2)	
	Tangible Personal & Real Property	Percentage of Total Assessed Value
Dayton Power and Light Company	\$16,438,750	5.84%
Ohio Bell Telephone Co.	8,567,360	3.05%
Cross Pointe Associates, Inc.	8,052,120	2.86%
Miller Farm Apartments	7,790,470	2.77%
Voss Chevrolet, Inc.	6,636,970	2.36%
Washington Place Limited	6,506,070	2.31%
Streetplacechase Advisors	5,220,870	1.86%
CVS Partnerships	4,593,100	1.63%
Bob Ross Buick, Inc.	4,406,480	1.57%
Chesapeake Landing	3,953,350	1.41%
Total Principal Taxpayers	72,165,540	25.66%
All Other Taxpayers	209,169,094	74.34%
Total All Taxpayers	\$281,334,634	100.00%

Source: Montgomery County Auditor

(1) - Current and prior year information only available

(2) - Denotes calendar year

Trotwood-Madison City School District
 Property Tax Levies and Collections,
 Last Ten Calendar Years
 Schedule 11

Calendar Year	Taxes Levied for the Calendar Year (1)	Collected within the Calendar Year of the Levy		Delq. Collections in Subsequent Years	Total Collections to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
1997	N/A	N/A	N/A	N/A	N/A	N/A
1998	N/A	N/A	N/A	N/A	N/A	N/A
1999	N/A	N/A	N/A	N/A	N/A	N/A
2000	\$10,971,209	\$10,107,630	92.13%	\$443,833	\$10,551,463	96.17%
2001	10,939,132	9,775,364	89.36%	452,314	10,227,677	93.50%
2002	14,314,900	12,995,093	90.78%	922,714	13,917,807	97.23%
2003	14,024,868	12,898,028	91.97%	1,056,220	13,954,248	99.50%
2004	14,046,517	12,879,481	91.69%	1,129,154	14,008,635	99.73%
2005	14,324,332	13,072,198	91.26%	1,618,147	14,690,345	102.56%
2006	14,364,018	12,707,523	88.47%	1,165,007	13,872,530	96.58%

Source: Montgomery County Auditor

(1) - Taxes levied and collected are presented on a cash basis

(2) - State reimbursements of rollback and homestead exemptions are included

N/A - Information not available

Trotwood-Madison City School District
 Outstanding Debt by Type,
 Last Ten Fiscal Years
 Schedule 12

Fiscal Year	Governmental Activities						Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Tax Anticipation Notes	Total Primary Government				
1998	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
1999	\$1,917,414	\$823,688	\$0	\$2,741,102	0.02%	\$103		
2000	2,329,602	535,165	0	2,864,767	0.02%	104		
2001	2,514,816	227,475	0	2,742,291	0.02%	95		
2002	969,875	0	770,000	1,739,875	0.01%	58		
2003	35,728,375	111,450	590,000	36,429,825	0.22%	1,198		
2004	35,017,827	10,129,000	400,000	45,546,827	0.27%	1,480		
2005	34,191,565	10,046,000	205,000	44,442,565	0.25%	1,399		
2006	33,439,429	9,943,000	0	43,382,429	0.25%	1,350		
2007	33,196,531	9,796,000	0	42,992,531	N/A	N/A		

Source: District Records

N/A - Information not available

Trotwood-Madison City School District
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2007
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Montgomery County	\$29,277,347	2.88%	\$843,188
Clayton City	2,824,999	2.76%	77,970
Dayton City	51,815,000	0.46%	238,349
Trotwood City	16,327,000	82.23%	13,425,692
Miami Valley Regional Transit Authority Misc	7,230,000	2.88%	208,224
Subtotal, Overlapping Debt	107,474,346		14,793,423
District Direct Debt	32,809,987	100.00%	32,809,987
Total Direct and Overlapping Debt	\$140,284,333		\$47,603,410

Source: Ohio Municipal Advisory Council

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

Trotwood-Madison City School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years
 Schedule 14

Legal Debt Margin Calculation for Fiscal Year 2007

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit	N/A	\$22,605,722	\$22,694,737	\$23,555,172	\$23,289,249	\$22,905,495	\$25,475,273	\$25,404,033	\$25,320,117	\$27,675,665
Total Net Debt Applicable to Limit	N/A	325,500	2,329,602	987,500	35,641,000	35,000,000	34,813,000	34,006,500	33,160,000	32,809,987
Legal Debt Margin	N/A	\$22,280,222	\$20,365,135	\$22,567,672	(\$12,351,751)	(\$12,094,505)	(\$9,337,727)	(\$8,602,467)	(\$7,839,883)	(\$5,134,322)
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	N/A	1.44%	10.26%	4.19%	153.04%	152.80%	136.65%	133.86%	130.96%	118.55%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2007 is calendar year 2006)

N/A - Information not available

Trotwood-Madison City School District
 Demographic and Economic Statistics
 Last Ten Calendar Years
 Schedule 15

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (Thousands of Dollars) (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
1997	29,358	\$14,518,795	\$25,517	4.00%
1998	29,358	15,047,037	26,551	4.10%
1999	29,358	15,446,351	27,487	3.90%
2000	27,420	16,167,661	28,949	4.00%
2001	27,420	16,563,468	29,827	4.00%
2002	27,420	16,810,295	30,404	4.30%
2003	27,420	16,984,405	30,784	4.30%
2004	27,420	17,461,179	31,773	4.30%
2005	27,420	17,531,793	32,133	6.10%
2006	27,070	N/A	N/A	6.00%

Sources:

- (1) - Population estimates provided by U.S. Census Bureau
- (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Montgomery County
- (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Montgomery County
- (4) - State of Ohio Bureau of Employment Services, rates for Montgomery County

N/A - Information not available

Trotwood-Madison City School District
Principal Employers (1)
Current Year (2)
Schedule 16

Employers	2006 (3)	
	Employees	Percentage of Total Employment
Wright Patterson Air Force Base	21,000	8.16%
Honda of America, Manufacturing, Inc.	13,000	5.05%
Premier Health Partners	9,000	3.51%
Kettering Medical Center Network	7,000	2.72%
Delphi Corporation	6,000	2.33%
Meijer Inc.	5,025	1.95%
The Reynolds and Reynolds Co.	4,400	1.71%
Montgomery County	4,000	1.55%
General Motors Corporation	4,000	1.55%
Miami University	3,500	1.36%
Total Principal Employers	76,925	29.89%
Total County Employment	257,400	

Source: Montgomery County Chamber of Commerce

(1) - Montgomery County

(2) - Current year information only available

(3) - Best available information

Trotwood-Madison City School District
 Full-Time Equivalent District Employees by Type
 Last Nine Fiscal Years (1)
 Schedule 17

	Fiscal Year								
	1999	2000	2001	2002	2003	2004	2005	2006	2007
Official/Administrative									
Admin. Assistant	0.00	0.00	0.00	1.00	0.00	1.00	1.00	2.00	3.00
Assist. Deputy/Assoc. Superintendent	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00
Assist. Principal	4.00	4.00	4.00	3.00	5.00	5.00	3.00	3.00	3.00
Principals	8.00	8.00	7.00	9.00	12.00	7.00	8.00	7.00	6.00
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Supervising/Managing/Directing	7.00	6.00	6.00	8.00	9.00	5.00	4.00	3.35	4.00
Treasurer	2.00	2.00	1.00	2.00	2.00	1.00	1.00	1.00	1.00
Coordinator	3.00	6.00	7.00	7.00	6.00	7.00	5.00	6.85	7.00
Director	0.00	0.00	0.00	0.00	0.00	4.00	3.00	3.00	2.00
Other Official/Administrative	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00
Total Official/Administrative	25.00	27.00	26.00	33.00	37.00	33.00	28.00	29.20	29.00
Professional - Educational									
Curriculum Specialist	13.00	6.00	6.00	4.00	4.00	6.00	9.00	8.00	5.00
Counseling	5.00	5.00	5.00	7.00	5.00	3.00	5.00	5.00	5.00
Librarian/Media	2.00	1.00	2.00	3.00	3.00	2.00	2.00	2.00	2.00
Remedial Specialist	0.00	0.00	0.00	0.00	0.00	5.48	3.48	0.34	0.34
Regular Teaching	187.48	197.47	213.58	204.48	198.47	157.00	148.00	126.18	137.00
Special Education Teaching	29.00	27.00	25.00	33.00	28.00	7.00	6.00	12.63	10.28
Vocational Education Teaching	2.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
Tutor/Small Group Instructor	5.76	7.96	10.96	11.96	10.20	5.00	5.00	2.36	2.00
Educ. Service Personnel Teacher	12.60	11.50	9.00	10.00	14.00	8.00	16.00	15.10	16.20
Suppl. Service Teacher (Spec. Ed.)	0.00	0.00	0.00	0.00	0.00	26.00	25.00	25.85	27.77
Permanent Substitute	0.00	0.00	0.00	0.00	0.00	2.00	2.00	1.00	0.00
Other Professional	0.00	0.00	0.00	0.00	0.00	5.00	21.00	24.00	18.00
Total Professional - Education	256.84	257.93	273.54	273.44	262.67	226.48	242.48	222.46	223.59
Professional - Other									
Accounting	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Audiologist	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.27	0.06
Auditing	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00
Personnel	0.00	0.00	0.00	1.00	1.00	0.00	0.00	0.00	0.00
Psychologist	3.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	7.00
Publicity Relations	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00
Social Work	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Physical Therapist	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.35	0.00
Speech and Language Therapist	3.42	4.42	4.42	3.42	3.42	6.00	4.00	4.33	4.00
Occupational Therapist	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.13	0.00
Mobility Therapist	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00
Educational Interpreter	0.00	1.00	1.00	1.00	1.00	2.00	2.00	1.00	1.00
Physical Therapy Assistant	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.00
Adapted Physical Education Therapist	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.18	0.00
Total Professional - Other	7.42	10.42	11.42	10.42	12.42	13.00	11.00	12.43	13.06
Technical									
Computer Operating	0.00	0.00	0.00	2.00	2.00	0.00	0.00	0.00	0.00
Practical Nursing	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	0.00
Library Aide	3.00	3.00	5.00	6.00	5.00	5.00	5.00	5.00	4.00
Instructional Paraprofessional	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28.00
Other Technical	0.00	0.00	0.00	0.00	0.00	0.00	11.00	11.00	0.00
Total Technical	3.00	3.00	5.00	8.00	7.00	5.00	17.00	17.00	32.00

Source: State Department of Education

(1) - Only last 9 fiscal years available

Trotwood-Madison City School District
 Full-Time Equivalent District Employees by Type
 Last Nine Fiscal Years (1)
 Schedule 17 (Continued)

	Fiscal Year								
	1999	2000	2001	2002	2003	2004	2005	2006	2007
Office/Clerical									
Bookkeeping	3.00	2.00	2.00	2.00	1.00	1.00	1.00	1.00	1.00
Clerical	26.00	27.00	32.00	33.00	30.00	31.00	30.00	29.00	27.00
Messenger	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Teaching Aide	38.75	38.00	51.00	56.00	52.00	37.00	34.00	37.52	4.00
Telephone Operator	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00
Other Office/Clerical	0.00	1.00	1.00	0.00	2.00	0.00	0.00	0.00	0.00
Total Office/Clerical	<u>68.75</u>	<u>69.00</u>	<u>88.00</u>	<u>92.00</u>	<u>85.00</u>	<u>69.00</u>	<u>65.00</u>	<u>67.52</u>	<u>32.00</u>
Crafts and Trades									
General Maintenance	1.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00
Mechanic	2.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total Crafts and Trades	<u>3.00</u>	<u>5.00</u>	<u>4.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>
Operative									
Vehicle Operator (other than buses)	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vehicle Operator (buses)	23.97	33.42	36.67	30.42	24.42	29.75	28.75	25.75	19.75
Total Operative	<u>24.97</u>	<u>33.42</u>	<u>36.67</u>	<u>30.42</u>	<u>24.42</u>	<u>29.75</u>	<u>28.75</u>	<u>25.75</u>	<u>19.75</u>
Extracurricular/Intracurricular Activities									
Advisor	0.00	0.00	0.00	2.00	2.00	1.00	0.00	0.00	0.00
Coaching	0.00	0.00	0.00	22.00	22.00	12.00	0.00	0.00	0.00
Athletic Trainer	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Extra/Intra - Curricular Activities	0.00	0.00	0.00	7.50	4.50	3.50	0.00	0.00	0.00
Total Extracurricular/Intracurricular Activities	<u>0.00</u>	<u>0.00</u>	<u>1.00</u>	<u>31.50</u>	<u>28.50</u>	<u>16.50</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Service Work/Laborer									
Attendance Officer	2.00	2.00	2.00	2.00	1.00	3.00	2.00	2.00	2.00
Custodian	26.00	27.00	29.00	27.00	27.00	25.00	26.00	25.00	26.00
Food Service	21.50	23.80	22.00	28.80	29.80	24.80	24.80	22.80	20.80
Monitoring	1.00	7.00	4.00	6.00	4.00	3.00	7.00	5.00	6.00
Groundskeeping	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Total Service Work/Laborer	<u>51.50</u>	<u>60.80</u>	<u>58.00</u>	<u>64.80</u>	<u>62.80</u>	<u>56.80</u>	<u>60.80</u>	<u>56.80</u>	<u>56.80</u>
Total Employees	<u>440.48</u>	<u>466.57</u>	<u>503.63</u>	<u>548.58</u>	<u>524.81</u>	<u>454.53</u>	<u>458.03</u>	<u>436.16</u>	<u>411.20</u>

Source: State Department of Education

(1) - Only last 9 fiscal years available

Trotwood-Madison City School District
 Operating Statistics
 Last Ten Fiscal Years
 Schedule 18

Fiscal Year	Enrollment	Operating Expenditure	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
1998	4,165	N/A	\$6,125	N/A	N/A	N/A	N/A	N/A	20.8	23.60%
1999	4,067	\$26,345,163	6,772	10.56%	N/A	N/A	N/A	N/A	18.6	23.00%
2000	3,786	29,269,718	8,130	20.05%	N/A	N/A	N/A	N/A	16.6	53.50%
2001	3,846	26,005,081	7,958	(2.12%)	N/A	N/A	N/A	249	15.4	38.30%
2002	3,854	29,818,386	7,781	(2.22%)	N/A	N/A	N/A	247	15.6	40.10%
2003	3,676	30,713,766	8,465	8.79%	\$32,037,870	\$8,715	8.79%	239	15.4	28.30%
2004	3,466	34,915,585	9,221	8.93%	37,690,573	10,874	8.93%	198	17.5	59.40%
2005	3,268	37,480,229	10,136	9.92%	39,973,380	12,232	9.92%	195	16.8	65.70%
2006	3,307	39,981,612	10,077	(0.58%)	43,975,724	13,298	(0.58%)	180	18.4	60.50%
2007	3,021	40,140,492	11,411	13.24%	44,980,913	14,889	13.24%	180	16.8	81.51%

Source: District Records

N/A - Information not available

Trotwood-Madison City School District
 School Building Information,
 Last Ten Fiscal Years
 Schedule 19

School	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Broadmoor Elementary										
Square Feet	35,282	35,282	35,282	35,282	35,282	35,282	35,282	35,282	35,282	35,282
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	389	341	335	327	320	300	344	304	422	389
Madison Park Elementary										
Square Feet	40,116	40,116	40,116	40,116	40,116	40,116	40,116	40,116	N/A	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	423	493	439	379	426	387	399	383	N/A	N/A
Olivehill Elementary										
Square Feet	32,975	32,975	32,975	32,975	32,975	32,975	N/A	N/A	N/A	N/A
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	311	261	289	269	255	228	N/A	N/A	N/A	N/A
Shilohview Elementary										
Square Feet	41,530	41,530	41,530	41,530	41,530	41,530	41,530	41,530	41,530	41,530
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	443	451	426	440	422	388	365	343	353	318
Townview Elementary										
Square Feet	47,514	47,514	47,514	47,514	47,514	47,514	47,514	47,514	47,514	47,514
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	394	429	363	352	317	286	295	296	352	320
Westbrooke Village Elementary										
Square Feet	34,740	34,740	34,740	34,740	34,740	34,740	34,740	34,740	34,740	34,740
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	391	405	417	409	381	317	308	280	397	343
Trotwood-Madison Middle School										
Square Feet	84,065	84,065	84,065	84,065	84,065	84,065	84,065	84,065	84,065	84,065
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	624	560	576	628	676	635	590	546	620	538
Trotwood-Madison High School										
Square Feet	200,086	200,086	200,086	200,086	200,086	200,086	200,086	200,086	235,823	235,823
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	1,163	1,122	940	1,042	1,026	1,099	1,135	1,087	1,163	1,103

Source: District Records

N/A - Information not available

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Mary Taylor, CPA
Auditor of State

TROTWOOD-MADISON CITY SCHOOL DISTRICT
MONTGOMERY 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
MARCH 11, 2008