

HAMILTON CITY SCHOOL DISTRICT

Single Audit Reports

June 30, 2004



**Auditor of State
Betty Montgomery**

Board of Education
Hamilton City School District
Hamilton, Ohio

We have reviewed the *Independent Auditor's Report* of the Hamilton City School District, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2003 through June 30, 2004. 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 Hamilton City School District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

September 23, 2005

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HAMILTON CITY SCHOOL DISTRICT

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HAMILTON CITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2004

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
(Passed through Ohio Department of Education)				
Nutrition Cluster:				
Food Distribution Program	03-PU	10.550	\$ 203,933	209,835
School Breakfast Program	05-PU	10.553	405,810	397,086
National School Lunch Program	04-PU	10.555	<u>1,447,161</u>	<u>1,447,963</u>
Total U.S. Department of Agriculture			<u>2,056,904</u>	<u>2,054,884</u>
 <u>U.S. Department of Education:</u>				
(Passed through Ohio Department of Education)				
Special Education Cluster:				
Title VI - B Grant	6B-SF	84.027	1,381,195	1,377,614
Preschool Grant	PG-S1	84.173	<u>54,327</u>	<u>43,904</u>
Total Special Education Cluster			<u>1,435,522</u>	<u>1,421,518</u>
Adult and Basic Education	AB-S1	84.002	306,885	501,887
Grants to Local Education Agencies (ESEA Title I)	C1-SD	84.010	2,973,045	3,140,386
Carl D Perkins	20-C1	84.048	253,398	252,828
Emergency Response Crisis Management	N/A	84.184E	53,876	17,876
Safe and Drug Free Community	T4-S1	84.1840C	12,126	37,162
Safe and Drug Free Schools and Community	DR-S1	84.186	73,114	67,349
Education for Homeless Children and Youth	HC-S1	84.196	10,657	10,427
Teaching Traditional History	N/A	84.215	51,508	32,919
Innovative Education Program Strategy - Title VI	C2-S1	84.298	67,721	49,087
Title III - LEP/Immigration	T3-S1	84.365	43,255	50,580
Improving Teacher Quality	TR-S1	84.367	546,479	696,720
Comprehensive School Reform Demonstration	RF-CC	84.332	61,070	68,030
Technology Literacy Challenge Fund Grant	TJ-SL	84.318	<u>349,560</u>	<u>337,539</u>
Total U.S. Department of Education			<u>6,238,216</u>	<u>6,684,308</u>
 <u>Corporation for National and Community Service</u>				
(Passed through the Corporation for National and Community Service)				
Learn and Serve America-School and Community Based Programs	SV-S1	94.004	<u>2,379</u>	<u>1,593</u>
Total Federal Awards			\$ <u>8,297,499</u>	<u>8,740,785</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

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

NOTE C - MATCHING REQUIREMENTS

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

**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***

To the Board of Education
Hamilton City School District:

We have audited the financial statements of the governmental activities, each major fund, and the remaining fund information of the Hamilton City School District as of and for the year ended June 30, 2004, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 15, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 Hamilton City School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted certain immaterial instances of noncompliance which we have reported to the management of the District in a separate letter dated November 15, 2004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hamilton 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which we have reported to the management of the District in a separate letter dated November 15, 2004.

This report is intended solely for the information and use of the Board of Education, management, 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.

Clark, Schaefer, Hackett & Co.

Middletown, Ohio
November 15, 2004

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

To the Board of Education
Hamilton City School District:

Compliance

We have audited the compliance of Hamilton City School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. Hamilton City School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Hamilton City School District's management. Our responsibility is to express an opinion on Hamilton 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Hamilton City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Hamilton City School District's compliance with those requirements.

In our opinion, Hamilton City School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hamilton City School District as of and for the year ended June 30, 2004, and have issued our report thereon dated November 15, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Hamilton City School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, management, 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.

Clark, Schaefer, Hackett & Co.

Middletown, Ohio
November 15, 2004

HAMILTON CITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2004

Section I - Summary of Auditors' Results

Financial Statements

Type of report issued on financial statements:	unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	none
Reportable condition(s) identified not considered to be material weaknesses?	none
Noncompliance material to financial statements noted?	none

Federal Awards

Internal Control over major programs:	
Material weakness(es) identified?	none
Reportable condition(s) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with Circular A-133, Section .510(a)?	no
Identification of major programs:	
ESEA Title I	
Technology Literacy Challenge Fund Grant	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

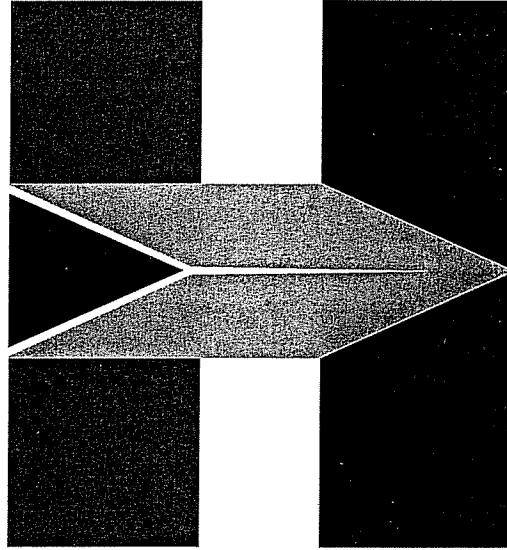
None

HAMILTON CITY SCHOOL DISTRICT

Schedule of Prior Audit Findings

Year Ended June 30, 2004

The prior audit disclosed no instances of noncompliance with requirements of major federal programs. In addition, no reportable conditions or material weaknesses with respect to internal controls over compliance with requirements that could have a direct and material effect on a major federal program were reported in the prior year.



HAMILTON

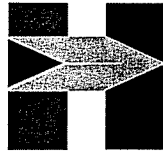
CITY SCHOOL

D I S T R I C T

Hamilton, Ohio

**Comprehensive
Annual Financial Report**

**For the Fiscal Year Ended
June 30, 2004**



HAMILTON
CITY SCHOOL
DISTRICT

BOARD OF EDUCATION



George N. Jonson, Esq.
President



Larry Bowling
Vice-President



Anna Harvey
Member



Lori Lewis
Member



Glenn Stitsinger, D.D.S.
Member



Janet Baker
Superintendent



Robert A. Hancock, C.P.A.
Treasurer

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

HAMILTON CITY SCHOOL DISTRICT

HAMILTON, OHIO

For the Fiscal Year Ended June 30, 2004

BOARD OF EDUCATION

George N. Jonson, Esq.	President
Larry Bowling	Vice-President
Anna Harvey	Member
Lori Lewis	Member
Glenn Stitsinger, D.D.S.	Member

SUPERINTENDENT OF SCHOOLS

Janet Baker

ISSUED BY

TREASURER'S OFFICE

Robert A. Hancock, C.P.A.
Treasurer

INTRODUCTORY SECTION



The Hamilton High School Boys' Basketball Team won the Division I State Championship in 2004. A final record of 25-2 included a 22 game winning streak to close out the season. The community rallied behind the team and truly enjoyed the tournament trail which included wins over three GMC teams.

In Columbus the team recorded a win over Canton McKinley in the semi-finals and completed the journey with an exciting win over Toledo St. John.

Congratulations on a job well done!

**Hamilton City School District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2004**

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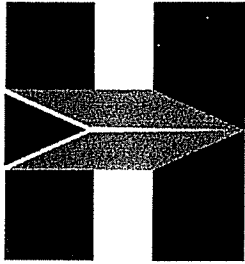
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HAMILTON
CITY SCHOOL
DISTRICT

December 7, 2004

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

The Comprehensive Annual Financial Report (CAFR) of the Hamilton City School District (District) for the fiscal year ended June 30, 2004, is hereby submitted. This report was prepared by the Treasurer's Office, and includes the unqualified opinion of our independent auditors, Clark, Schaefer, Hackett & Co. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The CAFR conforms to generally accepted accounting principles (GAAP) and prepared in conformance with the standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

The CAFR is presented in three sections: introductory, financial, and statistical. The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes the basic financial statements and the combining and individual fund financial statements and schedules, as well as the auditors report on the financial statements and schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

GAAP also require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. The District's MD&A follows the report of the independent auditors.

Copies of this report will be widely distributed throughout the District. A copy will be sent to all school buildings, the Chamber of Commerce, major taxpayers, Lane Public Library, Standard and Poor's financial rating service, banks, the District's business advisory council, and any other interested parties.

This report includes all funds of which the District has fiduciary control. The District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory, and vocational levels; a broad

range of co-curricular and extracurricular activities; adult and community education offerings; special education programs and community recreation facilities.

In addition to providing these general activities, the District acts as fiscal agent for state funds distributed to parochial schools located within the District boundaries. Therefore, in accordance with GASB Statement 24, this fiduciary responsibility is included in the reporting entity as a special revenue fund. The parochial schools served are St. Ann's, St. Joseph, St. Julie Billiart, St. Peter-in-Chains, Immanuel Lutheran, and Stephen T. Badin High School. While these organizations are similar in operations and services provided, each is a separate and distinct entity whose financial statements are not included in this report.

The District's Board of Education also serves as the statutory overseer of the Lane Public Library (the Library). As provided by Ohio law, the Board of Education appoints trustees to the Library and approves the Library's annual tax budget. However, the District is not financially accountable for the activities of the Library. Furthermore, the District has only ministerial approval of the Library's tax budget and can not amend the budget. The trustees are charged with the responsibility of managing the Library's overall operations and the Library is a separate entity for financial reporting. Accordingly, the Library's financial position is not included in this report.

Economic Condition and Outlook

The District services an area of 19.85 square miles. Approximately 98% of the area is in the City of Hamilton. The entire District is located in Butler County, and its boundaries generally correspond with the City of Hamilton, the county seat.

The City of Hamilton is located in southwestern Ohio, midway between Dayton and Cincinnati. It offers an abundant supply of productive resources and proximity to both national and international marketplaces. With nearly two-thirds of the total United States population, income, and manufacturing activity within overnight transportation of the region, Hamilton is considered a prime location for market oriented firms.

The unemployment rate for the city of Hamilton decreased to 6.7% in June 2004, down 0.5% from 7.2% in June 2003 according to the Ohio Bureau of Employment Services. The nation's unadjusted unemployment rate was 5.8% for June 2004. The unadjusted unemployment rate for the state of Ohio in June 2004 was 6.1%. Employment in the state of Ohio was 5,564,800 in June 2004.

Hamilton's largest manufacturing industry is paper. The second largest industry is services due to the location of the Butler County Administrative Offices located in downtown Hamilton.

The District and Its Facilities

The District's enrollment has been slightly decreasing over the past several years. This year marks the eighth consecutive year that the District's enrollment has decreased. The District had an enrollment of 9,297 students compared to 9,192 students for the fiscal year that ended June 30, 2003.

The District's facilities include 14 neighborhood elementary schools, 3 junior high schools grades (7-9), 1 comprehensive high school grades (10-12), 1 alternative school, maintenance building, transportation facility, central food service warehouse, central office, and several sports fields.

Organization of the District

The Board of Education of the Hamilton City School District (the Board) is a five 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 other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars, and approves the annual appropriation resolution and tax budget.

The Board members represent a cross section of professions found in Hamilton. The Board members on June 30, 2004 were as follows:

<u>Board Member</u>	<u>Service as a Board Member</u>		<u>Profession</u>
	<u>Began</u>	<u>Expires</u>	
George N. Jonson, Esq., President	01/01/82	12/31/05	Lawyer
Larry Bowling, Vice-President	01/01/88	12/31/07	Insurance Agent
Anna Harvey	01/01/02	12/31/05	Customer Service Representative
Lori Lewis	01/01/04	12/31/07	Preschool Teacher
Glenn Stitsinger, D.D.S.	01/01/86	12/31/05	Dentist

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all education and support operations. Mrs. Janet Baker was appointed Superintendent on June 16, 1992. Mrs. Baker has been in the education profession for 34 years; 3 years as a teacher, and 31 years in administration. Mrs. Baker has a BS in Education from Miami University and a ME from Eastern Kentucky University, and has taken several semester hours of education beyond a master's degree.

The Treasurer is the chief financial officer of the District, responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets, and investing idle funds as specified by Ohio Law. Mr. Robert A. Hancock, CPA was appointed Treasurer on October 11, 1993. Mr. Hancock, a Certified Public Accountant, has been in the government finance profession for 20 years; 4 years in the government auditing profession, and 16 years as a school district treasurer. Mr. Hancock has a BA in Accounting and a BA in Business from Bluffton College.

Employee Relations

The District currently has approximately 1,119 full-time and part-time employees. There are five organizations representing District employees. During 2002, the Board successfully concluded negotiations with all five labor organizations on two year agreements for wages and fringe benefits. Wage agreements reached for the two year period through June 30, 2004 or July 31, 2004, as applicable, included increases of 5.0% per year.

The District's administrators are represented by the Hamilton City Organization of School Administrators and Supervisors (HCOSAS). District teachers and educational specialists are represented for collective bargaining purposes by the Hamilton Classroom Teachers Association (HCTA). Classified employees are represented by three bargaining units depending on the position held with the District. They are as follows:

- The District's bus drivers are represented by the Ohio Association of Public School Employees Chapter 711 (OAPSE 711).
- The District's clerical staff are represented by the Ohio Association of Public School Employees Chapter 151 (OAPSE 151).
- The District's maintenance and food service employees are represented by the American Federation of State, Municipal, and County Employees (AFSCME 468).

Services Provided

The District provides a wide variety of educational and support services as mandated by the Ohio Revised Code or Board directives. The District's fleet of buses provides transportation services to public and parochial students. Many of the District's students walk to school due to the proximity of neighborhood schools to student population centers.

The food service department serves meals daily at the District's seventeen school lunchrooms. The District's food service department also operates a central warehouse for federal commodities and bulk purchase food items.

In addition to transportation and school lunch support services offered to children in the District, students also receive guidance, psychological, and health services free of charge. The guidance services are designed to help a student match their natural skills with vocational and/or academic programs to help them achieve their full potential in life. Psychological services offer a wide variety of help to students ranging from early developmentally handicapped identification to drug and behavior counseling. Health services provide limited medical services free of charge to many of Hamilton's youths who otherwise would be unable to have access to these basic needs.

At the center of the District's services are the instructional programs. The District offers regular instructional programs daily to students in grades kindergarten through twelve. The District serves students with an interest in specific trades through vocational education. Children who need individual instruction, who are physically or mentally handicapped, or who are academically gifted are also served by the District. These students receive services through the wide array of special education programs offered in the District.

Programs are also offered to adults in the community through the adult education and adult basic education programs. These programs are designed to offer continuing education to non traditional students and to help adults obtain a high school diploma.

Finally, there are several academic and athletic programs, which students can participate in to provide a number of enriching experiences. Many lessons and activities provide a lifetime of memories to Hamilton's students.

Major Initiative and Events – FY 2004

District Receives Telly Award

The Hamilton City School District received a Telly Award for the District video of “Hamilton City Schools: Getting Better and Better School Update 2002.” The District created the original script and video footage and AVID Digital Communications produced the video which highlighted the many accomplishments of the District and last year’s visit by President Bush.

21st Century Community Learning Grant Provides \$1.4 Million

The District partnered with the Fitton Center for Creative Arts; Lifespan, Inc.; and the Hamilton Living Water Ministry to bring programs that arts related for students at Jefferson and Madison Elementary schools. There are also programs for adults whose children attend the schools. This grant will provide \$1.4 million over a five-year period.

Garfield Junior High School Undergoes Major Renovations to Become Garfield Middle School

Work was completed at Garfield Junior High School at the beginning of the 2003-04 school year. The total renovation was done in five phases as it received all new wiring, new ceilings and floors, new lockers, new student and teacher desks and furniture, as well as state-of-the-art science rooms and media center. Funds from the 1999 bond issue enabled the District to update this 45-year old building as its transform into a middle school (grades 7 and 8) for the 2004 school year when the Hamilton Freshman School is completed. An official Open House was held on October 27, 2003 for the community to tour the renovated building.

State Superintendent Visits District

Dr. Susan Tave Zelman visited the District to praise educators for their commitment to academic content standards. Zelman toured several schools, spoke at the Hamilton Rotary Luncheon, and spoke at a roundtable meeting with parents, business leaders, and community members. The Superintendent deemed the District “terrific”, commenting on teachers who are teaching and the understanding of the alignment between what they are teaching and the state standards.

Professional Development Grant Enables Teachers to Learn More About American History

In partnerships with Miami University-Hamilton, The Michael J. Colligan History Project, and Lane Library, the District received \$731,631 for a program to help improve teachers’ knowledge of American History. As one of only 114 school districts in the nation to receive this opportunity, this three-year grant enables teachers to attend summer institutes and seminars to refine their knowledge of American History and to bring them up-to-date on current classroom instructional practices.

Harry T. Wilks: Hamilton Celebrates Education

Local businessman and avid supporter of education, Harry T. Wilks, initiated a Hamilton Celebrates Education program in which educator Robin Michael, physical education teacher at Monroe Elementary, was named Educator of the Year. Michael, along with four other finalists, were honored at a dinner where education was celebrated as a community priority.

Hamilton High School Phase II Opens

Hamilton High School underwent more renovations and a Fine Arts addition as it boasted new band and orchestra rooms, renovated art classrooms, a new drama classroom, and unique interior and exterior art galleries. The District hosted a Business After Hours in conjunction with the Greater Hamilton Chamber of Commerce and hundreds of community members enjoyed special musical performances and art work.

ArtRageous: A Performing and Visual Arts Extravaganza

Over 3,000 proud parents, family, and community members visited the all-day ArtRageous event that highlighted the Fine Arts programs in the Hamilton City Schools. Bands, choirs, dramas, dancing, and artwork were in abundance as each school in the District showcased its student's artistic talents.

Hamilton High School Athletes Win State and National Honors

The Hamilton High School boy's basketball team won the state championship in Columbus hours after the Hamilton High School cheerleading squad won a national title in Florida. Both teams represented their school and community well, and the District salutes their achievements.

Building Continues on Hamilton Freshman School

The first new school in the District in 45 years continued to be built during the 2003-2004 school year. The Hamilton Freshman School (housing student in grade 9) opened in the Fall 2004 as Garfield and Wilson will become middle schools (housing students in grades 7 and 8). The Hamilton community was excited to drive on Northwest Washington Boulevard and see the building being constructed before their eyes. Not only will the school have outstanding aesthetics, but more importantly, it was designed with the students in mind.

George Washington Junior High Transitions into Education Center

George Washington celebrated 50 years of Eagle Pride by providing quality education to its students. It will become an Education Center in 2004 when the new Hamilton Freshman School opens and Garfield and Wilson become middle schools. The George Washington Education Center will house several alternative programs, adult education programs, and other programs that support the education of the Hamilton community.

No Child Left Behind Sculpture Plaza Unveiled

Through the generous donation of the Carruthers family, a magnificent nine-figure life size bronze and granite sculpture plaza was unveiled in front of the Hamilton High School. This beautiful piece of artwork was commissioned to commemorate President George W. Bush's signing of the No Child Left Behind Education Bill that was signed at Hamilton High School in January 2002. U.S. Secretary of Education Rod Paige and U.S. Representative John Boehner were on hand for the ceremony.

Major Initiatives for the Future

Academic Progress

The Hamilton City School District is committed to continue its academic success for all students. Each school creates its own Continuous Improvement Plan which drives the academic focus for that school. Professional Development training for staff members continues to enhance student learning as well. Over 2,500 staff members participated in staff development and in-services during the 2003-2004 school year, with many trainings being led by our own staff members.

School Facilities

The District is very excited about the total renovation of Garfield Junior High School which will be transformed into a true middle school for the 2004-2005 school year when the new Freshman School will open. As the first new school construction in 45 years, the community should take pride in this new, state-of-the-art facility that will better prepare our students for the world of work in the 21st century.

The District will continue to work with the Ohio School Facilities Commission to ensure that all new elementary schools will replace our aging 14 elementary schools that range from 45 to close to 100 years old.

Financial Information

The District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing accounting entity. Records for general governmental operations are maintained on a cash basis system of accounting as prescribed by the Auditor of State. Cash basis accounting differs from generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). The Board approved a conversion to GAAP for financial reporting beginning with the 1990 fiscal year.

Internal Controls

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

Single Audit Act

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

As part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2004 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

The District maintains its accounts, appropriations and other financial records in accordance with the procedures established and prescribed by the Auditor of State. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. Activities of all funds are included in the annual appropriation resolution. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level. The District also maintains an encumbrance accounting system to assist in budgetary control. Unencumbered appropriations lapse at year-end. Encumbered amounts at year-end are carried forward to succeeding years and not re-appropriated. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

In order to comply with Ohio budgetary law, the School District amends the appropriations during the last week of the fiscal year. Since little or no financial transactions are completed after this amendment, the budget versus actual variance is typically insignificant. Amendments are properly approved in accordance with Ohio law.

Other Information

Awards:

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Hamilton City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ASBO Certificate of Excellence

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence on Financial Reporting for the fiscal year ended June 30, 2003 to the District. This is the 11th consecutive year the District has received this award. This award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003 substantially conforms to the principles and standards financial reporting as recommended and adopted by the Association of School Business

Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. Management believes the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004, which will be submitted to ASBO for review, will again conform to ASBO's principles and standards as well.

Independent Audit

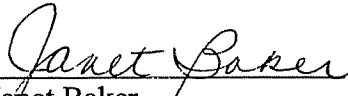
State statutes require an annual audit by independent accountants or the State Auditor's Office. Clark, Schaefer, Hackett & Co. conducted the District's 2004 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act as amended in 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

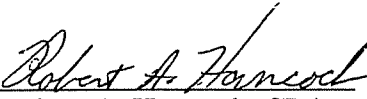
Acknowledgments

The preparation and publication of this report on a timely basis could not have been possible without the cooperation of the entire Treasurer's Office. A special note of appreciation is extended to the District's Accountant, Mark Schiel, for his individual efforts in preparing this report.

And finally, this report would not have been possible without the support and interest of the Board. Without their leadership and commitment to excellence this report would not be possible.

Sincerely,


Janet Baker
Superintendent


Robert A. Hancock, CPA
Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to
Hamilton City School District,
Ohio

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

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.



Nancy L. Ziehl

President

Jeffrey R. Enow

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

HAMILTON CITY SCHOOL DISTRICT

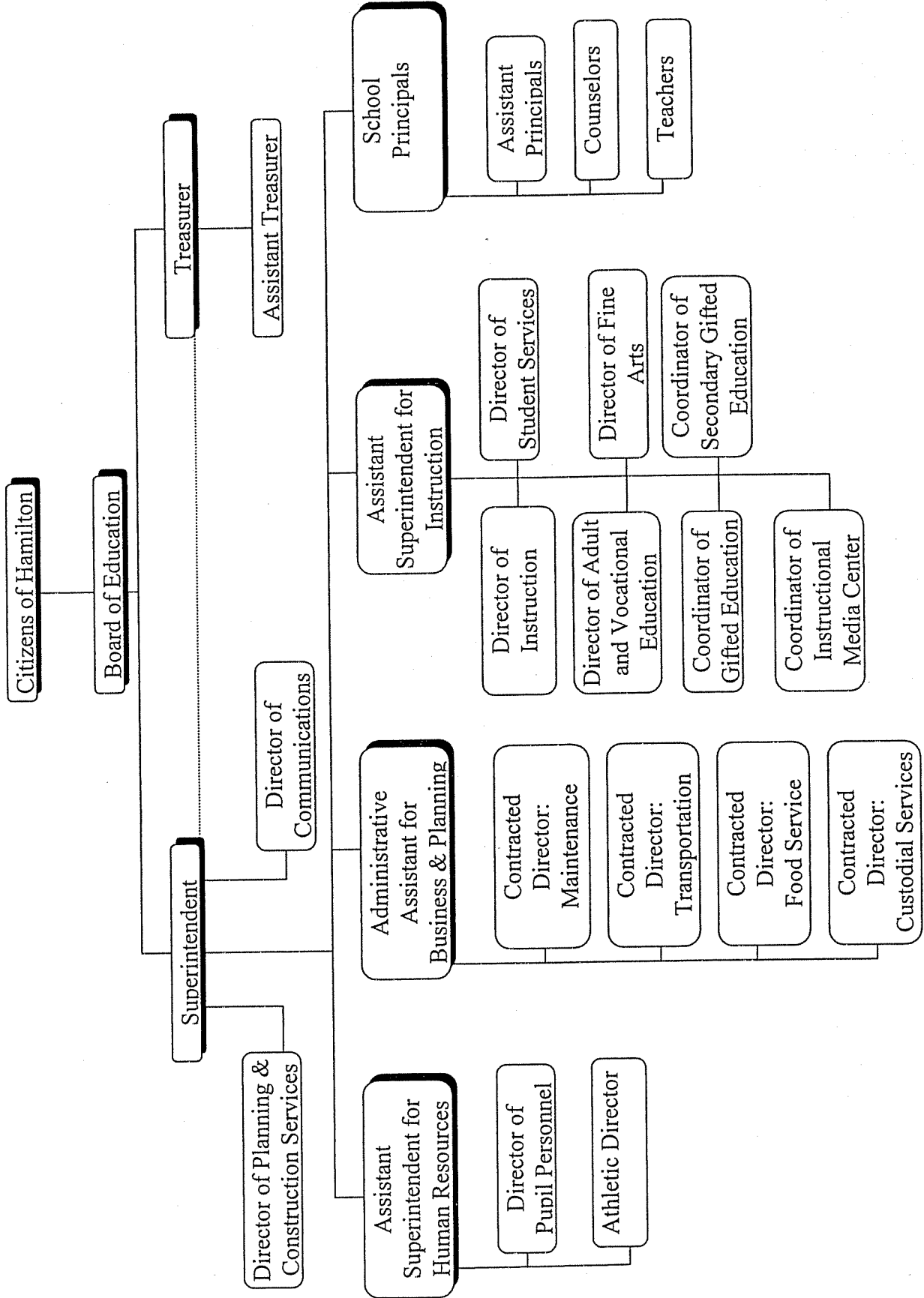
For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2003

Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

William R. Hall
President

Emmie W. Keller
Executive Director

Hamilton City School District Organizational Chart



**Hamilton City School District
Appointed Officials**

Official	Title
Mrs. Janet Baker	Superintendent
Mr. Robert A. Hancock, CPA	Treasurer
Mrs. Barbara Fuerbacher	Assistant Superintendent of Instruction
Dr. Everett Mann	Administrative Assistant of Business and Planning and State and Federal Programs
Mrs. Kathy Leist	Administrative Assistant for Human Resources
Mr. Jim Boerke	Director of Planning and Construction Services
Mrs. Joni Copas	Director of Communications
Mrs. Kathleen Donoff	Director of Pupil Personnel
Mrs. Joan Avery	Director of Instruction
Mrs. Judy Carnes	Director of Student Services
Mr. Herbert Dietz	Director of Adult and Vocational Education
Mr. Laurin Sprague	Director of Fine Arts
Mr. Mike Burns	Director of Custodial Services
Mr. Lee Wallace	Director of Maintenance
Mrs. Beverly Martin	Director of Transportation
Ms. Cinde Gorbandt	Director of Food Service
Mr. Randall Bertram	Assistant Treasurer
Mr. John Ross	Athletic Director
Mr. Clair Brustkern	Coordinator of Instructional Media Center
Mrs. Sue Clover	Coordinator of Gifted Education
Mrs. Joanie Schumacher	Coordinator of Secondary Gifted Education

**Hamilton City School District
Consultants and Advisors
For the Fiscal Year Ended June 30, 2004**

Architect

Steed-Hammond-Paul
82 Williams Avenue
Hamilton, Ohio 45011

Independent Auditor

Clark, Schaefer, Hackett, & Co.
160 N. Briel Blvd
Middletown, Ohio 45042

Legal Council

Ennis, Roberts, & Fischer
Attorneys at Law
121 West Ninth Street
Cincinnati, Ohio 45202

Official Depositories

Fifth Third Bank
Third and High Streets
Hamilton, Ohio 45011

Lebanon Citizen National Bank
794 NW Washington Boulevard
Hamilton, Ohio 45013

Health Insurance - 3rd Party Administrator

J. F. Molloy & Associates, Inc.
8909 Purdue Road, Suite 100
Indianapolis, Indiana 46268

Bond Council

Peck, Shaffer, & Williams
201 E. Fifth Street, Suite 900
Cincinnati, Ohio 45202

Investment Counselor

Seasongood & Mayer
414 Walnut Street
Cincinnati, Ohio 45202

Scheper & McGowan
2 South Third Street
Hamilton, Ohio 45011

First Financial Bank
Third and High Streets
Hamilton, Ohio 45011

State Treasury Asset Reserve of Ohio
1228 Euclid Avenue
Cleveland, Ohio 44115

FINANCIAL SECTION



The Hamilton Freshman School opened on September 7, 2004 on time and under budget. This is the first new school facility in the City of Hamilton in over 45 years. Situated on 30 acres and slightly elevated from N.W. Washington Boulevard this campus provides an ideal learning environment for all Hamilton Freshmen as they prepare to enter Hamilton High School as Sophomores.



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Hamilton City School District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hamilton City School District, as of and for the year ended June 30, 2004, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hamilton City School District, as of June 30, 2004, and the respective changes in financial position thereof for the 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 November 15, 2004, on our consideration of Hamilton City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 3 through 12 and 48 through 52, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and 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 financial statements 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.

Clark, Schaefer, Hackel & Co.

Middletown, Ohio
November 15, 2004

HAMILTON CITY SCHOOL DISTRICT

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2004 Unaudited

Management's discussion and analysis of the Hamilton City School District's financial performance provide an overview of the District's financial activities for the fiscal year ended June 30, 2004. The purpose of this discussion and analysis is to look at the District's financial performance as a whole. The transmittal letter and notes to the financial statements will also enhance your understanding of the District's financial statements.

Using this Comprehensive Annual Financial Report

This report is a series of financial statements and notes to those financial statements. The statements are organized in a manner than enhances the reader's understanding of the District's financial condition as a whole. The report then continues to provide increasingly detailed financial information about specific financial activities for those readers that desire more in depth information.

Financial Highlights

- Total program expenses were \$82.8 million during FY 2004 compared to \$80.3 million in FY 2003, an increase of 3.0 percent.
- Total non-instructional service expenses were \$4.5 million during FY 2004 (including food service operations) compared to \$4.6 million during FY 2003, a decrease of 0.1 percent.
- Total operating grants and contributions were \$16.0 million during FY 2004 compared to \$13.3 million in FY 2003, an increase of 20.6 percent.
- The District decreased its outstanding bonded debt \$1,125,000 in FY 2004. Total outstanding bonded debt as of the fiscal year ended June 30, 2004 is \$42,765,000.

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in

HAMILTON CITY SCHOOL DISTRICT

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2004 Unaudited

net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of associated costs through users fees and charges (business-type activities). The governmental activities of the District include instruction, support services, administration, operation and maintenance of plant, and extracurricular activities. The District does not have any business-type activities.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. The Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District accounts for its activities using many individual governmental funds. The most significant funds, known as major funds, are reported in separate columns in the governmental fund financial statements. These statements provide detailed information about the individual major funds – unlike the government-wide financial statements, which report on the District as a whole. The District's major funds include the following: General Fund, Debt Service Fund, Permanent Improvement Fund, and Building Program Fund. Data for the other governmental funds are combined in a single aggregated column.

HAMILTON CITY SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit 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 programs.

Notes to the Financial Statements – The notes to the financial statements provide additional information that is essential to understanding the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

A. Net Assets at Fiscal Year End

The following table presents a condensed summary of the District's overall financial position at the fiscal year ended June 30, 2003 and June 30, 2004.

	FY 2003	FY 2004
	Governmental	Governmental
	Activities	Activities
	(In Millions)	(In Millions)
Assets:		
Current and Other Assets	\$69.1	\$55.9
Capital Assets	54.8	71.6
Total Assets	<u>123.9</u>	<u>127.5</u>
Liabilities:		
Long-Term Liabilities	49.8	48.8
Other Liabilities	44.7	43.8
Total Liabilities	<u>94.5</u>	<u>92.6</u>
Net Assets:		
Invested in Capital Assets, Net of Debt	24.1	27.7
Restricted	24.2	10.2
Unrestricted	<u>(18.9)</u>	<u>(3.0)</u>
Total Net Assets	<u>\$29.4</u>	<u>\$34.9</u>

Current and other assets represent \$55.9 million in FY 2004 compared to \$69.1 million in FY 2003, a decrease of 19.1 percent. Capital assets represent \$71.6 million in FY 2004 compared to \$54.8 million in FY 2003, an increase of 30.7 percent. The decrease in current and other assets has a direct correlation to the increase in capital assets. As the District finalized phases of the construction project, it decreased cash and increased capital assets. Total assets increased 3.0 percent in FY 2004 compared to total assets in FY 2003.

HAMILTON CITY SCHOOL DISTRICT

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2004 Unaudited

The District continues to make progress in reducing its long-term liabilities (a decrease of \$1.0 million, 2.0 percent). In addition, the District's other liabilities decreased during FY 2004 by \$900,000 (or 2.0 percent). The District's total liabilities decrease \$1.9 million or 2.0 percent during FY 2004.

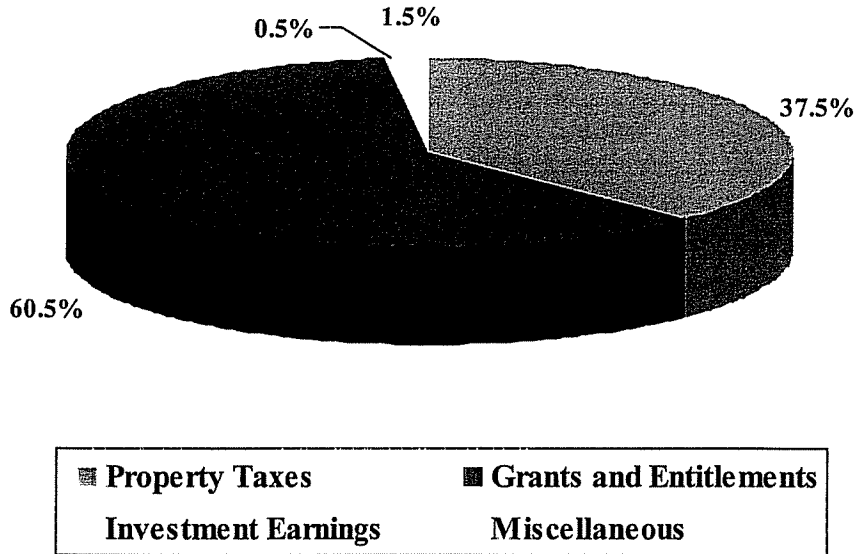
Investments in capital assets represent 79.4 percent of the District's net assets. Capital assets are used primarily to provide educational services to the community and the value of net capital assets is not available for future spending. The District has \$10.2 million (or 29.2 percent) of its net assets reserved for specific purposes primarily related to the construction projects in progress as of the fiscal year ended June 30, 2004. Unrestricted net assets could be used for additional educational needs in future periods, but the District currently has -\$3.0 million or -8.6 percent of net assets in this category.

B. Governmental Activities during FY 2004

	FY 2003 Governmental Activities	FY 2004 Governmental Activities
Revenues:		
Program Revenues:		
Charges for Services and Sales	\$1,339,749	\$1,308,912
Operating Grants and Contributions	13,272,717	16,000,711
Capital Grants and Contributions	247,906	437,951
Total Program Revenues	<u>14,860,372</u>	<u>17,747,574</u>
General Revenues:		
Property Taxes	23,177,182	26,632,703
Grants and Entitlements	39,133,820	43,009,165
Investment Earnings	737,714	380,186
Miscellaneous	1,452,341	1,041,295
Total General Revenues	<u>64,501,057</u>	<u>71,063,349</u>
Total Revenues	<u>79,361,429</u>	<u>88,810,923</u>
Expenses:		
Instruction	43,363,494	46,846,358
Support Services	28,743,071	28,173,326
Food Service Operations	3,141,280	3,571,263
Community Services	1,429,486	965,264
Extracurricular Activities	1,075,436	1,354,904
Intergovernmental	37,000	-
Interest on Long-Term Debt	2,533,498	2,427,672
Total Expenses	<u>80,323,265</u>	<u>83,338,787</u>
Change in Net Assets	<u>\$(961,836)</u>	<u>\$5,472,136</u>

HAMILTON CITY SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

General Revenue Sources



Program revenues account for \$17.7 million or 20.0 percent of the District's total revenues. This is primarily due to the Districts' aggressive approach to seeking grant funding which totaled \$16.4 million, an increase of 21.6 percent when compared to total grant funding in FY 2003. The increase in program revenues was aided by a \$300,000 increase in miscellaneous state grants; a \$285,000 increase in Title VI-B funding; a \$1.2 million increase in Title I funding; a \$600,000 increase in food service funding. The District also received several new sources of grants and entitlements funding during FY 2004 which were not received in FY 2003.

The major components of general revenues are property taxes (\$26.6 million or 37.5 percent) and grants and entitlements (\$43.0 million or 60.5 percent). The District's property tax revenue increased \$3.5 million or 15.0 percent in FY 2004 when compared to total property tax revenues received during FY 2004. However, this is due to accounting for delinquent property taxes which have not been received by the District, in accordance with the full-accrual method of accounting. Investment earnings continue to suffer due to low interest rates. Miscellaneous revenues were down \$411,000 in FY 2004, primarily due to unforeseen fluctuations. The District's reliance on grants and entitlements funding increased in FY 2004 by \$3.9 million, an increase of 10.0 percent when compared to the District total grants and entitlements funding received during FY 2003.

The following table presents the total cost of each of the District's primary services and the comparative net cost after deducting the revenues generated by each function.

HAMILTON CITY SCHOOL DISTRICT

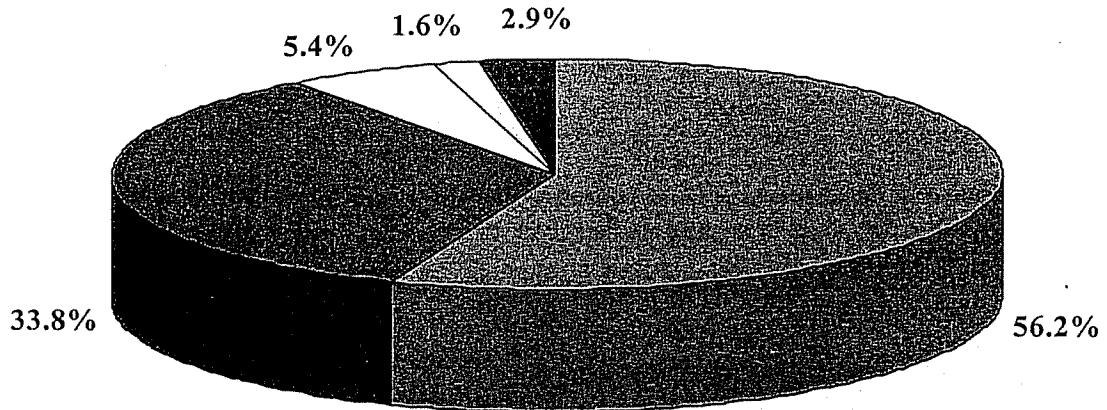
Management's Discussion & Analysis
 For the Fiscal Year Ended June 30, 2004
 Unaudited

Governmental Activities

	<u>Total Cost of Services</u>	<u>Program Revenue</u>	<u>Revenue as a % of Total Cost</u>	<u>Net Cost of Service</u>
Instruction	\$46,846,358	\$8,068,593	17.2%	\$38,777,765
Support Services	28,173,326	4,918,845	17.5%	23,254,481
Non-Instructional Services	4,536,527	4,760,136	104.9%	(223,609)
Extracurricular Activities	1,354,904	-	0.0%	1,354,904
Interest on Long-Term Debt	2,427,672	-	0.0%	2,427,672
Totals	<u>\$83,338,787</u>	<u>\$17,747,574</u>	<u>21.3%</u>	<u>\$65,591,213</u>

Source: Statement of Activities

Cost of Services by Category



Instruction	Support Services
Non-Instructional Services	Extracurricular Activities
Interest on Long-Term Debt	

HAMILTON CITY SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

During FY 2004, total instruction costs increased \$3.5 million (or 8.0 percent) as a result of annual salary increases and cost-of-doing business increases. However, the District's support services costs decreased \$569,745 (or 2.0 percent) in FY 2004. Total expenses during FY 2004 increased \$3.0 million (or 3.7 percent) compared to FY 2003 expenses. As stated above, this is primarily due to annual salary increases and cost-of-doing business increases. While costs of services increased by 3.7 percent during FY 2004, the previously stated increase in program revenues during FY 2004 resulted in a \$410,000 reduction in net cost of services.

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

Governmental Funds

The District's governmental funds (as presented on the Balance Sheet) reported a combined fund balance of \$9.1 million. The unreserved fund balance can be a useful tool in measuring the District's net resources available for expenditure at the end of the fiscal year. The District has four major governmental funds. The vast majority (\$6.7 million) of net resources available at fiscal year end are associated with the ongoing building program for which spending priorities have been established.

General Fund

Equity in pooled cash and investments stands at \$8.4 million as of the fiscal year ended June 30, 2004 as compared to \$8.3 million as of the fiscal year ended June 30, 2003. Taxes receivable of \$24.1 million represents one year's estimated annual tax receipts due to the fact that the District collects tax revenues one year in arrears. Taxes receivable for FY 2004 represents a \$2.1 million increase (or 9.5 percent) compared to FY 2003 and are offset with deferred revenue for that portion not intended to finance current operations.

Accrued wages and benefits quantify the dollar value of wages and benefits earned but not received as of June 30, 2004. This is primarily due to teaching personnel that conclude their contractual obligations in early June but are paid on a 26-pay cycle that does not begin until September. Encumbrances represent order for goods and services placed on or before June 30, 2004 that were not received and or paid for by June 30, 2004. The General Fund balance for the fiscal year ended June 30, 2004 was \$687,658, an increase of \$330,548 (or 92.6 percent) compared to the fiscal year ended June 30, 2003.

Debt Service Fund

All bonded debt is required to be retired through the Debt Service Fund. Proceeds from the 4.4-mil bond issued passed in May 1999 are deposited in the Debt Service Fund and payments per the District's amortization schedule are made from the Debt Service Fund, as required. In FY 2004, the District received \$4.3 million in debt service revenue and expended \$4.5 million, primarily in principal and interest payments on bonded debt.

HAMILTON CITY SCHOOL DISTRICT

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2004 Unaudited

Permanent Improvement Fund

The Permanent Improvement Fund accounts for interest earnings on bonds issued in May 1999 and the revenue generated from three inside mills. Annual revenue was \$2.9 million in FY 2004 while total expenditures were \$4.5 million. Expenditures in the Permanent Improvement Fund are for items which have a useful life of at least five years. The District anticipates the majority of the remaining fund balance to be used in its current construction projects.

Building Program Fund

The Building Program Fund contains the proceeds of the \$45 million bonded debt issued in May 1999. The District had expenditures of \$13.2 million in the Building Program Fund during FY 2004. It is anticipated that the remaining fund balance of \$851,027 will be used in the District's current construction projects during FY 2005.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared in accordance to Ohio law and is based on the cash basis of accounting. The most significant budgeted fund is the General Fund. The District's beginning and final budgeted expenditures for FY 2004 were \$61.6 million. However, the District's actual expenditures were \$60.3 million, \$1.3 million less than budgeted.

The District uses the five-year forecast as the original budget document. Upon updating the financial forecast for changes in revenue and expenditure assumptions, the school appropriation process starts with the preparation of building budgets which are based on equal amounts per pupil. The District adds departmental budgets which are based on program needs. Current operating costs including salaries, fringe benefits, utilities, etc. are combined to arrive at final appropriations. The appropriations must fall within the confines of the financial resources that the District has included in its financial forecast.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of the fiscal year ended June 30, 2004, the District had \$71.6 million in capital assets, net of depreciation. Acquisitions for governmental activities totaled \$18.8 million and while annual depreciation was \$2.0 million. The majority of the District's acquisitions were the result of the District's continued progress on its facilities master plan. For more detailed information regarding capital assets, please see Note 6 of the notes to the financial statements.

Debt Administration

A summary of long-term debt obligations can be found in Note 7 of the notes to the financial statements.

HAMILTON CITY SCHOOL DISTRICT

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2004 Unaudited

In 1999, the District passed a 4.4-mil bond issue that raised \$45.0 million for additions, renovations, and new construction. As of the fiscal year ended June 30, 2004, the District had \$42,765,000 in outstanding bonds with \$1,140,000 of that amount due in one year. The District's overall legal debt margin is \$37.2 million for the fiscal year ended June 30, 2004.

The projects completed or in process for the fiscal year ended June 30, 2004 includes the following:

- Garfield Junior High – Complete Renovations;
- Phase II Additions and Renovations to Hamilton High School;
- New Freshman School; and
- Job Development Center Cosmetology lab.

For more detailed information regarding debt administration, please see Note 7 of the notes to the financial statements.

ECONOMIC FACTORS

Like most districts in Ohio, the District's biggest general operating financial challenge is state funding for K-12 schools. The school funding lawsuit for all practical purposes has come to a conclusion. Future increases in state funding will be dependent upon the State of Ohio's financial condition. The District has planned for very modest increases of 2.2 percent per year in the per pupil allocation.

Other Economic Factors:

- The District is in its 12th year since a new operating levy was passed. While the District administration and the Board of Education are committed to making our financial resources stretch as far as possible, the level of future increases from the State of Ohio will dictate when the District needs the next operating levy.
- The District has experienced a slight yet steady decline in student population for the last ten years, through the fiscal year ended June 30, 2004. Future enrollment estimates have the District maintaining the current enrollment level.
- The primary resources in providing a quality educational program are the people needed to deliver the education.

HAMILTON CITY SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2004
Unaudited

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Should you have any questions about this report or need additional financial information, please contact Robert A. Hancock, CPA, treasurer of Hamilton City School District at the following address.

Hamilton City School District
Attention: Robert A. Hancock, Treasurer
533 Dayton Street
Hamilton, OH 45013

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Hamilton City School District
Statement of Net Assets
For the Fiscal Year Ended June 30, 2004

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Investments	\$ 20,353,537
Receivables (Net of Allowances for Uncollectibles):	
Taxes	33,838,295
Accounts	341,377
Accrued Interest	35,186
Intergovernmental	1,240,944
Prepayments	28,705
Materials and Supplies Inventory	16,612
Non-Depreciable Capital Assets	25,994,845
Depreciable Capital Assets (Net)	45,623,228
Total Assets	<u>\$ 127,472,729</u>
Liabilities:	
Accounts Payable	\$ 1,126,167
Contracts Payable	558,891
Accrued Wages and Benefits	11,194,197
Retainage Payable	449,939
Due to Other Governments	967,992
Unearned Revenue	29,272,847
Accrued Interest Payable	194,127
Non-Current Liabilities:	
Due in One Year	1,565,679
Due in More Than One Year	47,275,958
Total Liabilities	<u>\$ 92,605,797</u>
Fund Balances:	
Invested in Capital Assets (Net of Related Debt)	\$ 27,730,752
Restricted For:	
Debt Service	1,122,296
Capital Projects	7,279,424
Other Purposes	1,722,870
Unrestricted	(2,988,410)
Net Assets	<u>\$ 34,866,932</u>

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

Hamilton City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2004

	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$35,284,622	\$ 65,574	\$ 3,040,077	\$ 402,000	\$(31,776,971)
Special	8,501,075	-	3,947,994	-	(4,553,081)
Vocational	1,894,796	5,399	124,969	-	(1,764,428)
Adult/Continuing	260,044	13,468	469,112	-	222,536
Other	905,821	-	-	-	(905,821)
Support Services:					
Pupils	5,578,225	-	1,647,193	35,951	(3,895,081)
Instructional Staff	5,172,126	-	2,644,934	-	(2,527,192)
Board of Education	252,376	-	-	-	(252,376)
Administration	4,172,656	-	488,003	-	(3,684,653)
Fiscal	1,003,337	-	-	-	(1,003,337)
Business	499,119	-	-	-	(499,119)
Operations and Maintenance	8,202,485	-	66,574	-	(8,135,911)
Pupil Transportation	2,203,400	-	-	-	(2,203,400)
Central	1,089,602	-	36,190	-	(1,053,412)
Non-Instructional Services:					
Food Service Operations	3,571,263	1,224,471	2,304,769	-	(42,023)
Community Services	965,264	-	1,230,896	-	265,632
Extracurricular Activities	1,354,904	-	-	-	(1,354,904)
Interest on Long-Term Debt	2,427,672	-	-	-	(2,427,672)
Total Governmental Activities	\$83,338,787	\$1,308,912	\$16,000,711	\$ 437,951	\$(65,591,213)
General Revenues:					
Property Taxes, Levied for General Purposes					19,837,824
Property Taxes, Levied for Debt Services					2,737,939
Property Taxes, Levied for Permanent Improvement					4,056,940
Grants and Entitlements not Restricted to Specific Programs					43,009,165
Investment Earnings					380,186
Miscellaneous					1,041,295
Total General Revenues					71,063,349
Change in Net Assets					5,472,136
Net Assets Beginning of Year					29,394,796
Net Assets End of Year					\$ 34,866,932

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

Hamilton City School District
Balance Sheet
Governmental Funds
For the Fiscal Year Ended June 30, 2004

	General	Debt Service	Permanent Improvement	Building Program
Assets:				
Equity in Pooled Cash and Investments	\$ 8,427,857	\$ 760,659	\$ 6,167,153	\$ 1,655,095
Receivables (Net of Allowances for Uncollectibles):				
Taxes	24,119,538	3,953,144	5,765,613	-
Accounts	334,989	-	-	-
Accrued Interest	19,717	-	15,469	-
Intergovernmental	23,112	-	-	-
Interfund Loan Receivable	1,457,995	-	-	-
Due from Other Funds	4,642	-	-	-
Prepayments	28,705	-	-	-
Materials and Supplies Inventory	-	-	-	-
Total Assets	\$34,416,555	\$ 4,713,803	\$ 11,948,235	\$ 1,655,095
Liabilities:				
Accounts Payable	\$ 568,723	\$ -	\$ 297,960	\$ -
Contracts Payable	-	-	195,028	354,129
Accrued Wages and Benefits	9,273,080	-	-	-
Retainage Payable	-	-	-	449,939
Interfund Loans Payable	-	-	-	-
Intergovernmental Payable	275,243	-	506	-
Due to Other Funds	4,555	-	-	-
Unearned Revenue	23,607,296	3,845,590	5,549,742	-
Total Liabilities	\$33,728,897	\$ 3,845,590	\$ 6,043,236	\$ 804,068
Fund Balances:				
Reserved for:				
Encumbrances	\$ 470,367	\$ -	\$ 2,240,614	\$ 735,905
Inventory	-	-	-	-
Prepayments	28,704	-	-	-
Property Taxes	512,242	107,554	215,871	-
Unreserved, Reported In:				
General Fund	(323,655)	-	-	-
Debt Service Fund	-	760,659	-	-
Special Revenue Fund	-	-	-	-
Capital Projects Fund	-	-	3,448,514	115,122
Total Fund Balances	\$ 687,658	\$ 868,213	\$ 5,904,999	\$ 851,027
Total Liabilities and Fund Balances	\$34,416,555	\$ 4,713,803	\$ 11,948,235	\$ 1,655,095

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

Hamilton City School District
 Balance Sheet
 Governmental Funds
 For the Fiscal Year Ended June 30, 2004

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:		
Equity in Pooled Cash and Investments	\$ 3,342,773	\$ 20,353,537 -
Receivables (Net of Allowances for Uncollectibles):		
Taxes	-	33,838,295 -
Accounts	6,388	341,377 -
Accrued Interest	-	35,186 -
Intergovernmental	1,217,832	1,240,944 -
Interfund Loan Receivable	-	1,457,995 -
Due from Other Funds	-	4,642 -
Prepayments	-	28,705 -
Materials and Supplies Inventory	16,612	16,612
Total Assets	<u><u>\$ 4,583,605</u></u>	<u><u>\$ 57,317,293</u></u>
Liabilities:		
Accounts Payable	\$ 259,484	\$ 1,126,167
Contracts Payable	9,734	558,891
Accrued Wages and Benefits	1,921,117	11,194,197
Retainage Payable	-	449,939
Interfund Loans Payable	1,457,995	1,457,995
Intergovernmental Payable	131,739	407,488
Due to Other Funds	87	4,642
Unearned Revenue	-	33,002,628
Total Liabilities	<u><u>\$ 3,780,156</u></u>	<u><u>\$ 48,201,947</u></u>
Fund Balances:		
Reserved for:		
Encumbrances	\$ 2,429,522	\$ 5,876,408
Inventory	16,612	16,612
Prepayments	-	28,704
Property Taxes	-	835,667
Unreserved, Reported In:		
General Fund	-	(323,655)
Debt Service Fund	-	760,659
Special Revenue Fund	(1,768,511)	(1,768,511)
Capital Projects Fund	125,826	3,689,462
Total Fund Balances	<u><u>\$ 803,449</u></u>	<u><u>\$ 9,115,346</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 4,583,605</u></u>	<u><u>\$ 57,317,293</u></u>

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

**Hamilton City School District
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 For the Fiscal Year Ended June 30, 2004**

Total Governmental Fund Balances	\$9,115,346
Amounts reported for governmental activities in the Statement of Assets are different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	71,618,073
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.	3,703,365
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
General Obligation Notes Payable	(42,765,000)
Bond Anticipation Notes Payable	(300,000)
Capital Lease Payable	(405,324)
Compensated Absences	(5,344,897)
SERS Payable	(560,504)
Accrued Interest Payable	(194,127)
	<hr/>
Net Assets of Governmental Activities	<u>\$34,866,932</u>

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Hamilton City School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2004

	General	Debt Service	Permanent Improvement	Building Program
Revenues:				
Taxes	\$ 17,975,698	\$ 3,802,857	\$ 2,365,311	\$ -
Tuition	542,912	-	-	-
Charges for Services	-	-	-	-
Earnings on Investments	173,942	-	202,357	-
Intergovernmental	41,534,697	441,577	294,723	-
Other Local Revenues	109,517	75,000	-	20,250
Total Revenues	<u>60,336,766</u>	<u>4,319,434</u>	<u>2,862,391</u>	<u>20,250</u>
Expenditures:				
Current:				
Instruction:				
Regular	30,269,182	-	440,147	73,672
Special	5,279,119	-	4,383	-
Vocational	1,409,468	-	1,147	-
Adult/Continuing	-	-	-	-
Other	905,821	-	-	-
Support Services:				
Pupils	3,656,356	-	1,851	-
Instructional Staff	2,449,945	-	298,470	-
Board of Education	249,873	-	-	-
Administration	3,601,452	-	90,066	-
Fiscal	897,435	52,616	63,409	-
Business	482,769	-	8,741	-
Operations and Maintenance	7,084,187	-	883,963	67,290
Pupil Transportation	2,030,100	-	5,005	-
Central	613,764	-	4,182	806
Non-Instructional Services:				
Food Service Operations	-	-	-	-
Community Services	8,573	-	-	-
Extracurricular Activities	695,004	-	10,400	-
Capital Outlay	99,566	496,018	2,694,840	13,106,308
Debt Service:				
Principal Retirement	102,781	2,005,609	-	-
Interest and Fiscal Charges	1,139	2,430,756	-	-
Total Expenditures	<u>59,836,534</u>	<u>4,984,999</u>	<u>4,506,604</u>	<u>13,248,076</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>500,232</u>	<u>(665,565)</u>	<u>(1,644,213)</u>	<u>(13,227,826)</u>
Other Financing Sources (Uses):				
Transfers In	-	5,609	-	-
Proceeds from Sale of Fixed Assets	5,225	-	-	-
Transfers Out	(174,909)	-	-	-
Inception of Capital Lease	-	496,018	-	-
Proceeds from Sale of Long-Term Notes	-	300,000	-	-
Total Other Financing Sources (Uses)	<u>(169,684)</u>	<u>801,627</u>	<u>-</u>	<u>-</u>
Change in Fund Balance	330,548	136,062	(1,644,213)	(13,227,826)
Fund Balance: July 1, 2003	357,110	732,151	7,549,212	14,078,853
Fund Balance: June 30, 2004	<u>\$ 687,658</u>	<u>\$ 868,213</u>	<u>\$ 5,904,999</u>	<u>\$ 851,027</u>

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

Hamilton City School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2004

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ -	\$ 24,143,866
Tuition	147,800	690,712
Charges for Services	1,230,145	1,230,145
Earnings on Investments	6,024	382,323
Intergovernmental	15,487,966	57,758,963
Other Local Revenues	741,443	946,210
Total Revenues	<u>17,613,378</u>	<u>85,152,219</u>
Expenditures:		
Current:		
Instruction:		
Regular	3,162,089	33,945,090
Special	3,134,092	8,417,594
Vocational	311,046	1,721,661
Adult/Continuing	257,102	257,102
Other	-	905,821
Support Services:		
Pupils	1,908,962	5,567,169
Instructional Staff	2,313,145	5,061,560
Board of Education	-	249,873
Administration	417,976	4,109,494
Fiscal	-	1,013,460
Business	-	491,510
Operations and Maintenance	481,080	8,516,520
Pupil Transportation	1,344	2,036,449
Central	317,486	936,238
Non-Instructional Services:		
Food Service Operations	3,501,078	3,501,078
Community Services	957,327	965,900
Extracurricular Activities	391,119	1,096,523
Capital Outlay	2,022,200	18,418,932
Debt Service:		
Principal Retirement	1,161	2,109,551
Interest and Fiscal Charges	8	2,431,903
Total Expenditures	<u>19,177,215</u>	<u>101,753,428</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,563,837)</u>	<u>(16,601,209)</u>
Other Financing Sources (Uses):		
Transfers In	197,510	203,119
Proceeds from Sale of Fixed Assets	-	5,225
Transfers Out	(28,210)	(203,119)
Inception of Capital Lease	-	496,018
Proceeds from Sale of Long-Term Notes	-	300,000
Total Other Financing Sources (Uses)	<u>169,300</u>	<u>801,243</u>
Change in Fund Balance	<u>(1,394,537)</u>	<u>(15,799,966)</u>
Fund Balance: July 1, 2003	<u>2,191,289</u>	<u>24,908,615</u>
Fund Balance: June 30, 2004	<u>\$ 796,752</u>	<u>\$ 9,108,649</u>

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

**Hamilton City School District
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2004**

Net Change in Fund Balance – Total Governmental Funds (\$15,799,966)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlay	18,792,908
Depreciation Expense	(1,973,787)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,109,551
--	-----------

In the Statement of Activities, interest is accrued on outstanding debt, however, in governmental funds, an interest expenditure is reported when due.	10,137
--	--------

Some expenses reported in the Statement of Activities, such as compensated absences and pension obligation do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(426,345)
--	-----------

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	3,558,254
--	-----------

Proceeds from the sale of long-term notes represent a liability on the Statement of Net Assets.	(300,000)
---	-----------

Proceeds from the inception of capital lease represent a liability on the Statement of Net Assets.	(496,018)
--	-----------

In the Statement of Activities, only the loss on the sale of capital assets is reported.	<u>(2,598)</u>
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Change in Net Assets of Governmental Activities	<u><u>\$5,472,136</u></u>
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Hamilton City School District
Statement of Net Assets
All Fiduciary Fund Types
For the Fiscal Year Ended June 30, 2004

	Private Purpose Trusts	Agency Funds	Totals
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 149,377	\$ 54,338	\$ 203,715
Cash and Cash Equivalents with Fiscal Agents	500	-	500
Total Assets	149,877	54,338	204,215
Liabilities:			
Accounts Payable	75,536	-	75,536
Due to Students	-	54,338	54,338
Total Liabilities	75,536	54,338	129,874
Net Assets:			
Held in Trust	<u>\$ 74,341</u>	<u>\$ -</u>	<u>\$ 74,341</u>

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

Hamilton City School District
Statement of Changes in Net Assets
All Fiduciary Fund Types
For the Fiscal Year Ended June 30, 2004

	<u>Private Purpose Trusts</u>
Additions:	
Gifts and Contributions	\$ 145,391
Interest	590
Miscellaneous	3,000
Total Additions	<u>148,981</u>
Deductions:	
Payments in Accordance with Trust Agreements	<u>177,882</u>
Total Deductions	<u>177,882</u>
Changes in Net Assets	(28,901)
Net Assets, Beginning of the Year	<u>103,242</u>
Net Assets, End of the Year	<u>\$ 74,341</u>

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

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

1. Description of the District

The Hamilton City School District (the District) was originally chartered in 1851 by the Ohio State Legislature. In 1853, State laws were enacted to create local Boards of Education. Today, the District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code.

The District operates under a locally elected five-member Board (the Board) form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the District's instructional and support facilities staffed by 408 non-certificated personnel and 711 certificated personnel to provide services to students and other community members.

As of June 30, 2004, the District was the 20th largest in the state of Ohio (among 612 districts) in terms of enrollment and the second largest school district in Butler County. It currently operates 14 elementary schools, 3 junior high schools (grades 7-9), and a comprehensive high school (grades 10-12).

2. Summary of Significant Accounting Policies

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

A. The Reporting Entity

A financial reporting entity consists of a primary government and its component units. 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.

The District's Board of Education also serves as the statutory overseer of the Lane Public Library (the Library). As provided by Ohio Law, the Board of Education appoints trustees to the Library and approves the Library's annual tax budget. However, the District is not financially accountable for the activities of the Library. Furthermore, the District has only ministerial approval of the Library's tax budget and can not amend the budget. The trustees are charged with the responsibility of managing the Library's overall operations and the Library is a separate entity for financial reporting purposes. Accordingly, the Library's financial position is not included in this report.

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 statements include only the funds of those organizational entities for which its elected

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

governing body is financially accountable. The District's major operations include education, pupil transportation, food service, and maintenance of District facilities.

B. Fund Accounting

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

Governmental Funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds.

General Fund – The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the District 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, and the payment of, general long-term debt principal and interest and any related cost for the payment of interest on general obligation notes payable, as required by the laws of Ohio.

Permanent Improvement Fund – The Permanent Improvement Fund is used to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements, as required by Chapter 5705 of the Ohio Revised Code.

Building Fund – The Building Fund is used to account for the receipts and expenditures related to all special bond funds in the District. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

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

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

C. Basis of Presentation

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District has no business-type activities.

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are, therefore, identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operations 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 – Fund financial statements report detailed information about the District. The focus of governmental financial statements is on major funds rather than reporting funds by types. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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

D. Basis of Accounting

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

The modified accrual basis of accounting is used by the governmental funds. On a modified accrual basis, revenues are recorded when they become both measurable and available. "Measurable" means the amount of the transaction can be determined; "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

current fiscal year. The available period for the District is sixty days after fiscal year end. Under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, interest, tuition, student fees, and grants.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt which is recognized when due. Allocation of costs, such as depreciation, are not recognized in the governmental funds.

Government-wide financial statements are prepared using the accrual basis of accounting. Also, private-purpose trust funds use accrual accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB).

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

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

Deferred Revenue – Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes measurable as of June 30, 2004, which are intended to finance fiscal year 2005 operations, have been 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.

E. Budgetary Process

The budgetary process is described by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The statutory level of budgetary controls is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Tax Budget – Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain comments from taxpayers. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Butler County Budget Commission for rate determination.

Certificate of Estimated Resources – Prior to April 1, The Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenues are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2004.

Appropriations Resolution – Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriations resolution must be legally enacted by the Board of Education at the fund level, which is the statutory level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District.

The appropriations resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at the legal level of control. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. The budget figures, which appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions. The Board passed supplemental appropriations during the fiscal year.

Encumbrances – As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

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

F. Cash and Investments

To improve cash management, all cash received by the District is pooled in central bank accounts. Monies for all funds are maintained in these accounts or temporarily used to purchase short-term investments. Individual fund integrity is maintained through District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements.

During the fiscal year, the District invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2004.

The Governmental Accounting Standards Board Statement No. 31 (GASB 31), "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," requires that investments, with certain exceptions, be recorded at their fair value and that changes in the fair value are reported in the operations statements. The District recorded investments held at June 30, 2004 at fair value.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue earned in fiscal year 2004 totaled \$382,323 for all funds.

G. Inventory

All inventories are valued at cost to determine on a first-in, first-out basis. Inventory in governmental funds are recorded as expenditures in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds, which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

H. Capital Assets

Capital assets, which include property; plant; and equipment, are reported in the government-wide financial statements but are not reported in the governmental fund financial statements. The District defines capital assets as those with an individual cost of more than \$1,000 and an estimated

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

useful life in excess of one year. All capital assets are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their estimated fair values as of the date received. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements. Capital assets are reported as expenditures of the current period in the governmental fund financial statements.

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

<u>Asset</u>	<u>Life (Years)</u>
Land Improvements	10 to 20 years
Building	30 to 50 years
Building Improvements	10 to 40 years
Furniture, Fixtures & Equipment	5 to 20 years
Vehicles	10 to 20 years

I. Interfund Balances

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

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

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

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

K. Accrued Liabilities and Long-Term Obligations

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

L. Fund Balance Reserves

The District records reservations for portions of fund equity that are legally segregated for specific future use or which do not represent available for appropriation or expenditure. Unreserved fund balances indicate that portion of fund equity that is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes, inventory, and prepayment.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statutes.

M. 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 improvements 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 and 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.

N. Estimates

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

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

3. Fund Balance Deficits

Fund balances at June 30, 2004 included the following individual fund deficits (includes accrual entries).

Special Revenues Funds:

Management Information System	(723)	Title III	(2,870)
Entry Year Programs	(481)	Federal Emergency Repair	(2,000)
Summer Intervention	(180)	Improving Teacher Quality	(15,883)
Alternative Schools	(49,470)	Miscellaneous Federal Grants	(42,373)
Adult Basic Education	(11,045)	Food Service	(121,585)
Carl D. Perkins	(6,398)		

The above funds arise from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The deficits are also due to the timing of receiving reimbursements for goods and/or services rendered.

4. Deposits and Investments

State statutes classify monies held by the District in three categories.

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

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

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

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

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

4. Deposits and Investments (Continued)

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreements by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by other such obligations, provided the investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptances and commercial paper notes for a period not to exceed 180 days from the date of purchase in an amount not to exceed 25 percent of the interim moneys available for investment at any one time; and
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

At the end of the fiscal year, the District had no undeposited cash on hand.

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

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

Deposits

At fiscal year end, the carrying amount of the District's deposits was \$600,108. The bank balance of the District's deposits was \$1,234,809. Of the bank balance:

1. \$104,694 was covered by federal depository insurance; and
2. \$1,130,115 was covered by collateral held by the pledging institution's trust department pursuant to Ohio Revised Code, Section 135.181. The Uniform Depository Act (Section 135.181) authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public moneys deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance. The deposits not covered by federal depository insurance are considered uninsured and uncollateralized under the provisions of GASB Statement No. 3.

Investments

The District's investments are required to be categorized to give an indication of the level of risk assumed by the District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name. Based upon the above criteria, the District's investments at June 30, 2004 are classified in Table 1.

Table 1: Summary of Investment Categories

Description	Category	Fair Value
Fifth Third Investment Accounts	1	\$5,116,949
Federal Home Loan Mortgage Corporation Debenture	2	974,520
Federal Home Loan Mortgage Corporation Notes	2	980,320
Federal Home Loan Mortgage Corporation Notes	2	1,001,480
Federal National Mortgage Association Callable	2	1,238,288
Federal National Mortgage Association Debenture	2	984,380
Student Loan Marketing Association Notes	2	1,000,630
STAR Ohio		7,968,155
Totals		\$19,264,722

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

The District's investment in the State Treasurer's pool (STAR Ohio) is not categorized because it is not evidenced by securities that exist in physical or book entry form. Investments in STAR Ohio are backed by the securities purchased by STAR Ohio. Historically, over 90% of investments purchased by STAR Ohio are United States Government obligations and securities purchased and held in a third party custodial arrangement on behalf of STAR Ohio.

5. Property Taxes

Property taxes include amounts levied against real, public utility, and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 2003 were based are as follows.

Real Estate	\$801,948,400
Public Utility Personal	14,106,620
Tangible Personal	<u>71,947,749</u>
Total Assessed Value	<u>\$888,002,769</u>

In 2004, real property taxes were levied in January on the assessed values as of January 1, 2003, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent revaluation was completed in January 2002. Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 25% of true value (as defined). In 2004, each business was eligible to receive a \$10,000 exemption in assessed value which is reimbursed by the State. However, in 2004, the State began reducing the reimbursement by ten percent until the reimbursement has been eliminated.

Real property taxes are payable annually or semi-annually. In 2004, if paid annually, payment was due by February 13th. If paid semiannually, the first payment (at least ½ of amount billed) was due February 13th with the remainder due August 4th.

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 realized value.

Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations.

6. Capital Assets

A summary of the changes in capital asset activity for governmental activities during the fiscal year is shown in Table 2.

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

Table 2: Schedule of Capital Assets

	Balance 7/1/03	Additions	Disposals	Transfer In / (Out)	Balance 6/30/04
<i><u>Non-Depreciable Capital Assets:</u></i>					
Land	\$482,991	\$0	\$0	\$756,612	\$1,239,603
Construction in Progress	12,417,533	16,700,628	0	(4,362,919)	24,755,242
Subtotal	<u>12,900,524</u>	<u>16,700,628</u>	<u>0</u>	<u>(3,606,307)</u>	<u>25,994,845</u>
<i><u>Depreciable Capital Assets:</u></i>					
Land Improvements	907,445	45,220	0	0	952,665
Building and Improvements	43,193,882	761,323	0	3,606,307	47,561,512
Furniture/ Fixtures/ Equipment	10,434,809	1,234,553	(83,204)	0	11,586,158
Vehicles	3,361,087	51,184	0	0	3,412,271
Subtotal	<u>57,897,223</u>	<u>2,092,280</u>	<u>(83,204)</u>	<u>3,606,307</u>	<u>63,512,606</u>
Total Capital Assets, Gross	<u>70,797,747</u>	<u>18,792,908</u>	<u>(83,204)</u>	<u>0</u>	<u>89,507,451</u>
<i><u>Less Accumulated Depreciation:</u></i>					
Land Improvements	263,849	32,103	0	0	295,952
Building and Improvements	7,391,143	931,826	0	0	8,322,969
Furniture/ Fixtures/ Equipment	6,747,703	794,012	(80,606)	0	7,461,109
Vehicles	1,593,502	215,846	0	0	1,809,348
Total Accumulated Depreciation	<u>15,996,197</u>	<u>1,973,787</u>	<u>(80,606)</u>	<u>0</u>	<u>17,889,378</u>
Total Capital Assets, Net	<u>\$54,801,550</u>	<u>\$16,819,121</u>	<u>(\$2,598)</u>	<u>\$0</u>	<u>\$71,618,073</u>

Depreciation expense was charged to functions as follows.

Instruction:	
Regular	\$704,653
Special	199,272
Vocational	175,333
Adult/Continuing	2,942
Support Services:	
Pupils	144,834
Instructional Staff	164,047
Board of Education	2,503
Administration	68,469
Fiscal Services	5,341
Business	12,224
Operation & Maintenance	125,948
Pupil Transportation	162,616
Central	57,523
Food Services	62,450
Community Services	16,503
Extra-Curricular Activities	69,129
Total Depreciation Expense	<u>\$1,973,787</u>

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

7. Long-Term Obligations

A. General Long-Term Bonds

The current obligations outstanding, issued to provide funds for the acquisition and construction of facilities and equipment, are general obligations of the school 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 on the Statement of Net Assets. Payments of principal and interest relating to all District bonds are recorded as expenditures in the Debt Service Fund. A summary of the District's initial bond issuance is shown in Table 3.

Table 3: Summary of District's Bond Issuance

Purpose	Interest Rate	Issuance Date	Delivery Date	Final Maturity Date	Issuance Amount
School Improvement	5.51%	6/1/99	6/22/99	12/1/24	\$4,500,000
School Improvement	5.61%	9/1/99	9/28/99	12/1/24	\$44,500,000

A summary of the District's bond activity for FY 2004 is contained in Table 4.

Table 4: Summary of District's FY 2004 Bond Activity

Purpose	Balance 7/1/03	FY 2004 Additions	FY 2004 Reductions	Balance 6/30/04
School Improvement	\$4,200,000	\$0	\$100,000	\$4,100,000
School Improvement	\$39,690,000	0	1,025,000	38,665,000
Totals	<u>\$43,890,000</u>	<u>\$0</u>	<u>\$1,125,000</u>	<u>\$42,765,000</u>

A summary of the District's future annual service requirements to maturity for its bonds is shown in Table 5.

Table 5: Schedule of Future Debt Obligations Related to Bonds

Fiscal Year Ending June 30	Principal Due	Interest Due	Total FY Payments
FY 2005	\$1,140,000	\$2,361,875	\$3,501,875
FY 2006	1,160,000	2,302,250	3,462,250
FY 2007	1,305,000	2,240,905	3,545,905
FY 2008	1,365,000	2,176,609	3,541,609
FY 2009	1,465,000	2,107,399	3,572,399
FY 2010 to FY 2014	8,150,000	9,241,173	17,391,173
FY 2015 to FY 2019	10,525,000	6,480,666	17,005,666
FY 2020 to FY 2024	14,310,000	3,024,625	17,334,625
FY 2025	3,345,000	105,213	3,450,213
Totals	<u>\$42,765,000</u>	<u>\$30,040,715</u>	<u>\$72,805,715</u>

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

B. Bond Anticipation Notes

In March 2004, the note of \$375,000 was repaid and a new note was issued in the amount of \$300,000. A long-term financing agreement has been reached with Firststar Bank and the Hamilton Community Foundation since the issuance of these notes. Per FASB Statement No. 6, bond anticipation notes may be treated as a long-term liability when:

1. The intention is to refinance the debt on a long-term basis, and
2. The intention can be substantiated through a post-balance sheet issuance of the long-term debt or by issuance of acceptable financing agreements.

C. HB 264 Energy Conservation Measures

Substitute House Bill 264 (HB 264, which became effective October 1, 1985, authorized the following methods for boards of education to finance energy conservation measures:

1. Unvoted bonds and notes under Ohio's Uniform Bond Law;
2. Unvoted installment payment agreements; and
3. Unvoted shared-savings arrangements.

HB 264 added Section 133.06(G) to Chapter 133 of the Ohio Revised Code, sometimes called the "Uniform Bond Law") which permits a board of education to issue unvoted bonds and notes to finance energy conservation measures. Section 133.06(G) provides a four-step process for issuing such obligations.

1. A board of education contracts for an analysis and recommendations for energy conservation measures.
2. If the board of education finds that the energy conservation measures are likely to pay for themselves over ten years, the board of education requests the State Department of Education for permission to borrow in order to finance the energy conservation measures.
3. If the State Department of Education finds that the local board of education's findings are reasonable, it authorizes the borrowing, and the local board of education may issue its notes or bonds.
4. As long as the indebtedness remains outstanding, the local board of education monitors the performance of the energy conservation measures and reports on the energy conservation measures annually to the State Department of Education, which are certified by an architect or engineer independent of the vendor that supplied the energy conservation measures.

The bonds and notes issued under Section 133.06(G) are general obligations of the local board of education, are not subject to the 1/10 of 1% unvoted debt limitation generally applicable to boards

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

of education, but are subject to a 9/10 of 1% debt limit contained in Section 133.06(G). Such bonds and notes must otherwise comply with the applicable provisions of Chapter 133 of the Ohio Revised Code, and any such bonds have a maximum maturity of ten years (Section 133.20). Table 6 is a summary of the District's Energy Conservation Notes outstanding at June 30, 2004.

Table 6: Summary of HB 264 Notes

Purpose	Interest Rate	Issuance Date	Maturity Date	Balance 7/1/03	FY 2004 Reductions	Balance 6/30/04
Energy Conservation	4.60%	7/93	9/03	\$500,000	(\$500,000)	\$0

The District made its final annual payment of \$500,000 to repay its obligation on its HB 264 notes. In addition, the District's \$12,500 interest obligation for its HB 264 notes was also paid in FY 2004.

D. Capital Leases

During FY 1999, the District entered into a lease agreement for the acquisition of Xerox copiers. The terms of each agreement provide options to purchase the equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Therefore, these lease agreements have been recorded at the present value of the future minimum lease payments as of the date of inception. During FY 2004, the District made its final payment under the Xerox copier capital lease. The final payment of \$14,098 included \$1,147 in interest. The District has no further obligations under the FY 1999 Xerox copier capital lease.

During FY 2004, the District entered into a lease agreement for the acquisition of Canon copiers. The terms of each agreement provide options to purchase the equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Therefore, these lease agreements have been recorded at the present value of the future minimum lease payments as of the date of inception. During FY 2004, the District made payments of \$90,694 under the Canon copier capital lease. The entire amount paid is attributable to principal payments as the Canon copier capital lease is interest free. The total Canon copier capital lease is for \$496,018 in services.

E. Changes in Long-Term Debt Obligations

During FY 2004, the changes presented in Table 7 occurred in relation to the District's long-term debt obligations. As stated previously, the District's long-term debt obligations are presented in the government-wide financial statements in the Statement of Net Assets.

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

Table 7: Changes in Long-Term Debt Obligations

	Principal Balance 7/1/03	Additions	Reductions	Principal Balance 6/30/04	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds	\$43,890,000	\$0	\$1,125,000	\$42,765,000	\$1,140,000
HB 264 Notes	500,000	0	500,000	0	0
Bond Anticipation Notes	375,000	300,000	375,000	300,000	300,000
Copier Capital Lease	12,951	496,018	103,645	405,324	99,263
Compensated Absences	5,043,603	327,710	26,416	5,344,897	0
Totals	<u>\$49,821,554</u>	<u>\$1,123,728</u>	<u>\$2,130,061</u>	<u>\$48,815,221</u>	<u>\$1,539,263</u>

8. Defined Benefit Pension Plans

A. School Employees Retirement System:

The District contributes to the School Employees retirements System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215-3634, or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute an actuarially determined rate, which is currently 14 percent of approved payroll. The contribution rates are established by SERS' Retirement Board within the rates allowed by State statute. The adequacy of the contribution rate is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$1,552,765; \$1,473,336; and \$1,484,184, respectively; 81.96 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2003 and 2004. The District's current portion of the contribution for fiscal year 2004 is recorded as a liability within the respective funds and full liability is recorded on the government-wide financial statements.

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4098.

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

New members have a choice of three retirement plans: a Defined Benefits Plan (DB Plan), a Defined Contribution Plan (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 members 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 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefits at age 50 and termination of employment. The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are invested by the members, 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 DB 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 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.

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the years ended June 30, 2004, 2003, and 2002, were \$5,312,451; \$5,031,696; and \$5,147,304, respectively; 83.33 percent has been contributed for fiscal year 2004 and 100 percent has been contributed for fiscal years 2003 and 2002. The unpaid contribution for fiscal year 2004 is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System (SERS) or the State Teachers Retirement System (STRS) have an option to choose the Social Security System or SERS/STRS.

Ohio law permits Board of Education members to be compensated up to \$80 per meeting. As of June 30, 2004, members of the Hamilton City School District Board of Education have chosen to serve without compensation.

9. Defined Benefit Pension Plans

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

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

For STRS, all benefit recipients are required to pay a portion of health care costs in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2003, the board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. For the District, the amount to fund health care benefits equaled approximately \$379,460 during FY 2004. The balance in the fund was \$2.8 billion at June 30, 2003. For the year ended June 30, 2003, net health care costs paid by STRS were \$460.1 million and STRS had 108,294 eligible benefit recipients.

For SERS, coverage is made available to service retirees with then or more years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than 25 years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium. For this fiscal year, employer contributions to fund health care benefits were 5.83 percent of covered payroll.

An additional health care surcharge on employers is collected by SERS for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than two percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2003, the minimum pay established at \$14,500.

The surcharge rate added to the unallocated portion of the 14 percent employer contribution rates provides for maintenance of the asset target level for the health care fund. Expenses for health care for the year ended June 30, 2003 were \$204.9 million and the target level was \$307.4 million. At June 30, 2003, SERS' net assets available for payment of health care benefits were \$303.6 million below the target amount. SERS has approximately 50,000 participants currently receiving health care benefits. For the District, the amount to fund health care benefits equaled approximately \$648,039 during FY 2004.

10. Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn 8 to 27 days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who are not on twelve month contract do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of 1.25 days per month. Sick leave may accumulate up to 285 days. Upon retirement, payment is made for 25 percent of the first 150 days of sick leave accumulation plus 50 percent of the days accumulated above 150. In prior years, General Fund resources have been used to liquidate the liability for compensated absences.

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

B. Insurance Benefits

The District provides life insurance and accidental death and dismemberment insurance to regular employees through Aetna US Healthcare. Employees receive coverage in the amount of 1.5 to 2.5 times the amount of their annual salary, rounded to the nearest \$1,000.

11. Interfund Receivables / Payables

On the fund financial statements, the General Fund has a receivable of \$4,642 that consists of amounts due from other funds. Conversely, the General Fund and the Other Governmental Funds has a payable of \$4,642 that consists of amounts due to other funds. In addition, the General Fund has an interfund loan receivable of \$1,457,995. These interfund loans were made to provide operating capital. The interfund loan receivable will be repaid by the funds included in the Other Governmental Funds group. The District anticipates that all interfund loans will be repaid to the General Fund by the June 30, 2005.

During the year-ended June 30, 2004, the General Fund made transfers of \$174,909 to non-major governmental funds as well as transfers of \$28,210 between non-major governmental funds. Transfers are used to (1) move revenues from the fund that statute or budget requires collect them to the fund that statute or budget requires expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

12. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2004, insurance coverage for property, liability, and vehicles was provided by commercial insurance carriers. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

The District also provides life insurance and accidental death and dismemberment coverage to all employees. The amount of coverage per employee varies by bargaining unit. Aetna US Healthcare provides the life insurance coverage for the District.

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The District has elected to provide medical, dental, and vision benefits for all eligible employees. Effective September 1, 1996, the District joined the Butler County Health Plan in order to provide medical and dental coverage. The District maintains an Employee Benefits Fund to account for the vision self-insurance program. J.F. Malloy, Inc. provides claims review and processing services.

The Employee Benefits Fund receives a significant portion of the insurance premium from the District. This portion of the premium is paid by the fund that pays the salary for the employee.

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

The remainder of the premium is the employee's responsibility, with the amount varying by coverage and bargaining unit.

The activity in the Employee Benefits Fund is materially reduced because medical and dental premiums no longer pass through the Employee Benefits Fund.

13. Jointly Governed Organizations

Southwestern Ohio Computer Association (SWOCA) is a jointly governed organization among a three county consortium of school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools support SWOCA based upon a per pupil charge dependent upon the software package used. SWOCA is governed by a Board of Directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating school district is limited to its representation on the Board of Directors. The Board of Directors consists of one representative from each of the participating 29 school districts. During FY 2004, the District paid \$150,697 to SWOCA for services.

14. Contingent Liabilities

A. Grants

The District receives significant financial assistance from numbers 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 are subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2004.

B. Litigation

The District was party to legal proceedings as of June 30, 2004. The District is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition of the District.

15. State School Funding Decision

On December 11, 2002, the Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding system is unconstitutional. The Court relinquished jurisdiction over the case and directed "... the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient ..." The District

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2004

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

16. Statutory Resources

The District is required, by state law, to set aside certain General Fund revenue amounts, as defined, into various reserves. During the fiscal year ending June 30, 2004, the reserve activity (cash-basis) was as follows.

Table 10: Statutory Reserves Summary

	Textbooks	Capital Acquisition	Totals
Set-aside Cash Balance as of June 30, 2003	\$0	\$0	\$0
Current Year Set-aside Requirement	1,092,142	1,092,142	2,184,284
Current Year Offsets	0	0	0
Qualifying Disbursements	1,092,142	1,092,142	2,184,284
Set Aside Cash Balance as of June 30, 2004			0
Amount Restricted for Bus Purchases			0
Total Restricted Assets			\$0

Expenditures for textbooks and instructional materials during the fiscal year totaled \$1,143,655, which is exceeded the amount required for the set-aside.

Expenditures for the capital acquisition activity during the fiscal year totaled \$17,922,914, which exceeded the amount required for the set-aside.

Required Supplementary Information

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ 17,959,190	\$ 17,959,190	\$ -
Tuition and Fees	-	532,364	532,390	26
Charges for Services	-	133,191	133,191	-
Earnings on Investments	105,000	151,943	159,990	8,047
Other Local Revenues:				
Rental of Property	-	34,407	34,407	-
Miscellaneous Revenue	-	47,222	47,222	-
Total Other Local Revenues	-	81,629	81,629	-
Intergovernmental	-	41,522,277	41,522,277	-
Total Revenues	105,000	60,380,594	60,388,667	8,073
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	19,684,589	19,684,589	19,096,968	587,621
Fringe Benefits	10,862,998	10,865,164	9,418,081	1,447,083
Purchased Services	173,049	204,489	176,482	28,007
Materials and Supplies	552,028	597,875	622,391	(24,516)
Equipment Purchased	38,068	37,015	7,773	29,242
Other Expenditures	5,328	8,428	8,720	(292)
Total Regular Instruction	31,316,060	31,397,560	29,330,415	2,067,145
Special:				
Salaries and Wages	4,616,128	4,616,128	4,562,162	53,966
Fringe Benefits	119,581	119,581	536,845	(417,264)
Purchased Services	16,804	16,804	18,580	(1,776)
Materials and Supplies	25,191	25,191	20,212	4,979
Equipment Purchased	7,691	7,691	-	7,691
Total Special Instruction	4,785,395	4,785,395	5,137,799	(352,404)
Vocational:				
Salaries and Wages	1,044,242	1,044,242	1,007,445	36,797
Fringe Benefits	20,151	20,151	107,861	(87,710)
Purchased Services	69,394	62,987	52,650	10,337
Materials and Supplies	185,365	159,934	252,575	(92,641)
Equipment Purchased	454,462	437,010	279,277	157,733
Other Expenditures	8,938	13,378	9,397	3,981
Total Vocational Instruction	1,782,552	1,737,702	1,709,205	28,497
Other:				
Purchased Services	1,027,122	1,027,122	1,017,414	9,708
Total Other Instruction	1,027,122	1,027,122	1,017,414	9,708

See accompanying notes to required supplemental information.

(Continued)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Support Services:				
Pupil:				
Salaries and Wages	2,993,449	2,993,449	3,339,449	(346,000)
Fringe Benefits	91,258	91,258	353,402	(262,144)
Purchased Services	67,210	67,210	47,768	19,442
Materials and Supplies	312,196	309,241	302,766	6,475
Equipment Purchased	11,635	11,635	-	11,635
Other Expenditures	1,015	1,015	800	215
Total Pupil	<u>3,476,763</u>	<u>3,473,808</u>	<u>4,044,185</u>	<u>(570,377)</u>
Instructional Staff:				
Salaries and Wages	1,885,600	1,885,600	1,824,501	61,099
Fringe Benefits	312,639	313,619	394,248	(80,629)
Purchased Services	330,377	301,557	149,386	152,171
Materials and Supplies	240,160	227,759	157,606	70,153
Equipment Purchased	341,181	351,560	17,439	334,121
Other Expenditures	7,610	7,610	12,445	(4,835)
Total Instructional Staff	<u>3,117,567</u>	<u>3,087,705</u>	<u>2,555,625</u>	<u>532,080</u>
Board of Education				
Purchased Services	141,045	141,045	115,362	25,683
Materials and Supplies	125	125	125	-
Other Expenditures	124,110	124,110	116,844	7,266
Total Board of Education	<u>265,280</u>	<u>265,280</u>	<u>232,331</u>	<u>32,949</u>
Administration				
Salaries and Wages	3,170,922	3,170,922	3,151,164	19,758
Fringe Benefits	299,679	299,679	487,044	(187,365)
Purchased Services	10,988	33,638	17,656	15,982
Materials and Supplies	58,556	56,262	61,824	(5,562)
Equipment Purchased	25,675	22,425	488	21,937
Other Expenditures	1,934	1,934	2,215	(281)
Total Administration	<u>3,567,754</u>	<u>3,584,860</u>	<u>3,720,391</u>	<u>(135,531)</u>
Fiscal:				
Salaries and Wages	455,349	455,349	428,076	27,273
Fringe Benefits	80,867	80,867	64,839	16,028
Purchased Services	3,592	3,592	6,956	(3,364)
Materials and Supplies	18,309	18,309	25,770	(7,461)
Equipment Purchased	7,320	7,320	-	7,320
Other Expenditures	413,495	413,495	369,472	44,023
Total Fiscal	<u>978,932</u>	<u>978,932</u>	<u>895,113</u>	<u>83,819</u>

See accompanying notes to required supplemental information.

(Continued)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Business:				
Salaries and Wages	370,624	370,624	284,956	85,668
Fringe Benefits	49,485	49,485	48,278	1,207
Purchased Services	139,962	139,962	284,902	(144,940)
Materials and Supplies	13,858	13,858	(12,609)	26,467
Equipment Purchased	13,185	13,185	(305)	13,490
Other Expenditures	125	125	125	-
Total Business	587,239	587,239	605,347	(18,108)
Operations and Maintenance:				
Salaries and Wages	3,252,833	3,252,833	3,235,380	17,453
Fringe Benefits	400,177	400,177	363,195	36,982
Purchased Services	3,002,041	3,001,016	3,254,421	(253,405)
Materials and Supplies	439,492	439,492	452,853	(13,361)
Equipment Purchased	64,205	64,205	-	64,205
Other Expenditures	285	285	421	(136)
Total Operations and Maintenance	7,159,033	7,158,008	7,306,270	(148,262)
Pupil Transportation:				
Salaries and Wages	1,282,783	1,282,783	1,369,676	(86,893)
Fringe Benefits	135,872	136,672	171,141	(34,469)
Purchased Services	327,771	326,971	329,198	(2,227)
Materials and Supplies	195,781	195,781	235,083	(39,302)
Equipment Purchased	7,200	7,200	-	7,200
Total Transportation	1,949,407	1,949,407	2,105,098	(155,691)
Central:				
Salaries and Wages	106,563	106,563	93,738	12,825
Fringe Benefits	20,913	20,913	10,640	10,273
Purchased Services	344,442	343,632	246,103	97,529
Materials and Supplies	82,446	84,256	115,173	(30,917)
Equipment Purchased	2,064	2,064	-	2,064
Other Expenditures	280,546	280,546	310,618	(30,072)
Total Central	836,974	837,974	776,272	61,702
Operation of Non-Instructional Services				
Community Services:				
Materials and Supplies	-	-	573	(573)
Other Expenditures	-	-	8,000	(8,000)
Total Community Services	-	-	8,573	(8,573)
Extracurricular Activities:				
Salaries and Wages	618,620	618,620	607,655	10,965
Fringe Benefits	20,025	20,025	75,547	(55,522)
Total Extracurricular Activities	638,645	638,645	683,202	(44,557)

See accompanying notes to required supplemental information.

(Continued)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Capital Outlay:				
Salaries and Wages	79,881	79,881	79,656	225
Fringe Benefits	2,529	2,529	12,756	(10,227)
Purchased Services	35,500	35,500	12,070	23,430
Materials and Supplies	700	700	-	700
Building Acquisition/Construction	1,200	1,200	-	1,200
Improvements/Renovations	1,500	1,500	52,833	(51,333)
Other Expenditures	800	800	380	420
Total Capital Outlay	<u>122,110</u>	<u>122,110</u>	<u>157,695</u>	<u>(35,585)</u>
Total Expenditures	<u>61,610,833</u>	<u>61,631,747</u>	<u>60,284,935</u>	<u>1,346,812</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(61,505,833)</u>	<u>(1,251,153)</u>	<u>103,732</u>	<u>1,354,885</u>
Other Financing Sources (Uses)				
Miscellaneous Financing Sources (Uses)	(100,000)	(82,250)	-	82,250
Transfers In (Out)	(139,200)	(139,200)	(174,909)	(35,709)
Advances In	-	706,447	706,447	-
Advances Out	(50,000)	(50,000)	(1,532,995)	(1,482,995)
Proceeds from Sale of Fixed Assets	-	5,225	5,225	-
Total Other Financing Sources (Uses)	<u>(289,200)</u>	<u>440,222</u>	<u>(996,232)</u>	<u>(1,436,454)</u>
Change in Fund Balance	(61,795,033)	(810,931)	(892,500)	(81,569)
Fund Balance: July 1, 2003	6,637,218	6,637,218	6,637,218	-
Prior Year Encumbrances Appropriated	<u>1,673,908</u>	<u>1,673,908</u>	<u>1,673,908</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$(53,483,907)</u>	<u>\$ 7,500,195</u>	<u>\$ 7,418,626</u>	<u>\$ (81,569)</u>

See accompanying notes to required supplemental information.

Hamilton City School District
Notes to Required Supplementary Information
June 30, 2004

Note A Budgetary Basis of Accounting

While the District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principals (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budgetary basis and GAAP basis are as follows.

Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis).

Expenditures are recorded when paid in cash (budgetary basis) as opposed to when the liability is incurred (GAAP basis).

Encumbrances are treated as expenditures for all funds (budgetary basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).

The following summarizes the adjustments necessary to reconcile the GAAP statements and the budgetary basis schedule.

	<u>General Fund</u>
Change in Fund Balance (GAAP Basis)	\$330,548
Increase / (Decrease):	
Due to Revenues	(50,901)
Due to Expenditures	448,401
Due to Other Sources (Uses)	(1,165,916)
Due to Encumbrances	<u>(454,632)</u>
Change in Fund Balance (Budgetary Basis)	<u>(\$892,500)</u>

Supplemental Section:
Combining Statements and
Individual Fund Schedules

Other Major Governmental Funds

Other Major Governmental Funds

This section contains Budget and Actual statements on a non-GAAP basis of accounting for the Other Major Governmental Funds. The Other Major Governmental Funds consist of one Debt Service Fund and two Capital Project Funds. Combining statements are not required as all pertinent information is portrayed on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

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

Permanent Improvement Fund – A fund provided to account for all transactions related to the acquisition, construction, or improvements to the District's facilities (as authorized by Chapter 5705 of the Ohio Revised Code). This fund does not include amounts directly related to levy proceed expenditures.

Building Program Fund – A fund provided to account for expenditures of levy generated funds for the acquisition, construction, or improvement of the District's facilities.

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Debt Service Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / Negative
	Original	Final		
Revenues:				
Taxes	\$ -	\$ 3,797,117	\$ 3,797,117	\$ -
Other Local Revenues:				
Gifts and Donations	-	75,000	75,000	-
Total Other Local Revenues	-	75,000	75,000	-
Intergovernmental	-	441,577	441,577	-
Total Revenues	-	4,313,694	4,313,694	-
Expenditures:				
Current:				
Support Services:				
Fiscal:				
Other Expenditures	-	-	52,616	(52,616)
Total Fiscal	-	-	52,616	(52,616)
Debt Service:				
Principal:				
Principal Retirement	1,625,000	2,505,609	2,005,609	500,000
Total Principal	1,625,000	2,505,609	2,005,609	500,000
Interest:				
Interest and Fiscal Charges	2,432,931	2,445,431	2,430,756	14,675
Total Interest	2,432,931	2,445,431	2,430,756	14,675
Total Expenditures	4,057,931	4,951,040	4,488,981	462,059
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,057,931)	(637,346)	(175,287)	462,059
Other Financing Sources (Uses)				
Transfers In	-	5,609	5,609	-
Proceeds from the Sale of Notes	-	300,000	300,000	-
Total Other Financing Sources (Uses)	-	305,609	305,609	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,057,931)	(331,737)	130,322	462,059
Fund Balance: July 1, 2003	630,337	630,337	630,337	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance: June 30, 2004	<u><u>\$(3,427,594)</u></u>	<u><u>\$ 298,600</u></u>	<u><u>\$ 760,659</u></u>	<u><u>\$ 462,059</u></u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Permanent Improvement Capital Projects Fund
 For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / Negative
	Original	Final		
Revenues:				
Taxes	\$ -	\$ 2,291,979	\$ 2,291,979	\$ -
Earnings on Investments	-	204,664	208,060	3,396
Intergovernmental	-	294,723	294,723	-
Total Revenues	-	2,791,366	2,794,762	3,396
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased Services	2,700,000	205,939	8,000	197,939
Materials and Supplies	524,943	1,270,943	817,318	453,625
Equipment Purchased	2,071	4,205,756	254,091	3,951,665
Total Regular Instruction	3,227,014	5,682,638	1,079,409	4,603,229
Special:				
Equipment Purchased	-	-	4,383	(4,383)
Total Special Instruction	-	-	4,383	(4,383)
Vocational:				
Equipment Purchased	-	-	1,147	(1,147)
Total Vocational Instruction	-	-	1,147	(1,147)
Support Services:				
Pupils:				
Equipment Purchased	-	-	1,851	(1,851)
Total Pupils	-	-	1,851	(1,851)
Instructional Staff:				
Equipment Purchased	14,833	14,833	300,756	(285,923)
Total Instructional Staff	14,833	14,833	300,756	(285,923)
Administration:				
Equipment Purchased	4,913	4,913	97,338	(92,425)
Total Administration	4,913	4,913	97,338	(92,425)
Fiscal:				
Materials and Supplies	-	-	4,245	(4,245)
Equipment Purchased	-	-	22,148	(22,148)
Other Expenditures	-	-	36,609	(36,609)
Total Fiscal	-	-	63,002	(63,002)
Business:				
Equipment Purchased	-	-	12,118	(12,118)
Total Business	-	-	12,118	(12,118)

(continued)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance:
	Original	Final		Positive / Negative
Operations and Maintenance				
Purchased Services	75,911	75,911	381,622	(305,711)
Materials and Supplies	-	-	31,755	(31,755)
Equipment Purchased	318,053	318,053	504,966	(186,913)
Total Operations and Maintenance	393,964	393,964	918,343	(524,379)
Pupil Transportation:				
Equipment Purchased	1,000	1,000	227,485	(226,485)
Total Pupil Transportation	1,000	1,000	227,485	(226,485)
Central:				
Purchased Services	-	-	5,000	(5,000)
Equipment Purchased	76,956	76,956	78,343	(1,387)
Total Central	76,956	76,956	83,343	(6,387)
Extracurricular Activities:				
Equipment Purchased	-	-	10,400	(10,400)
Total Extracurricular Activities	-	-	10,400	(10,400)
Capital Outlay:				
Site Acquisition Services:				
Purchased Services	-	-	150,439	(150,439)
Equipment Purchased	-	-	786,841	(786,841)
Total Site Acquisition Services	-	-	937,280	(937,280)
Site Improvement Services:				
Purchased Services	-	-	51,694	(51,694)
Equipment Purchased	-	-	26,570	(26,570)
Total Site Improvement Services	-	-	78,264	(78,264)
Architecture and Engineering Services				
Purchased Services	-	1,800,000	107,986	1,692,014
Total Architecture and Engineering Services	-	1,800,000	107,986	1,692,014
Building Acquisition and Construction Services:				
Purchased Services	-	-	411,162	(411,162)
Equipment Purchased	-	-	2,792	(2,792)
Total Building Acquisition and Construction Services	-	-	413,954	(413,954)
Building Improvement Services:				
Purchased Services	-	-	180,808	(180,808)
Equipment Purchased	115,047	115,047	2,575,229	(2,460,182)
Total Building Improvement Services	115,047	115,047	2,756,037	(2,640,990)
Total Expenditures	3,833,727	8,089,351	7,093,096	996,255

(continued)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / Negative
	Original	Final		
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,833,727)	(5,297,985)	(4,298,334)	999,651
Fund Balance: July 1, 2003	6,665,008	6,665,008	6,665,008	-
Prior Year Encumbrances Appropriated	<u>1,133,727</u>	<u>1,133,727</u>	<u>1,133,727</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ 3,965,008</u>	<u>\$ 2,500,750</u>	<u>\$ 3,500,401</u>	<u>\$ 999,651</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Building Program Capital Projects Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / Negative
	Original	Final		
Revenues:				
Other Local Revenues				
Gifts and Donations	\$ -	\$ 20,000	\$ 20,000	\$ -
Miscellaneous Revenue	-	250	250	-
Total Other Local Revenues	-	20,250	20,250	-
Total Revenues	-	20,250	20,250	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Equipment Purchased	137,250	139,250	139,500	(250)
Total Regular Instruction	137,250	139,250	139,500	(250)
Support Services:				
Operations and Maintenance				
Purchased Services	2,800	2,800	4,026	(1,226)
Equipment Purchased	73,605	73,605	63,121	10,484
Total Operations and Maintenance	76,405	76,405	67,147	9,258
Central:				
Purchased Services	1,831	1,831	2,261	(430)
Total Central	1,831	1,831	2,261	(430)
Capital Outlay:				
Site Acquisition Services:				
Equipment Purchased	627,049	627,049	627,049	-
Total Site Acquisition Services	627,049	627,049	627,049	-
Site Improvement Services:				
Equipment Purchased	18,095	20,095	17,541	2,554
Total Site Improvement Services	18,095	20,095	17,541	2,554
Architecture and Engineering Services				
Purchased Services	142,902	158,902	244,897	(85,995)
Total Architecture and Engineering Services	142,902	158,902	244,897	(85,995)
Building Acquisition and Construction Services:				
Purchased Services	418,212	418,212	381,646	36,566
Total Building Acquisition and Construction Services	418,212	418,212	381,646	36,566

(continued)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Building Program Capital Projects Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / Negative
	Original	Final		
Building Improvement Services:				
Purchased Services	2,410	2,410	2,151	259
Materials and Supplies	-	-	1,080	(1,080)
Equipment Purchased	14,433,152	14,433,152	14,391,169	41,983
Total Building Improvement Services	<u>14,435,562</u>	<u>14,435,562</u>	<u>14,394,400</u>	<u>41,162</u>
Total Expenditures	<u>15,857,306</u>	<u>15,877,306</u>	<u>15,874,441</u>	<u>2,865</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,857,306)	(15,857,056)	(15,854,191)	2,865
Fund Balance: July 1, 2003	(1)	(1)	(1)	-
Prior Year Encumbrances Appropriated	<u>15,857,306</u>	<u>15,857,306</u>	<u>15,857,306</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ (1)</u>	<u>\$ 249</u>	<u>\$ 3,114</u>	<u>\$ 2,865</u>

Supplemental Section:
Combining Statements and
Individual Fund Schedules

Non-Major Governmental Funds

Non-Major Special Revenue Funds

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's Special Revenue Funds follows.

Insurance Replacement - This fund provides for the replacement of items destroyed and/or stolen from the District (this covers the deductible on the District's insurance policies). This fund is not intended to account for major rebuilding, such projects would be accounted for in the capital projects account.

TV Hamilton - A fund provided to assist in the programming and broadcasting of local, public access television. This is a cooperative venture between the City of Hamilton, Ohio and Hamilton City School District.

Public School Support - A fund provided to account for specific local revenues sources, other than taxes or expendable trust, (i.e. profits from vending machines, sale of pictures, etc.). Expenditures from this fund include field trips, assemblies, materials, supplies, and equipment for use in the classroom.

Other Grants - A fund used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

Athletic Fund - A fund provided to account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, drill team, flag corps, drama club, and other similar type of activities.

Auxiliary Service Fund - A fund used to account for state funds which provided services and materials to pupils attending non-public schools within the boundaries of the District as provided for in state law. Expenditures are primarily for educational supplies, materials, and testing.

Career Development - A fund provided to account for monies received and expended in conjunction with Vocational Education Career Development projects funded by the State of Ohio, Ohio Department of Education, Division of Vocational Education.

Management Information System - A fund provided for purchase of computer hardware and software or other costs associated with the implementation of the requirements of the management information system (Ohio Senate Bill 140).

Non-Major Governmental Funds (Continued)

Entry Year Programs – A fund set up to implement entry-year programs pursuant to Ohio Revised Code § 3317.024(T).

Disadvantaged Pupil Impact Aid (DPIA) - A fund set up to track the minimum mandated portion of the Disadvantaged Pupil Impact Aid from the State Foundation payment per Amended Substitute House Bill No. 298, which revised Ohio Revised Code § 3317.023.

Network Connectivity - A fund provided to account for money appropriated for Ohio Educational Computer Network connections.

School Net Professional Development - A fund provided to account for a limited number of professional development subsidy grants.

Ohio Reads Volunteer Grant - A fund provided to account for specific state revenue required to be expended for the implementation of a volunteer tutoring program to improve student reading skills.

Summer Intervention - A fund used to account for summer intervention services to improve student reading abilities and assist the District in improving performance indicators.

Vocational Education Enhancement - A fund used to account for Vocational Education Enhancements to expand the number of students enrolled in tech prep programs, improve student skills, and improve vocational instruction.

Alternative Schools - A fund used to account for specific state revenue required to be expanded on the administration and operation of summer school and other alternative means of education.

Miscellaneous State Grants - A fund used to account for various monies received from state agencies that are not classified elsewhere.

Adult Basic Education - A fund provided to account for instructional programs for persons 16 years of age and older who are not enrolled in school and who have less than a twelfth grade education or its equivalent; development of basic education skills; increase of opportunities for useful employment; improvement of attitudes towards self, family, and community.

Economic Security Act - A fund provided for strengthening instruction in science, mathematics, modern foreign languages, English, arts and humanities, reading, history, geography, civics, economics, and industrial arts through acquisition of laboratory and other special equipment and materials and through minor remodeling.

Non-Major Governmental Funds (Continued)

Title VI-B - A fund used to account for federal revenues used to assist with the training of teachers, supervisors, administrators, clinicians, or other specialists providing educational services to the handicapped.

Carl D. Perkins - A fund used to account for federal revenues for the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, ancillary services, research, advisory committees, work-study project, and sex equity grants. (This fund is formerly known as the Vocational Evaluation Special Revenue Fund.)

Bilingual Education Program (Title III) - This program includes a provision of funds to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency. The program provides structured English language instruction, with respect to the years of study to which the program is applicable, and instruction in the child's native language to the extent necessary to allow a child to achieve competence in English. The instruction must incorporate the cultural heritage of these children and of other children in American society. The instruction must, to the extent necessary, be in all courses or subjects of study which will allow a child to meet grade promotion and graduation standards.

Community Block Grant - A fund to account for federal funds passed through the local city government to provide for equipment that is beneficial to the district and the community as a whole.

Title I - A fund provided for financial assistance to state and local educational agencies to meet the special needs of educationally deprived children.

Title V - A fund to assist state and local educational agencies in the reform of elementary and secondary education. Funds may be used for various materials, technology, and projects implementing school improvement and parental involvement activities authorized under ESEA, Title I. This program is subject to non-supplanting requirement and must use a restricted indirect cost rate which is referenced under 34 CFR 76.564-76.569.

Emergency Immigrant Education - This fund is used to provide tutoring to students who have recently immigrated to the area, and have no English speaking abilities.

Federal Emergency Repair Grant - A fund designated to provide financial assistance to State educational agencies (SEAs), and through the, local educational agencies (LEAs), and intermediate educational units to pay all or part of the costs of altering existing buildings and equipment to remove architectural barriers to the handicapped.

Non-Major Governmental Funds (Continued)

Drug Free School Grant - A fund provided to assist in drug abuse prevention early intervention, rehabilitation referral, education in elementary and secondary schools, and support components for reducing abuse of alcohol and other drugs.

Title VI-B Preschool - The Preschool Grant Program addresses the improvement and expansion of services for handicapped children ages three through five years.

District Continuous Improvements - A fund used to account for various small grants aimed at improving District test scores.

Improving Teacher Quality - A fund used to account for monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants - A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate cost center must be used for each grant.

Food Service - A fund used to account for all revenues and expenses related to the provision of food services for the District.

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

Vocational Rotary - A rotary fund provided to account for all revenues and expenses related to the provision of goods and services to the general public by the vocational classes of the District.

Adult Education - A fund used to account for all revenues and expenses related to the provision of credit and non-credit classes to the general public.

Non-Major Governmental Funds (Continued)

Non-Major Capital Projects Funds

Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings, additions to existing buildings, or for major renovation projects. A description of the District's Non-Major Capital Projects Funds follows.

Miscellaneous Capital Projects Fund - A fund provided to account for District funds that have been added to the goal of constructing future new classroom facilities.

SchoolNet Plus Fund - A fund provided to account for additional funding targeted for the acquisition of computer workstations in grades K-4. Grant awards require an approved technology plan.

Interactive Video Distance Learning - A fund used to account for state money used to finance the interactive video distance learning project.

Hamilton City School District
Combining Balance Sheet
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2004

	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 3,182,269	\$ 160,504	\$ 3,342,773
Receivables (Net of Allowances for Uncollectibles):			
Taxes	-	-	-
Accounts	6,388	-	6,388
Accrued Interest	-	-	-
Intergovernmental	1,217,832	-	1,217,832
Interfund Loan Receivable	-	-	-
Due from Other Funds	-	-	-
Prepayments	-	-	-
Materials and Supplies Inventory	16,612	-	16,612
Total Assets	<u>\$ 4,423,101</u>	<u>\$ 160,504</u>	<u>\$ 4,583,605</u>
Liabilities:			
Accounts Payable	\$ 259,484	\$ -	\$ 259,484
Contracts Payable	-	9,734	9,734
Accrued Wages and Benefits	1,921,117	-	1,921,117
Retainage Payable	-	-	-
Interfund Loans Payable	1,457,995	-	1,457,995
Intergovernmental Payable	131,739	-	131,739
Due to Other Funds	87	-	87
Unearned Revenue	-	-	-
Total Liabilities	<u>\$ 3,770,422</u>	<u>\$ 9,734</u>	<u>\$ 3,780,156</u>
Fund Balances:			
Reserved for:			
Encumbrances	\$ 2,404,578	\$ 24,944	\$ 2,429,522
Inventory	16,612	-	16,612
Prepayments	-	-	-
Property Taxes	-	-	-
Unreserved, Undesignated	(1,768,511)	125,826	(1,642,685)
Total Fund Balances	<u>\$ 652,679</u>	<u>\$ 150,770</u>	<u>\$ 803,449</u>
Total Liabilities and Fund Balances	<u>\$ 4,423,101</u>	<u>\$ 160,504</u>	<u>\$ 4,583,605</u>

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

Hamilton City School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds - Other Funds Source
For the Fiscal Year Ended June 30, 2004

	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
Revenues:			
Taxes	\$ -	\$ -	\$ -
Tuition	147,800	-	147,800
Charges for Services	1,230,145	-	1,230,145
Earnings on Investments	6,024	-	6,024
Intergovernmental	15,282,541	205,425	15,487,966
Other Local Revenues	741,443	-	741,443
Total Revenues	<u>17,407,953</u>	<u>205,425</u>	<u>17,613,378</u>
Expenditures:			
Current:			
Instruction:			
Regular	3,025,942	136,147	3,162,089
Special	3,134,092	-	3,134,092
Vocational	311,046	-	311,046
Adult/Continuing	257,102	-	257,102
Other	-	-	-
Support Services:			
Pupils	1,908,962	-	1,908,962
Instructional Staff	2,311,970	1,175	2,313,145
Board of Education	-	-	-
Administration	417,976	-	417,976
Fiscal	-	-	-
Business	-	-	-
Operations and Maintenance	69,144	411,936	481,080
Pupil Transportation	1,344	-	1,344
Central	317,486	-	317,486
Non-Instructional Services:			
Food Service Operations	3,501,078	-	3,501,078
Community Services	957,327	-	957,327
Extracurricular Activities	391,119	-	391,119
Capital Outlay	479,472	1,542,728	2,022,200
Intergovernmental	-	-	-
Debt Service:			
Principal Retirement	1,161	-	1,161
Interest and Fiscal Charges	8	-	8
Total Expenditures	<u>17,085,229</u>	<u>2,091,986</u>	<u>19,177,215</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>322,724</u>	<u>(1,886,561)</u>	<u>(1,563,837)</u>
Other Financing Sources (Uses):			
Transfers In	197,510	-	197,510
Proceeds from Sale of Fixed Assets	-	-	-
Transfers Out	(28,210)	-	(28,210)
Proceeds from Sale of Long-Term Notes	-	-	-
Total Other Financing Sources (Uses)	<u>169,300</u>	<u>-</u>	<u>169,300</u>
Change in Fund Balance	492,024	(1,886,561)	(1,394,537)
Fund Balance: July 1, 2003	153,958	2,037,331	2,191,289
Fund Balance: June 30, 2004	<u>\$ 645,982</u>	<u>\$ 150,770</u>	<u>\$ 796,752</u>

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

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Hamilton City School District
 Combining Balance Sheet
 Non-Major Special Revenue Funds
 For the Fiscal Year Ended June 30, 2004

	<u>Insurance Replacement</u>	<u>TV Hamilton</u>	<u>Public School Support</u>	<u>Other Grants</u>
Assets:				
Cash and Cash Equivalents	\$ 15,739	\$ 67,546	\$ 210,563	\$ 37,189
Receivables (Net of Allowance of Uncollectibles):				
Accounts	-	-	4,739	-
Intergovernmental	-	-	-	-
Materials and Supplies Inventory	-	-	-	-
Total Assets	<u>\$ 15,739</u>	<u>\$ 67,546</u>	<u>\$ 215,302</u>	<u>\$ 37,189</u>
Liabilities:				
Accounts Payable	\$ -	\$ 125	\$ 14,803	\$ -
Accrued Wages and Benefits	-	15,423	4	4,981
Interfund Loans Payable	-	-	-	-
Due to Other Funds	-	35	52	-
Intergovernmental Payable	-	1,153	1,602	-
Total Liabilities	<u>\$ -</u>	<u>\$ 16,736</u>	<u>\$ 16,461</u>	<u>\$ 4,981</u>
Fund Balances:				
Reserved for Encumbrances	\$ 425	\$ 9,427	\$ 25,354	\$ 26,997
Reserved for Inventory	-	-	-	-
Unreserved, Undesignated	15,314	41,383	173,487	5,211
Total Fund Balances	<u>\$ 15,739</u>	<u>\$ 50,810</u>	<u>\$ 198,841</u>	<u>\$ 32,208</u>
Total Liabilities and Fund Balances	<u>\$ 15,739</u>	<u>\$ 67,546</u>	<u>\$ 215,302</u>	<u>\$ 37,189</u>

Athletic Fund	Auxiliary Service	Career Development	Management Information System	Entry Year Programs	DPIA	Network Connectivity	School Net Professional Development
\$ 130,782	\$ 197,023	\$ 1,337	\$ -	\$ -	\$ 761,497	\$ -	\$ -
1,629	-	-	-	-	-	-	-
3,121	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 135,532</u>	<u>\$ 197,023</u>	<u>\$ 1,337</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 761,497</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 19,404	\$ 46,326	\$ 1,197	\$ -	\$ -	\$ -	\$ -	\$ -
566	106,358	57	723	481	695,544	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	752	-	-	-	5,805	-	-
<u>\$ 19,970</u>	<u>\$ 153,436</u>	<u>\$ 1,254</u>	<u>\$ 723</u>	<u>\$ 481</u>	<u>\$ 701,349</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 22,988	\$ 42,680	\$ 139	\$ -	\$ -	\$ 761,503	\$ -	\$ -
-	-	-	-	-	-	-	-
92,574	907	(56)	(723)	(481)	(701,355)	-	-
<u>\$ 115,562</u>	<u>\$ 43,587</u>	<u>\$ 83</u>	<u>\$ (723)</u>	<u>\$ (481)</u>	<u>\$ 60,148</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 135,532</u>	<u>\$ 197,023</u>	<u>\$ 1,337</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 761,497</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

Hamilton City School District
Combining Balance Sheet
Non-Major Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2004

	<u>Ohio Reads Volunteer Grant</u>	<u>Summer Intervention</u>	<u>Vocational Education Enhancement</u>	<u>Alternative Schools</u>
Assets:				
Cash and Cash Equivalents	\$ 26,019	\$ -	\$ -	\$ 81,754
Receivables (Net of Allowance of Uncollectibles):				
Accounts	-	-	-	-
Intergovernmental	-	-	-	-
Materials and Supplies Inventory	-	-	-	-
Total Assets	<u>\$ 26,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,754</u>
Liabilities:				
Accounts Payable	\$ 7,334	\$ -	\$ -	\$ -
Accrued Wages and Benefits	3,188	180	(1)	56,534
Interfund Loans Payable	-	-	-	74,690
Due to Other Funds	-	-	-	-
Intergovernmental Payable	5,032	-	-	-
Total Liabilities	<u>\$ 15,554</u>	<u>\$ 180</u>	<u>\$ (1)</u>	<u>\$ 131,224</u>
Fund Balances:				
Reserved for Encumbrances	\$ 18,682	\$ -	\$ (1)	\$ 81,754
Reserved for Inventory	-	-	-	-
Unreserved, Undesignated	(8,217)	(180)	2	(131,224)
Total Fund Balances	<u>\$ 10,465</u>	<u>\$ (180)</u>	<u>\$ 1</u>	<u>\$ (49,470)</u>
Total Liabilities and Fund Balances	<u>\$ 26,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,754</u>

<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>Economic Security Act</u>	<u>Title VI-B</u>	<u>Carl D. Perkins</u>	<u>Title III</u>	<u>Community Block Grant</u>
\$ 95,605	\$ 17,636	\$ -	\$ 289,386	\$ 42,430	\$ 3,406	\$ -
-	-	-	-	-	-	-
148,489	-	-	160,430	18,226	7,485	-
-	-	-	-	-	-	-
<u>\$ 244,094</u>	<u>\$ 17,636</u>	<u>\$ -</u>	<u>\$ 449,816</u>	<u>\$ 60,656</u>	<u>\$ 10,891</u>	<u>\$ -</u>
\$ -	\$ 426	\$ -	\$ 23,595	\$ 12,441	\$ 1,888	\$ -
3,424	27,052	-	231,090	33,451	3,248	-
148,489	-	-	160,430	18,226	7,485	-
-	-	-	-	-	-	-
-	1,203	-	13,366	2,936	1,140	-
<u>\$ 151,913</u>	<u>\$ 28,681</u>	<u>\$ -</u>	<u>\$ 428,481</u>	<u>\$ 67,054</u>	<u>\$ 13,761</u>	<u>\$ -</u>
\$ 71,083	\$ 2,584	\$ -	\$ 265,796	\$ 29,992	\$ 1,520	\$ -
-	-	-	-	-	-	-
21,098	(13,629)	-	(244,461)	(36,390)	(4,390)	-
<u>\$ 92,181</u>	<u>\$ (11,045)</u>	<u>\$ -</u>	<u>\$ 21,335</u>	<u>\$ (6,398)</u>	<u>\$ (2,870)</u>	<u>\$ -</u>
<u>\$ 244,094</u>	<u>\$ 17,636</u>	<u>\$ -</u>	<u>\$ 449,816</u>	<u>\$ 60,656</u>	<u>\$ 10,891</u>	<u>\$ -</u>

(Continued)

Hamilton City School District
Combining Balance Sheet
Non-Major Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2004

	<u>Title I</u>	<u>Title V</u>	<u>Emergency Immigrant Education</u>	<u>Federal Emergency Repair</u>
Assets:				
Cash and Cash Equivalents	\$ 719,380	\$ 18,635	\$ -	\$ -
Receivables (Net of Allowance of Uncollectibles):				
Accounts	-	-	-	-
Intergovernmental	617,318	-	-	122,930
Materials and Supplies Inventory	-	-	-	-
Total Assets	<u>\$ 1,336,698</u>	<u>\$ 18,635</u>	<u>\$ -</u>	<u>\$ 122,930</u>
Liabilities:				
Accounts Payable	\$ 54,650	\$ 510	\$ -	\$ -
Accrued Wages and Benefits	546,455	-	-	-
Interfund Loans Payable	540,029	-	-	124,930
Due to Other Funds	-	-	-	-
Intergovernmental Payable	4,151	-	-	-
Total Liabilities	<u>\$ 1,145,285</u>	<u>\$ 510</u>	<u>\$ -</u>	<u>\$ 124,930</u>
Fund Balances:				
Reserved for Encumbrances	\$ 692,801	\$ 18,124	\$ -	\$ -
Reserved for Inventory	-	-	-	-
Unreserved, Undesignated	(501,388)	1	-	(2,000)
Total Fund Balances	<u>\$ 191,413</u>	<u>\$ 18,125</u>	<u>\$ -</u>	<u>\$ (2,000)</u>
Total Liabilities and Fund Balances	<u>\$ 1,336,698</u>	<u>\$ 18,635</u>	<u>\$ -</u>	<u>\$ 122,930</u>

Drug Free Schools	Title VI-B Preschool	District Continuous Improvement	Improving Teacher Quality	Miscellaneous Federal Grants	Food Service	Uniform School Supplies
\$ 17,168	\$ 14,007	\$ -	\$ 92,479	\$ 219,202	\$ 60,511	\$ 44,516
-	-	-	-	-	-	20
-	3,584	-	37,340	28,517	66,972	-
-	-	-	-	-	16,612	-
<u>\$ 17,168</u>	<u>\$ 17,591</u>	<u>\$ -</u>	<u>\$ 129,819</u>	<u>\$ 247,719</u>	<u>\$ 144,095</u>	<u>\$ 44,536</u>
\$ 5,409	\$ -	\$ -	\$ 4,775	\$ 32,417	\$ 18,541	\$ 15,643
8,556	12,105	-	105,587	18,433	47,547	-
-	3,584	-	35,340	189,792	155,000	-
-	-	-	-	-	-	-
557	-	-	-	49,450	44,592	-
<u>\$ 14,522</u>	<u>\$ 15,689</u>	<u>\$ -</u>	<u>\$ 145,702</u>	<u>\$ 290,092</u>	<u>\$ 265,680</u>	<u>\$ 15,643</u>
\$ 7,483	\$ 14,006	\$ -	\$ 87,719	\$ 167,972	\$ 31,347	\$ 24,203
-	-	-	-	-	16,612	-
(4,837)	(12,104)	-	(103,602)	(210,345)	(169,544)	4,690
<u>\$ 2,646</u>	<u>\$ 1,902</u>	<u>\$ -</u>	<u>\$ (15,883)</u>	<u>\$ (42,373)</u>	<u>\$ (121,585)</u>	<u>\$ 28,893</u>
<u>\$ 17,168</u>	<u>\$ 17,591</u>	<u>\$ -</u>	<u>\$ 129,819</u>	<u>\$ 247,719</u>	<u>\$ 144,095</u>	<u>\$ 44,536</u>

(Continued)

Hamilton City School District
Combining Balance Sheet
Non-Major Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2004

	Vocational Rotary	Adult Education	Totals
Assets:			
Cash and Cash Equivalents	\$ 10,754	\$ 7,705	\$ 3,182,269
Receivables (Net of Allowance of Uncollectibles):			
Accounts	-	-	6,388
Intergovernmental	-	3,420	1,217,832
Materials and Supplies Inventory	-	-	16,612
Total Assets	<u>\$ 10,754</u>	<u>\$ 11,125</u>	<u>\$ 4,423,101</u>
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ 259,484
Accrued Wages and Benefits	-	131	1,921,117
Interfund Loans Payable	-	-	1,457,995
Due to Other Funds	-	-	87
Intergovernmental Payable	-	-	131,739
Total Liabilities	<u>\$ -</u>	<u>\$ 131</u>	<u>\$ 3,770,422</u>
Fund Balances:			
Reserved for Encumbrances	\$ -	\$ -	\$ 2,404,578
Reserved for Inventory	-	-	16,612
Unreserved, Undesignated	10,754	10,994	(1,768,511)
Total Fund Balances	<u>\$ 10,754</u>	<u>\$ 10,994</u>	<u>\$ 652,679</u>
Total Liabilities and Fund Balances	<u>\$ 10,754</u>	<u>\$ 11,125</u>	<u>\$ 4,423,101</u>

Hamilton City School District
Combining Balance Sheet
Non-Major Capital Project Funds
For the Fiscal Year Ended June 30, 2004

	Capital Projects	SchoolNet Plus	Interactive Video Distance Learning	Totals
Assets:				
Cash and Cash Equivalents	\$ 39,027	\$ 121,477	\$ -	\$ 160,504
Total Assets	<u>\$ 39,027</u>	<u>\$ 121,477</u>	<u>\$ -</u>	<u>\$ 160,504</u>
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Contracts Payable	9,734	-	-	9,734
Accrued Wages and Benefits	-	-	-	-
Total Liabilities	<u>\$ 9,734</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,734</u>
Fund Balances:				
Reserved for Encumbrances	\$ 24,944	\$ -	\$ -	\$ 24,944
Unreserved, Undesignated	4,349	121,477	-	125,826
Total Fund Balances	<u>\$ 29,293</u>	<u>\$ 121,477</u>	<u>\$ -</u>	<u>\$ 150,770</u>
Total Liabilities and Fund Balances	<u>\$ 39,027</u>	<u>\$ 121,477</u>	<u>\$ -</u>	<u>\$ 160,504</u>

Hamilton City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2004

	Insurance Replacement	TV Hamilton	Public School Support	Other Grants	Athletic Fund
Revenues:					
From Local Sources:					
Tuition	\$ -	\$ -	\$ 79,047	\$ -	\$ 233
Sales and Charges for Services	-	-	-	-	-
Earnings on Investments	-	-	2,355	-	1,392
Intergovernmental	-	100,000	-	61,528	-
Other Revenues	2,744	70,257	414,426	9,883	390,163
Total Revenues	<u>2,744</u>	<u>170,257</u>	<u>495,828</u>	<u>71,411</u>	<u>391,788</u>
Expenditures:					
Current:					
Instruction:					
Regular	7,193	-	-	16,662	1,000
Special	1,638	-	-	10,694	-
Vocational	-	143,934	-	-	-
Adult/Continuing	-	-	-	700	-
Support Services:					
Pupils	1,000	-	505,524	4,397	-
Instructional Staff	-	-	-	17,077	-
Administration	-	-	-	-	-
Operations and Maintenance	-	-	-	-	12,781
Pupil Transportation	-	-	-	-	1,344
Central	-	-	-	224,679	-
Non-Instructional Services:					
Food Service Operations	-	-	-	-	-
Community Services	-	-	130	-	-
Extracurricular Activities	-	-	-	-	391,119
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>9,831</u>	<u>143,934</u>	<u>505,654</u>	<u>274,209</u>	<u>406,244</u>
Excess (Deficiency) of Revenues Over / (Under) Expenditures	<u>(7,087)</u>	<u>26,323</u>	<u>(9,826)</u>	<u>(202,798)</u>	<u>(14,456)</u>
Other Financing Sources (Uses):					
Transfers In	-	-	-	-	4,300
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,300</u>
Change in Fund Balance	(7,087)	26,323	(9,826)	(202,798)	(10,156)
Fund Balance: July 1, 2003	22,826	24,487	208,667	235,006	125,718
Fund Balance: June 30, 2004	<u>\$ 15,739</u>	<u>\$ 50,810</u>	<u>\$ 198,841</u>	<u>\$ 32,208</u>	<u>\$ 115,562</u>

Auxiliary Service	Career Development	Management Information System	Entry Year Programs	DPIA	Network Connectivity	School Net Professional Development
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
2,277	-	-	-	-	-	-
910,953	7,000	35,951	23,100	3,341,174	54,000	6,750
(317)	-	-	-	-	-	-
912,913	7,000	35,951	23,100	3,341,174	54,000	6,750
-	-	-	-	2,275,303	-	-
-	-	-	-	-	-	-
-	6,791	-	-	7	-	-
-	-	-	-	-	-	-
-	-	32,911	-	487,463	-	-
-	-	-	23,581	130,514	-	6,750
-	-	-	-	163,803	-	-
-	-	-	-	47,854	-	-
-	-	-	-	-	-	-
-	-	2,995	-	-	54,000	-
-	-	-	-	-	-	-
832,079	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
832,079	6,791	35,906	23,581	3,104,944	54,000	6,750
80,834	209	45	(481)	236,230	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
80,834	209	45	(481)	236,230	-	-
(37,247)	(126)	(768)	-	(176,082)	-	-
\$ 43,587	\$ 83	\$ (723)	\$ (481)	\$ 60,148	\$ -	\$ -

(Continued)

Hamilton City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2004

	Ohio Reads Volunteer Grant	Summer Intervention	Vocational Education Enhancement	Alternative Schools
Revenues:				
From Local Sources:				
Tuition	\$ -	\$ -	\$ -	\$ -
Sales and Charges for Services	-	-	-	-
Earnings on Investments	-	-	-	-
Intergovernmental	175,000	-	17,969	319,961
Other Revenues	-	-	-	(61,942)
Total Revenues	<u>175,000</u>	<u>-</u>	<u>17,969</u>	<u>258,019</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	54,429	-	-	286,271
Vocational	-	-	5,729	-
Adult/Continuing	-	-	-	-
Support Services:				
Pupils	-	-	-	-
Instructional Staff	108,788	12,897	(25)	-
Administration	-	-	-	-
Operations and Maintenance	-	-	-	-
Pupil Transportation	-	-	-	-
Central	-	-	-	-
Non-Instructional Services:				
Food Service Operations	-	-	-	-
Community Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>163,217</u>	<u>12,897</u>	<u>5,704</u>	<u>286,271</u>
Excess (Deficiency) of Revenues Over / (Under) Expenditures	<u>11,783</u>	<u>(12,897)</u>	<u>12,265</u>	<u>(28,252)</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balance	11,783	(12,897)	12,265	(28,252)
Fund Balance: July 1, 2003	<u>(1,318)</u>	<u>12,717</u>	<u>(12,264)</u>	<u>(21,218)</u>
Fund Balance: June 30, 2004	<u>\$ 10,465</u>	<u>\$ (180)</u>	<u>\$ 1</u>	<u>\$ (49,470)</u>

Miscellaneous State Grants	Adult Basic Education	Economic Security Act	Title VI-B	Carl D. Perkins	Title III	Community Block Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
352,503	411,097	-	1,541,625	271,624	50,740	-
(21,825)	(32,566)	-	-	-	-	-
<u>330,678</u>	<u>378,531</u>	<u>-</u>	<u>1,541,625</u>	<u>271,624</u>	<u>50,740</u>	<u>-</u>
1,339	-	-	-	-	-	-
323	-	-	164,511	-	20,399	-
-	4,666	-	-	145,757	-	-
-	248,919	-	-	(2,172)	-	-
140,648	-	-	515,615	69,061	35,364	-
119,580	86,124	(262)	561,197	(742)	-	-
-	-	-	147,863	15,360	-	-
8,509	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	51,661	-	-	(90)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>270,399</u>	<u>339,709</u>	<u>(262)</u>	<u>1,440,847</u>	<u>227,264</u>	<u>55,763</u>	<u>(90)</u>
60,279	38,822	262	100,778	44,360	(5,023)	90
-	28,210	-	-	-	-	-
-	(28,210)	-	-	-	-	-
-	-	-	-	-	-	-
60,279	38,822	262	100,778	44,360	(5,023)	90
31,901	(49,867)	(262)	(79,443)	(50,758)	2,153	(90)
<u>\$ 92,180</u>	<u>\$ (11,045)</u>	<u>\$ -</u>	<u>\$ 21,335</u>	<u>\$ (6,398)</u>	<u>\$ (2,870)</u>	<u>\$ -</u>

(Continued)

Hamilton City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2004

	Title I	Title V	Emergency Immigrant Education	Federal Emergency Repair	Drug Free Schools
Revenues:					
From Local Sources:					
Tuition	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and Charges for Services	-	-	-	-	-
Earnings on Investments	-	-	-	-	-
Intergovernmental	3,662,090	67,721	-	348,000	73,114
Other Revenues	(22,773)	-	-	-	(6,600)
Total Revenues	3,639,317	67,721	-	348,000	66,514
Expenditures:					
Current:					
Instruction:					
Regular	132,063	40,472	-	-	-
Special	2,565,911	-	-	-	34,660
Vocational	-	-	-	-	-
Adult/Continuing	-	-	-	-	-
Support Services:					
Pupils	17,360	-	(8)	-	7,725
Instructional Staff	444,768	-	-	-	12,667
Administration	90,950	-	-	-	-
Operations and Maintenance	-	-	-	-	-
Pupil Transportation	-	-	-	-	-
Central	-	-	-	-	-
Non-Instructional Services:					
Food Service Operations	-	-	-	-	-
Community Services	44,358	9,124	-	-	9,919
Extracurricular Activities	-	-	-	-	-
Capital Outlay	-	-	-	479,472	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	3,295,410	49,596	(8)	479,472	64,971
Excess (Deficiency) of Revenues Over / (Under) Expenditures	343,907	18,125	8	(131,472)	1,543
Other Financing Sources (Uses):					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Change in Fund Balance	343,907	18,125	8	(131,472)	1,543
Fund Balance: July 1, 2003	(152,493)	-	(8)	129,472	1,103
Fund Balance: June 30, 2004	\$ 191,414	\$ 18,125	\$ -	\$ (2,000)	\$ 2,646

<u>Title VI-B Preschool</u>	<u>District Continuous Improvement</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grant</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,581
-	-	-	-	1,224,471	-
-	-	-	-	-	-
57,910	-	583,819	560,861	2,237,797	-
-	-	-	-	-	(7)
<u>57,910</u>	<u>-</u>	<u>583,819</u>	<u>560,861</u>	<u>3,462,268</u>	<u>65,574</u>
-	-	295,359	73,459	-	183,092
-	-	(4,744)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
54,828	-	-	37,074	-	-
-	-	360,416	428,640	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(65)	-	35,877	-	-
-	-	-	-	3,501,078	-
(33)	-	941	9,238	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,161	-
-	-	-	-	8	-
<u>54,795</u>	<u>(65)</u>	<u>651,972</u>	<u>584,288</u>	<u>3,502,247</u>	<u>183,092</u>
<u>3,115</u>	<u>65</u>	<u>(68,153)</u>	<u>(23,427)</u>	<u>(39,979)</u>	<u>(117,518)</u>
-	-	-	-	50,000	115,000
-	-	-	-	-	-
-	-	-	-	50,000	115,000
3,115	65	(68,153)	(23,427)	10,021	(2,518)
(1,213)	(65)	52,270	(18,946)	(131,606)	24,714
<u>\$ 1,902</u>	<u>\$ -</u>	<u>\$ (15,883)</u>	<u>\$ (42,373)</u>	<u>\$(121,585)</u>	<u>\$ 22,196</u>

(Continued)

Hamilton City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2004

	Vocational Rotary	Adult Education	Totals
Revenues:			
From Local Sources:			
Tuition	\$ -	\$ 2,939	\$ 147,800
Sales and Charges for Services	5,674	-	1,230,145
Earnings on Investments	-	-	6,024
Intergovernmental	-	10,254	15,282,541
Other Revenues	(275)	275	741,443
Total Revenues	<u>5,399</u>	<u>13,468</u>	<u>17,407,953</u>
Expenditures:			
Current:			
Instruction:			
Regular	-	-	3,025,942
Special	-	-	3,134,092
Vocational	4,162	-	311,046
Adult/Continuing	-	9,655	257,102
Support Services:			
Pupils	-	-	1,908,962
Instructional Staff	-	-	2,311,970
Administration	-	-	417,976
Operations and Maintenance	-	-	69,144
Pupil Transportation	-	-	1,344
Central	-	-	317,486
Non-Instructional Services:			
Food Service Operations	-	-	3,501,078
Community Services	-	-	957,327
Extracurricular Activities	-	-	391,119
Capital Outlay	-	-	479,472
Debt Service:			
Principal Retirement	-	-	1,161
Interest and Fiscal Charges	-	-	8
Total Expenditures	<u>4,162</u>	<u>9,655</u>	<u>17,085,229</u>
Excess (Deficiency) of Revenues Over / (Under) Expenditures	<u>1,237</u>	<u>3,813</u>	<u>322,724</u>
Other Financing Sources (Uses):			
Transfers In	-	-	197,510
Transfers Out	-	-	(28,210)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>169,300</u>
Change in Fund Balance	1,237	3,813	492,024
Fund Balance: July 1, 2003	<u>9,517</u>	<u>7,181</u>	<u>153,958</u>
Fund Balance: June 30, 2004	<u>\$ 10,754</u>	<u>\$ 10,994</u>	<u>\$ 645,982</u>

Hamilton City School District
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Non-Major Capital Project Funds
 For the Fiscal Year Ended June 30, 2004

	Capital Projects	SchoolNet Plus	Interactive Video Distance Learning	Totals
Revenues:				
Intergovernmental	\$ -	\$ 205,425	\$ -	\$ 205,425
Total Revenues	<u>-</u>	<u>205,425</u>	<u>-</u>	<u>205,425</u>
Expenditures:				
Current:				
Instruction:				
Regular	136,147	-	-	136,147
Support Services:				
Instructional Staff	-	-	1,175	1,175
Operations and Maintenance	411,936	-	-	411,936
Capital Outlay	1,458,780	83,948	-	1,542,728
Total Expenditures	<u>2,006,863</u>	<u>83,948</u>	<u>1,175</u>	<u>2,091,986</u>
Excess (Deficiency) of Revenues Over / (Under) Expenditures	<u>(2,006,863)</u>	<u>121,477</u>	<u>(1,175)</u>	<u>(1,886,561)</u>
Fund Balance: July 1, 2003	<u>2,036,156</u>	<u>-</u>	<u>1,175</u>	<u>2,037,331</u>
Fund Balance: June 30, 2004	<u>\$ 29,293</u>	<u>\$ 121,477</u>	<u>\$ -</u>	<u>\$ 150,770</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Insurance Replacement Special Revenue Fund
 For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Other Local Revenues:				
Miscellaneous Revenue	\$ -	\$ 2,744	\$ 2,744	\$ -
Total Other Local Revenues	-	2,744	2,744	-
Total Revenues	-	2,744	2,744	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Equipment Purchased	20,350	25,570	7,618	17,952
Total Regular Instruction	20,350	25,570	7,618	17,952
Special:				
Equipment Purchased	-	-	1,638	(1,638)
Total Special Instruction	-	-	1,638	(1,638)
Support Services:				
Pupils:				
Equipment Purchased	-	-	1,000	(1,000)
Total Pupils	-	-	1,000	(1,000)
Total Expenditures	20,350	25,570	10,256	15,314
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,350)	(22,826)	(7,512)	15,314
Fund Balance: July 1, 2003	22,826	22,826	22,826	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance: June 30, 2004	<u>\$ 2,476</u>	<u>\$ -</u>	<u>\$ 15,314</u>	<u>\$ 15,314</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
TV Hamilton Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Other Local Revenues:				
Gifts and Donations	\$ -	\$ 70,373	\$ 70,373	\$ -
Total Other Local Revenues	-	70,373	70,373	-
Intergovernmental	-	100,000	100,000	-
Total Revenues	-	170,373	170,373	-
Expenditures:				
Current:				
Instruction:				
Vocational:				
Salaries and Wages	110,158	110,158	100,690	9,468
Fringe Benefits	26,322	26,322	30,897	(4,575)
Purchased Services	16,579	16,579	17,318	(739)
Materials and Supplies	10,817	10,817	8,231	2,586
Equipment Purchased	8,449	8,449	8,042	407
Total Vocational Instruction	172,325	172,325	165,178	7,147
Total Expenditures	172,325	172,325	165,178	7,147
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(172,325)	(1,952)	5,195	7,147
Fund Balance: July 1, 2004	46,498	46,498	46,498	-
Prior Year Encumbrances Appropriated	6,301	6,301	6,301	-
Fund Balance: June 30, 2004	\$(119,526)	\$ 50,847	\$ 57,994	\$ 7,147

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Public School Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Tuition and Fees	\$ -	\$ 78,622	\$ 78,622	\$ -
Earnings on Investments	-	2,164	2,355	191
Other Local Revenues:				
Extracurricular Activities	-	285,043	285,043	-
Gifts and Donations	-	87,572	87,872	300
Miscellaneous Revenues	-	39,172	39,172	-
Total Other Local Revenues	-	411,787	412,087	300
Total Revenues	-	492,573	493,064	491
Expenditures:				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	2,569	6,951	75	6,876
Fringe Benefits	18,661	18,161	8,385	9,776
Purchased Services	129,921	260,168	158,762	101,406
Materials and Supplies	343,471	315,935	290,561	25,374
Equipment Purchased	59,238	59,238	27,302	31,936
Other Expenditures	59,317	58,817	80,604	(21,787)
Total Pupil	613,177	719,270	565,689	153,581
Operations and Maintenance:				
Purchased Services	1,500	1,500	-	1,500
Total Operations and Maintenance	1,500	1,500	-	1,500
Operation of Non-Instructional Services:				
Community Services:				
Other Expenditures	-	-	130	(130)
Total Community Services	-	-	130	(130)
Total Expenditures	614,677	720,770	565,819	154,951
Excess (Deficiency) of Revenues Over (Under) Expenditures	(614,677)	(228,197)	(72,755)	155,442
Fund Balance: July 1, 2003	202,790	202,790	202,790	-
Prior Year Encumbrances Appropriated	46,791	46,791	46,791	-
Fund Balance: June 30, 2004	<u><u>\$ (365,096)</u></u>	<u><u>\$ 21,384</u></u>	<u><u>\$ 176,826</u></u>	<u><u>\$ 155,442</u></u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Other Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Other Local Revenues:				
Miscellaneous Revenues	\$ -	\$ 9,883	\$ 9,883	\$ -
Total Other Local Revenues	-	9,883	9,883	-
Intergovernmental	37,111	61,528	61,528	-
Total Revenues	37,111	71,411	71,411	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased Services	-	254	-	254
Materials and Supplies	12,575	17,226	16,295	931
Equipment Purchased	-	5,000	-	5,000
Other Expenditures	1,175	1,175	1,066	109
Total Regular Instruction	13,750	23,655	17,361	6,294
Special:				
Salaries and Wages	-	260	216	44
Fringe Benefits	2,500	2,543	33	2,510
Purchased Services	8,750	8,447	10,190	(1,743)
Materials and Supplies	52,250	2,250	250	2,000
Total Special Instruction	63,500	13,500	10,689	2,811
Adult / Continuing:				
Materials and Supplies	700	700	700	-
Total Adult / Continuing Instruction	700	700	700	-
Support Services:				
Pupils:				
Purchased Services	515	515	210	305
Materials and Supplies	3,617	3,617	3,596	21
Other Expenditures	265	265	591	(326)
Total Pupils	4,397	4,397	4,397	-
Instructional Staff:				
Salaries and Wages	-	8,396	7,425	971
Fringe Benefits	-	500	1,470	(970)
Purchased Services	375	3,425	3,125	300
Materials and Supplies	1,897	6,375	6,675	(300)
Total Instructional Staff	2,272	18,696	18,695	1

(continued)

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Other Grants Special Revenue Fund
 For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Central:				
Salaries and Wages	646	107,513	159,847	(52,334)
Fringe Benefits	-	36,422	47,360	(10,938)
Purchased Services	30,153	88,351	21,603	66,748
Materials and Supplies	-	13,540	6,723	6,817
Other	-	-	9,808	(9,808)
Total Central	<u>30,799</u>	<u>245,826</u>	<u>245,341</u>	<u>485</u>
Total Expenditures	<u>115,418</u>	<u>306,774</u>	<u>297,183</u>	<u>9,591</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(78,307)</u>	<u>(235,363)</u>	<u>(225,772)</u>	<u>9,591</u>
Other Financing Sources (Uses)				
Advances (Out)	-	(6,000)	(6,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(78,307)</u>	<u>(241,363)</u>	<u>(231,772)</u>	<u>9,591</u>
Fund Balance: July 1, 2003	209,743	209,743	209,743	-
Prior Year Encumbrances Appropriated	<u>32,221</u>	<u>32,221</u>	<u>32,221</u>	<u>-</u>
Fund Balance: June 30, 2004	<u><u>\$163,657</u></u>	<u><u>\$ 601</u></u>	<u><u>\$ 10,192</u></u>	<u><u>\$ 9,591</u></u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Athletic Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Tuition and Fees	\$ -	\$ 233	\$ 233	\$ -
Earnings on Investments	-	1,281	1,392	111
Other Local Revenues:				
Extracurricular Activities	-	270,949	270,841	(108)
Gifts and Donations	-	56,120	56,120	-
Miscellaneous Revenues	-	60,747	60,747	-
Total Other Local Revenues	-	387,816	387,708	(108)
Total Revenues	-	389,330	389,333	3
Expenditures:				
Current:				
Instruction:				
Regular:				
Materials and Supplies	3,969	951	-	951
Equipment Purchased	1,441	649	1,000	(351)
Total Regular Instruction	5,410	1,600	1,000	600
Support Services:				
Operations and Maintenance:				
Purchased Services	29,695	26,515	12,901	13,614
Materials and Supplies	1,000	1,000	1,590	(590)
Total Operations and Maintenance	30,695	27,515	14,491	13,024
Extracurricular Activities:				
Salaries and Wages	76,401	71,713	24,510	47,203
Fringe Benefits	191	191	3,479	(3,288)
Purchased Services	138,363	128,885	133,388	(4,503)
Materials and Supplies	199,081	150,828	142,430	8,398
Equipment Purchased	33,623	27,871	43,436	(15,565)
Other Expenditures	30,054	61,469	64,713	(3,244)
Total Extracurricular Activities	477,713	440,957	411,956	29,001
Total Expenditures	513,818	470,072	427,447	42,625
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(513,818)	(80,742)	(38,114)	42,628
Other Financing Sources (Uses)				
Operating Transfers In	-	4,300	4,300	-
Total Other Financing Sources (Uses)	-	4,300	4,300	-

(continued)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Athletic Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(513,818)	(76,442)	(33,814)	42,628
Fund Balance: July 1, 2003	97,488	97,488	97,488	-
Prior Year Encumbrances Appropriated	28,815	28,815	28,815	-
Fund Balance: June 30, 2004	<u><u>\$(387,515)</u></u>	<u><u>\$ 49,861</u></u>	<u><u>\$ 92,489</u></u>	<u><u>\$ 42,628</u></u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Auxiliary Service Special Revenue Funds
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Earnings on Investments	\$ -	\$ 2,095	\$ 2,277	\$ 182
Intergovernmental	948,959	910,953	910,953	-
Total Revenues	<u>948,959</u>	<u>913,048</u>	<u>913,230</u>	<u>182</u>
Expenditures:				
Current:				
Non-Instructional Services:				
Community Services:				
Salaries and Wages	572,719	570,994	481,346	89,648
Fringe Benefits	122,242	120,115	106,891	13,224
Purchased Services	13,745	13,841	12,302	1,539
Materials and Supplies	164,781	242,017	207,066	34,951
Equipment Purchased	14,415	62,912	65,265	(2,353)
Total Community Services	<u>887,902</u>	<u>1,009,879</u>	<u>872,870</u>	<u>137,009</u>
Total Expenditures	<u>887,902</u>	<u>1,009,879</u>	<u>872,870</u>	<u>137,009</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	61,057	(96,831)	40,360	137,191
Fund Balance: July 1, 2003	(191)	(191)	(191)	-
Prior Year Encumbrances Appropriated	<u>97,896</u>	<u>97,896</u>	<u>97,896</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ 158,762</u>	<u>\$ 874</u>	<u>\$ 138,065</u>	<u>\$ 137,191</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Career Development Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 7,000	\$ 7,000	\$ 7,000	\$ -
Total Revenues	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Vocational:				
Salaries and Wages	4,331	4,331	2,050	2,281
Fringe Benefits	752	772	372	400
Purchased Services	625	625	423	202
Materials and Supplies	1,292	1,272	4,154	(2,882)
Total Vocational Instruction	<u>7,000</u>	<u>7,000</u>	<u>6,999</u>	<u>1</u>
Total Expenditures	<u>7,000</u>	<u>7,000</u>	<u>6,999</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	1	1
Fund Balance: July 1, 2003	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance: June 30, 2004	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Management Information System Special Revenue Fund
 For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 27,925	\$ 35,951	\$ 35,951	\$ -
Total Revenues	<u>27,925</u>	<u>35,951</u>	<u>35,951</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	21,841	28,300	28,300	-
Fringe Benefits	3,593	4,655	4,656	(1)
Total Pupils	<u>25,434</u>	<u>32,955</u>	<u>32,956</u>	<u>(1)</u>
Central:				
Other Expenditures	2,491	2,995	2,995	-
Total Central	<u>2,491</u>	<u>2,995</u>	<u>2,995</u>	<u>-</u>
Total Expenditures	<u>27,925</u>	<u>35,950</u>	<u>35,951</u>	<u>(1)</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	-	1	-	(1)
Fund Balance: July 1, 2003	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance: June 30, 2004	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Entry Year Program Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 23,100	\$ 23,100	\$ 23,100	\$ -
Total Revenues	<u>23,100</u>	<u>23,100</u>	<u>23,100</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	19,837	19,837	19,837	-
Fringe Benefits	3,263	3,263	3,263	-
Total Instructional Staff	<u>23,100</u>	<u>23,100</u>	<u>23,100</u>	<u>-</u>
Total Expenditures	<u>23,100</u>	<u>23,100</u>	<u>23,100</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	-	-	-	-
Fund Balance: July 1, 2003	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance: June 30, 2004	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Disadvantaged Pupil Impact Aid (DPIA) Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$3,341,174	\$3,341,174	\$ -
Total Revenues	<u>-</u>	<u>3,341,174</u>	<u>3,341,174</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,298,198	3,364,372	3,013,709	350,663
Fringe Benefits	300,000	300,000	206,717	93,283
Total Regular Instruction	<u>3,598,198</u>	<u>3,664,372</u>	<u>3,220,426</u>	<u>443,946</u>
Vocational:				
Fringe Benefits	-	-	7	(7)
Total Vocational Instruction	<u>-</u>	<u>-</u>	<u>7</u>	<u>(7)</u>
Support Services:				
Pupils:				
Salaries and Wages	81,488	81,488	229,501	(148,013)
Fringe Benefits	-	-	43,647	(43,647)
Total Pupil	<u>81,488</u>	<u>81,488</u>	<u>273,148</u>	<u>(191,660)</u>
Instructional Staff:				
Salaries and Wages	5,501	5,501	116,850	(111,349)
Fringe Benefits	-	-	15,952	(15,952)
Total Instructional Staff	<u>5,501</u>	<u>5,501</u>	<u>132,802</u>	<u>(127,301)</u>
Administration:				
Salaries and Wages	22,392	22,392	87,359	(64,967)
Fringe Benefits	-	-	6,608	(6,608)
Total Administration	<u>22,392</u>	<u>22,392</u>	<u>93,967</u>	<u>(71,575)</u>
Operations and Maintenance:				
Salaries and Wages	-	-	47,599	(47,599)
Fringe Benefits	-	-	5,808	(5,808)
Total Operations and Maintenance	<u>-</u>	<u>-</u>	<u>53,407</u>	<u>(53,407)</u>
Total Expenditures	<u>3,707,579</u>	<u>3,773,753</u>	<u>3,773,757</u>	<u>(4)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,707,579)	(432,579)	(432,583)	(4)
Fund Balance: July 1, 2003	(2)	(2)	(2)	-
Prior Year Encumbrances Appropriated	<u>432,579</u>	<u>432,579</u>	<u>432,579</u>	<u>-</u>
Fund Balance: June 30, 2004	<u><u>\$(3,275,002)</u></u>	<u><u>\$ (2)</u></u>	<u><u>\$ (6)</u></u>	<u><u>\$ (4)</u></u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Network Connectivity Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 54,000	\$ 54,000	\$ 54,000	\$ -
Total Revenues	<u>54,000</u>	<u>54,000</u>	<u>54,000</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Central:				
Purchased Services	54,000	54,000	54,000	-
Total Central	<u>54,000</u>	<u>54,000</u>	<u>54,000</u>	<u>-</u>
Total Expenditures	<u>54,000</u>	<u>54,000</u>	<u>54,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	-	-	-	-
Fund Balance: July 1, 2003	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance: June 30, 2004	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 School Net Professional Development Special Revenue Fund
 For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 6,750	\$ 6,750	\$ 6,750	\$ -
Total Revenues	<u>6,750</u>	<u>6,750</u>	<u>6,750</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	6,450	6,450	6,750	(300)
Materials and Supplies	300	300	-	300
Total Instructional Staff	<u>6,750</u>	<u>6,750</u>	<u>6,750</u>	<u>-</u>
Total Expenditures	<u>6,750</u>	<u>6,750</u>	<u>6,750</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	-	-	-	-
Fund Balance: July 1, 2003	-	-	-	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Ohio Reads Volunteer Grant Special Revenue Fund
 For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 175,000	\$ 175,000	\$ 175,000	\$ -
Total Revenues	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and Wages	33,633	28,205	27,446	759
Fringe Benefits	6,155	4,802	4,584	218
Purchased Services	1,298	1,298	1,234	64
Materials and Supplies	14,779	42,729	43,507	(778)
Other Expenditures	2,490	1,390	1,455	(65)
Total Special Instruction	<u>58,355</u>	<u>78,424</u>	<u>78,226</u>	<u>198</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	110,491	93,340	93,665	(325)
Fringe Benefits	19,372	16,459	16,324	135
Total Instructional Staff	<u>129,863</u>	<u>109,799</u>	<u>109,989</u>	<u>(190)</u>
Total Expenditures	<u>188,218</u>	<u>188,223</u>	<u>188,215</u>	<u>8</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,218)	(13,223)	(13,215)	8
Fund Balance: July 1, 2003	1	1	1	-
Prior Year Encumbrances Appropriated	<u>13,218</u>	<u>13,218</u>	<u>13,218</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ 1</u>	<u>\$ (4)</u>	<u>\$ 4</u>	<u>\$ 8</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Summer Intervention Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	-	7,500	7,400	100
Fringe Benefits	-	1,399	1,235	164
Purchased Services	3,600	3,500	4,000	(500)
Materials and Supplies	2,112	2,101	1,865	236
Total Instructional Staff	<u>5,712</u>	<u>14,500</u>	<u>14,500</u>	<u>-</u>
Total Expenditures	<u>5,712</u>	<u>14,500</u>	<u>14,500</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(5,712)	(14,500)	(14,500)	-
Fund Balance: July 1, 2003	8,788	8,788	8,788	-
Prior Year Encumbrances Appropriated	<u>5,712</u>	<u>5,712</u>	<u>5,712</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ 8,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Vocational Education Enhancement Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 17,969	\$ 17,969	\$ 17,969	\$ -
Total Revenues	<u>17,969</u>	<u>17,969</u>	<u>17,969</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Vocational:				
Fringe Benefits	-	-	(32)	32
Purchased Services	146	146	-	146
Materials and Supplies	16,784	16,784	4,722	12,062
Equipment Purchased	5,831	5,831	5,831	-
Total Vocational Instruction	<u>22,761</u>	<u>22,761</u>	<u>10,521</u>	<u>12,240</u>
Total Expenditures	<u>22,761</u>	<u>22,761</u>	<u>10,521</u>	<u>12,240</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,792)	(4,792)	7,448	12,240
Other Financing Sources (Uses)				
Advances (Out)	-	-	(12,240)	(12,240)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(12,240)</u>	<u>(12,240)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,792)	(4,792)	(4,792)	-
Fund Balance: July 1, 2003	-	-	-	-
Prior Year Encumbrances Appropriated	<u>4,792</u>	<u>4,792</u>	<u>4,792</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Alternative Schools Special Revenue Fund
 For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 340,541	\$ 394,651	\$ 319,961	\$ (74,690)
Total Revenues	<u>340,541</u>	<u>394,651</u>	<u>319,961</u>	<u>(74,690)</u>
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and Wages	321,151	314,431	336,397	(21,966)
Fringe Benefits	73,462	72,350	50,383	21,967
Total Special Instruction	<u>394,613</u>	<u>386,781</u>	<u>386,780</u>	<u>1</u>
Total Expenditures	<u>394,613</u>	<u>386,781</u>	<u>386,780</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(54,072)	7,870	(66,819)	(74,689)
Other Financing Sources (Uses)				
Advances In	-	-	74,690	74,690
Advances Out	-	(61,942)	(61,942)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(61,942)</u>	<u>12,748</u>	<u>74,690</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(54,072)	(54,072)	(54,071)	1
Fund Balance: July 1, 2003	-	-	-	-
Prior Year Encumbrances Appropriated	<u>54,072</u>	<u>54,072</u>	<u>54,072</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Miscellaneous State Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 330,679	\$ 352,504	\$ 204,014	\$ (148,490)
Total Revenues	<u>330,679</u>	<u>352,504</u>	<u>204,014</u>	<u>(148,490)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased Services	280	380	380	-
Materials and Supplies	250	733	832	(99)
Other Expenditures	250	250	152	98
Total Regular Instruction	<u>780</u>	<u>1,363</u>	<u>1,364</u>	<u>(1)</u>
Special:				
Materials and Supplies	3,457	3,457	3,450	7
Other Expenditures	500	500	507	(7)
Total Special Instruction	<u>3,957</u>	<u>3,957</u>	<u>3,957</u>	<u>-</u>
Support Services:				
Pupils:				
Salaries and Wages	43,800	43,800	43,800	-
Fringe Benefits	18,717	18,717	18,701	16
Purchased Services	73,400	71,222	71,222	-
Materials and Supplies	1,268	1,502	1,517	(15)
Equipment Purchased	2,400	4,345	4,345	-
Total Pupils	<u>139,585</u>	<u>139,586</u>	<u>139,585</u>	<u>1</u>
Instructional Staff:				
Salaries and Wages	148,001	146,840	145,422	1,418
Fringe Benefits	25,115	33,961	34,279	(318)
Materials and Supplies	10,309	9,990	10,579	(589)
Total Instructional Staff	<u>183,425</u>	<u>190,791</u>	<u>190,280</u>	<u>511</u>
Operations and Maintenance:				
Purchased Services	8,509	8,509	8,509	-
Total Operations and Maintenance	<u>8,509</u>	<u>8,509</u>	<u>8,509</u>	<u>-</u>
Total Expenditures	<u>336,256</u>	<u>344,206</u>	<u>343,695</u>	<u>511</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(5,577)	8,298	(139,681)	(147,979)
Other Financing Sources (Uses)				
Advances In	-	-	148,489	148,489
Advances (Out)	-	(21,825)	(21,825)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(21,825)</u>	<u>126,664</u>	<u>148,489</u>

(continued)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Miscellaneous State Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,577)	(13,527)	(13,017)	510
Fund Balance: July 1, 2003	31,962	31,962	31,962	-
Prior Year Encumbrances Appropriated	5,577	5,577	5,577	-
Fund Balance: June 30, 2004	\$ 31,962	\$ 24,012	\$ 24,522	\$ 510

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Adult Basic Education Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 372,372	\$ 427,442	\$ 411,097	\$ (16,345)
Total Revenues	<u>372,372</u>	<u>427,442</u>	<u>411,097</u>	<u>(16,345)</u>
Expenditures:				
Current:				
Instruction:				
Adult / Continuing:				
Salaries and Wages	216,562	200,722	196,097	4,625
Fringe Benefits	56,529	53,778	38,082	15,696
Purchased Services	4,900	4,600	1,988	2,612
Materials and Supplies	23,519	23,209	19,682	3,527
Total Adult / Continuing	<u>301,510</u>	<u>282,309</u>	<u>255,849</u>	<u>26,460</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	71,966	71,966	58,291	13,675
Fringe Benefits	22,333	22,333	19,515	2,818
Purchased Services	3,750	5,250	2,009	3,241
Materials and Supplies	5,495	5,495	5,738	(243)
Equipment Purchased	3,000	1,500	1,504	(4)
Other Expenditures	950	950	633	317
Total Instructional Staff	<u>107,494</u>	<u>107,494</u>	<u>87,690</u>	<u>19,804</u>
Total Expenditures	<u>409,004</u>	<u>389,803</u>	<u>343,539</u>	<u>46,264</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,632)	37,639	67,558	29,919
Other Financing Sources (Uses)				
Transfers In	-	28,210	28,210	-
Transfers Out	-	-	(28,210)	(28,210)
Advances Out	-	(133,149)	(133,149)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(104,939)</u>	<u>(133,149)</u>	<u>(28,210)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(36,632)	(67,300)	(65,591)	1,709
Fund Balance: July 1, 2003	62,784	62,784	62,784	-
Prior Year Encumbrances Appropriated	<u>17,432</u>	<u>17,432</u>	<u>17,432</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ 43,584</u>	<u>\$ 12,916</u>	<u>\$ 14,625</u>	<u>\$ 1,709</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title VI-B Special Revenue Fund
 For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$1,541,625	\$1,541,625	\$1,381,195	\$ (160,430)
Total Revenues	<u>1,541,625</u>	<u>1,541,625</u>	<u>1,381,195</u>	<u>(160,430)</u>
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and Wages	106,392	175,585	175,585	-
Fringe Benefits	33,071	33,344	33,009	335
Materials and Supplies	-	62	62	-
Equipment Purchased	-	39,425	39,425	-
Total Special Instruction	<u>139,463</u>	<u>248,416</u>	<u>248,081</u>	<u>335</u>
Support Services:				
Pupils:				
Salaries and Wages	447,485	386,678	385,044	1,634
Fringe Benefits	112,597	97,422	95,585	1,837
Purchased Services	78,500	78,500	86,870	(8,370)
Materials and Supplies	-	1,185	1,192	(7)
Equipment Purchased	-	1,345	1,345	-
Total Pupils	<u>638,582</u>	<u>565,130</u>	<u>570,036</u>	<u>(4,906)</u>
Instructional Staff:				
Salaries and Wages	425,007	425,754	417,518	8,236
Fringe Benefits	243,641	208,923	211,687	(2,764)
Total Instructional Staff	<u>668,648</u>	<u>634,677</u>	<u>629,205</u>	<u>5,472</u>
Administration:				
Salaries and Wages	129,638	133,368	133,366	2
Fringe Benefits	37,419	32,156	33,490	(1,334)
Total Administration	<u>167,057</u>	<u>165,524</u>	<u>166,856</u>	<u>(1,332)</u>
Non-Instructional Services:				
Community Services:				
Salaries and Wages	43,235	43,992	43,991	1
Fringe Benefits	10,023	9,267	8,841	426
Total Community Services	<u>53,258</u>	<u>53,259</u>	<u>52,832</u>	<u>427</u>
Total Expenditures	<u>1,667,008</u>	<u>1,667,006</u>	<u>1,667,010</u>	<u>(4)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(125,383)	(125,381)	(285,815)	(160,434)

(continued)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title VI-B Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Advances In	-	-	160,430	160,430
Total Other Financing Sources (Uses)	-	-	160,430	160,430
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(125,383)	(125,381)	(125,385)	(4)
Fund Balance: July 1, 2003	1	1	1	-
Prior Year Encumbrances Appropriated	125,379	125,379	125,379	-
Fund Balance: June 30, 2004	\$ (3)	\$ (1)	\$ (5)	\$ (4)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Carl D. Perkins Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 233,718	\$ 271,625	\$ 253,398	\$ (18,227)
Total Revenues	<u>233,718</u>	<u>271,625</u>	<u>253,398</u>	<u>(18,227)</u>
Expenditures:				
Current:				
Instruction:				
Vocational:				
Salaries and Wages	108,616	110,172	109,662	510
Fringe Benefits	39,472	38,952	41,312	(2,360)
Materials and Supplies	4,379	3,658	3,674	(16)
Equipment Purchased	-	9,878	9,878	-
Total Vocational Instruction	<u>152,467</u>	<u>162,660</u>	<u>164,526</u>	<u>(1,866)</u>
Support Services:				
Pupils:				
Salaries and Wages	57,128	48,554	48,911	(357)
Fringe Benefits	22,449	23,680	21,026	2,654
Purchased Services	3,000	150	150	-
Materials and Supplies	9,344	9,344	9,207	137
Total Pupils	<u>91,921</u>	<u>81,728</u>	<u>79,294</u>	<u>2,434</u>
Administration:				
Salaries and Wages	11,314	11,314	11,637	(323)
Fringe Benefits	1,652	1,652	1,896	(244)
Total Administration	<u>12,966</u>	<u>12,966</u>	<u>13,533</u>	<u>(567)</u>
Total Expenditures	<u>257,354</u>	<u>257,354</u>	<u>257,353</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,636)	14,271	(3,955)	(18,226)
Other Financing Sources (Uses)				
Advances In	-	-	18,226	18,226
Advances (Out)	-	(37,907)	(37,907)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(37,907)</u>	<u>(19,681)</u>	<u>18,226</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(23,636)	(23,636)	(23,636)	-
Fund Balance: July 1, 2003	(1)	(1)	(1)	-
Prior Year Encumbrances Appropriated	<u>23,636</u>	<u>23,636</u>	<u>23,636</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ -</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Bilingual Education Program (Title III) Special Revenue Fund
 For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 43,255	\$ 43,255	\$ 43,255	\$ -
Total Revenues	<u>43,255</u>	<u>43,255</u>	<u>43,255</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and Wages	19,834	10,549	11,174	(625)
Fringe Benefits	3,161	1,541	6,035	(4,494)
Materials and Supplies	1,199	6,735	4,580	2,155
Total Special Instruction	<u>24,194</u>	<u>18,825</u>	<u>21,789</u>	<u>(2,964)</u>
Support Services:				
Pupils:				
Salaries and Wages	11,685	20,136	17,626	2,510
Fringe Benefits	10,625	15,028	14,577	451
Total Pupils	<u>22,310</u>	<u>35,164</u>	<u>32,203</u>	<u>2,961</u>
Total Expenditures	<u>46,504</u>	<u>53,989</u>	<u>53,992</u>	<u>(3)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,249)	(10,734)	(10,737)	(3)
Other Financing Sources (Uses)				
Advances In	-	7,485	7,485	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>7,485</u>	<u>7,485</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,249)	(3,249)	(3,252)	(3)
Fund Balance: July 1, 2003	-	-	-	-
Prior Year Encumbrances Appropriated	<u>3,249</u>	<u>3,249</u>	<u>3,249</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3)</u>	<u>\$ (3)</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$3,763,702	\$5,008,402	\$3,044,772	\$(1,963,630)
Total Revenues	<u>3,763,702</u>	<u>5,008,402</u>	<u>3,044,772</u>	<u>(1,963,630)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	121,803	118,143	118,444	(301)
Fringe Benefits	23,012	22,354	21,512	842
Purchased Services	1,000	661	507	154
Materials and Supplies	23,135	22,932	17,322	5,610
Equipment Purchased	-	1,859	1,859	-
Total Regular Instruction	<u>168,950</u>	<u>165,949</u>	<u>159,644</u>	<u>6,305</u>
Special:				
Salaries and Wages	1,057,521	3,242,131	2,059,368	1,182,763
Fringe Benefits	457,089	519,967	463,660	56,307
Purchased Services	2,350	2,350	4,941	(2,591)
Materials and Supplies	89,451	292,725	296,285	(3,560)
Equipment Purchased	75,509	251,187	256,100	(4,913)
Total Special Instruction	<u>1,681,920</u>	<u>4,308,360</u>	<u>3,080,354</u>	<u>1,228,006</u>
Support Services:				
Pupils:				
Purchased Services	-	32,500	17,360	15,140
Materials and Supplies	-	5,000	5,000	-
Total Pupils	<u>-</u>	<u>37,500</u>	<u>22,360</u>	<u>15,140</u>
Instructional Staff:				
Salaries and Wages	158,183	230,701	269,648	(38,947)
Fringe Benefits	65,503	81,351	80,238	1,113
Purchased Services	649,347	316,110	93,772	222,338
Materials and Supplies	44,823	57,174	64,711	(7,537)
Equipment Purchased	4,000	4,000	3,916	84
Total Instructional Staff	<u>921,856</u>	<u>689,336</u>	<u>512,285</u>	<u>177,051</u>
Administration:				
Salaries and Wages	65,036	66,698	70,280	(3,582)
Fringe Benefits	17,509	15,765	18,702	(2,937)
Purchased Services	3,250	3,250	150	3,100
Materials and Supplies	3,000	4,000	4,398	(398)
Equipment Purchased	-	2,500	1,965	535
Total Administration	<u>88,795</u>	<u>92,213</u>	<u>95,495</u>	<u>(3,282)</u>

(continued)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Non-Instructional Services:				
Community Services:				
Salaries and Wages	34,571	34,571	34,989	(418)
Fringe Benefits	9,118	9,118	8,427	691
Purchased Services	500	500	254	246
Materials and Supplies	1,500	1,500	1,643	(143)
Total Community Services	<u>45,689</u>	<u>45,689</u>	<u>45,313</u>	<u>376</u>
Total Expenditures	<u>2,907,210</u>	<u>5,339,047</u>	<u>3,915,451</u>	<u>1,423,596</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	856,492	(330,645)	(870,679)	(540,034)
Other Financing Sources (Uses)				
Advances In	-	-	540,028	540,028
Advances (Out)	-	(22,773)	(22,773)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(22,773)</u>	<u>517,255</u>	<u>540,028</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	856,492	(353,418)	(353,424)	(6)
Fund Balance: July 1, 2003	252,846	252,846	252,846	-
Prior Year Encumbrances Appropriated	<u>100,577</u>	<u>100,577</u>	<u>100,577</u>	<u>-</u>
Fund Balance: June 30, 2004	<u><u>\$1,209,915</u></u>	<u><u>\$ 5</u></u>	<u><u>\$ (1)</u></u>	<u><u>\$ (6)</u></u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title V Special Revenue Fund
 For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 67,888	\$ 67,721	\$ 67,721	\$ -
Total Revenues	<u>67,888</u>	<u>67,721</u>	<u>67,721</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Materials and Supplies	58,756	58,589	58,299	290
Total Regular Instruction	<u>58,756</u>	<u>58,589</u>	<u>58,299</u>	<u>290</u>
Non-Instructional Services:				
Community Services:				
Materials and Supplies	9,131	8,667	8,920	(253)
Equipment Purchased	-	464	500	(36)
Total Community Services	<u>9,131</u>	<u>9,131</u>	<u>9,420</u>	<u>(289)</u>
Total Expenditures	<u>67,887</u>	<u>67,720</u>	<u>67,719</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	1	1	2	1
Fund Balance: July 1, 2003	-	-	-	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 1</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Federal Emergency Repair Grant Special Revenue Fund
 For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 354,542	\$ 354,542	\$ 225,070	\$ (129,472)
Total Revenues	<u>354,542</u>	<u>354,542</u>	<u>225,070</u>	<u>(129,472)</u>
Expenditures:				
Current:				
Capital Outlay:				
Purchased Services	18,483	18,483	18,818	(335)
Improvements/Renovations	690,600	690,600	460,654	229,946
Total Capital Outlay	<u>709,083</u>	<u>709,083</u>	<u>479,472</u>	<u>229,611</u>
Total Expenditures	<u>709,083</u>	<u>709,083</u>	<u>479,472</u>	<u>229,611</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(354,541)	(354,541)	(254,402)	100,139
Other Financing Sources (Uses)				
Advances In	-	-	124,930	124,930
Advances Out	-	-	(225,070)	(225,070)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(100,140)</u>	<u>(100,140)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(354,541)	(354,541)	(354,542)	(1)
Fund Balance: July 1, 2003	-	-	-	-
Prior Year Encumbrances Appropriated	<u>354,542</u>	<u>354,542</u>	<u>354,542</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Drug Free School Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 78,158	\$ 84,688	\$ 73,114	\$ (11,574)
Total Revenues	<u>78,158</u>	<u>84,688</u>	<u>73,114</u>	<u>(11,574)</u>
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and Wages	36,440	36,440	36,440	-
Fringe Benefits	5,835	5,711	5,533	178
Total Special Instruction	<u>42,275</u>	<u>42,151</u>	<u>41,973</u>	<u>178</u>
Support Services:				
Pupils:				
Purchased Services	16,720	19,329	4,187	15,142
Materials and Supplies	1,571	5,454	4,181	1,273
Total Pupils	<u>18,291</u>	<u>24,783</u>	<u>8,368</u>	<u>16,415</u>
Instructional Staff:				
Salaries and Wages	11,080	10,796	10,852	(56)
Benefits	2,569	2,093	2,047	46
Total Instructional Staff	<u>13,649</u>	<u>12,889</u>	<u>12,899</u>	<u>(10)</u>
Non-Instructional Services:				
Community Services:				
Purchased Services	-	1,000	3,952	(2,952)
Materials and Supplies	9,666	4,891	1,992	2,899
Equipment Purchased	-	3,775	4,000	(225)
Total Community Services	<u>9,666</u>	<u>9,666</u>	<u>9,944</u>	<u>(278)</u>
Total Expenditures	<u>83,881</u>	<u>89,489</u>	<u>73,184</u>	<u>16,305</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(5,723)	(4,801)	(70)	4,731
Other Financing Sources (Uses)				
Advances (Out)	-	(6,600)	(6,600)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(6,600)</u>	<u>(6,600)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing				
Sources Over (Under) Expenditures and Other				
Financing Uses	(5,723)	(11,401)	(6,670)	4,731
Fund Balance: July 1, 2003	5,680	5,680	5,680	-
Prior Year Encumbrances Appropriated	<u>5,722</u>	<u>5,722</u>	<u>5,722</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ 5,679</u>	<u>\$ 1</u>	<u>\$ 4,732</u>	<u>\$ 4,731</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title VI-B Preschool Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 54,326	\$ 57,910	\$ 54,326	\$ (3,584)
Total Revenues	<u>54,326</u>	<u>57,910</u>	<u>54,326</u>	<u>(3,584)</u>
Expenditures:				
Current:				
Instruction				
Special:				
Materials and Supplies	-	134	134	-
Equipment Purchased	-	3,450	3,450	-
Total Special Instruction	-	3,584	3,584	-
Support Services:				
Pupils:				
Salaries and Wages	45,460	45,460	45,891	(431)
Fringe Benefits	8,866	8,866	8,434	432
Total Pupils	54,326	54,326	54,325	1
Total Expenditures	<u>54,326</u>	<u>57,910</u>	<u>57,909</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(3,583)	(3,583)
Other Financing Sources (Uses)				
Advances In	-	-	3,584	3,584
Total Other Financing Sources (Uses)	-	-	3,584	3,584
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	1	1
Fund Balance: July 1, 2003	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance: June 30, 2004	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Improving Teacher Quality Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 694,356	\$ 807,471	\$ 546,479	\$ (260,992)
Total Revenues	<u>694,356</u>	<u>807,471</u>	<u>546,479</u>	<u>(260,992)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	284,029	284,038	299,521	(15,483)
Fringe Benefits	69,684	53,576	78,392	(24,816)
Total Regular Instruction	<u>353,713</u>	<u>337,614</u>	<u>377,913</u>	<u>(40,299)</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	308,924	369,910	259,851	110,059
Fringe Benefits	62,662	92,874	57,454	35,420
Purchased Services	35,000	95,000	59,510	35,490
Materials and Supplies	47,931	118,324	33,341	84,983
Total Instructional Staff	<u>454,517</u>	<u>676,108</u>	<u>410,156</u>	<u>265,952</u>
Non-Instructional Services:				
Community Services:				
Materials and Supplies	941	1,129	1,129	-
Total Community Services	<u>941</u>	<u>1,129</u>	<u>1,129</u>	<u>-</u>
Total Expenditures	<u>809,171</u>	<u>1,014,851</u>	<u>789,198</u>	<u>225,653</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(114,815)	(207,380)	(242,719)	(35,339)
Other Financing Sources (Uses)				
Advances In	-	-	35,340	35,340
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>35,340</u>	<u>35,340</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(114,815)	(207,380)	(207,379)	1
Fund Balance: July 1, 2004	92,565	92,565	92,565	-
Prior Year Encumbrances Appropriated	<u>114,815</u>	<u>114,815</u>	<u>114,815</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ 92,565</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Jobs Education Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 926,361	\$ 956,315	\$ 532,344	\$ (423,971)
Total Revenues	<u>926,361</u>	<u>956,315</u>	<u>532,344</u>	<u>(423,971)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	58,200	59,142	59,142	-
Fringe Benefits	-	6,098	6,098	-
Purchased Services	4,996	5,323	5,323	-
Materials and Supplies	2,552	1,333	1,333	-
Other Expenditures	225	210	210	-
Total Regular Instruction	<u>65,973</u>	<u>72,106</u>	<u>72,106</u>	<u>-</u>
Support Services:				
Pupils:				
Salaries and Wages	15,411	20,472	20,505	(33)
Fringe Benefits	10,028	3,785	3,700	85
Purchased Services	10,621	11,683	11,683	-
Materials and Supplies	1,198	1,318	1,368	(50)
Total Pupils	<u>37,258</u>	<u>37,258</u>	<u>37,256</u>	<u>2</u>
Instructional Staff:				
Salaries and Wages	111,966	100,784	80,136	20,648
Fringe Benefits	22,208	25,195	21,425	3,770
Purchased Services	224,234	236,203	224,151	12,052
Materials and Supplies	26,052	4,385	2,551	1,834
Equipment Purchased	193,500	216,443	215,676	767
Total Instructional Staff	<u>577,960</u>	<u>583,010</u>	<u>543,939</u>	<u>39,071</u>
Central:				
Salaries and Wages	146,000	146,000	-	146,000
Fringe Benefits	24,820	24,820	-	24,820
Purchased Services	64,500	64,500	17,877	46,623
Materials and Supplies	14,680	14,680	-	14,680
Total Central	<u>250,000</u>	<u>250,000</u>	<u>17,877</u>	<u>232,123</u>
Non-Instructional Services:				
Community Services:				
Purchased Services	400	1,770	1,450	320
Materials and Supplies	74	1,412	1,827	(415)
Equipment Purchased	-	6,124	6,233	(109)
Total Community Services	<u>474</u>	<u>9,306</u>	<u>9,510</u>	<u>(204)</u>
Total Expenditures	<u>931,665</u>	<u>951,680</u>	<u>680,688</u>	<u>270,992</u>

(continued)

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,304)	4,635	(148,344)	(152,979)
Other Financing Sources (Uses)				
Advances In	-	-	189,792	189,792
Advances (Out)	-	(9,940)	(9,940)	-
Total Other Financing Sources (Uses)	-	(9,940)	179,852	189,792
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(5,304)	(5,305)	31,508	36,813
Fund Balance: July 1, 2003	-	-	-	-
Prior Year Encumbrances Appropriated	5,306	5,306	5,306	-
Fund Balance: June 30, 2004	\$ 2	\$ 1	\$ 36,814	\$ 36,813

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Food Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 3,312,867	\$ 1,227,127	\$ 1,227,127	\$ -
Intergovernmental	-	1,960,990	1,960,990	-
Total Revenues	<u>3,312,867</u>	<u>3,188,117</u>	<u>3,188,117</u>	<u>-</u>
Expenditures:				
Current:				
Operation of Non-Instructional Services:				
Food Service:				
Salaries and Wages	1,256,000	1,366,000	1,263,520	102,480
Fringe Benefits	579,732	579,732	571,906	7,826
Purchased Services	231,884	231,884	247,406	(15,522)
Materials and Supplies	1,302,784	1,302,784	1,229,114	73,670
Equipment Purchased	10,925	10,925	1,960	8,965
Other Expenditures	2,741	2,741	2,478	263
Total Food Service	<u>3,384,066</u>	<u>3,494,066</u>	<u>3,316,384</u>	<u>177,682</u>
Total Expenditures	<u>3,384,066</u>	<u>3,494,066</u>	<u>3,316,384</u>	<u>177,682</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(71,199)</u>	<u>(305,949)</u>	<u>(128,267)</u>	<u>177,682</u>
Other Financing Sources (Uses)				
Transfers In (Out)	-	50,000	50,000	-
Advances In	-	155,000	155,000	-
Advances Out	-	-	(169,000)	(169,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>205,000</u>	<u>36,000</u>	<u>(169,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(71,199)</u>	<u>(100,949)</u>	<u>(92,267)</u>	<u>8,682</u>
Fund Balance: July 1, 2003	31,692	31,692	31,692	-
Prior Year Encumbrances Appropriated	<u>71,199</u>	<u>71,199</u>	<u>71,199</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ 31,692</u>	<u>\$ 1,942</u>	<u>\$ 10,624</u>	<u>\$ 8,682</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Uniform School Supplies Special Revenue Fund
 For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Tuition and Fees	\$ 176,000	\$ 65,561	\$ 65,561	\$ -
Total Revenues	<u>176,000</u>	<u>65,561</u>	<u>65,561</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Materials and Supplies	205,345	207,404	207,296	108
Total Regular Instruction	<u>205,345</u>	<u>207,404</u>	<u>207,296</u>	<u>108</u>
Total Expenditures	<u>205,345</u>	<u>207,404</u>	<u>207,296</u>	<u>108</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,345)	(141,843)	(141,735)	108
Other Financing Sources (Uses)				
Transfers In (Out)	-	115,000	115,000	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>115,000</u>	<u>115,000</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(29,345)	(26,843)	(26,735)	108
Fund Balance: July 1, 2003	2,059	2,059	2,059	-
Prior Year Encumbrances Appropriated	<u>29,345</u>	<u>29,345</u>	<u>29,345</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ 2,059</u>	<u>\$ 4,561</u>	<u>\$ 4,669</u>	<u>\$ 108</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Vocational Rotary Special Revenue Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Tuition and Fees	\$ 5,600	\$ -	\$ -	\$ -
Charges for Services	-	5,674	5,674	-
Other Local Revenues:				
Miscellaneous Revenue	-	(275)	(275)	-
Total Other Local Revenues	-	(275)	(275)	-
Total Revenues	<u>5,600</u>	<u>5,399</u>	<u>5,399</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Vocational:				
Materials and Supplies	5,600	5,600	4,162	1,438
Total Vocational Instruction	<u>5,600</u>	<u>5,600</u>	<u>4,162</u>	<u>1,438</u>
Total Expenditures	<u>5,600</u>	<u>5,600</u>	<u>4,162</u>	<u>1,438</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(201)	1,237	1,438
Fund Balance: July 1, 2003	9,517	9,517	9,517	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance: June 30, 2004	<u>\$ 9,517</u>	<u>\$ 9,316</u>	<u>\$ 10,754</u>	<u>\$ 1,438</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Adult Education Special Revenue Fund
 For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Favorable (Unfavorable)
	Original	Final		
Revenues:				
Tuition and Fees	\$ 10,400	\$ 2,939	\$ 2,939	\$ -
Other Local Revenues:				
Miscellaneous Revenue	-	275	275	-
Total Other Local Revenues	-	275	275	-
Intergovernmental	-	6,834	6,834	-
Total Revenues	<u>10,400</u>	<u>10,048</u>	<u>10,048</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Adult / Continuing:				
Salaries and Wages	10,400	10,400	5,660	4,740
Fringe Benefits	-	-	1,054	(1,054)
Materials and Supplies	-	-	2,810	(2,810)
Total Adult / Continuing Instruction	<u>10,400</u>	<u>10,400</u>	<u>9,524</u>	<u>876</u>
Total Expenditures	<u>10,400</u>	<u>10,400</u>	<u>9,524</u>	<u>876</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(352)	524	876
Fund Balance: July 1, 2003	7,181	7,181	7,181	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance: June 30, 2004	<u>\$ 7,181</u>	<u>\$ 6,829</u>	<u>\$ 7,705</u>	<u>\$ 876</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Miscellaneous Capital Project Fund
For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / Negative
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction:				
Regular:				
Equipment Purchased	159,678	159,678	162,565	(2,887)
Total Regular Instruction	159,678	159,678	162,565	(2,887)
Support Services:				
Operations and Maintenance:				
Purchased Services	66,945	66,945	71,642	(4,697)
Equipment Purchased	352,196	352,196	340,294	11,902
Total Operations and Maintenance	419,141	419,141	411,936	7,205
Capital Outlay:				
Building Improvement Services:				
Equipment Purchased	2,007,465	2,007,465	2,007,434	31
Total Building Improvement Services	2,007,465	2,007,465	2,007,434	31
Total Expenditures	2,586,284	2,586,284	2,581,935	4,349
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,586,284)	(2,586,284)	(2,581,935)	4,349
Fund Balance: July 1, 2003	-	-	-	-
Prior Year Encumbrances Appropriated	2,586,284	2,586,284	2,586,284	-
Fund Balance: June 30, 2004	\$ -	\$ -	\$ 4,349	\$ 4,349

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 SchoolNet Plus Capital Project Fund
 For the Fiscal Year Ended June 30, 2004

	Budgeted Amounts		Actual	Variance: Positive / Negative
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 205,425	\$ 205,425	\$ -
Total Revenues	<u>-</u>	<u>205,425</u>	<u>205,425</u>	<u>-</u>
Expenditures:				
Current:				
Capital Outlay:				
Building Improvement Services:				
Materials and Supplies	1,500	1,500	1,500	-
Equipment Purchased	271,328	271,328	149,851	121,477
Total Building Improvement Services	<u>272,828</u>	<u>272,828</u>	<u>151,351</u>	<u>121,477</u>
Total Expenditures	<u>272,828</u>	<u>272,828</u>	<u>151,351</u>	<u>121,477</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(272,828)	(67,403)	54,074	121,477
Fund Balance: July 1, 2003	-	-	-	-
Prior Year Encumbrances Appropriated	<u>67,403</u>	<u>67,403</u>	<u>67,403</u>	<u>-</u>
Fund Balance: June 30, 2004	<u>\$ (205,425)</u>	<u>\$ -</u>	<u>\$ 121,477</u>	<u>\$ 121,477</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Interactive Video Distance Learning Capital Project Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Support Services:				
Instructional Staff:				
Materials and Supplies	1,200	1,200	1,200	-
Total Instructional Staff	1,200	1,200	1,200	-
Total Expenditures	1,200	1,200	1,200	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,200)	(1,200)	(1,200)	-
Fund Balance: July 1, 2003	-	-	-	-
Prior Year Encumbrances Appropriated	1,200	1,200	1,200	-
Fund Balance: June 30, 2004	\$ -	\$ -	\$ -	\$ -

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STATISTICAL SECTION



The Cheerleading Competition Squad won a national championship on the same day that the Boys' Basketball Team won the State Championship. This was the fourth National Championship for the competition squad in recent years.

Congratulations for having yet another fantastic year!

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Hamilton City School District
 Summary of General Fund Revenues and Expenditures
 Last Ten Fiscal Years

	FY 2004 CAFR	FY 2003 CAFR	FY 2002 CAFR	FY 2001 CAFR
Revenues:				
Taxes	\$ 17,975,698	\$ 17,920,246	\$ 16,033,556	\$ 19,503,988
Tuition	542,912	490,562	673,865	650,670
Earnings and Investments	173,942	362,267	583,386	979,892
Other Local Revenue	109,517	-	308,061	343,190
Intergovernmental	41,534,697	37,890,068	36,255,905	35,301,605
Total Revenue	\$ 60,336,766	\$ 56,663,143	\$ 53,854,773	\$ 56,779,345
Expenditures:				
Current:				
Instruction:				
Regular	\$ 30,269,182	\$ 24,329,316	\$ 23,851,264	\$ 23,575,334
Special	5,279,119	5,649,778	6,051,693	5,641,680
Vocational	1,409,468	1,723,968	1,823,642	1,889,236
Adult/Continuing	-	-	1,558	(1,558)
Other	905,821	759,423	757,436	531,719
Support Services:				
Pupils	3,656,356	4,359,089	4,334,458	4,239,016
Instructional Staff	2,449,945	2,665,644	2,836,667	2,462,060
Board of Education	249,873	242,052	217,940	187,621
Administration	3,601,452	4,132,337	3,903,564	3,800,574
Fiscal	897,435	1,053,263	934,570	981,880
Business	482,769	531,917	576,139	721,704
Operations and Maintenance	7,084,187	7,139,692	6,908,000	6,428,708
Pupil Transportation	2,030,100	2,042,874	2,083,505	2,235,084
Central	613,764	708,036	601,708	687,525
Non-Instructional Services	8,573	-	602	9,130
Extracurricular Activities	695,004	677,345	665,420	647,974
Capital Outlay	99,566	128,612	300,354	324,333
Debt Service:				
Principal Retirement	102,781	148,650	238,767	229,540
Interest and Fiscal Charges	1,139	19,273	49,157	63,384
Total Expenditures	\$ 59,836,534	\$ 56,311,269	\$ 56,136,444	\$ 54,654,944

Source: Hamilton City School District CAFR's (FY 1995 to Present)

FY 2000 CAFR	FY 1999 CAFR	FY 1998 CAFR	FY 1997 CAFR	FY 1996 CAFR	FY 1995 CAFR
\$ 16,179,279	\$ 21,725,163	\$ 17,503,741	\$ 16,714,433	\$ 18,383,006	\$ 16,259,472
669,155	615,100	602,069	600,376	578,934	361,469
712,062	450,073	533,747	268,368	237,045	285,480
264,107	462,502	184,152	125,854	117,035	304,166
35,146,030	32,454,804	29,113,379	27,509,104	26,669,670	24,388,738
\$ 52,970,633	\$ 55,707,642	\$ 47,937,088	\$ 45,218,135	\$ 45,985,690	\$ 41,599,325
\$ 24,082,820	\$ 22,941,260	\$ 22,236,487	\$ 22,141,607	\$ 21,072,843	\$ 21,765,344
5,523,041	4,913,488	4,786,861	4,402,230	4,052,192	3,783,325
1,690,872	1,608,147	1,809,590	1,982,738	1,955,643	1,877,823
-	-	-	-	-	-
574,758	850,320	601,182	605,454	593,782	390,329
3,846,757	3,294,347	2,017,936	1,922,047	1,695,580	1,618,403
2,057,455	1,770,316	1,671,359	1,529,803	1,490,742	1,335,384
127,592	149,854	181,143	118,322	231,313	-
3,599,668	3,426,900	3,362,957	3,187,048	3,101,108	3,083,852
894,605	878,025	746,813	783,542	760,866	726,108
435,214	442,791	546,686	520,454	520,299	405,613
5,782,658	5,303,452	5,187,725	5,109,307	5,185,472	4,744,410
1,732,379	1,924,739	1,439,211	1,510,129	1,207,213	1,110,982
569,989	865,285	596,601	504,418	450,438	406,699
11,182	43,248	20,908	91,136	134,878	131,627
567,312	559,900	512,224	535,319	529,059	520,607
774,209	1,413,945	132,789	643,891	473,028	363,853
120,927	104,545	224,981	220,530	216,166	1,411,889
46,997	19,397	50,115	28,950	57,788	89,178
\$ 52,438,435	\$ 50,509,959	\$ 46,125,568	\$ 45,836,925	\$ 43,728,410	\$ 43,765,426

**Hamilton City School District
Property Tax Levies and Collections - Real and Public Utility
Last Ten Years (1) (2) (Unaudited)**

Description	FY 2004	FY 2003	FY 2002	FY 2001	FY 2000
Current Levy	\$ 23,896,830	\$ 23,757,745	\$ 20,913,594	\$ 19,580,026	\$ 19,266,190
Current Tax Collections (2)	21,810,030	22,745,476	19,311,203	19,073,877	18,826,628
Percent Collected	91.27%	95.74%	92.34%	97.41%	97.72%
Delinquent Tax Collections	1,167,323	970,631	802,539	570,194	482,300
Total Tax Collections	\$ 22,977,353	\$ 23,716,107	\$ 20,113,742	\$ 19,644,071	\$ 19,308,928
Percent of Total Tax Collections to Current Tax Levy	96.15%	99.82%	96.18%	100.33%	100.22%
Outstanding Delinquent Taxes (3)	2,488,818	1,971,844	1,766,711	966,859	52,330
Percent of Outstanding Delinquent Taxes to Current Tax Levy	10.41%	8.30%	8.45%	4.94%	0.27%

Source: Butler County Auditor

- (1) Amounts are presented in conformity with Generally Accepted Accounting Principles (GAAP), on a modified accrual basis.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

	<u>FY 1999</u>	<u>FY 1998</u>	<u>FY 1997</u>	<u>FY 1996</u>	<u>FY 1995</u>
\$	16,376,169	\$ 16,310,858	\$ 16,172,129	\$ 16,097,941	\$ 16,014,851
	15,999,474	15,543,679	15,558,589	15,999,165	15,540,283
	97.70%	95.30%	96.21%	99.39%	97.04%
	487,037	437,960	360,280	519,160	393,176
\$	16,486,511	\$ 15,981,639	\$ 15,918,869	\$ 16,518,325	\$ 15,933,459
	100.67%	97.98%	98.43%	102.61%	99.49%
	250,401	615,779	561,638	365,314	708,448
	1.53%	3.78%	3.47%	2.27%	4.42%

**Hamilton City School District
 Assessed Valuation and
 Estimated Actual Valuation of Taxable Property
 Last Ten Years (Unaudited)**

Tax Year/ Collection Year	Real Property (1)		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2003/04	\$801,948,400	\$2,291,281,143	\$71,947,749	\$ 312,816,300
2002/03	805,594,360	2,301,698,171	73,902,758	321,316,339
2001/02	682,507,170	1,950,020,486	106,392,029	443,300,121
2000/01	666,447,840	1,904,136,686	105,172,192	420,688,768
1999/00	650,927,570	1,859,793,057	102,190,030	408,760,120
1998/99	573,679,770	1,639,085,057	104,649,106	418,596,424
1997/98	560,234,590	1,600,670,257	107,727,106	430,908,424
1996/97	558,252,900	1,595,008,286	99,575,954	398,303,816
1995/96	522,364,200	1,492,469,143	91,398,790	365,595,160
1994/95	508,917,500	1,454,050,000	91,431,570	365,726,280

Source: Butler County Auditor

(1) Includes Public Utility Real Property

(2) Ratio represents Total Assessed Value/Total Estimated Actual Value

Public Utilities Personal		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio (2)
\$14,106,620	\$ 14,106,620	\$888,002,769	\$ 2,618,204,063	33.92%
14,583,730	14,583,730	894,080,848	2,637,598,241	33.90%
16,859,270	16,859,270	805,758,469	2,410,179,877	33.43%
18,735,220	18,735,220	790,355,252	2,343,560,674	33.72%
22,306,500	22,306,500	775,424,100	2,290,859,677	33.85%
23,519,560	23,519,560	701,848,436	2,081,201,041	33.72%
23,906,010	23,906,010	691,867,706	2,055,484,691	33.66%
25,232,450	25,232,450	683,061,304	2,018,544,552	33.84%
27,019,240	27,019,240	640,782,230	1,885,083,543	33.99%
30,356,580	30,356,580	630,705,650	1,850,132,860	34.09%

**Hamilton City School District
Property Tax Rates
Direct and Overlapping Governments per \$1,000 of Assessed Value
Last Ten Years (Unaudited)**

Tax Year/ Collection Year	Butler County	Hanover Township	City of Hamilton	Hamilton City School District
2003/2004	8.75	2.72	6.80	48.21
2002/2003	8.75	2.72	7.12	48.21
2001/2002	8.75	2.72	5.12	48.21
2000/2001	8.45	2.72	5.06	48.21
1999/2000	8.45	2.72	5.06	48.21
1998/1999	8.45	2.72	5.06	43.81
1997/1998	8.45	2.72	5.06	43.81
1996/1997	7.45	2.72	5.11	43.81
1995/1996	7.45	2.72	5.11	43.81
1994/1995	7.44	2.72	5.11	43.81

Source: Butler County 2003 CAFR; City of Hamilton 2003 CAFR

**Hamilton City School District
 Computation of Direct and Overlapping Debt
 For the Fiscal Year Ended June 30, 2004**

<u>Governmental Unit</u>	<u>Gross General Obligation Debt Outstanding</u>	<u>Percent Applicable To District (1)</u>	<u>Amount Applicable To District</u>
Direct:			
Hamilton City School District			
General Obligation Bonds	\$ 42,765,000	100.00%	\$ 42,765,000
Bond Anticipation Notes	300,000	100.00%	300,000
Total Hamilton City School District	<u>\$ 43,065,000</u>		<u>\$ 43,065,000</u>
Overlapping:			
City of Hamilton	36,490,000	96.52%	35,220,331
Butler County	<u>47,035,000</u>	12.40%	<u>5,832,173</u>
Total Overlapping	83,525,000		41,052,504
Total Direct and Overlapping Debt	<u><u>\$ 126,590,000</u></u>		<u><u>\$84,117,504</u></u>

(1) Percent applicable to Hamilton City School District calculated using assessed valuation of the school district area value contained within the noted governmental unit divided by assessed valuation of the governmental unit.

On May 5, 1999 voters approved a 4.4 mill bond issue that generated \$45.00 million for building additions and renovations. The District issued the debt in June 1999.

Overlapping governments with no outstanding debt are not reflected.

Source: Hamilton City School District Records; City of Hamilton 2003 CAFR; Butler County 2003 PAFR; and 2003 Tax Values

**Hamilton City School District
 Computation of Legal Debt Margin (Unaudited)
 For the Fiscal Year Ended June 30, 2004**

Assessed Valuation of the Hamilton City School District (2003)		<u><u>\$888,002,769</u></u>
Overall Direct Debt Limitation:		
Direct Debt Limitation 9% of Assessed Valuation		\$ 79,920,249
Amount Available in Debt Service Fund		-
Gross Indebtedness (All Bonds and Tax Anticipation Notes Outstanding Subject to this Limitation)	\$ 42,765,000	
Less: Debt Exempt from Limitation	<u>-</u>	
Debt Subject to 9% Limitation		<u>(42,765,000)</u>
Legal Debt Margin within 9% Limitation		<u><u>\$ 37,155,249</u></u>
Unvoted Direct Debt Limitation:		
Unvoted Debt Limitation 0.1% of Assessed Valuation		\$ 888,002
Amount Available in Debt Service Fund Related to Unvoted Debt		-
Gross Indebtedness Authorized by the Board	\$ 300,000	
Less: Debt Exempt from Limitation	<u>-</u>	
Debt Subject to 0.1% Limitation		<u>(300,000)</u>
Legal Debt Margin within 0.1% Limitation		<u><u>\$ 588,002</u></u>
Energy Conservation Measure Limitation:		
Unvoted Debt Limitation 0.9% of Assessed Valuation		\$ 7,992,025
Amount Available in Debt Service Fund Related to Unvoted Debt		-
Gross Indebtedness Authorized by the Board	\$ -	
Less: Debt Exempt from Limitation	<u>-</u>	
Debt Subject to 0.9% Limitation		<u>-</u>
Legal Debt Margin within 0.9% Limitation		<u><u>\$ 7,992,025</u></u>

Source: Butler County Auditor and School District financial records

Ohio Bond Law established a limit of 9% for voted debt:
 1/10th of 1% for unvoted debt; and
 9/10th of 1% for energy conservation measure debt.

Hamilton City School District
Property Value, Construction, and Bank Deposits
Last Ten Years (Unaudited)

Tax Year/ Collection Year	New Construction (1)			Bank Deposits (2)	Real Property Value (3)		
	Agricultural/ Residential	Commercial/ Industrial	Total New Construction		Agricultural/ Residential	Commercial/ Industrial	Tax Exempt
2002/03	\$ 3,825,940	\$ 9,806,150	\$ 13,632,090	\$ 1,355,739,000	\$ 598,211,260	\$ 203,737,140	\$ 164,387,420
2002/03	4,849,320	8,435,620	13,284,940	1,136,994,000	595,685,150	209,909,210	164,387,420
2001/02	3,408,620	11,484,760	14,893,380	1,136,994,000	495,402,210	187,104,960	164,387,420
2000/01	4,435,650	4,765,550	9,201,200	1,152,810,000	490,850,260	175,597,580	164,387,420
1999/00	3,590,790	2,268,380	5,859,170	913,169,000	485,314,790	165,612,780	164,408,060
1998/99	4,914,530	4,233,390	9,147,920	864,105,000	424,853,760	148,826,010	162,501,540
1997/98	4,914,530	4,207,030	9,121,560	815,435,000	419,801,020	140,433,570	137,748,520
1996/97	4,488,940	4,629,580	9,118,520	783,398,000	414,506,150	143,531,730	143,962,130
1995/96	2,733,520	3,826,940	6,560,460	800,556,000	378,687,100	143,261,280	146,322,440
1994/95	4,553,045	2,267,205	6,820,250	737,683,000	371,307,110	137,331,820	162,501,540

(1) Includes all new construction within the boundaries of Hamilton City School District. Obtained from the Butler County Auditor.

(2) Bank deposits are reported by and for Butler County, Ohio. Obtained from the Butler County 2003 CAFR.

(3) Figures are 35% of real property values. Obtained from the Butler County Auditor.

Hamilton City School District
 Real and Tangible Personal Property
 Principal Taxpayers (Unaudited)
 As of December 31, 2003

Name of Taxpayer	Nature of Business	Total Assessed Valuation	Percent of Total School District Assessed Valuation (2003 Tax Year)		
<i>Principal Taxpayers</i>		Real Estate	Tangible Personal Property		
			Total		
			Percent of Total Valuation		
International Paper	Manufacturing	\$ -	\$ 9,971,020	\$ 9,971,020	1.12%
The Sisters of Mercy	Health Care	9,304,990	-	9,304,990	1.05%
Cincinnati Bell	Utility	8,861,880	-	8,861,880	1.00%
Fort Hamilton Hospital	Health Care	8,126,310	-	8,126,310	0.92%
Champion International	Manufacturing	7,893,070	-	7,893,070	0.89%
Smart Papers	Manufacturing	7,341,320	-	7,341,320	0.83%
Meijer Stores	Retail	4,223,100	2,086,660	6,309,760	0.71%
GE Engine Services	Manufacturing	-	6,120,090	6,120,090	0.69%
Colonial Senior Services		5,619,720	-	5,619,720	0.63%
Tippman Realty PRT	Retail Real Estate	5,052,710	275,190	5,327,900	0.60%
Total Assessed Value of Top Ten Taxpayers		56,423,100	18,452,960	74,876,060	
<i>All Others</i>		745,525,300	67,601,409	813,126,709	
<i>Total Assessed Value</i>		<u>\$ 801,948,400</u>	<u>\$ 86,054,369</u>	<u>\$ 888,002,769</u>	

Source: Butler County Auditor

**Hamilton City School District
Principal Private Sector Employers
For the Fiscal Year Ended June 30, 2004**

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Fort Hamilton Hospital	Health Care	1250
Butler County	Government	900
Smart Paper, LLC	Manufacturing	600
Valeo Climate Control	Manufacturing	410
Ohio Casualty Group	Insurance	400
The Kroger Co.	Groceries	350
Meijer, Inc.	Retail	300
International Paper	Manufacturing	250
General Electric	Manufacturing	240
First Financial Bank	Financial	230

Source: City of Hamilton, Economic Development Department.

Hamilton City School District
 General Fund Expenditures,
 Average Daily Membership and General Fund Cost per Pupil
 Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year</u>	<u>General Fund Expenditures</u>	<u>Average Daily Membership</u>	<u>General Fund Cost Per Pupil</u>
2004	\$ 59,836,534	9,297	\$ 6,576
2003	56,311,269	9,192	6,191
2002	56,325,838	9,244	6,189
2001	56,157,424	9,363	5,922
2000	55,863,148	9,526	5,527
1999	50,932,711	9,835	5,285
1998	47,234,434	10,029	4,876
1997	46,367,567	10,152	4,729
1996	44,035,533	10,344	4,435
1995	43,321,264	10,474	4,399

Source: School District Records

Hamilton City School District
 Cost to Educate a 2004 Graduate
 Hamilton City School District vs. State of Ohio Average
 Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year</u>	<u>Grade</u>	<u>Hamilton City School District Annual Per Pupil Cost</u>	<u>State Of Ohio Average Per Pupil Cost</u>	<u>Comparison to State Average Cost</u>
2004	12	\$6,576	\$7,725	(\$1,149)
2003	11	6,191	7,483	(1,292)
2002	10	6,189	7,052	(863)
2001	9	5,922	6,602	(680)
2000	8	5,527	6,176	(649)
1999	7	5,285	5,788	(503)
1998	6	4,876	5,113	(237)
1997	5	4,729	4,915	(186)
1996	4	4,435	4,758	(323)
1995	3	4,400	4,640	(240)
1994	2	4,115	4,437	(322)
1993	1	3,890	4,254	(364)
1992	KDG (1)	<u>3,702</u>	<u>4,159</u>	<u>(457)</u>
Total Cost		<u><u>\$65,837</u></u>	<u><u>\$73,102</u></u>	<u><u>(\$7,265)</u></u>

Source: Ohio Department of Education and District Records

Annual cost per pupil is General Fund cost, on cash basis.

(1) Annual per pupil cost for Kindergarten is one half annual per pupil cost.

**Hamilton City School District
Student Demographic Information
Last Ten Years (Unaudited)**

<u>School Year</u>	<u>Enrollment</u>	<u>Minority Percent</u>	<u>OWF Percent</u>	<u>Attendance Rate</u>
2003-04	9,297	17.70%	35.30% A	94.50%
2002-03	9,192	16.60%	10.50%	94.80%
2001-02	9,244	15.80%	12.36%	94.30%
2000-01	9,363	15.80%	14.49%	93.80%
1999-00	9,526	13.21%	17.05%	92.60%
1998-99	9,835	13.20%	19.24%	93.20%
1997-98	10,029	13.10%	19.90%	92.15%
1996-97	10,152	12.23%	21.00%	93.20%
1995-96	10,344	11.94%	22.02%	92.23%
1994-95	10,474	11.90%	22.41%	91.97%

Source: District records and Ohio Department of Education

A - During FY 2004, the Ohio Department of Education changed their method of calculating OWF.

**Hamilton City School District
Teaching Staff Demographic Information
Breakdown by Education and Average Classroom Experience
Last Ten Years (Unaudited)**

<u>School Year</u>	<u>Teaching Staff Professional Training</u>				<u>Total</u>
	<u>Bachelor</u>	<u>Bachelor + 150 Hours</u>	<u>Master</u>	<u>Master + 30 hours</u>	
2003-04	14.00% 92	31.90% 211	43.60% 289	10.50% 70	100.00% 662
2002-03	17.29% 116	32.34% 217	39.94% 268	10.43% 70	100.00% 671
2001-02	20.51% 145	31.97% 226	38.47% 272	9.05% 64	100.00% 707
2000-01	20.51% 145	31.97% 226	38.47% 272	9.05% 64	100.00% 707
1999-00	20.40% 142	32.18% 224	39.66% 276	7.76% 54	100.00% 696
1998-99	20.32% 138	32.11% 218	39.18% 266	8.39% 57	100.00% 679
1997-98	18.22% 118	32.56% 209	40.50% 260	8.72% 56	100.00% 642
1996-97	17.30% 113	32.80% 213	41.10% 267	8.80% 57	100.00% 650
1995-96	18.40% 120	33.80% 220	38.60% 251	9.20% 60	100.00% 651
1994-95	21.20% 140	33.70% 222	37.80% 249	7.30% 48	100.00% 659

Teaching Staff Average Classroom Experience (Years)

<u>School Year</u>	<u>Average Experience</u>
2003-04	14.31
2002-03	14.06
2001-02	13.56
2000-01	13.95
1999-00	13.99
1998-99	14.26
1997-98	15.11
1996-97	15.18
1995-96	14.90
1994-95	14.46

Source: School District Records

Hamilton City School District
Schedule of Insurance Policies in Force (Unaudited)

Effective July 1, 2004, Hamilton City School District entered into an insurance agreement with the Southwestern Ohio Purchasing Council and Marsh USA, Inc. for its Risk Management and its insurance coverage. All insurance policies, with the exception of bonds for individual employees will fall under this contract. Below is a brief schedule of liability limits under the Southwestern Ohio Purchasing Council, as well as bonds for specific employees.

Company	Policy		Details of Coverage	Liability Limits	
	Beginning	Ending			
Marsh USA, Inc.	7/1/2004	7/1/2005	Fleet & Property Program	\$1,000,000	Each Occurrence
			General Liability	1,000,000	Each Occurrence
			Automobile Liability	1,000,000	Each Occurrence
			Uninsured Motorist Coverage	1,000,000	Each Occurrence
			Underinsured Motorist Coverage	1,000,000	Each Occurrence
			Excess Property Insurance	300,000,000	
			Earthquake Coverage	4,000,000	
			Flooding Coverage	4,000,000	
			Data Processing Equipment	10,000,000	Each Occurrence
			Musical Instruments	3,633,618	
			Vehicles on Premises	5,000,000	
			School Leaders Errors and Omissions	1,000,000	
			Boiler and Machinery	50,000,000	
Ohio Casualty	1/8/2004	1/10/2005	Public Official Bond - Board President	20,000	
Ohio Casualty	1/15/2004	1/15/2005	Public Official Bond - Business Manager	25,000	
Ohio Casualty	6/15/2004	6/15/2005	Public Official Bond - Superintendent	20,000	
Ohio Casualty	1/4/2004	1/5/2005	Public Official Bond - Treasurer	50,000	
Ohio Casualty	1/4/2004	1/5/2005	Public Employee Bond	5,000	

Source: School District records.

Hamilton City School District
 Board Owned Property
 For the Fiscal Year Ended June 30, 2004

					<u>Year</u>	<u>Capacity /</u>	
<i>Instructional Sites:</i>					<u>Constructed</u>	<u>Square Ft.</u>	<u>Acreage</u>
<i>Elementary Schools</i>							
Adams	South "F" Street at Ridgewood Ave.	Hamilton	Ohio	45013	1953	53,602	6.60
Buchanan	263 Hancock Avenue	Hamilton	Ohio	45011	1929	36,849	4.50
Cleveland	900 Brookwood Avenue	Hamilton	Ohio	45013	1959	38,565	9.50
Fillmore	1125 Main Street	Hamilton	Ohio	45013	1929	49,832	9.40
Grant	Campbell Drive at Greenwood Ave.	Hamilton	Ohio	45011	1954	20,861	6.20
Harrison	250 Knightsbridge Drive	Hamilton	Ohio	45011	1952	53,944	5.50
Hayes	901 Hoadley Avenue	Hamilton	Ohio	45015	1958	27,866	30.00
Jefferson	526 South Eighth Street	Hamilton	Ohio	45011	1951	63,918	2.70
Lincoln	701 North "E" Street	Hamilton	Ohio	45013	1909	65,567	3.60
Madison	250 North Ninth Street	Hamilton	Ohio	45011	1955	44,729	1.00
McKinley	991 Westview Avenue	Hamilton	Ohio	45013	1957	14,944	5.70
Monroe	537 Carriage Hill Lane	Hamilton	Ohio	45013	1959	23,976	8.50
Pierce	2890 Freeman Avenue	Hamilton	Ohio	45015	1929	50,853	4.70
Van Buren	2311 Lincoln Avenue	Hamilton	Ohio	45011	1955	39,617	11.70
<i>Junior High</i>							
Garfield (6)	250 North Fair Avenue	Hamilton	Ohio	45011	1959	126,844	34.00
Washington	5000 Madison Avenue	Hamilton	Ohio	45015	1955	83,777	(2)
Wilson	714 Eaton Avenue	Hamilton	Ohio	45013	1934	98,649	26.80
<i>Senior High</i>							
Hamilton High	1165 Eaton Avenue	Hamilton	Ohio	45013	1959	139,469	33.90
Job Development							
Center (1)	1111 Eaton Avenue	Hamilton	Ohio	45013	1985	62,126	(3)
HOPE Alternative							
School	729 Campbell Avenue	Hamilton	Ohio	45011	(8)		
<i>Administrative and Service Sites</i>							
Administration and Training Center							
Building	533 Dayton Street/P.O. Box 627	Hamilton	Ohio	45012	1923	20,680	1.00
Old Administration							
Building	332 Dayton Street	Hamilton	Ohio	45011	1889	12,250	0.00
Food Service	501 Central Avenue	Hamilton	Ohio	45011		7,506	0.00
Jefferson Annex							
Office Bldg.	541 South Ninth Street	Hamilton	Ohio	45011	1904	18,261	(4)
Maintenance							
Department	1316 Chestnut Street	Hamilton	Ohio	45011	1950	14,514	10.00
Transportation							
Department	1315 Chestnut Street	Hamilton	Ohio	45011	1950	14,436	(5)
<i>Other Sites</i>							
(7)	Freshman School Site	2260 NW Washington Blvd.	Hamilton	Ohio	45013	2003	30.00
	Mark Avenue	Currently being used as a soccer field.					8.26
	Smalley Blvd.	Undeveloped					9.13
	Timberhill Dr.	Undeveloped					11.00
	Washington Blvd.	Undeveloped					23.00

Source: School District Records

- (1) The Job Development Center is leased from Miami University, Oxford, Ohio.
- (2) Washington Jr. High and Hayes Elementary share a common site.
- (3) Hamilton High School and the Job Development Center share a common site (which is owned by the District).
- (4) Jefferson Elementary School and the Jefferson Annex Office Bldg. share a common site.
- (5) The Maintenance and Transportation Departments share a common site.
- (6) The Garfield Junior High site is leased from Butler County.
- (7) The Freshman School is set to open in September 2004.
- (8) The Hope Alternative School was sold during FY 2005.

**Hamilton City School District
Directory of Educational Services**

Instructional Sites:

Elementary Schools

Adams	Principal	Mrs. Pamela Rowe	(513) 887-5065
Buchanan	Principal	Mr. Tim Carr	(513) 887-5070
Cleveland	Principal	Mrs. Terri Fitton	(513) 887-5075
Fillmore	Principal	Mr. Rex Bucheit	(513) 887-5085
Grant	Principal	Mr. Tim Carr	(513) 887-5100
Harrison	Principal	Ms. Susan Schnell	(513) 887-5105
Hayes	Principal	Mrs. Sandra Bussell	(513) 887-5110
Jefferson	Principal	Mrs. Mary Ann Hughes	(513) 887-5120
Lincoln	Principal	Mr. William Brunner	(513) 887-5130
Madison	Principal	Mrs. Deborah Alf	(513) 887-5140
McKinley	Principal	Mrs. Kathy Wagonfield	(513) 887-5155
Monroe	Principal	Mrs. Kathy Wagonfield	(513) 887-5150
Pierce	Principal	Mrs. Mary Jacobs	(513) 887-5160
Van Buren	Principal	Ms. Kelly Wilham	(513) 887-5165

Secondary Schools

Garfield Middle	Principal	Mr. Ken Pierson	(513) 887-5035
Wilson Middle	Principal	Mrs. Sheryl Burk	(513) 887-5170
Freshman School	Principal	Mr. Greg Rulon	(513) 896-3400
Hamilton High	Principal	Mr. Dennis Malone	(513) 868-7700
Job Development Center	Director	Mr. Herb Dietz	(513) 868-7700

Administrative and Service Sites

Switchboard			(513) 887-5000
Fax Machine			(513) 887-5014
Superintendent		Mrs. Janet Baker	(513) 887-5000
Treasurer		Mr. Robert A. Hancock, CPA	(513) 887-5000
Administrative Assistant for Human Resources		Mrs. Kathy Leist	(513) 887-5000
Administrative Assistant for Business and Planning and State and Federal Programs		Dr. Everett Mann	(513) 887-5000
Director of Planning and Construction		Mr. Jim Boerke	(513) 887-5055
Director of Pupil Personnel		Mrs. Kathleen Donoff	(513) 887-5000
Coordinator of Instruction Media Center		Mr. Clair Brustkern	(513) 887-5045
Director of Adult and Vocational Education		Mr. Herb Dietz	(513) 887-4840
Director of Food Service		Ms. Cinde Gorbandt	(513) 887-5030
Director of Health Services		Mrs. Sharon Francis	(513) 887-5000
Director of Maintenance		Mr. Lee Wallace	(513) 887-5055
Director of Custodial Services		Mr. Mike Burns	(513) 887-5055
Director of Student Services		Mrs. Judy Carnes	(513) 887-4828
Director of Transportation		Mrs. Beverly Martin	(513) 887-5060
Assistant Superintendent - Instructional Services		Mrs. Barbara Fuerbacher	(513) 887-5000
Director of Instruction		Mrs. Joan Avery	(513) 887-5000
Supervisor of Fine Arts		Mr. Lauren Sprague	(513) 887-4506
Adult Basic Education		Mrs. Kathy Petrek	(513) 887-5021

**Hamilton City School District
Miscellaneous Demographic Information
June 30, 2004**

Hamilton Facts

Area	19.9 square miles	Police Protection	1 Station 100+ Uniformed Police Officers
Government	Charter, City-Manager form Council consists of 7 member	Churches	More than 130 places of worship
Population	60,690 (2000 census)	Radio Stations	4 local stations
Climate	Mean annual temperature 53.7 F Average annual precipitation 40.96 inches Prevailing winds - South-Southwesterly	Newspapers	Journal News (local) Cincinnati Enquirer (regional) Cincinnati Post (regional)
Hospitals	Fort Hamilton Hughes	Utilities	Telephone - Cincinnati Bell Electric - City owned Gas - City owned Water/Sewer - City owned
Fire Protection	Class III 100+ person force	Banks	9 full-service banks and savings and loan associations and more than 20 branches
Aviation	The Hamilton-Fairfield Regional Airport is an all-weather facility with a 5,500 ft. paved and lighted runway.		

Elected Representatives:

Hamilton City Council Members

Monument and High Streets Hamilton, Ohio 45011
Telephone: (513) 868-5800

Mr. Don Ryan, Mayor

Mr. Pat Moeller, Vice Mayor

Mr. James Noonan, Council Member

Mr. Chris Flaig, Council Member

Mr. George McNally, Council Member

Mrs. Kathy Becker, Council Member

Mr. Ed Shelton, Council Member

Ohio State Board of Education

Mr. John Griffin

Ohio State Senate

Mr. Gary Cates

Ohio House of Representatives

Mr. Courtney Combs

United States Senate

Mr. Michael DeWine

Mr. George Voinovich

United States House of Representatives

Mr. John Boehner



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

HAMILTON CITY SCHOOL DISTRICT

BUTLER 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
OCTOBER 6, 2005**