

Princeton City School District

Hamilton County

Single Audit

July 1, 2005 through June 30, 2006

Fiscal Year Audited Under GAGAS: 2006

**BALESTRA, HARR & SCHERER, CPAs, INC.**  
528 South West Street, P.O. Box 687  
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Mary Taylor, CPA  
Auditor of State

Board of Education  
Princeton City School District  
25 West Sharon Avenue  
Cincinnati, Ohio 45246

We have reviewed the *Independent Accountant's Report* of the Princeton City School District, Hamilton County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2005 through June 30, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

April 18, 2007

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**Princeton City School District  
Hamilton County**

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PRINCETON CITY SCHOOL DISTRICT  
HAMILTON COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>United States Department of Agriculture</b>						
<i>Passed through Ohio Department of Education</i>						
Food Distribution	N/A	10.550	\$ -	\$ 87,633	\$ -	\$ 87,633
Fresh Fruit and Vegetable Program	N/A	10.582	34,310	-	34,310	-
<i>Nutrition Cluster:</i>						
School Breakfast Program	PU	10.553	253,213	-	253,213	-
National School Lunch Program	LLP4	10.555	955,413	-	955,413	-
Total Nutrition Cluster			<u>1,208,626</u>	-	<u>1,208,626</u>	-
<b>Total United States Department of Agriculture</b>			1,242,936	87,633	1,242,936	87,633
<b>United States Department of Education</b>						
<i>Passed through Ohio Department of Education</i>						
<i>Special Education Cluster:</i>						
Special Education-Grants to States	6BSF	84.027	1,487,140	-	1,424,927	-
Special Education-Preschool	PGS1	84.173	2,619	-	25,125	-
Total Special Education Cluster			<u>1,489,759</u>	-	<u>1,450,052</u>	-
Title I Grants to Local Education Agencies	C1S1	84.010	817,212	-	936,681	-
Safe & Drug Free Schools and Communities_State Grants	DRS1	84.186	42,903	-	18,028	-
State Grants for Innovative Education	C2S1	84.298	27,370	-	20,631	-
Education Technology State Grants	TJS1	84.318	19,043	-	18,923	-
Advanced Placement Program	AVS1	84.330	3,030	-	3,030	-
Comprehensive School Reform Demonstration	RFS2	84.332	134,867	-	130,835	-
English Language Acquisition Grants	T3S2	84.365	45,999	-	33,503	-
Improving Teacher Quality State Grants	TRS1	84.367	233,130	-	181,570	-
Hurricane Recovery Education	HR01	84.938	24,500	-	-	-
<i>Passed Through Great Oaks Institute of Technology and Career Development</i>						
Vocational Education Basic Grants to States	N/A	84.048	14,355	-	3,731	-
<b>Total United States Department of Education</b>			2,852,168	-	2,796,984	-
<b>U.S. Department of Health &amp; Human Services</b>						
<i>Passed through the State Department of MRDD</i>						
State Children's Insurance Program	N/A	93.767	8,310	-	8,310	-
Medical Assistance Program	N/A	93.778	164,810	-	164,810	-
<b>Total U. S. Department of Health &amp; Human Services</b>			<u>173,120</u>	-	<u>173,120</u>	-
<b>Total Federal Financial Assistance</b>			<u>\$ 4,268,224</u>	<u>\$ 87,633</u>	<u>\$ 4,213,040</u>	<u>\$ 87,633</u>

N/A - Not Available

See accompanying notes to the Schedule of Federal Awards Expenditures

**PRINCETON CITY SCHOOL DISTRICT  
HAMILTON COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2006**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) is a summary of the activity of the School District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B – FOOD DONATION**

Program regulations do not require the School District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2006, the School District had no significant food commodities in inventory.

**NOTE C – MATCHING REQUIREMENTS**

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



**BALESTRA, HARR & SCHERER, CPAs, INC.**

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

**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***

Members of the Board  
Princeton City School District  
Hamilton County  
25 West Sharon Road  
Cincinnati, Ohio 45246

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Princeton City School District, Hamilton County, Ohio (the School District), as of and for the year ended June 30, 2006 and have issued our report thereon dated February 23, 2007, in which we indicated the School District implemented GASB Statement Number 44 and GASB Statement Number 46. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the 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 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 operation that we consider to be material weaknesses.

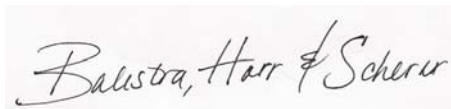
**Compliance and Other Matters**

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

We noted certain matters that we reported to the management of the School District in a separate letter dated February 23, 2007.

Members of the Board  
Princeton City School District  
Hamilton County  
Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed in Accordance  
with *Governmental Auditing Standards*  
Page 2

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

A rectangular box containing a handwritten signature in cursive script that reads "Balestra, Harr & Scherer".

Balestra, Harr & Scherer, CPAs, Inc.  
February 23, 2007

# BALESTRA, HARR & SCHERER, CPAs, INC.

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

Members of the Board  
Princeton City School District  
Hamilton County  
25 West Sharon Road  
Cincinnati, Ohio 45246

### **Compliance**

We have audited the compliance of Princeton City School District, Hamilton County, Ohio (“the 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, 2006. The School District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs are the responsibility of the School District’s management. Our responsibility is to express an opinion on the School District’s compliance based on our audit.

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

In our opinion, the 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, 2006.

### **Internal Control Over Compliance**

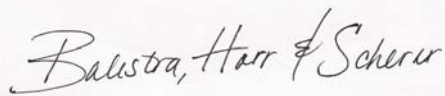
The management of the School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District’s 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 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud 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 operations that we consider to be material weaknesses.

### **Schedule of Federal Awards Expenditures**

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2006, and have issued our report thereon dated February 23, 2007 in which we indicated that the School District implemented GASB Statement Number 44 and GASB Statement Number 46. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Balestra, Harr & Scherer, CPAs, Inc.  
February 23, 2007

**PRINCETON CITY SCHOOL DISTRICT  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 § .505  
FOR THE YEAR ENDED JUNE 30, 2006**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
--

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster: CFDA# 84.027 and 84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A-133 SECTION .505**

**PRINCETON CITY SCHOOL DISTRICT  
HAMILTON COUNTY, OHIO  
JUNE 30, 2006**

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

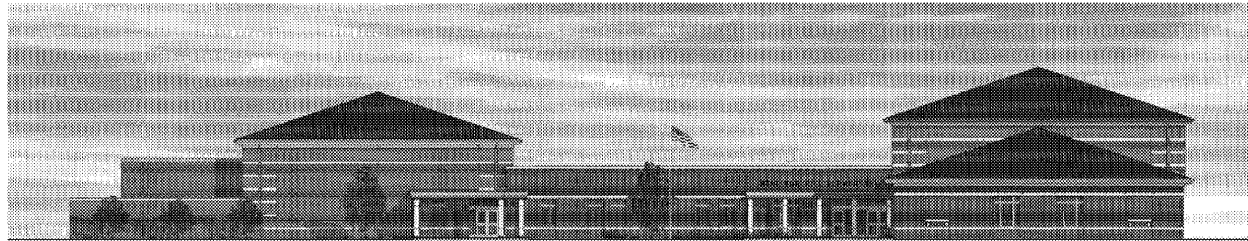
None

# *Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2006*

Evendale



Heritage Hill



Glendale



*Princeton City School District  
Cincinnati, Ohio*





**PRINCETON CITY SCHOOL DISTRICT  
CINCINNATI, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

**PREPARED BY: OFFICE OF THE TREASURER**

**LARRY A. MCDONOUGH  
TREASURER / CFO**

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# INTRODUCTORY SECTION

## Mission Statement

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

PRINCETON CITY SCHOOL DISTRICT, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 For the Fiscal Year Ended June 30, 2006

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PRINCETON CITY SCHOOL DISTRICT, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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PRINCETON CITY SCHOOL DISTRICT, OHIO  
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PRINCETON CITY SCHOOL DISTRICT, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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**Princeton City School District**  
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**Cincinnati, Ohio 45246**

Office of the Treasurer

Phone: (513) 771-8560

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February 23, 2007

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

We are pleased to present the tenth Comprehensive Annual Financial Report (CAFR) of the Princeton City School District (District) for the fiscal year ended June 30, 2006. This report was prepared by the Treasurer's Office, and contains financial statements, supplemental statements, and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2005-06 fiscal year.

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

This report has been divided into three sections:

- The Introductory Section includes a table of contents, this transmittal letter, the list of principal officials, the District's organizational chart, and the GFOA and ASBO certificates the district received for the June 30, 2005, CAFR.
- The Financial Section includes the independent accountants' report on the financial statements, management's discussion and analysis, basic financial statements, notes to the basic financial statements, and the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.
- The Statistical Section includes selective financial, economic, and demographic information, generally presented on a multi-year basis for comparative purposes.

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

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

#### DESCRIPTION OF THE DISTRICT

The District serves an area of 36 square miles in the north central part of Hamilton County, encompassing the villages of Glendale, Evendale, Woodlawn and Lincoln Heights, and, the cities of Springdale and Sharonville. It



also encompasses a small portion of Butler and Warren Counties. The total District population has increased slightly from 40,980 in 1990 to 41,880 in 2006, according to information provided by the Ohio Municipal Advisory Council. The tax base of the District is comprised of a unique blend of residential, commercial, and industrial property, with approximately 69.0% of the tax revenue of the District paid by business and industry.

During the 2005-06 school year, the District served 5,714 students enrolled in preschool, eight elementary schools, one junior high school and one high school. The District's enrollment is slightly declining with no significant increase projected due to the lack of available land for new residential development.

The student enrollment of the District is a reflection of the diversity of the communities it serves. For the 2005-06 school year, approximately 45.93% of the students were considered low-income and eligible to participate in the free/reduced lunch program; 93 students and 6 students were enrolled in a full time or part-time trade program, respectively, through vocational education; 860 students received instruction through a variety of special education programs; and all eligible students can participate in a number of advanced academic programs such as International Baccalaureate, advanced placement courses and gifted elementary programs. The District also offers a comprehensive adult education program to the community to help adults obtain a high school diploma.

### ORGANIZATION OF THE DISTRICT

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

The members of the Board, their current terms, and total years served on the Board as of June 30, 2006, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mr. Gary Bryson	Jan. 2004 - Dec. 2007	6 ½
Mr. George Keyser	Jan. 2004 - Dec. 2007	6 ½
Mrs. Sandy Leach	Jan. 2004 - Dec. 2007	2 ½
Ms. Lillian Hawkins	Jan. 2006 - Dec. 2009	½
Ms. Tawana Keels	Jan. 2006 - Dec. 2009	8 ½

The Superintendent is the Chief Executive Officer of the District and is directly responsible to the Board for all operations of the District. Mr. Aaron Mackey has served as Superintendent since August 1, 2004.

The Treasurer is the Chief Financial Officer of the District and is directly responsible to the Board for all financial operations, investments, and serves as Secretary to the Board. Mr. Larry McDonough had served as Princeton's Treasurer since January 1987, and had 22 1/2 years experience as a school treasurer in Ohio. At its regular meeting in January 2005, the board approved a four-year contract extension which expired in January 2009, however, Mr. McDonough retired effective January 1, 2007. His successor is Tracy A. Jarvis who began as Treasurer-Elect on November 6, 2006 and her role as Treasurer began on January 1, 2007. Mrs. Jarvis has 12 years experience as a school treasurer in Ohio.

### FINANCIAL CONDITION

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

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

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

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

As part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for fiscal year 2006 and the outlook for the future.

## EMPLOYEE RELATIONS

As of June 30, 2006, the Board employed 953 full-time employees. Of the Board's current employees, 498 were certificated by the Ohio Department of Education serving as classroom teachers or education specialists, and 31 administrators, all of whom have at least a bachelor's degree. In addition, there are 18 support staff administrators.

Certificated teachers and education specialists are represented by the Princeton Association of Classroom Educators (PACE) which is a labor organization affiliated with the Ohio Education Association. As of June 30, 2006, the District and the association completed the third year of a three (3) year contract.

Operational personnel are represented by the Princeton Support Staff Association (PSSA) which is affiliated with the Ohio Association of Public School Employees, Chapter 174 (OAPSE) which is a labor organization affiliated with the American Federation of State, County and Municipal Employees (AFSCME). As of June 30, 2006, the District and the association completed the third year of a three (3) year contract.

## MAJOR INITIATIVES FOR THE YEAR

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

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

District goals developed for the 2006-07 school year are as follows:

1. Building Accountability Teams and Culturally Responsive Practices will be implemented and combined with Focused Instruction to earn the designation of "Excellent" on the State Report Card.
2. All subgroups of students will achieve above state averages, reach the designated Adequate Yearly Progress goal, and further close all achievement gaps.
3. District employees will work collaboratively with parents and community members as our partners and valued customers. Together, we can provide a higher-quality education for students and better service to our constituency.
4. We will promote Princeton through community engagement strategies, developing partnerships designed to increase support for students, staff and the entire district.

5. Principals, district supervisors, and coordinators will chair site-based committees to intensely study their expenditures and budgetary practices, as well as other district practices, for ways to reduce the district expenditures by \$3 million for the 2007-2008 school year.
6. We will promote the opened, new Phase I schools to the region and continue the work associated with completing the Phase II elementary schools. The feasibility studies associated with the concepts of a new middle and high school will begin.
7. We will continue to ensure high-quality and effective leadership at all levels of the administrative team.

## FINANCIAL INFORMATION

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

### Internal Controls

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

### Single Audit Act

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

As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2006, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

### Budgetary Controls

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

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

### Cash Management

The District operates a cash management program designed to provide safety, liquidity, and yield, in that order. Funds are invested in overnight savings accounts, certificates of deposit, in the Ohio State Treasurer's Investment Pool (Star Ohio), or in United States Government bills or notes. The amount of investment income received in

fiscal year 2006 for all District funds was \$3,310,540. A more detailed description of the District's investment functions is provided in Note 3 to the financial statements.

### Risk Management

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

### OTHER INFORMATION

#### Independent Audit

Provisions of State statute require that the District's financial statements be subjected to an annual examination by an independent auditor. Balestra, Harr, and Scherer, CPA's, Inc.'s unqualified opinion rendered on the District's basic financial statements, combining statements and individual fund schedules is included in the financial section of this Comprehensive Annual Financial Report. Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio.

#### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Princeton City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2005. This was the eighth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

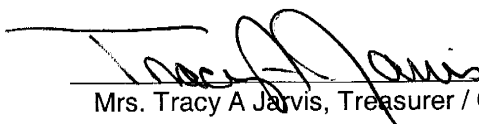
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.


The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2005, to the District. The award was the ninth for the District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after extensive review of the report by an expert panel of certified public accountants and practicing school business officials. The District believes our current report conforms to the ASBO's principles and standards, and we are submitting it to ASBO to determine its eligibility for a certificate.

#### Acknowledgments

The preparation and publication of the 2006 Comprehensive Annual Financial Report of the Princeton City School District was made possible by the combined efforts of the entire Treasurer's office staff. Sincere appreciation is extended to Mrs. Teresa A. Johnson, CPA, Assistant Treasurer, for her exceptional individual efforts in preparing this report. She is primarily responsible for the District's success in earning the certificates. Finally, this report would not have been possible without the support, commitment, and leadership of the Board of Education to continue the pursuit of excellence in financial reporting.

Sincerely,

  
Mrs. Tracy A. Jarvis, Treasurer / CFO

  
Mr. Aaron K. Mackey, Superintendent

PRINCETON CITY SCHOOL DISTRICT  
LIST OF PRINCIPAL OFFICIALS  
June 30, 2006

Elected Officials

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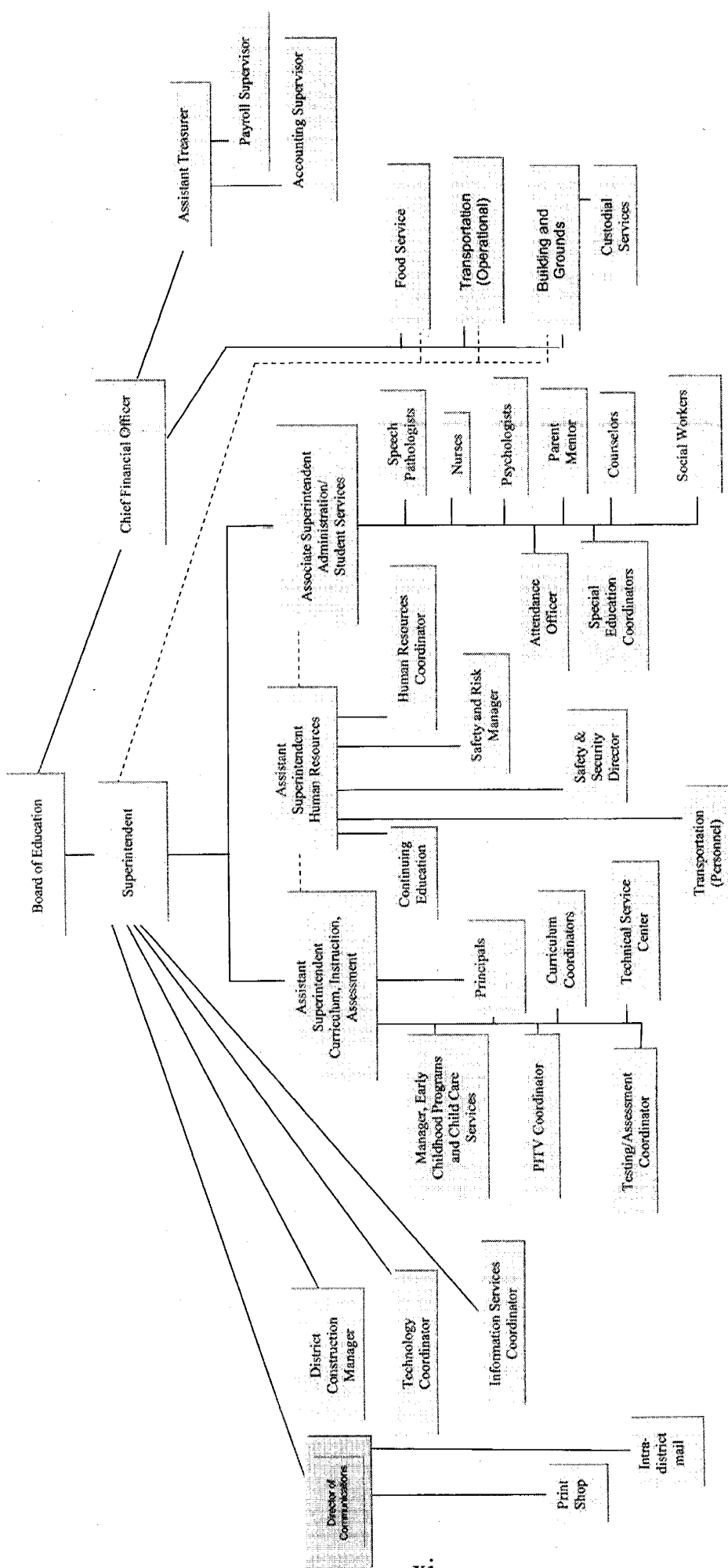
President, Board of Education ..... Mr. George Keyser  
Vice-President, Board of Education ..... Mrs. Sandy Leach  
Board Member ..... Mr. Gary Bryson  
Board Member ..... Ms. Lillian Hawkins  
Board Member ..... Ms. Tawana Keels

Administrative Officials

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Superintendent ..... Mr. Aaron Mackey  
Treasurer / Chief Financial Officer ..... Mr. Larry A. McDonough  
Associate Superintendent, Director - Student Services..... Dr. Mari Phillips  
Assistant Superintendent, Curriculum, Instruction & Assessment ..... Dr. Lon Stettler  
Assistant Superintendent, Director - Human Resources..... Dr. Thomas Moffitt  
Assistant Treasurer..... Mrs. Teresa A. Johnson, CPA

# Organizational Chart of the Princeton City School District





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Princeton City School District  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2005

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.



A handwritten signature in black ink, appearing to read "Thomas J. Plann".

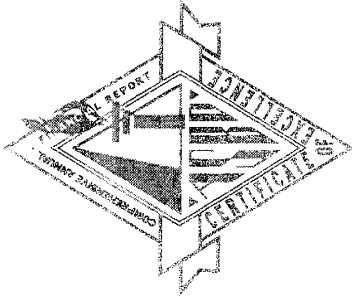
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enser".

Executive Director



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL



This Certificate of Excellence in Financial Reporting

*is presented to*

**Princeton City School District**

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2005

upon recommendation of the Association's Panel of Review  
which has judged that the Report substantially conforms

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

*Melody Jorgensen*  
\_\_\_\_\_  
President

*John D. Russo*  
\_\_\_\_\_  
Executive Director

# FINANCIAL SECTION

## CHARACTER EDUCATION VALUES

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

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

Responsibility - Be accountable for the results of your actions.

Honor - Stand by your word. Exhibit ethical conduct.

Compassion - Treat others and self with kindness.

Service - Give back to the community. Help others.

**BALESTRA, HARR & SCHERER, CPAS, INC.**  
528 South West Street, P.O. Box 687  
Piketon, Ohio 45661

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Telephone (740) 289-4131  
Fax (740) 289-3639  
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REPORT**

Members of the Board  
Princeton City School District  
Hamilton County  
25 West Sharon Road  
Cincinnati, Ohio 45246

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Princeton City School District (the District), Hamilton County, as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, 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 February 23, 2007, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 11 and the budgetary comparison information on pages 48 through 49 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 methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Members of the Board  
Princeton City School District  
Independent Accountant's Report  
Page 2

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

As described in Note 19 to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 44, *Economic Condition Reporting: The Statistical Section* and GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*.



Balestra, Harr & Scherer, CPAs, Inc.  
February 23, 2007

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

This discussion and analysis provides key information from management highlighting the overall financial performance of the Princeton City School District, Ohio for the year ended June 30, 2006. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the School District's financial statements.

**Financial Highlights**

Major financial highlights for fiscal year 2006 are listed below:

- ✓ The assets of the School District exceeded its liabilities at year-end by \$55.4 million. Of this amount, \$35.7 million may be used to meet the government's ongoing obligations to citizens and creditors.
- ✓ In total, net assets increased by \$7.1 million.
- ✓ The School District had \$79.9 million in expenses related to governmental activities; only \$6.2 million of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$81.0 million, made up primarily of property taxes and State Foundation payments provided the majority of funding for the School District.
- ✓ The General Fund balance decreased by \$2.4 million from \$35.0 million in fiscal year 2005 to \$32.6 million in fiscal year ended June 30, 2006.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2006**  
**Unaudited**

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

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

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

Both of the government-wide financial statements distinguish functions of the School 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 their costs through user fees and charges (business-type activities). The governmental activities of the School District include instruction, support services, administration, operation and maintenance of plant, and extracurricular activities. The business-type activities of the School District include food services and early childhood programs.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into three categories: governmental funds, proprietary 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 a government's near-term financing requirements.

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
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**Unaudited**

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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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between government funds and governmental activities.

The School District accounts for its activities using many individual funds. The most significant 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 School District as a whole. Some funds are required to be established by State law. Also, the School District may also establish separate funds to show that it is meeting legal requirements for using grants or other money.

***Proprietary funds.*** The School District utilizes enterprise funds, which report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide greater detail than the government-wide financial statements.

***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 School District's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and notes, this report also contains required supplementary information concerning the budget for the General Fund.

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2006**  
**Unaudited**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**A. Net assets at year-end**

The following table presents a condensed summary of the School District's overall financial position at June 30, 2006:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>FY06</u>	<u>FY05 *</u>	<u>FY06</u>	<u>FY05 *</u>	<u>FY06</u>	<u>FY05 *</u>
Current and other assets	\$ 122,525,502	169,622,746	810,531	845,587	123,336,033	170,468,333
Capital assets	<u>67,699,402</u>	<u>21,009,986</u>	<u>147,762</u>	<u>187,396</u>	<u>67,847,164</u>	<u>21,197,382</u>
Total assets	<u>190,224,904</u>	<u>190,632,732</u>	<u>958,293</u>	<u>1,032,983</u>	<u>191,183,197</u>	<u>191,665,715</u>
Long-term debt outstanding	89,703,554	90,440,436	102,227	35,142	89,805,781	90,475,578
Other liabilities	<u>45,576,428</u>	<u>52,526,433</u>	<u>389,592</u>	<u>392,079</u>	<u>45,966,020</u>	<u>52,918,512</u>
Total liabilities	<u>135,279,982</u>	<u>142,966,869</u>	<u>491,819</u>	<u>427,221</u>	<u>135,771,801</u>	<u>143,394,090</u>
Net assets:						
Invested in capital assets, net of debt	11,365,292	7,185,209	147,762	187,396	11,513,054	7,372,605
Restricted:						
For capital purposes	2,908,095	387,924	-	-	2,908,095	387,924
For debt service	3,599,561	-	-	-	3,599,561	-
Other purposes	1,673,822	5,334,719	-	-	1,673,822	5,334,719
Unrestricted	<u>35,398,152</u>	<u>34,758,011</u>	<u>318,712</u>	<u>418,366</u>	<u>35,716,864</u>	<u>35,176,377</u>
Total net assets	\$ <u>54,944,922</u>	<u>47,665,863</u>	<u>466,474</u>	<u>605,762</u>	<u>55,411,396</u>	<u>48,271,625</u>

\* Restated – See Note 2

Total assets decreased by only approximately \$483,000. However, cash and investments decreased by \$45.6 million while capital assets increased by \$46.6 million due to the School District's facilities improvement project.

Total liabilities decreased by \$7.6 million primarily related to a reduction of deferred revenues of \$6.9 million. This reduction was caused by a combination of less taxes receivable at June 30, 2006 than the prior year and greater amounts available for advance at June 30, 2006 which have been recognized as revenue. The prior fiscal year included a personal property tax delinquency owed by a major employer of \$2.8 million which accounted for the apparent decrease in taxes receivable by comparison.



**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2006**  
**Unaudited**

**B. Governmental and Business-type Activities during fiscal year 2006**

The following is a condensed summary of the School District's activities during 2006:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>FY06</u>	<u>FY05 *</u>	<u>FY06</u>	<u>FY05 *</u>	<u>FY06</u>	<u>FY05 *</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services and sales	\$ 1,868,391	1,799,481	2,373,439	2,031,678	4,241,830	3,831,159
Operating grants and contributions	4,378,133	4,850,833	1,291,317	1,228,199	5,669,450	6,079,032
Capital grants and contributions	<u>1,634</u>	<u>51,345</u>	<u>-</u>	<u>-</u>	<u>1,634</u>	<u>51,345</u>
Total program revenues	<u>6,248,158</u>	<u>6,701,659</u>	<u>3,664,756</u>	<u>3,259,877</u>	<u>9,912,914</u>	<u>9,961,536</u>
General revenues:						
Property taxes	65,600,762	65,629,652	-	-	65,600,762	65,629,652
Grants and entitlements	10,566,991	10,233,936	-	-	10,566,991	10,233,936
Investment earnings	3,321,120	2,209,135	-	-	3,321,120	2,209,135
Miscellaneous	1,486,663	1,333,139	380	-	1,487,043	1,333,139
Total general revenues	<u>80,975,536</u>	<u>79,405,862</u>	<u>380</u>	<u>-</u>	<u>80,975,916</u>	<u>79,405,862</u>
<b>Total revenues</b>	<u>87,223,694</u>	<u>86,107,521</u>	<u>3,665,136</u>	<u>3,259,877</u>	<u>90,888,830</u>	<u>89,367,398</u>
<b>Expenses:</b>						
Instruction	40,212,240	36,076,450	-	-	40,212,240	36,076,450
Support services:						
Pupil	4,742,701	5,255,056	-	-	4,742,701	5,255,056
Instructional staff	5,991,323	5,167,170	-	-	5,991,323	5,167,170
Board of Education	382,312	392,114	-	-	382,312	392,114
Administration	5,961,291	5,131,871	-	-	5,961,291	5,131,871
Fiscal	2,266,379	1,739,623	-	-	2,266,379	1,739,623
Business	551,136	458,015	-	-	551,136	458,015
Operation and maintenance of plant	7,698,335	7,556,075	-	-	7,698,335	7,556,075
Pupil transportation	3,795,527	4,831,948	-	-	3,795,527	4,831,948
Central	1,551,154	1,856,891	-	-	1,551,154	1,856,891
Non-instructional services	2,770,641	2,796,650	-	-	2,770,641	2,796,650
Interest and fiscal charges	4,021,596	4,070,873	-	-	4,021,596	4,070,873
Food services	-	-	2,390,548	2,398,907	2,390,548	2,398,907
Uniform school supplies	-	-	16,783	5,999	16,783	5,999
Early childhood programs	<u>-</u>	<u>-</u>	<u>1,397,093</u>	<u>1,195,317</u>	<u>1,397,093</u>	<u>1,195,317</u>
<b>Total expenses</b>	<u>79,944,635</u>	<u>76,332,736</u>	<u>3,804,424</u>	<u>3,600,223</u>	<u>83,749,059</u>	<u>79,932,959</u>
<b>Change in net assets</b>	\$ <u>7,279,059</u>	<u>9,774,785</u>	<u>(139,288)</u>	<u>(340,346)</u>	<u>7,139,771</u>	<u>9,434,439</u>

\* Restated – See Note 2

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2006**  
**Unaudited**

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Of the total governmental activities revenues of \$87,223,694, \$6,248,158 (7%) is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, 81% (\$65,600,762) comes from property tax levies and 13% (\$10,566,991) is from state funding. The School District's operations are reliant upon its property tax levy and the state's foundation program.

Total revenues increased close to 2%. The majority of the increase was due to investment earnings as the interest rates for fiscal year 2006 continued to ascend. Expenses increased about 5% with the majority in instruction. While the District strives to make efficiencies in many areas, the District's focus has been to maintain quality instruction for all students. Instruction expenditures include the activities dealing directly with the teaching of pupils in all grade levels, special education, and alternative school experiences as well as vocational and adult education.

***Governmental Activities***

The following table presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately 8% of the cost of the general government programs was recouped in program revenues. Instruction costs were \$40,212,240 but program revenue contributed to fund 8% of those costs. Thus, general revenues of \$37,030,990 were used to support of remainder of the instruction costs. The School District's governmental activities net assets increased by \$7,279,059 during the fiscal year due primarily to the increase in investment income and prudent management decisions on program and supporting expenditures.

**Governmental Activities**

		<u>Total Cost of Services</u>	<u>Program Revenue</u>	<u>Revenues as a % of Total Costs</u>	<u>Net Cost of Services</u>
Instruction	\$	40,212,240	3,181,250	8%	37,030,990
Support services		32,940,158	1,680,212	5%	31,259,946
Non-instructional services		2,770,641	1,386,696	50%	1,383,945
Interest and fiscal charges		<u>4,021,596</u>	<u>-</u>	0%	<u>4,021,596</u>
<b>Total</b>	<b>\$</b>	<b><u>79,944,635</u></b>	<b><u>6,248,158</u></b>	<b><u>8%</u></b>	<b><u>73,696,477</u></b>

***Business-type Activities***

Net assets of the business-type activities decreased by (\$139,288) primarily due to normal operations.

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2006**  
**Unaudited**

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The following table presents the total cost of each of the School District's business segments and the net cost after deducting the revenues generated by each segment. Charges and operating grants paid for 96% of the costs of the business-type activities.

<b>Business-type Activities</b>					
		<b>Total Cost of Services</b>	<b>Program Revenue</b>	<b>Revenues as a % of Total Costs</b>	<b>Net Cost (Revenue) of Services</b>
Food services	\$	2,390,548	2,290,301	96%	100,247
Early childhood programs		1,397,093	1,353,973	97%	43,120
Uniform school supplies		<u>16,783</u>	<u>20,482</u>	122%	<u>(3,699)</u>
<b>Total</b>	<b>\$</b>	<b><u>3,804,424</u></b>	<b><u>3,664,756</u></b>	<b><u>96%</u></b>	<b><u>139,668</u></b>

**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S INDIVIDUAL FUNDS**

**Governmental funds**

The School District has three major governmental funds: the General Fund, Debt Service Fund and Building Fund. Assets of these funds comprise \$119,607,404 (98%) of the total \$121,936,132 governmental funds assets.

**General Fund.** Fund balance at June 30, 2006 was \$32,624,717, including \$12,294,817 of unreserved balance, which represents 17% of expenditures for fiscal year 2006. The primary reasons for the decrease in fund balance of \$2,373,283 were the decrease in property tax and intergovernmental revenues and the increase of expenditures for instructional needs.

**Debt Service Fund.** Fund balance at June 30, 2006 was \$3,455,864. This fund will be used to accumulate resources to retire the outstanding School Improvement Bonds. The increase to the fund balance is a direct result of the accumulation of taxes to repay the general long-term debt principal and interest.

**Building Fund.** Fund balance at June 30, 2006 was \$32,116,557. The proceeds from the issuance of school improvement bonds in 2003 are being used to construct new buildings and renovate other buildings. The capital outlay expenditures incurred in the current fiscal year relate primarily to construction in progress and architect and construction manager fees.

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2006**  
**Unaudited**

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**GENERAL FUND BUDGETARY HIGHLIGHTS**

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of the year, but primarily at the end of the year, the School District revised the budget in an attempt to deal with unexpected changes in revenues and expenditures. The differences between the General Fund's Original Budget and Final Budget were due primarily to an increase in State intergovernmental revenues as a result of HB66 hold harmless reimbursements while expenditures in instructional services and support services slightly increased.

The schedule comparing the School District's original and final budgets and actual results is included in the required supplementary information.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** At June 30, 2006, the School District had \$67,847,163 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. The total increase in the School District's investment in capital assets for the current fiscal year was approximately 220%. See Note 6 to the financial statements for more detail.

**Capital Assets at Year-End  
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005 *</u>	<u>2006</u>	<u>2005 *</u>	<u>2006</u>	<u>2005 *</u>
Land	\$ 3,142,982	3,142,982	-	-	3,142,982	3,142,982
Construction in progress	55,938,530	11,271,089	-	-	55,938,530	11,271,089
Land improvements	4,686,175	1,874,987	-	-	4,686,175	1,874,987
Buildings and improvements	1,720,350	2,572,980	-	-	1,720,350	2,572,980
Equipment and furniture	765,188	1,204,793	147,762	187,396	912,950	1,392,189
Vehicles	<u>1,446,176</u>	<u>943,155</u>	<u>-</u>	<u>-</u>	<u>1,446,176</u>	<u>943,155</u>
Total	\$ <u>67,699,401</u>	<u>21,009,986</u>	<u>147,762</u>	<u>187,396</u>	<u>67,847,163</u>	<u>21,197,382</u>

\* Restated

Major capital asset events during the current fiscal year include the ongoing costs for construction of seven new and one renovated elementary school buildings. There is a significant increase in land improvements and construction in progress at year end as phase one of two neared completion. Five of the new buildings were opened for the 06-07 school year in August 2006.

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2006**  
**Unaudited**

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**Debt**

During the current year, the School District did not issue any new debt. At the end of the current fiscal year, the School District had total bonded debt outstanding of \$85,341,875 (including issuance premiums) and Lease Purchase obligations of \$1,048,000. See Note 11 to the financial statements.

**ECONOMIC FACTORS**

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

While the State has made some progress in resolving the school funding issue, the court ruled that the funding system is far too reliant on property taxes which are inherently not equitable or adequate for many districts. Princeton, however, receives 81% of its general funding from property taxes.

To further complicate the School District's funding challenges, the State's most recent budget bill, HB66, mandates that all personal property taxes be phased out. By 2010, the valuation on which the personal property tax is based will be reduced to zero. Though the state will reimburse school districts for the loss of this revenue, the reimbursement is temporary. Of the total property tax revenue collected by the School District, 43% comes from the personal property tax.

**REQUESTS FOR ADDITIONAL INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's office at the Princeton City School District, Ohio, 25 West Sharon Avenue, Cincinnati, Ohio 45246, 513-771-8560.

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# PRINCETON CITY SCHOOL DISTRICT, OHIO

## Statement of Net Assets

June 30, 2006

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 54,891,392	670,926	55,562,318
Cash and investments with fiscal agent	936,391	-	936,391
Receivables:			
Taxes	63,432,866	-	63,432,866
Accounts	922,112	4,193	926,305
Intergovernmental	814,629	103,227	917,856
Interest	350,924	-	350,924
Supplies inventory	133,987	32,185	166,172
Restricted cash and investments	212,907	-	212,907
Deferred charges	830,294	-	830,294
Nondepreciable capital assets	59,081,512	-	59,081,512
Depreciable capital assets, net	8,617,890	147,762	8,765,652
<b>Total assets</b>	<u>190,224,904</u>	<u>958,293</u>	<u>191,183,197</u>
<b>Liabilities:</b>			
Accounts payable	2,436,904	11,888	2,448,792
Accrued wages and benefits	5,087,212	242,992	5,330,204
Intergovernmental payable	1,617,192	134,712	1,751,904
Deferred revenue	36,114,520	-	36,114,520
Accrued interest payable	320,600	-	320,600
Long-term liabilities:			
Due within one year	2,369,528	12,929	2,382,457
Due within more than one year	87,334,026	89,298	87,423,324
<b>Total liabilities</b>	<u>135,279,982</u>	<u>491,819</u>	<u>135,771,801</u>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	11,365,292	147,762	11,513,054
Restricted for:			
Capital projects	2,908,095	-	2,908,095
Debt service	3,599,561	-	3,599,561
Other purposes	1,673,822	-	1,673,822
Unrestricted	35,398,152	318,712	35,716,864
<b>Total net assets</b>	<u>\$ 54,944,922</u>	<u>466,474</u>	<u>55,411,396</u>

See accompanying notes to the basic financial statements.

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Statement of Activities

Year Ended June 30, 2006

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
Instruction:				
Regular	\$ 29,747,934	1,740,329	212,452	1,634
Special education	7,357,435	-	1,226,835	-
Other instruction	3,106,871	-	-	-
Support services:				
Pupil	4,742,701	-	672,339	-
Instructional staff	5,991,323	-	762,737	-
Board of Education	382,312	-	-	-
Administration	5,961,291	-	120,233	-
Fiscal	2,266,379	-	-	-
Business	551,136	-	-	-
Operation and maintenance of plant	7,698,335	-	1,900	-
Pupil transportation	3,795,527	-	-	-
Central	1,551,154	-	123,003	-
Non-instructional services:				
Extracurricular activities	1,488,801	128,062	-	-
Community service	1,281,840	-	1,258,634	-
Interest and fiscal charges	4,021,596	-	-	-
<b>Total Governmental Activities</b>	<u>79,944,635</u>	<u>1,868,391</u>	<u>4,378,133</u>	<u>1,634</u>
<b>Business-Type Activities:</b>				
Food Service	2,390,548	998,984	1,291,317	-
Uniform School Supplies	16,783	20,482	-	-
Early Childhood Programs	1,397,093	1,353,973	-	-
<b>Total Business-Type Activities</b>	<u>3,804,424</u>	<u>2,373,439</u>	<u>1,291,317</u>	<u>-</u>
	\$ <u>83,749,059</u>	<u>4,241,830</u>	<u>5,669,450</u>	<u>1,634</u>

**General Revenues:**

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Grants and entitlements not restricted to specific programs
- Investment earnings
- Miscellaneous
- Total general revenues
  
- Change in net assets
  
- Net assets beginning of year, restated
- Net assets end of year

See accompanying notes to the basic financial statements.



Net (Expense) Revenue and  
Changes in Net Assets

	Governmental Activities	Business-Type Activities	Total
\$	(27,793,519)	-	(27,793,519)
	(6,130,600)	-	(6,130,600)
	(3,106,871)	-	(3,106,871)
	(4,070,362)	-	(4,070,362)
	(5,228,586)	-	(5,228,586)
	(382,312)	-	(382,312)
	(5,841,058)	-	(5,841,058)
	(2,266,379)	-	(2,266,379)
	(551,136)	-	(551,136)
	(7,696,435)	-	(7,696,435)
	(3,795,527)	-	(3,795,527)
	(1,428,151)	-	(1,428,151)
	-	-	-
	(1,360,739)	-	(1,360,739)
	(23,206)	-	(23,206)
	(4,021,596)	-	(4,021,596)
	(73,696,477)	-	(73,696,477)
	-	(100,247)	(100,247)
	-	3,699	3,699
	-	(43,120)	(43,120)
	-	(139,668)	(139,668)
	(73,696,477)	(139,668)	(73,836,145)
	60,032,379	-	60,032,379
	5,568,383	-	5,568,383
	10,566,991	-	10,566,991
	3,321,120	-	3,321,120
	1,486,663	380	1,487,043
	80,975,536	380	80,975,916
	7,279,059	(139,288)	7,139,771
	47,665,863	605,762	48,271,625
\$	54,944,922	466,474	55,411,396

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Balance Sheet  
 Governmental Funds  
 June 30, 2006

	General	Debt Service Fund	Building Fund	Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 19,062,418	1,506,864	32,819,977	1,502,133
Cash and investments with fiscal agent	14,139	-	922,252	-
Restricted cash and investments	212,907	-	-	-
Receivables:				
Taxes	58,118,569	5,314,297	-	-
Accounts	910,146	-	-	11,966
Accrued interest	169,968	-	180,956	-
Intergovernmental	-	-	-	814,629
Materials and supplies inventory	133,987	-	-	-
Interfund receivable	240,924	-	-	-
<b>Total assets</b>	<u>78,863,058</u>	<u>6,821,161</u>	<u>33,923,185</u>	<u>2,328,728</u>
<b>Liabilities:</b>				
Accounts payable	483,664	-	1,806,628	146,612
Accrued wages and benefits	4,921,691	-	-	165,521
Intergovernmental payable	1,560,028	-	-	57,164
Interfund payable	-	-	-	240,924
Compensated absences payable	406,528	-	-	-
Deferred revenue	38,866,430	3,365,297	-	466,639
<b>Total liabilities</b>	<u>46,238,341</u>	<u>3,365,297</u>	<u>1,806,628</u>	<u>1,076,860</u>
<b>Fund Balances:</b>				
Reserved for:				
Encumbrances	472,082	-	19,221,638	154,938
Budget stabilization	212,907	-	-	-
Property taxes	19,270,000	1,949,000	-	-
Materials and supplies inventory	133,987	-	-	-
Advances	240,924	-	-	-
Unreserved, reported in:				
General Fund	12,294,817	-	-	-
Special Revenue Funds	-	-	-	1,092,426
Debt Service Fund	-	1,506,864	-	-
Capital Projects Funds	-	-	12,894,919	4,504
<b>Total fund balances</b>	<u>32,624,717</u>	<u>3,455,864</u>	<u>32,116,557</u>	<u>1,251,868</u>
<b>Total liabilities and fund balances</b>	\$ <u>78,863,058</u>	<u>6,821,161</u>	<u>33,923,185</u>	<u>2,328,728</u>

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
June 30, 2006

<p>Total Governmental Funds</p> <hr/> <p>54,891,392 936,391 212,907</p> <p>63,432,866 922,112 350,924 814,629 133,987 240,924</p> <hr/> <p>121,936,132</p> <p>2,436,904 5,087,212 1,617,192 240,924 406,528 42,698,366</p> <hr/> <p>52,487,126</p> <p>19,848,658 212,907</p> <p>21,219,000 133,987 240,924</p> <p>12,294,817 1,092,426 1,506,864 12,899,423</p> <hr/> <p>69,449,006</p> <hr/> <p>121,936,132</p>	<p><b>Total Governmental Fund Balances</b> <span style="float: right;">\$ 69,449,006</span></p> <p>Amounts reported for governmental activities in the statement of net assets are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. <span style="float: right;">67,699,402</span></p> <p>Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds. <span style="float: right;">6,583,846</span></p> <p>Deferred charges on the statement of net assets are not capitalized in the funds. <span style="float: right;">830,294</span></p> <p>Long-term liabilities are not due and payable in the current current period and therefore are not reported in the funds:</p> <table style="width: 100%; margin-left: 40px;"> <tr> <td style="width: 60%;">General obligation bonds</td> <td style="width: 20%; text-align: right;">85,341,875</td> <td style="width: 20%;"></td> </tr> <tr> <td>Compensated absences</td> <td style="text-align: right;">2,907,151</td> <td></td> </tr> <tr> <td>Lease purchase agreement</td> <td style="text-align: right;">1,048,000</td> <td></td> </tr> <tr> <td>Accrued interest payable</td> <td style="text-align: right;"><u>320,600</u></td> <td></td> </tr> <tr> <td><b>Total</b></td> <td></td> <td style="text-align: right;"><u>(89,617,626)</u></td> </tr> </table> <p>Net Assets of Governmental Activities <span style="float: right;">\$ <u>54,944,922</u></span></p>	General obligation bonds	85,341,875		Compensated absences	2,907,151		Lease purchase agreement	1,048,000		Accrued interest payable	<u>320,600</u>		<b>Total</b>		<u>(89,617,626)</u>	
General obligation bonds	85,341,875																
Compensated absences	2,907,151																
Lease purchase agreement	1,048,000																
Accrued interest payable	<u>320,600</u>																
<b>Total</b>		<u>(89,617,626)</u>															

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2006

	General	Debt Service Fund	Building Fund	Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 57,131,957	5,380,689	-	-
Tuition and fees	1,774,304	-	-	-
Interest	1,118,035	-	2,313,456	17,442
Intergovernmental	8,642,707	711,766	-	5,509,715
Other local revenues	1,214,395	-	40,370	318,318
<b>Total revenues</b>	<u>69,881,398</u>	<u>6,092,455</u>	<u>2,353,826</u>	<u>5,845,475</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	28,924,371	-	-	197,259
Special education	6,366,807	-	-	1,239,887
Other instruction	2,280,888	-	-	918,504
Support services:				
Pupil	4,134,807	-	-	749,131
Instructional staff	5,569,435	-	-	602,582
Board of Education	382,312	-	-	-
Administration	5,797,216	-	-	210,187
Fiscal	2,166,127	75,794	93,495	-
Business	486,873	-	50,263	-
Operation and maintenance of plant	7,991,146	-	13,487	-
Pupil transportation	4,293,872	-	-	3,511
Central	1,470,816	-	3,000	119,408
Non-instructional services:				
Extracurricular activities	226,663	-	-	1,234,609
Community service	95,901	-	-	1,185,939
Capital outlay	27,217	-	44,537,050	-
Debt Service:				
Principal	348,811	1,765,000	-	-
Interest and fiscal charges	24,444	4,046,549	-	-
<b>Total expenditures</b>	<u>70,587,706</u>	<u>5,887,343</u>	<u>44,697,295</u>	<u>6,461,017</u>
Excess of revenues over (under) expenditures	<u>(706,308)</u>	<u>205,112</u>	<u>(42,343,469)</u>	<u>(615,542)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	491,983	-	1,283,127
Transfers out	(1,674,642)	-	-	(100,468)
Sale of capital assets	7,667	-	-	-
<b>Total other financing sources (uses):</b>	<u>(1,666,975)</u>	<u>491,983</u>	<u>-</u>	<u>1,182,659</u>
Net change in fund balance	(2,373,283)	697,095	(42,343,469)	567,117
Fund balance, beginning of year	34,998,000	2,758,769	74,460,026	684,751
Fund balance, end of year	\$ <u>32,624,717</u>	<u>3,455,864</u>	<u>32,116,557</u>	<u>1,251,868</u>

See accompanying notes to the basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended June 30, 2006

Total Governmental Funds		
	<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ (43,452,540)
62,512,646	Amounts reported for governmental activities in the	
1,774,304	statement of activities are different because	
3,448,933		
14,864,188	Governmental funds report capital outlays as expenditures. However, in the	
1,573,083	statement of activities, the cost of those assets is allocated over their estimated	
<u>84,173,154</u>	estimated useful lives as depreciation expense.	
	Capital outlay	48,762,050
	Depreciation expense	<u>(842,123)</u>
		47,919,927
29,121,630	Repayment of bond principal is an expenditure in the governmental funds, but	
7,606,694	the repayment reduces long-term liabilities in the statement of net assets.	1,325,000
3,199,392		
4,883,938	In the statement of activities, interest is accrued on outstanding bonds,	
6,172,017	whereas in governmental funds, an interest expenditure is reported when due.	5,100
382,312		
6,007,403	Some expenses reported in the statement of activities, such as compensated	
2,335,416	absences do not require the use of current financial resources	
537,136	and therefore are not reported as expenditures in governmental funds.	(1,163,898)
8,004,633		
4,297,383	Revenues in the statement of activities that do not provide current financial	
1,593,224	resources are not reported as revenues in the funds.	3,042,873
1,461,272		
1,281,840	Repayment of capital lease principal is an expenditure in the	
44,564,267	governmental funds but the repayment reduces long-term liabilities in	
2,113,811	the statement of net assets.	348,811
4,070,993		
<u>127,633,361</u>	Repayment of lease purchase agreement principal is an expenditure in the	
(43,460,207)	governmental funds but the repayment reduces long-term liabilities in	
	the statement of net assets.	440,000
1,775,110		
(1,775,110)	Governmental funds only report the disposals of capital assets to the extent	
7,667	proceeds are received from the sale. In the statement of activities, a gain	
<u>7,667</u>	or loss on disposal is recorded. This is the amount of the loss on the	
(43,452,540)	disposal of capital assets net of proceeds received.	(1,230,511)
112,901,546	Governmental funds report the effect of issuance costs and premiums when	
<u>69,449,006</u>	debt is first issued, whereas these amounts are deferred and amortized in	
	the statement of activities.	
	Premium on sale of bonds	78,302
	Bond issuance costs	<u>(34,005)</u>
		<u>44,297</u>
	Change in Net Assets of Governmental Activities	\$ <u>7,279,059</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Statement of Net Assets

Proprietary Funds

June 30, 2006

	<u>Nonmajor Enterprise Funds</u>
<b>Assets:</b>	
Current assets:	
Equity in pooled cash and investments	\$ 670,926
Receivables:	
Accounts	4,193
Intergovernmental	103,227
Materials and supplies inventory	<u>32,185</u>
Total current assets	<u>810,531</u>
Noncurrent assets:	
Capital assets, net	<u>147,762</u>
<b>Total assets</b>	<u>958,293</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	11,888
Accrued wages	242,992
Intergovernmental payable	<u>134,712</u>
Total current liabilities	<u>389,592</u>
Noncurrent liabilities:	
Compensated absences	<u>102,227</u>
<b>Total liabilities</b>	<u>491,819</u>
<b>Net Assets:</b>	
Invested in capital assets	147,762
Unrestricted	<u>318,712</u>
<b>Total net assets</b>	<u>\$ 466,474</u>

See accompanying notes to the basic financial statements.

## PRINCETON CITY SCHOOL DISTRICT, OHIO

### Statement of Revenues, Expenses and Changes in Fund Net Assets

#### Proprietary Funds

Year Ended June 30, 2006

	Nonmajor Enterprise Funds
<b>Operating revenues:</b>	
Charges for services	\$ 2,373,439
Other operating revenues	<u>380</u>
<b>Total operating revenues</b>	<u>2,373,819</u>
<b>Operating expenses:</b>	
Salaries and wages	1,883,809
Fringe benefits	684,880
Contractual services	70,551
Materials and supplies	1,121,631
Depreciation	15,121
Other expenses	<u>3,919</u>
<b>Total operating expenses</b>	<u>3,779,911</u>
Operating loss	(1,406,092)
<b>Nonoperating revenues:</b>	
Operating grants	1,283,186
Loss on disposal of capital assets	(24,513)
Interest income	<u>8,131</u>
<b>Total nonoperating revenues</b>	<u>1,266,804</u>
Net loss	(139,288)
Net assets, beginning of year, restated	<u>605,762</u>
Net assets, end of year	\$ <u><u>466,474</u></u>

See accompanying notes to the basic financial statements.

# PRINCETON CITY SCHOOL DISTRICT, OHIO

## Statement of Cash Flows

### Proprietary Funds

Year Ended June 30, 2006

	<u>Nonmajor Enterprise Funds</u>
<b>Cash flows from operating activities:</b>	
Cash received from customers	\$ 2,376,867
Cash received from other operating sources	380
Cash payments for personal services	(2,500,982)
Cash payments for contract services	(76,305)
Cash payments for supplies and materials	(997,957)
Cash payments for other expenses	<u>(4,911)</u>
Net cash used by operating activities	<u>(1,202,908)</u>
<b>Cash flows from noncapital financing activities:</b>	
Interfund loan (repayment)	(37,940)
Cash received from operating grants	<u>1,324,696</u>
Net cash provided by noncapital financing activities	<u>1,286,756</u>
<b>Cash flows from investing activities:</b>	
Investment income	<u>8,131</u>
Net decrease in cash and investments	91,979
Cash and investments at beginning of year	<u>578,947</u>
Cash and investments at end of year	\$ <u>670,926</u>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>	
Operating loss	(1,406,092)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	15,121
Donated commodities used	121,963
Changes in assets and liabilities:	
Accounts receivable	2,216
Accounts payable	(3,109)
Supplies inventory	(714)
Accrued wages and benefits	4,627
Intergovernmental payable	(4,005)
Compensated absences payable	<u>67,085</u>
Net cash used by operating activities	\$ <u>(1,202,908)</u>

See accompanying notes to the basic financial statements.



**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Statement of Net Assets

Fiduciary Funds

June 30, 2006

		Private Purpose Trusts	Agency Fund
		<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Equity in pooled cash and investments	\$	340,478	84,148
Total assets		<u>340,478</u>	<u>84,148</u>
<b>LIABILITIES</b>			
Accounts payable		-	4,712
Due to student groups		-	79,436
Total liabilities		<u>-</u>	<u>84,148</u>
<b>NET ASSETS</b>			
Held in trust	\$	<u>340,478</u>	

See accompanying notes to the basic financial statements.

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Statement of Changes in Net Assets

Fiduciary Funds

Year Ended June 30, 2006

		<u>Private- Purpose Trust Funds</u>
<b>Additions:</b>		
Contributions	\$	9,488
Interest		<u>11,565</u>
Total additions		<u>21,053</u>
<b>Deductions:</b>		
Community gifts, awards and scholarships		<u>15,294</u>
Total deductions		<u>15,294</u>
Change in net assets		5,759
Net assets, beginning of year		<u>334,719</u>
Net assets, end of year	\$	<u><u>340,478</u></u>

See accompanying notes to the basic financial statements.

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2006**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Princeton City School District, Ohio (the "School District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

**A. Reporting Entity**

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

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

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

# PRINCETON CITY SCHOOL DISTRICT, OHIO

## Notes to the Basic Financial Statements

Year Ended June 30, 2006

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The following activity is included within the reporting entity:

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

The School District is associated with two jointly governed organizations. These organizations are the Hamilton Clermont Cooperative Association/Unified Purchasing Association and Great Oaks Institute of Technology and Career Development. The organizations are presented in Note 13 to the basic financial statements.

### **B. Basis of Presentation**

***Government-wide Financial Statements*** The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financials activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered 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 statements for governmental funds.

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

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

## PRINCETON CITY SCHOOL DISTRICT, OHIO

### Notes to the Basic Financial Statements

Year Ended June 30, 2006

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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. Operating statements of these funds present sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

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

#### C. Fund Accounting

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

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

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

**Debt Service Fund** - This fund is used to account for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

**Building Fund** - This fund is being used to account for transactions related to the construction and renovation of school buildings.

# PRINCETON CITY SCHOOL DISTRICT, OHIO

## Notes to the Basic Financial Statements

Year Ended June 30, 2006

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*Proprietary funds* are used to account for the School District's ongoing activities that are similar to those found in the private sector where the intent of the governing body is that the cost of providing goods and services to the general public be financed or recovered primarily through user charges. The School District has no major proprietary funds.

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

### 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 relates to the timing of the measurements made.

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

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

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

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2006**

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

*Deferred Revenue* Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2006 which are intended to finance fiscal year 2007 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. Cash and Cash Equivalents**

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

During fiscal year 2006, the District's investments were limited to US Treasury notes, US Agency securities, money market funds, and the State Treasury Assets Reserve of Ohio (STAR Ohio). Cash received through the lease-purchase agreements held in a separate bank account by National City Bank and retainage accounts for construction contractors are presented on the financial statements as "Investments with Fiscal Agent" and represents investments.

STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2006.

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

**Notes to the Basic Financial Statements**

**Year Ended June 30, 2006**

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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 be reported in the operating statement. The School District recorded investments held at June 30, 2006 at fair value.

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

For purposes of the statement of cash flows, the proprietary fund portion of equity in pooled cash and investments is considered to be liquid because each fund's portion of the pool can be accessed without prior notice or penalty.

**F. Inventory**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used. Inventory in governmental funds consists of expendable supplies. The cost of inventory items is recorded as an expenditure in the governmental fund types when used. 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.

**G. Capital Assets**

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

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



**PRINCETON CITY SCHOOL DISTRICT, OHIO**

**Notes to the Basic Financial Statements**

**Year Ended June 30, 2006**

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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:

Buildings	50 years
Land improvements	20 years
Building improvements	20 - 30 years
Equipment and furniture other than vehicles	5-20 years
Software	6 years
Library books	6 years
Vehicles	8 years

**H. Interfund Balances**

On fund financials, receivables and payables resulting from short-term interfund loans are classified as "interfund receivable/payable." These amounts are eliminated in the governmental activities column of the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

**I. Compensated Absences**

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

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

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

**J. Accrued Liabilities and Long-Term Obligations**

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2006**

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**K. Fund Balance Reserves**

The School District records reservations for portions of fund equity that are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balances indicates that portion of fund equity that is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes, inventory, advances, and budget reserve set-asides.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statutes. The reserve for budget stabilization represents money set-aside to protect against cyclical changes in revenues and expenditures.

**L. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. A corresponding fund balance reserve has also been established.

**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 improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The government-wide Statement of Net Assets reports \$8,181,478 of restricted net assets, none of which are restricted by enabling legislation.

**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.

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2006**

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**2. PRIOR PERIOD ADJUSTMENT**

A prior period adjustment was necessary to restate the School District's capital assets at June 30, 2005. The threshold went from \$2,500 to \$5,000. The School District also hired an appraisal company to value all capital assets. The restatement accounts for the changes in threshold as well as updating the values of all assets. The following is the effect on net assets of governmental and business-type activities.

		Governmental <u>Activities</u>	Business-Type <u>Activities</u>
Net assets - June 30, 2005	\$	46,985,959	627,008
Capital assets adjustment		<u>679,904</u>	<u>(21,246)</u>
Net assets - June 30, 2005, restated	\$	<u>47,665,863</u>	<u>605,762</u>

**3. DEPOSITS AND INVESTMENTS**

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

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

Inactive deposits are public deposits that the Board has identified as not required for use within the current 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 that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including pass book accounts.

## **PRINCETON CITY SCHOOL DISTRICT, OHIO**

### **Notes to the Basic Financial Statements**

**Year Ended June 30, 2006**

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

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

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2006**

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

Investments

The School District's investments at June 30, 2006 are as summarized as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity Years</u>
FHLB	\$ 10,159,774	1.13
FNMA	24,486,095	0.42
FHLMC	17,800,930	0.39
Investment with Bayerische Hypd Und Verinsbank	164,001	-
Star Ohio	2,206,583	-
US Money Market	<u>144,918</u>	<u>-</u>
	<u>\$ 54,962,301</u>	<u>0.52</u>

*Credit Risk*

It is the School District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. The School District's investments in FHLB, FNMA and FHLMC securities were rated AAA by Standard & Poor's and Aaa by Moody's. The School District's investments in the U.S. Money Market Funds were rated AAA by Standard & Poor's. Investments in STAR Ohio were rated AAAM by Standard & Poor's. The investment with Bayerische Hypd Und Verinsbank is not rated.

*Custodial Credit Risk*

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2006**

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*Concentration of Credit Risk*

The School District's policy places no limit on the amount it may invest in any one issuer. The School District investments in FHLB, FNMA, and FHLMC securities represent 18%, 45%, and 32%, respectively, of the School District's total investments.

*Interest Rate Risk*

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

**4. PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. The School District receives property taxes primarily from Hamilton County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2006, are available to finance fiscal year 2006 operations. The amount available for advance can vary based on the date the tax bills are sent.

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

**Notes to the Basic Financial Statements**

**Year Ended June 30, 2006**

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Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2006. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amounts available for advance at June 30, 2006 were \$19,270,000 and \$1,949,000 in the General Fund and Debt Service Fund, respectively.

The assessed values upon which fiscal year 2006 taxes were collected are:

	<u>2005 Second- Half Collections</u>		<u>2006 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 1,367,594,010	73.62%	1,392,713,510	73.66%
Public Utility	68,900,980	3.71%	68,870,689	3.64%
Tangible Personal Property	<u>421,066,962</u>	22.67%	<u>429,094,902</u>	22.70%
Total Assessed Value	\$ <u>1,857,561,952</u>	100.00%	<u>1,890,679,101</u>	100.00%
Tax rate per \$1,000 of assessed valuation		\$49.03		\$49.03

**5. INTERFUND TRANSACTIONS**

On the fund financial statements, the General Fund has a receivable of \$240,924 due from nonmajor governmental funds. These interfund loans were made to provide operating capital.

During the year ended June 30, 2006, the General Fund made transfers of \$1,674,642 in amounts of \$491,983 and \$1,182,659 to the Debt Service Fund and nonmajor governmental funds, respectively. Also, a nonmajor governmental fund transferred \$100,468 to another nonmajor governmental fund. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2006**

**6. CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2006 was as follows:

	Restated Balance 7/1/05	Additions	Disposals	Balance 6/30/06
<b><i>Governmental Activities</i></b>				
<b>Non-depreciable:</b>				
Land	\$ 3,142,982	-	-	3,142,982
Construction in progress	11,271,089	44,667,441	-	55,938,530
Subtotal	<u>14,414,071</u>	<u>44,667,441</u>	<u>-</u>	<u>59,081,512</u>
<b>Depreciable:</b>				
Land improvements	5,083,324	2,994,959	(360,172)	7,718,111
Buildings and improvements	18,826,174	-	(3,632,963)	15,193,211
Equipment and furniture	7,157,349	314,946	(3,423,172)	4,049,123
Vehicles	4,392,414	784,704	(331,519)	4,845,599
Subtotal	<u>35,459,261</u>	<u>4,094,609</u>	<u>(7,747,826)</u>	<u>31,806,044</u>
Totals at historical cost	<u>49,873,332</u>	<u>48,762,050</u>	<u>(7,747,826)</u>	<u>90,887,556</u>
Less accumulated depreciation:				
Land improvements	3,208,337	86,851	(263,252)	3,031,936
Buildings and improvements	16,253,194	185,891	(2,966,224)	13,472,861
Equipment and furniture	5,952,556	329,208	(2,997,830)	3,283,934
Vehicles	3,449,259	240,173	(290,009)	3,399,423
Total accumulated depreciation	<u>28,863,346</u>	<u>842,123</u>	<u>(6,517,315)</u>	<u>23,188,154</u>
Capital assets, net	<u>\$ 21,009,986</u>	<u>47,919,927</u>	<u>(1,230,511)</u>	<u>67,699,402</u>
	Restated Balance 7/1/05	Additions	Disposals	Balance 6/30/06
<b><i>Business-type Activities:</i></b>				
Furniture and equipment	\$ 292,181	-	(83,541)	208,640
Less accumulated depreciation	104,785	15,121	(59,028)	60,878
Capital assets, net	<u>\$ 187,396</u>	<u>15,121</u>	<u>(24,513)</u>	<u>147,762</u>



**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2006**

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Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 446,151
Instructional staff	18,540
Administration	100,540
Pupil transportation	248,597
Central	6,840
Extracurricular activities	<u>21,455</u>
 Total depreciation expense	 \$ <u><u>842,123</u></u>

Depreciation expense of \$15,121 was charged to the food services segment.

**7. RISK MANAGEMENT**

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

**8. DEFINED BENEFIT PENSION PLANS**

**School Employees Retirement System**

The School District contributes to the School Employees Retirement 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. The report may be obtained by writing to the SERS, 300 East Broad, Columbus, Ohio 43215.

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute at an actuarially determined rate, which is currently 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts by the SERS' Retirement Board. The School District's required contributions to SERS for the fiscal years ended June 30, 2006, 2005, and 2004 were approximately \$1,813,000, \$1,925,000, and \$1,855,000 respectively; 54% has been contributed for fiscal year 2006 and 100% for fiscal years 2005 and 2004. The current portion of the contribution for fiscal year 2006 is recorded as a liability within the respective funds.

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2006**

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**State Teachers Retirement System**

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple employer public employee retirement system 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 issued a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the STRS, 275 East Broad Street, Columbus, Ohio 43215-3771.

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

DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code. A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14%. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The School District's required contributions for pension obligations to STRS for the years ended June 30, 2006, 2005, and 2004 were approximately \$4,382,000, \$4,504,000 and \$4,775,000 respectively; 84% has been contributed for fiscal year 2006 and 100% for fiscal years 2005 and 2004. The unpaid contribution for fiscal year 2006 is recorded as a liability within the respective funds.

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2006**

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**Social Security System**

Effective July 1, 1991, all employees not otherwise covered by SERS or STRS have an option to choose Social Security or SERS/STRS. The School District's liability is 6.2% of wages paid.

**9. POSTEMPLOYMENT BENEFITS**

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

STRS has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. For the year ended June 30, 2006, the board allocated employer contributions equal to 1.00% of covered payroll to the Health Care Reserve Fund. For the School District, this amount was approximately \$313,000 during fiscal year 2006. STRS pays health care benefits from the Health Care Reserve Fund. The balance in the fund was \$3.5 billion at June 30, 2006. For the year ended June 30, 2006, net health care costs paid by STRS were \$282.7 million and STRS had 119,184 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. For the fiscal year ended June 30, 2006, employer contributions to fund health care benefits were 3.42% of covered payroll, compared to 3.43% for fiscal year 2005. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2006, the minimum pay has been established at \$35,800. The surcharge rate added to the unallocated portion of the 14% employer contribution rate provides for maintenance of the asset target level for the health care fund.

Net health care costs for the year ended June 30, 2006 were \$158.8 million. The target level for the health care fund reserve is 150% of the projected claims less premium contributions for the next fiscal year. As of June 30, 2006, the value of the health care fund was \$295.6 million, which is about 221% of next year's projected health care costs. On the basis of actuarial projections, the allocated contributions will be insufficient, in the long term, to provide for a health care reserve equal to at least 150% of estimated annual net claims costs. SERS has 59,492 participants currently receiving health care benefits. For the School District, this amount to fund health care benefits, including the surcharge, was approximately \$444,000 during the 2006 fiscal year.

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2006**

**10. EMPLOYEE BENEFITS**

**Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to maximum of 255 days for teachers, 279 days for administrators and 265 days for classified staff. Upon retirement, payment is made for twenty-five percent of the employee's accumulated sick leave.

**11. LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 2006 were as follows:

	Principal Outstanding 7/1/05	Additions	Reductions	Principal Outstanding 6/30/06	Amounts Due in One Year
<b><i>Governmental Activities:</i></b>					
General obligation bonds:					
School Improvement	\$ 84,755,000	-	(1,325,000)	83,430,000	1,510,000
Issuance premiums	1,990,177	-	(78,302)	1,911,875	-
Capital leases payable	348,811	-	(348,811)	-	-
Lease-purchase agreements	1,488,000	-	(440,000)	1,048,000	453,000
Compensated absences	1,858,448		(297,352)	3,313,679	
		<u>1,752,583</u>			<u>406,528</u>
Total	<u>\$ 90,440,436</u>	<u>1,752,583</u>	<u>(2,489,465)</u>	<u>89,703,554</u>	<u>2,369,528</u>
<b><i>Business-type Activities:</i></b>					
Compensated absences	\$ 35,142	102,227	(35,142)	102,227	12,929

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2006**

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Principal and interest requirements to retire the school improvements bonds are as follows:

Fiscal Year Ending June 30,		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$	1,510,000	3,968,045	5,478,045
2008		1,560,000	3,937,345	5,497,345
2009		1,605,000	3,889,645	5,494,645
2010		1,190,000	3,833,745	5,023,745
2011		1,260,000	3,790,415	5,050,415
2012 - 2016		8,285,000	18,093,743	26,378,743
2017 - 2021		13,630,000	15,398,412	29,028,412
2022 - 2026		21,820,000	10,948,375	32,768,375
2027 - 2030		<u>32,570,000</u>	<u>4,306,950</u>	<u>36,876,950</u>
Total	\$	<u>83,430,000</u>	<u>68,166,675</u>	<u>151,596,675</u>

During the year ended June 30, 2004, the School District authorized financing for High School stadium turf, software acquisition, and bus purchases in the amounts of \$794,000, \$809,000 and \$558,000, respectively with lease-purchase agreements with Rickenbacker Port Authority (RPA) which will retain title to the projects during the lease term. RPA assigned National City Bank as trustee which deposited the full amounts of the lease-purchase agreements with a fiscal agent. The School District is reimbursed for expenditures as the work is completed. The School District is required to make semiannual payments of interest and annual payments of principal lease with final maturity in 2009. Interest rates are based on a calculation of the TBMA Index. Future minimum payments, payable from the Debt Service Fund, are as follows

Fiscal Year Ending June 30,		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007		453,000	36,912	489,912
2008		469,000	21,762	490,762
2009		<u>126,000</u>	<u>4,744</u>	<u>130,744</u>
Total	\$	<u>1,048,000</u>	<u>63,418</u>	<u>1,111,418</u>

All general obligation debt is supported by the full faith and credit of the School District. Compensated absences payable will be paid from the fund from which the employees' salaries are paid. The capital leases will be paid from the General Fund. The School District's overall legal debt margin was \$86,731,119 with an unvoted debt margin of \$1,890,679 at June 30, 2006.

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2006**

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**13. JOINTLY GOVERNED ORGANIZATIONS**

*The Hamilton/Clermont Cooperative Association*

The School District is a participant in a consortium of school districts to operate The Hamilton/Clermont Cooperative Association (H/CCA). H/CCA is an association of public districts in a geographic area determined by the Ohio Department of Education 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. The Board of H/CCA consists of one representative from each of the participating members. Complete financial statements can be obtained for H/CCA at 7615 Harrison Avenue, Cincinnati 45231.

*The Great Oaks Institute of Technology and Career Development*

The Great Oaks Institute of Technology and Career Development, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the participating school district's elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. Great Oaks was formed for the purpose of providing vocational education opportunities to the students of the member school districts, which includes the students of the School District. The School District has no ongoing financial interest in nor responsibility for Great Oaks. To obtain financial information, write to Great Oaks at 3254 East Kemper Road, Cincinnati, Ohio 45241.

**14. CONTINGENCIES**

**Grants**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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 adverse effect on the overall financial position of the School District at June 30, 2006.

**Litigation**

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2006**

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**15. REQUIRED SET-ASIDES**

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

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

		<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside balance as of June 30, 2005	\$	(3,483,854)	-	592,611
Current year set-aside requirement		848,593	848,593	-
Less qualifying disbursements		<u>(1,752,878)</u>	<u>(2,994,872)</u>	<u>(379,704)</u>
Total		<u>(4,388,139)</u>	<u>(2,146,279)</u>	<u>212,907</u>
Balance carried to FY2007		<u>(4,388,139)</u>	-	<u>212,907</u>
Cash balance as of June 30, 2006	\$	<u>-</u>	<u>-</u>	<u>212,907</u>

Since the School District had offsets and qualifying disbursements during the year that reduced the set aside amount for textbooks and instructional materials to below zero, these extra amounts may be used to reduce the set aside requirements of future years. However, the excess qualifying disbursements of the capital improvement set-aside may not be used to reduce the capital improvement set aside requirements of future years.

**16. DEFICIT FUND BALANCES**

At June 30, 2006, the following funds had deficit fund balances:

Nonmajor governmental funds:	
Entry Year Program	\$8,319
Title VI Fund	124,669
Student Intervention	6,522
Preschool	6,924

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

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2006**

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**17. SIGNIFICANT CONTRACTUAL COMMITMENTS**

As of June 30, 2006, the School District had entered into various construction contracts for building renovations and construction improvements under which it had a remaining unperformed and unpaid total commitment of approximately \$32,843,000.

**18. SUBSEQUENT EVENTS**

Subsequent to year-end, the following events occurred:

- As part of its ongoing building construction and improvement project, the School District entered construction and improvement contracts of approximately \$13,400,000.
- The Board of Education authorized the sale of two elementary school buildings and property.
- The Board of Education authorized the issuance of general obligation refunding bonds in the amount of \$71,800,000.

**19. CHANGES IN ACCOUNTING POLICIES**

For fiscal year 2006, the School District has implemented GASB Statement No. 44 *Economic Condition Reporting: The Statistical Section* and GASB Statement No. 46 *Net Assets Restricted by Enabling Legislation*. GASB Statement No. 44 establishes and modifies requirements related to the supplementary information presented in a statistical section. GASB Statement No. 46 clarifies how legal enforceability should be applied for determining restricted net assets. The implementation of this new statement had no effect on the School District's financial statements for fiscal year 2006.



**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2006**

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**20. OPERATING LEASES**

In the current fiscal year, the School District entered into noncancelable operating leases for the use of office equipment. Operating lease payments are reported as function expenditures in governmental funds and on budgetary statements. Total operating lease payments in fiscal year 2006 totaled approximately \$77,000. The following is a schedule of the future minimum lease payments:

	<u>Year</u> <u>Ending</u> <u>June 30</u>	
	2007	\$
		76,890
	2008	
		76,890
	2009	
		76,890
	2010	
		<u>76,890</u>
Future minimum lease payments		\$
		<u>307,560</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 General Fund  
 For Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 56,061,500	\$ 55,795,014	\$ 55,795,015	\$ 1
Tuition	2,495,742	1,792,765	1,637,862	(154,903)
Earnings on investments	2,000,000	1,075,291	1,079,822	4,531
Classroom materials and fees	1,500	1,500	1,564	64
Other revenues	526,503	526,503	608,962	82,459
Intermediate sources	200,000	200,000	207,876	7,876
Intergovernmental - State	4,225,675	8,426,091	8,573,086	146,995
Intergovernmental - Federal	75,000	68,976	69,621	645
<b>Total revenues</b>	<u>65,585,920</u>	<u>67,886,140</u>	<u>67,973,808</u>	<u>87,668</u>
<b>Expenditures:</b>				
Instruction	37,500,520	38,465,440	37,608,033	857,407
Support services	31,711,158	33,288,387	33,059,429	228,958
Operation of non-instructional services	101,000	106,500	100,212	6,288
Extracurricular activities	187,000	247,500	239,349	8,151
Facilities acquisition and construction services	40,000	50,000	46,825	3,175
<b>Total expenditures</b>	<u>69,539,678</u>	<u>72,157,827</u>	<u>71,053,848</u>	<u>1,103,979</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(3,953,758)</u>	<u>(4,271,687)</u>	<u>(3,080,040)</u>	<u>1,191,647</u>
<b>Other financing sources (uses):</b>				
Operating transfers (out)	(1,113,842)	(1,714,599)	(1,714,599)	-
Advances in	425,000	424,782	424,782	-
Advances (out)	(250,000)	(240,924)	(240,924)	-
Refund of prior year expenditures	50,000	87,095	87,095	-
Refund of prior year receipts	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(888,842)</u>	<u>(1,443,646)</u>	<u>(1,443,646)</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>(4,842,600)</u>	<u>(5,715,333)</u>	<u>(4,523,686)</u>	<u>1,191,647</u>
Fund balance, July 1	22,584,874	22,584,874	22,584,874	-
Prior year encumbrances appropriated	414,440	414,440	414,440	-
<b>Fund balance, June 30</b>	<u>\$ 18,156,714</u>	<u>\$ 17,283,981</u>	<u>\$ 18,475,628</u>	<u>\$ 1,191,647</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
Notes to Required Supplementary Information  
Year Ended June 30, 2006

**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 principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedule of Revenues, Expenditures and changes in Fund Balances – 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 budget basis and GAAP basis are that:

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

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

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

The following tables summarize the adjustments necessary to reconcile the GAAP statements and the budgetary basis schedule:

	<u>General</u>
Net change in fund balance – GAAP Basis	\$ (2,373,283)
Due to revenues	(1,907,590)
Due to expenditures	444,194
Due to other sources (uses)	223,329
Due to encumbrances	(910,336)
Excess of revenues and other sources over (under) expenditures and other uses – Budget Basis	\$ (4,523,686)

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COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

## NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

**ENTRY YEAR:** To account for state funds which are provided to establish an entry year program for beginning year teachers that hold two year provisional licenses and are teaching in their licensed field.

**POVERTY BASED ASSISTANCE:** To account for monies appropriated for poverty based assistance as part of the state foundation system. Programs included are academic intervention, all-day kindergarten, class size reduction, Limited English proficient students, professional development, dropout prevention, and community outreach.

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

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

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

STUDENT INTERVENTION: To account for state funds used to provide tutoring and other focused supplemental supports for children most at risk in reading and mathematics.

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

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

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

TITLE VI-B: To account for federal funds received for the purpose of assisting in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternate service patterns, and provision of full educational opportunities to handicapped children at preschool.

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

TITLE III: To account for federal funds used in the development of elementary and secondary school programs, including activities at the preschool level, to meet the educational needs of children of limited English proficiency.

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

TITLE V: To account for federal funds used to provide programs for at-risk students; instructional materials to improve the quality of instruction for children most at-risk in the areas of English/Language Arts and Mathematics; and programs and services for students who are in need of learning environments that will foster academic success.

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

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

REDUCING CLASS SIZE: To account for federal funds used to increase teacher effectiveness through quality professional development sessions based on standards-based instruction.

MISCELLANEOUS FEDERAL GRANTS: To account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere.

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### NONMAJOR CAPITAL PROJECTS FUNDS

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The Capital Project Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects, including equipment purchases other than those financed by Proprietary Funds. The following are descriptions of each Capital Projects Fund:

PERMANENT IMPROVEMENT: To account for all transactions related to acquiring, constructing, or improving such permanent improvements as are authorized by Chapter 5705, Revised Code.

SCHOOL NET PLUS: To account for state funds appropriated for wiring to all seventh grade classrooms and provide a computer workstation and related technology.

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## NONMAJOR ENTERPRISE FUNDS

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The Enterprise Funds are used to account for the School District's ongoing activities that are similar to those found in the private sector where the intent of the governing body is that the cost of providing good and services to the public be financed and recovered primarily through user charges.

FOOD SERVICE: To account for all financial transactions related to food service operation.

EARLY CHILDHOOD PROGRAMS: To account for preschool, extended day, and all day kindergarten operations provided to students and financed primarily through user charges.

UNIFORM SCHOOL SUPPLIES: To account for the purchase and sale of school supplies with any profits used for school purposes or activities in connection with the school.

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## AGENCY FUND

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STUDENT ACTIVITIES: To account for those student activity programs which have student participation in the activity and have students involved in the management of the program.

# PRINCETON CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2006

		Nonmajor Special Revenue Funds	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments	\$	1,497,629	4,504	1,502,133
Net receivables:				
Accounts		11,966	-	11,966
Intergovernmental		814,629	-	814,629
<b>Total assets</b>		<u>2,324,224</u>	<u>4,504</u>	<u>2,328,728</u>
<b>Liabilities:</b>				
Accounts payable		146,612	-	146,612
Accrued wages and benefits		165,521	-	165,521
Intergovernmental payable		57,164	-	57,164
Deferred revenue		466,639	-	466,639
Interfund payable		240,924	-	240,924
<b>Total liabilities</b>		<u>1,076,860</u>	<u>-</u>	<u>1,076,860</u>
<b>Fund Balances:</b>				
Reserved for:				
Encumbrances		154,938	-	154,938
Unreserved, reported in:				
Special Revenue Funds		1,092,426	-	1,092,426
Capital Projects Funds		-	4,504	4,504
<b>Total fund balances</b>		<u>1,247,364</u>	<u>4,504</u>	<u>1,251,868</u>
<b>Total liabilities and fund balances</b>	\$	<u>2,324,224</u>	<u>4,504</u>	<u>2,328,728</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2006

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Interest	\$ 17,328	114	17,442
Other local revenues	318,318	-	318,318
Intergovernmental	5,508,081	1,634	5,509,715
<b>Total revenues</b>	<u>5,843,727</u>	<u>1,748</u>	<u>5,845,475</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	196,800	459	197,259
Special	1,239,887	-	1,239,887
Other	918,504	-	918,504
Support services:			
Pupil	749,131	-	749,131
Instructional staff	602,582	-	602,582
School administration	210,187	-	210,187
Pupil transportation	3,511	-	3,511
Central	119,408		119,408
Non-instructional services:			
Community services	1,185,939	-	1,185,939
Extracurricular activities	1,234,609	-	1,234,609
<b>Total expenditures</b>	<u>6,460,558</u>	<u>459</u>	<u>6,461,017</u>
Excess of revenues over (under) expenditures	<u>(616,831)</u>	<u>1,289</u>	<u>(615,542)</u>
<b>Other financing sources</b>			
Transfers in	1,283,127	-	1,283,127
Transfers out	(100,468)	-	(100,468)
<b>Total other financing sources</b>	<u>1,182,659</u>	<u>-</u>	<u>1,182,659</u>
Net change in fund balances	565,828	1,289	567,117
Fund balance, beginning of year	681,536	3,215	684,751
Fund balance, end of year	\$ <u>1,247,364</u>	<u>4,504</u>	<u>1,251,868</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2006

	Public School Support	Other Grants	Athletic	Auxiliary Service	Education Management Information Systems	Entry Year
<b>Assets:</b>						
Equity in pooled cash and investments	\$ 211,966	9,337	10,588	266,004	15,880	-
Net receivables:						
Accounts	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
<b>Total assets</b>	<u>211,966</u>	<u>9,337</u>	<u>10,588</u>	<u>266,004</u>	<u>15,880</u>	<u>-</u>
<b>Liabilities:</b>						
Accounts payable	817	-	1,961	21,915	1,659	-
Accrued wages and benefits	-	-	-	10,454	-	7,917
Intergovernmental payable	-	-	1,818	5,824	-	402
Deferred revenue	-	-	-	-	-	-
Interfund loans payable	-	-	-	-	-	-
<b>Total liabilities</b>	<u>817</u>	<u>-</u>	<u>3,779</u>	<u>38,193</u>	<u>1,659</u>	<u>8,319</u>
<b>Fund Balances:</b>						
Fund Balances						
Reserved for:						
Encumbrances	6,014	-	10,273	42,899	1,500	-
Unreserved-undesignated	205,135	9,337	(3,464)	184,912	12,721	(8,319)
<b>Total fund balances</b>	<u>211,149</u>	<u>9,337</u>	<u>6,809</u>	<u>227,811</u>	<u>14,221</u>	<u>(8,319)</u>
<b>Total liabilities and fund balances \$</b>	<u>211,966</u>	<u>9,337</u>	<u>10,588</u>	<u>266,004</u>	<u>15,880</u>	<u>-</u>

<u>Poverty Based Assistance</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads</u>	<u>Student Intervention</u>	<u>Vocational Education Enhancement</u>
363,635	2,518	-	13,153	-	7,799
-	-	-	4,000	-	-
-	-	-	6,245	-	-
<u>363,635</u>	<u>2,518</u>	<u>-</u>	<u>23,398</u>	<u>-</u>	<u>7,799</u>
-	-	-	3,815	-	-
-	-	-	6,075	274	-
-	-	-	482	204	-
-	-	-	6,245	-	-
-	-	-	-	6,044	-
-	-	-	16,617	6,522	-
-	-	-	209	-	1,000
<u>363,635</u>	<u>2,518</u>	<u>-</u>	<u>6,572</u>	<u>(6,522)</u>	<u>6,799</u>
<u>363,635</u>	<u>2,518</u>	<u>-</u>	<u>6,781</u>	<u>(6,522)</u>	<u>7,799</u>
<u>363,635</u>	<u>2,518</u>	<u>-</u>	<u>23,398</u>	<u>-</u>	<u>7,799</u>

(Continued)

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2006

(Continued)

	Alternative Schools	Misc. State Grants	Title VI-B	Vocational Education	Title III	Title I
<b>Assets:</b>						
Equity in pooled cash and investments	\$ 6,723	97,805	171,734	25,625	8,279	77,477
Net receivables:						
Accounts	-	-	-	-	-	-
Intergovernmental	15,113	-	345,215	-	36,576	116,556
<b>Total assets</b>	<u>21,836</u>	<u>97,805</u>	<u>516,949</u>	<u>25,625</u>	<u>44,855</u>	<u>194,033</u>
<b>Liabilities:</b>						
Accounts payable	-	538	98,624	-	1,522	1,921
Accrued wages and benefits	-	4,479	42,210	446	3,324	86,242
Intergovernmental payable	870	1,992	26,724	-	565	13,351
Deferred revenue	7,966	-	142,876	-	30,288	15,696
Interfund loans payable	2,651	-	100,870	-	-	-
<b>Total liabilities</b>	<u>11,487</u>	<u>7,009</u>	<u>411,304</u>	<u>446</u>	<u>35,699</u>	<u>117,210</u>
<b>Fund Balances:</b>						
Fund Balances						
Reserved for:						
Encumbrances	6,722	416	72,562	-	5,392	4,089
Unreserved-undesignated	3,627	90,380	33,083	25,179	3,764	72,734
<b>Total fund balances</b>	<u>10,349</u>	<u>90,796</u>	<u>105,645</u>	<u>25,179</u>	<u>9,156</u>	<u>76,823</u>
<b>Total liabilities and fund balances \$</b>	<u>21,836</u>	<u>97,805</u>	<u>516,949</u>	<u>25,625</u>	<u>44,855</u>	<u>194,033</u>

<u>Title VI</u>	<u>Title IV</u>	<u>Preschool Grant</u>	<u>Reducing Class Size</u>	<u>Misc. Federal Grants</u>	<u>TOTAL</u>
11,361	28,249	-	50,486	119,010	1,497,629
-	-	-	3,166	4,800	11,966
<u>5,090</u>	<u>25,057</u>	<u>2,546</u>	<u>229,897</u>	<u>32,334</u>	<u>814,629</u>
<u>16,451</u>	<u>53,306</u>	<u>2,546</u>	<u>283,549</u>	<u>156,144</u>	<u>2,324,224</u>
11,331	620	-	1,734	155	146,612
-	1,125	-	2,975	-	165,521
264	260	-	1,687	2,721	57,164
5,090	13,451	2,546	229,897	12,584	466,639
<u>124,435</u>	<u>-</u>	<u>6,924</u>	<u>-</u>	<u>-</u>	<u>240,924</u>
<u>141,120</u>	<u>15,456</u>	<u>9,470</u>	<u>236,293</u>	<u>15,460</u>	<u>1,076,860</u>
30	863	-	2,969	-	154,938
<u>(124,699)</u>	<u>36,987</u>	<u>(6,924)</u>	<u>44,287</u>	<u>140,684</u>	<u>1,092,426</u>
<u>(124,669)</u>	<u>37,850</u>	<u>(6,924)</u>	<u>47,256</u>	<u>140,684</u>	<u>1,247,364</u>
<u>16,451</u>	<u>53,306</u>	<u>2,546</u>	<u>283,549</u>	<u>156,144</u>	<u>2,324,224</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Nonmajor Special Revenue Funds  
Year Ended June 30, 2006

	Public School Support	Other Grants	Athletic	Auxiliary Service	Education Management Information Systems	Entry Year
<b>Revenues:</b>						
Earnings on investments	\$ -	-	-	17,328	-	-
Other local revenues	179,935	10,321	128,062	-	-	-
Intergovernmental	-	1,900	-	1,053,256	19,014	21,550
<b>Total revenues</b>	<u>179,935</u>	<u>12,221</u>	<u>128,062</u>	<u>1,070,584</u>	<u>19,014</u>	<u>21,550</u>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular	-	6,979	-	-	-	-
Special	-	-	-	-	-	-
Other	-	-	-	-	-	-
Support services:						
Pupil	-	-	-	-	-	-
Instructional staff	-	6,656	-	-	-	51,354
School administration	85,778	-	-	-	-	-
Pupil transportation	1,138	-	-	-	-	-
Central	1,343	-	-	-	17,207	227
Non-instructional services:						
Community services	5,646	-	-	1,025,455	-	-
Extracurricular activities	-	-	1,234,609	-	-	-
<b>Total expenditures</b>	<u>93,905</u>	<u>13,635</u>	<u>1,234,609</u>	<u>1,025,455</u>	<u>17,207</u>	<u>51,581</u>
Excess of revenues over (under) expenditures	86,030	(1,414)	(1,106,547)	45,129	1,807	(30,031)
<b>Other financing sources</b>						
Transfers in	-	-	1,162,792	-	-	19,867
Transfers out	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>1,162,792</u>	<u>-</u>	<u>-</u>	<u>19,867</u>
Net change in fund balances	86,030	(1,414)	56,245	45,129	1,807	(10,164)
Fund balance, beginning of year	125,119	10,751	(49,436)	182,682	12,414	1,845
Fund balance, end of year	\$ <u>211,149</u>	<u>9,337</u>	<u>6,809</u>	<u>227,811</u>	<u>14,221</u>	<u>(8,319)</u>



<u>Poverty Based Assistance</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads</u>	<u>Student Intervention</u>	<u>Vocational Education Enhancement</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,282,139</u>	<u>27,000</u>	<u>-</u>	<u>52,654</u>	<u>-</u>	<u>-</u>
<u>1,282,139</u>	<u>27,000</u>	<u>-</u>	<u>52,654</u>	<u>-</u>	<u>-</u>
-	-	-	32,764	663	-
-	-	-	452	5,041	-
918,504	-	-	-	-	-
-	-	-	21,800	-	43,672
-	24,482	7,759	2,966	3,396	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,070	-	-
-	-	-	-	-	-
<u>918,504</u>	<u>24,482</u>	<u>7,759</u>	<u>60,052</u>	<u>9,100</u>	<u>43,672</u>
363,635	2,518	(7,759)	(7,398)	(9,100)	(43,672)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>363,635</u>	<u>2,518</u>	<u>(7,759)</u>	<u>(7,398)</u>	<u>(9,100)</u>	<u>(43,672)</u>
-	-	7,759	14,179	2,578	51,471
<u>363,635</u>	<u>2,518</u>	<u>-</u>	<u>6,781</u>	<u>(6,522)</u>	<u>7,799</u>

(Continued)

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

All Nonmajor Special Revenue Funds

Year Ended June 30, 2006

(Continued)

	Alternative Schools	Misc. State Grants	Title VI-B	Vocational Education	Title III	Title I
<b>Revenues:</b>						
Earnings on investments	\$ -	-	-	-	-	-
Other local revenues	-	-	-	-	-	-
Intergovernmental	62,447	24,374	1,496,581	11,718	46,045	1,018,696
<b>Total revenues</b>	<u>62,447</u>	<u>24,374</u>	<u>1,496,581</u>	<u>11,718</u>	<u>46,045</u>	<u>1,018,696</u>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular	52,193	6,372	81,557	-	-	-
Special	-	-	372,389	-	17,689	844,316
Other	-	-	-	-	-	-
Support services:						
Pupil	36,838	23,752	572,869	2,241	3,020	12,780
Instructional staff	-	5,585	141,534	-	10,160	169,886
School administration	201	5,282	118,926	-	-	-
Pupil transportation	-	-	2,373	-	-	-
Central	3,192	-	90,418	-	2,803	3,148
Non-instructional services:						
Community services	3,304	-	119,374	-	-	1,037
Extracurricular activities	-	-	-	-	-	-
<b>Total expenditures</b>	<u>95,728</u>	<u>40,991</u>	<u>1,499,440</u>	<u>2,241</u>	<u>33,672</u>	<u>1,031,167</u>
Excess of revenues over (under) expenditures	(33,281)	(16,617)	(2,859)	9,477	12,373	(12,471)
<b>Other financing sources</b>						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(33,281)	(16,617)	(2,859)	9,477	12,373	(12,471)
Fund balance, beginning of year	43,630	107,413	108,504	15,702	(3,217)	89,294
Fund balance, end of year	\$ <u>10,349</u>	<u>90,796</u>	<u>105,645</u>	<u>25,179</u>	<u>9,156</u>	<u>76,823</u>

<u>Title V</u>	<u>Title IV</u>	<u>Preschool Grant</u>	<u>Reducing Class Size</u>	<u>Misc. Federal Grants</u>	<u>TOTAL</u>
-	-	-	-	-	17,328
-	-	-	-	-	318,318
<u>27,370</u>	<u>42,903</u>	<u>17,680</u>	<u>239,462</u>	<u>63,292</u>	<u>5,508,081</u>
<u>27,370</u>	<u>42,903</u>	<u>17,680</u>	<u>239,462</u>	<u>63,292</u>	<u>5,843,727</u>
11,000	4,915	-	357	-	196,800
-	-	-	-	-	1,239,887
-	-	-	-	-	918,504
1,169	4,707	26,283	-	-	749,131
16,301	111	-	144,579	17,813	602,582
-	-	-	-	-	210,187
-	-	-	-	-	3,511
-	1,070	-	-	-	119,408
3,464	4,112	-	19,847	1,630	1,185,939
-	-	-	-	-	1,234,609
<u>31,934</u>	<u>14,915</u>	<u>26,283</u>	<u>164,783</u>	<u>19,443</u>	<u>6,460,558</u>
(4,564)	27,988	(8,603)	74,679	43,849	(616,831)
100,468	-	-	-	-	1,283,127
-	-	-	(100,468)	-	(100,468)
<u>100,468</u>	<u>-</u>	<u>-</u>	<u>(100,468)</u>	<u>-</u>	<u>1,182,659</u>
95,904	27,988	(8,603)	(25,789)	43,849	565,828
<u>(220,573)</u>	<u>9,862</u>	<u>1,679</u>	<u>73,045</u>	<u>96,835</u>	<u>681,536</u>
<u>(124,669)</u>	<u>37,850</u>	<u>(6,924)</u>	<u>47,256</u>	<u>140,684</u>	<u>1,247,364</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2006

	<u>Permanent Improvement</u>	<u>School Net Plus</u>	<u><i>TOTAL</i></u>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ <u>2,870</u>	<u>1,634</u>	<u>4,504</u>
<b>Total assets</b>	<u>2,870</u>	<u>1,634</u>	<u>4,504</u>
<b>Fund Balances:</b>			
Fund Balances Unreserved-undesignated	<u>2,870</u>	<u>1,634</u>	<u>4,504</u>
<b>Total fund balances</b>	<u>2,870</u>	<u>1,634</u>	<u>4,504</u>
<b>Total liabilities and fund balances</b>	\$ <u>2,870</u>	<u>1,634</u>	<u>4,504</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

All Nonmajor Capital Projects Funds

Year Ended June 30, 2006

	<u>Permanent Improvement</u>	<u>School Net Plus</u>	<u><b>TOTAL</b></u>
<b>Revenues:</b>			
Earnings on investments	\$ 114	-	114
Intergovernmental	-	1,634	1,634
<b>Total revenues</b>	<u>114</u>	<u>1,634</u>	<u>1,748</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	-	459	459
<b>Total expenditures</b>	<u>-</u>	<u>459</u>	<u>459</u>
Net change in fund balances	114	1,175	1,289
Fund balance, beginning of year	<u>2,756</u>	<u>459</u>	<u>3,215</u>
Fund balance, end of year	<u>\$ 2,870</u>	<u>1,634</u>	<u>4,504</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Combining Statement of Net Assets

Nonmajor Enterprise Funds

June 30, 2006

	Food Service	Early Childhood Programs	Uniform School Supply	<b><i>TOTAL</i></b>
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and investments	\$ 182,949	328,149	159,828	670,926
Receivables:				
Accounts	1,212	2,981	-	4,193
Intergovernmental	103,227	-	-	103,227
Materials and supplies inventory	32,185	-	-	32,185
<b>Total current assets</b>	<u>319,573</u>	<u>331,130</u>	<u>159,828</u>	<u>810,531</u>
Noncurrent assets:				
Capital assets, net	147,762	-	-	147,762
<b>Total assets</b>	<u>467,335</u>	<u>331,130</u>	<u>159,828</u>	<u>958,293</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	11,667	221	-	11,888
Accrued wages and benefits	106,800	136,192	-	242,992
Intergovernmental payable	95,964	38,748	-	134,712
<b>Total current liabilities</b>	<u>214,431</u>	<u>175,161</u>	<u>-</u>	<u>389,592</u>
Noncurrent liabilities:				
Compensated absences payable	66,164	36,063	-	102,227
<b>Total liabilities</b>	<u>280,595</u>	<u>211,224</u>	<u>-</u>	<u>491,819</u>
<b>Net assets:</b>				
Invested in capital assets	147,762	-	-	147,762
Unrestricted	38,978	119,906	159,828	318,712
<b>Total net assets</b>	<u>\$ 186,740</u>	<u>119,906</u>	<u>159,828</u>	<u>466,474</u>

## PRINCETON CITY SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenses and  
Changes in Fund Net Assets  
Nonmajor Enterprise Funds  
Year Ended June 30, 2006

	Food Service	Early Childhood Programs	Uniform School Supplies	<b><i>TOTAL</i></b>
<b>Operating revenues:</b>				
Charges for services	\$ 998,984	1,353,973	20,482	2,373,439
Other operating revenues	-	-	380	380
Total operating revenues	<u>998,984</u>	<u>1,353,973</u>	<u>20,862</u>	<u>2,373,819</u>
<b>Operating expenses:</b>				
Salaries and wages	833,595	1,050,214	-	1,883,809
Fringe benefits	384,735	300,145	-	684,880
Contractual services	73,114	(2,563)	-	70,551
Materials and supplies	1,055,744	49,104	16,783	1,121,631
Depreciation	15,121	-	-	15,121
Other operating expenses	3,726	193	-	3,919
Total operating expenses	<u>2,366,035</u>	<u>1,397,093</u>	<u>16,783</u>	<u>3,779,911</u>
Operating income (loss)	(1,367,051)	(43,120)	4,079	(1,406,092)
<b>Nonoperating revenues:</b>				
Interest income	8,131	-	-	8,131
Grants	1,283,186	-	-	1,283,186
Loss on disposal of capital assets	(24,513)	-	-	(24,513)
Total nonoperating revenues	<u>1,266,804</u>	<u>-</u>	<u>-</u>	<u>1,266,804</u>
Net income (loss)	(100,247)	(43,120)	4,079	(139,288)
Net assets, beginning of year, restated	<u>286,987</u>	<u>163,026</u>	<u>155,749</u>	<u>605,762</u>
Net assets, end of year	\$ <u>186,740</u>	<u>119,906</u>	<u>159,828</u>	<u>466,474</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended June 30, 2006

	Food Service	Early Childhood Program	Uniform School Supply	<b><i>TOTAL</i></b>
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 1,000,893	1,355,492	20,482	2,376,867
Cash received from other operations	-	-	380	380
Cash payments for personal services	(1,184,621)	(1,316,361)	-	(2,500,982)
Cash payments for contract services	(72,047)	(4,258)	-	(76,305)
Cash payments for supplies and materials	(932,070)	(49,104)	(16,783)	(997,957)
Cash payments for other expenses	(4,718)	(193)	-	(4,911)
Net cash provided (used) by operating activities	<u>(1,192,563)</u>	<u>(14,424)</u>	<u>4,079</u>	<u>(1,202,908)</u>
<b>Cash flows from noncapital financing activities:</b>				
Interfund loans	(37,940)	-	-	(37,940)
Cash received from operating grants	1,324,696	-	-	1,324,696
Net cash provided by noncapital financing activities	<u>1,286,756</u>	<u>-</u>	<u>-</u>	<u>1,286,756</u>
<b>Cash flows from investing activities:</b>				
Interest received	8,131	-	-	8,131
Net increase (decrease) in cash	102,324	(14,424)	4,079	91,979
Cash, beginning of year	80,625	342,573	155,749	578,947
Cash, end of year	<u>182,949</u>	<u>328,149</u>	<u>159,828</u>	<u>670,926</u>
<b>Reconciliation of operating income (loss)</b>				
to net cash provided (used) by operating activities:				
Operating income (loss)	(1,367,051)	(43,120)	4,079	(1,406,092)
Adjustments to reconcile operating income (loss)				
to net cash provided (used) by operating activities:				
Depreciation	15,121	-	-	15,121
Donated commodities used	121,963	-	-	121,963
Changes in assets and liabilities:				
Accounts receivable	697	1,519	-	2,216
Materials and supplies inventory	(714)	-	-	(714)
Accounts payable	3,712	(6,821)	-	(3,109)
Accrued wages and benefits	2,288	2,339	-	4,627
Intergovernmental payable	399	(4,404)	-	(4,005)
Compensated absences payable	31,022	36,063	-	67,085
Net cash provided (used) by operating activities	<u>\$ (1,192,563)</u>	<u>(14,424)</u>	<u>4,079</u>	<u>(1,202,908)</u>



**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Statement of Changes in Assets and Liabilities

Agency Fund

Year Ended June 30, 2006

		<u>Student Activities Fund</u>			
		<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
		<u>Balance</u>			<u>Balance</u>
<b>Assets:</b>					
Equity in pooled cash and investments	\$	<u>99,722</u>	<u>182,924</u>	<u>198,498</u>	<u>84,148</u>
<b>Liabilities:</b>					
Due to student groups		84,904	178,212	183,680	79,436
Accounts payable		<u>14,818</u>	<u>4,712</u>	<u>14,818</u>	<u>4,712</u>
Total liabilities	\$	<u>99,722</u>	<u>182,924</u>	<u>198,498</u>	<u>84,148</u>

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INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 General Fund  
 For Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 56,061,500	\$ 55,795,014	\$ 55,795,015	\$ 1
Tuition	2,495,742	1,792,765	1,637,862	(154,903)
Earnings on investments	2,000,000	1,075,291	1,079,822	4,531
Classroom materials and fees	1,500	1,500	1,564	64
Other revenues	526,503	526,503	608,962	82,459
Intermediate sources	200,000	200,000	207,876	7,876
Intergovernmental - State	4,225,675	8,426,091	8,573,086	146,995
Intergovernmental - Federal	75,000	68,976	69,621	645
<b>Total revenues</b>	<b>65,585,920</b>	<b>67,886,140</b>	<b>67,973,808</b>	<b>87,668</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Salaries and wages	26,919,520	27,414,440	26,577,947	836,493
Fringe benefits	7,000,000	6,835,000	6,831,360	3,640
Purchased services	2,000,000	2,525,000	2,516,815	8,185
Materials and supplies	1,000,000	1,200,000	1,196,897	3,103
Capital outlay - new	50,000	40,000	38,193	1,807
Capital outlay - replacement	500,000	420,000	416,505	3,495
Other expenditures	31,000	31,000	30,316	684
<b>Total instruction</b>	<b>37,500,520</b>	<b>38,465,440</b>	<b>37,608,033</b>	<b>857,407</b>
<b>Support services:</b>				
Salaries and wages	17,500,000	17,500,000	17,479,521	20,479
Fringe benefits	5,386,158	5,638,387	5,553,707	84,680
Purchased services	4,500,000	5,400,000	5,337,104	62,896
Materials and supplies	1,725,000	1,800,000	1,789,025	10,975
Capital outlay - new	625,000	625,000	612,827	12,173
Capital outlay - replacement	725,000	825,000	822,131	2,869
Other expenditures	1,250,000	1,500,000	1,465,114	34,886
<b>Total support services</b>	<b>31,711,158</b>	<b>33,288,387</b>	<b>33,059,429</b>	<b>228,958</b>
<b>Operation of non-instructional services:</b>				
Salaries and wages	65,000	65,000	63,484	1,516
Fringe benefits	26,000	26,000	25,569	431
Purchased services	5,000	5,000	4,611	389
Materials and supplies	5,000	10,000	6,148	3,852
Other expenditures	-	500	400	100
<b>Total operation of non-instructional services</b>	<b>101,000</b>	<b>106,500</b>	<b>100,212</b>	<b>6,288</b>
<b>Extracurricular activities:</b>				
Salaries and wages	100,000	155,000	153,872	1,128
Fringe benefits	30,000	35,000	34,633	367
Purchased services	5,000	5,500	5,284	216
Materials and supplies	2,000	2,000	1,564	436
Capital outlay - replacement	25,000	25,000	21,432	3,568
Other expenditures	25,000	25,000	22,564	2,436
<b>Total extracurricular activities</b>	<b>187,000</b>	<b>247,500</b>	<b>239,349</b>	<b>8,151</b>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
For Year Ended June 30, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Facilities acquisition and construction services:				
Purchased services	40,000	50,000	46,825	3,175
Total facilities acquisition and construction services	40,000	50,000	46,825	3,175
Total expenditures	69,539,678	72,157,827	71,053,848	1,103,979
Excess (deficiency) of revenues over (under) expenditures	(3,953,758)	(4,271,687)	(3,080,040)	1,191,647
Other financing sources (uses):				
Operating transfers (out)	(1,113,842)	(1,714,599)	(1,714,599)	-
Advances in	425,000	424,782	424,782	-
Advances (out)	(250,000)	(240,924)	(240,924)	-
Refund of prior year expenditures	50,000	87,095	87,095	-
Refund of prior year receipts	-	-	-	-
Total other financing sources (uses)	(888,842)	(1,443,646)	(1,443,646)	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(4,842,600)	(5,715,333)	(4,523,686)	1,191,647
Fund balance, July 1	22,584,874	22,584,874	22,584,874	-
Prior year encumbrances appropriated	414,440	414,440	414,440	-
Fund balance, June 30	\$ 18,156,714	\$ 17,283,981	\$ 18,475,628	\$ 1,191,647

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Public School Support Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Extracurricular revenue	\$ 12,000	\$ 12,082	\$ 82
Other local revenues	<u>166,205</u>	<u>168,925</u>	<u>2,720</u>
Total revenues	<u>178,205</u>	<u>181,007</u>	<u>2,802</u>
Expenditures:			
Current:			
Support services:			
Materials and supplies	2,800	2,728	72
Other expenditures	<u>93,821</u>	<u>93,821</u>	<u>-</u>
Total support services	<u>96,621</u>	<u>96,549</u>	<u>72</u>
Operation of non-instructional services:			
Other expenditures	<u>5,099</u>	<u>5,646</u>	<u>(547)</u>
Total operation of non-instructional services	<u>5,099</u>	<u>5,646</u>	<u>(547)</u>
Total expenditures	<u>101,720</u>	<u>102,195</u>	<u>(475)</u>
Excess of revenues over (under) expenditures	76,485	78,812	2,327
Other financing sources (uses):			
Advances (out)	(4,400)	(4,400)	-
Refund of prior year expenditures	<u>134</u>	<u>134</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,266)</u>	<u>(4,266)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	72,219	74,546	2,327
Fund balance, July 1	<u>121,756</u>	<u>121,756</u>	<u>-</u>
Prior year encumbrances appropriated	<u>9,134</u>	<u>9,134</u>	<u>-</u>
Fund balance, June 30	<u>\$ 203,109</u>	<u>\$ 205,436</u>	<u>\$ 2,327</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Other Grants Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Other local revenues	\$ 10,321	\$ 10,321	-
Intermediate sources	1,000	1,000	-
Intergovernmental - State	<u>900</u>	<u>900</u>	<u>-</u>
<b>Total revenues</b>	<u>12,221</u>	<u>12,221</u>	<u>-</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Purchased services	850	850	-
Materials and supplies	<u>6,129</u>	<u>6,129</u>	<u>-</u>
<b>Total instruction</b>	<u>6,979</u>	<u>6,979</u>	<u>-</u>
<b>Support services:</b>			
Purchased services	403	403	-
Materials and supplies	<u>6,254</u>	<u>6,253</u>	<u>1</u>
<b>Total support services</b>	<u>6,657</u>	<u>6,656</u>	<u>1</u>
<b>Total expenditures</b>	<u>13,636</u>	<u>13,635</u>	<u>1</u>
<b>Excess of revenues over (under) expenditures</b>	<b>(1,415)</b>	<b>(1,414)</b>	<b>1</b>
<b>Fund balance, July 1</b>	<u>10,751</u>	<u>10,751</u>	<u>-</u>
<b>Prior year encumbrances appropriated</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance, June 30</b>	<u>\$ 9,336</u>	<u>\$ 9,337</u>	<u>\$ 1</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Athletic Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Extracurricular revenue	\$ 122,518	\$ 126,206	\$ 3,688
Other local revenues	-	1,856	1,856
Total revenues	<u>122,518</u>	<u>128,062</u>	<u>5,544</u>
Expenditures:			
Current:			
Extracurricular activities:			
Salaries and wages	673,053	673,053	-
Fringe benefits	139,964	139,964	-
Purchased services	170,614	170,614	-
Materials and supplies	203,909	203,909	-
Capital outlay - replacement	6,090	6,090	-
Other Expenditures	53,370	58,914	(5,544)
Total extracurricular activities	<u>1,247,000</u>	<u>1,252,544</u>	<u>(5,544)</u>
Total expenditures	<u>1,247,000</u>	<u>1,252,544</u>	<u>(5,544)</u>
Excess of revenues over (under) expenditures	(1,124,482)	(1,124,482)	-
Other financing sources (uses):			
Transfers in	1,162,792	1,162,792	-
Total other financing sources (uses)	<u>1,162,792</u>	<u>1,162,792</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	38,310	38,310	-
Fund balance, July 1	(51,966)	(51,966)	-
Prior year encumbrances appropriated	<u>13,656</u>	<u>13,656</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Auxiliary Service Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Earnings on investments	\$ 17,000	\$ 17,328	\$ 328
Intergovernmental - State	<u>1,055,064</u>	<u>1,059,495</u>	<u>4,431</u>
<b>Total revenues</b>	<u>1,072,064</u>	<u>1,076,823</u>	<u>4,759</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Operation of non-instructional services:</b>			
Salaries and wages	64,700	64,597	103
Fringe benefits	34,622	34,506	116
Purchased services	532,176	532,176	-
Materials and supplies	496,525	496,525	-
Capital outlay - new	82,350	82,331	19
Other expenditures	<u>200</u>	<u>175</u>	<u>25</u>
<b>Total operation of non-instructional services</b>	<u>1,210,573</u>	<u>1,210,310</u>	<u>263</u>
<b>Total expenditures</b>	<u>1,210,573</u>	<u>1,210,310</u>	<u>263</u>
<b>Excess of revenues over (under) expenditures</b>	(138,509)	(133,487)	5,022
<b>Other financing sources (uses):</b>			
Operating transfers (out)	(1,339)	(1,339)	-
Operating transfers in	1,339	1,339	-
Refund of prior year expenditures	64	64	-
Refund of prior year receipts	<u>(6,239)</u>	<u>(6,239)</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>(6,175)</u>	<u>(6,175)</u>	<u>-</u>
<b>Excess of revenues and other financing sources over (under) expenditures and other financing uses</b>	(144,684)	(139,662)	5,022
<b>Fund balance, July 1</b>	84,780	84,780	-
<b>Prior year encumbrances appropriated</b>	<u>256,074</u>	<u>256,074</u>	<u>-</u>
<b>Fund balance, June 30</b>	<u>\$ 196,170</u>	<u>\$ 201,192</u>	<u>\$ 5,022</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Education Management Information Systems Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 19,014	\$ 19,014	\$ -
Total revenues	<u>19,014</u>	<u>19,014</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Purchased services	9,500	9,453	47
Materials and supplies	4,904	4,904	-
Capital outlay - new	4,668	4,975	(307)
Total support services	<u>19,072</u>	<u>19,332</u>	<u>(260)</u>
Total expenditures	<u>19,072</u>	<u>19,332</u>	<u>(260)</u>
Excess of revenues over (under) expenditures	(58)	(318)	(260)
Fund balance, July 1	7,539	7,539	-
Prior year encumbrances appropriated	<u>5,500</u>	<u>5,500</u>	<u>-</u>
Fund balance, June 30	<u>\$ 12,981</u>	<u>\$ 12,721</u>	<u>\$ (260)</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Entry Year Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 18,426	\$ 21,550	\$ 3,124
Total revenues	<u>18,426</u>	<u>21,550</u>	<u>3,124</u>
Expenditures:			
Current:			
Support services:			
Salaries and wages	39,643	39,643	-
Fringe benefits	6,659	6,659	-
Purchased services	5,200	5,200	-
Total support services	<u>51,502</u>	<u>51,502</u>	<u>-</u>
Total expenditures	<u>51,502</u>	<u>51,502</u>	<u>-</u>
Excess of revenues over (under) expenditures	(33,076)	(29,952)	3,124
Other financing sources (uses):			
Operating transfers (out)	-	(3,124)	(3,124)
Operating transfers in	22,991	22,991	-
Refund of prior year receipts	-	-	-
Total other financing sources (uses)	<u>22,991</u>	<u>19,867</u>	<u>(3,124)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(10,085)	(10,085)	-
Fund balance, July 1	10,085	10,085	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Data Communications Special Revenue Fund  
For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 27,000	\$ 27,000	\$ -
Total revenues	<u>27,000</u>	<u>27,000</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Other expenditures	25,492	24,482	1,010
Total support services	<u>25,492</u>	<u>24,482</u>	<u>1,010</u>
Total expenditures	<u>25,492</u>	<u>24,482</u>	<u>1,010</u>
Excess of revenues over (under) expenditures	1,508	2,518	1,010
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1,508</u>	<u>\$ 2,518</u>	<u>\$ 1,010</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 School Net Professional Development Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Purchased services	<u>7,781</u>	<u>7,781</u>	<u>-</u>
Total support services	<u>7,781</u>	<u>7,781</u>	<u>-</u>
Total expenditures	<u>7,781</u>	<u>7,781</u>	<u>-</u>
Excess of revenues over (under) expenditures	(7,781)	(7,781)	-
Fund balance, July 1	<u>7,781</u>	<u>7,781</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures

And Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Ohio Reads Special Revenue Fund

For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 50,000	\$ 50,000	\$ -
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Salaries and wages	11,975	11,963	12
Fringe benefits	2,011	2,011	-
Purchased services	2,000	2,000	-
Materials and supplies	17,238	17,425	(187)
Total instruction	<u>33,224</u>	<u>33,399</u>	<u>(175)</u>
Support services:			
Salaries and wages	1,775	1,766	9
Fringe benefits	300	299	1
Purchased services	350	343	7
Materials and supplies	22,703	22,703	-
Total support services	<u>25,128</u>	<u>25,111</u>	<u>17</u>
Operation of non-instructional services:			
Materials and supplies	2,070	2,070	-
Total operation of non-instructional services	<u>2,070</u>	<u>2,070</u>	<u>-</u>
Total expenditures	<u>60,422</u>	<u>60,580</u>	<u>(158)</u>
Excess of revenues over (under) expenditures	(10,422)	(10,580)	(158)
Other financing sources (uses):			
Operating transfers in	-	-	-
Refund of prior year receipts	(1,346)	(1,346)	-
Total other financing sources (uses)	<u>(1,346)</u>	<u>(1,346)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(11,768)	(11,926)	(158)
Fund balance, July 1	16,686	16,686	-
Prior year encumbrances appropriated	<u>4,369</u>	<u>4,369</u>	<u>-</u>
Fund balance, June 30	<u>\$ 9,287</u>	<u>\$ 9,129</u>	<u>\$ (158)</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Student Intervention Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 23,692	\$ 23,692	\$ -
Total revenues	<u>23,692</u>	<u>23,692</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Salaries and wages	231	231	-
Fringe benefits	39	39	-
Materials and supplies	<u>23,527</u>	<u>23,527</u>	-
Total instruction	<u>23,797</u>	<u>23,797</u>	<u>-</u>
Support services:			
Salaries and wages	2,065	2,065	-
Fringe benefits	<u>330</u>	<u>330</u>	-
Total support services	<u>2,395</u>	<u>2,395</u>	<u>-</u>
Total expenditures	<u>26,192</u>	<u>26,192</u>	<u>-</u>
Excess of revenues over (under) expenditures	(2,500)	(2,500)	-
Other financing sources (uses):			
Advances (out)	(25,948)	(25,948)	-
Advances in	6,044	6,044	-
Refund of prior year receipts	<u>(1,000)</u>	<u>(1,000)</u>	-
Total other financing sources (uses)	<u>(20,904)</u>	<u>(20,904)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(23,404)	(23,404)	-
Fund balance, July 1	(180)	(180)	-
Prior year encumbrances appropriated	<u>23,584</u>	<u>23,584</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Vocational Education Enhancement Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intermediate sources	\$ 5,483	\$ 5,483	\$ -
Total revenues	<u>5,483</u>	<u>5,483</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Salaries and wages	426	426	-
Fringe benefits	73	73	-
Purchased services	1,901	1,901	-
Materials and supplies	6,375	6,375	-
Total support services	<u>8,775</u>	<u>8,775</u>	<u>-</u>
Total expenditures	<u>8,775</u>	<u>8,775</u>	<u>-</u>
Excess of revenues over (under) expenditures	(3,292)	(3,292)	-
Fund balance, July 1	<u>10,091</u>	<u>10,091</u>	<u>-</u>
Fund balance, June 30	<u>\$ 6,799</u>	<u>\$ 6,799</u>	<u>\$ -</u>



**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Alternative Schools Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 78,963	\$ 78,963	\$ -
Total revenues	<u>78,963</u>	<u>78,963</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Salaries and wages	979	979	-
Fringe benefits	153	153	-
Purchased services	52,333	52,333	-
Capital outlay - new	430	430	-
Total instruction	<u>53,895</u>	<u>53,895</u>	<u>-</u>
Support services:			
Salaries and wages	172	172	-
Fringe benefits	29	29	-
Purchased services	45,112	45,112	-
Total support services	<u>45,313</u>	<u>45,313</u>	<u>-</u>
Operation of non-instructional services:			
Salaries and wages	3,304	3,304	-
Total operation of non-instructional services	<u>3,304</u>	<u>3,304</u>	<u>-</u>
Total expenditures	<u>102,512</u>	<u>102,512</u>	<u>-</u>
Excess of revenues over (under) expenditures	(23,549)	(23,549)	-
Other financing sources (uses):			
Advances in	2,651	2,651	-
Total other financing sources (uses)	<u>2,651</u>	<u>2,651</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(20,898)	(20,898)	-
Fund balance, July 1	(18,335)	(18,335)	-
Prior year encumbrances appropriated	<u>39,233</u>	<u>39,233</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures

And Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Poverty Based Assistance Special Revenue Fund

For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 1,282,139	\$ 1,282,139	\$ -
Total revenues	<u>1,282,139</u>	<u>1,282,139</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Salaries and wages	650,000	605,788	44,212
Fringe benefits	199,328	189,830	9,498
Purchased services	130,000	122,135	7,865
Materials and supplies	2,000	751	1,249
Total instruction	<u>981,328</u>	<u>918,504</u>	<u>62,824</u>
Total expenditures	<u>981,328</u>	<u>918,504</u>	<u>62,824</u>
Excess of revenues over (under) expenditures	300,811	363,635	62,824
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 300,811</u>	<u>\$ 363,635</u>	<u>\$ 62,824</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures

And Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Miscellaneous State Grants Special Revenue Fund

For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 24,375	\$ 24,375	\$ -
Total revenues	<u>24,375</u>	<u>24,375</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Salaries and wages	3,783	3,783	-
Fringe benefits	650	639	11
Materials and supplies	2,200	2,129	71
Total instruction	<u>6,633</u>	<u>6,551</u>	<u>82</u>
Support services:			
Salaries and wages	26,942	26,942	-
Fringe benefits	3,042	3,042	-
Purchased services	5,095	5,219	(124)
Total support services	<u>35,079</u>	<u>35,203</u>	<u>(124)</u>
Total expenditures	<u>41,712</u>	<u>41,754</u>	<u>(42)</u>
Excess of revenues over (under) expenditures	(17,337)	(17,379)	(42)
Fund balance, July 1	112,102	112,102	-
Prior year encumbrances appropriated	<u>2,129</u>	<u>2,129</u>	<u>-</u>
Fund balance, June 30	<u>\$ 96,894</u>	<u>\$ 96,853</u>	<u>\$ (42)</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Title VI-B Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 1,554,791	\$ 1,590,609	\$ 35,818
Total revenues	<u>1,554,791</u>	<u>1,590,609</u>	<u>35,818</u>
Expenditures:			
Current:			
Instruction:			
Salaries and wages	60,000	59,819	181
Fringe benefits	17,891	17,891	-
Purchased services	200,000	199,273	727
Materials and supplies	226,506	226,506	-
Capital outlay - new	9,000	8,995	5
Total instruction	<u>513,397</u>	<u>512,484</u>	<u>913</u>
Support services:			
Salaries and wages	377,584	377,584	-
Fringe benefits	134,968	173,445	(38,477)
Purchased services	350,387	350,387	-
Materials and supplies	53,037	53,037	-
Capital outlay - new	3,000	2,809	191
Total support services	<u>918,976</u>	<u>957,262</u>	<u>(38,286)</u>
Operation of non-instructional services:			
Salaries and wages	41,470	41,470	-
Fringe benefits	10,000	9,250	750
Purchased services	75,000	74,204	796
Materials and supplies	2,000	1,445	555
Total operation of non-instructional services	<u>128,470</u>	<u>126,369</u>	<u>2,101</u>
Total expenditures	<u>1,560,843</u>	<u>1,596,115</u>	<u>(35,272)</u>
Excess of revenues over (under) expenditures	(6,052)	(5,506)	546
Other financing sources (uses):			
Advances (out)	(129,950)	(129,950)	-
Advances in	100,870	100,870	-
Refund of prior years receipts	(27,732)	(27,732)	-
Total other financing sources (uses)	<u>(56,812)</u>	<u>(56,812)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(62,864)	(62,318)	546
Fund balance, July 1	(25,268)	(25,268)	-
Prior year encumbrances appropriated	<u>88,132</u>	<u>88,132</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 546</u>	<u>\$ 546</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Vocational Education Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intermediate sources	\$ 14,355	\$ 14,355	\$ -
Total revenues	<u>14,355</u>	<u>14,355</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Purchased services	1,500	1,500	-
Total instruction	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Support services:			
Salaries and wages	1,156	1,156	-
Fringe benefits	180	180	-
Purchased services	895	895	-
Total support services	<u>2,231</u>	<u>2,231</u>	<u>-</u>
Total expenditures	<u>3,731</u>	<u>3,731</u>	<u>-</u>
Excess of revenues over (under) expenditures	10,624	10,624	-
Fund balance, July 1	<u>13,501</u>	<u>13,501</u>	<u>-</u>
Prior year encumbrances appropriated	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Fund balance, June 30	<u>\$ 25,625</u>	<u>\$ 25,625</u>	<u>-</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Title III Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 45,998	\$ 45,998	\$ -
Total revenues	<u>45,998</u>	<u>45,998</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Salaries and wages	5,333	3,656	1,677
Fringe benefits	1,000	626	374
Purchased services	100	90	10
Materials and supplies	<u>14,522</u>	<u>14,876</u>	<u>(354)</u>
Total instruction	<u>20,955</u>	<u>19,248</u>	<u>1,707</u>
Support services:			
Salaries and wages	3,000	2,930	70
Fringe benefits	500	500	-
Purchased services	<u>15,989</u>	<u>17,739</u>	<u>(1,750)</u>
Total support services	<u>19,489</u>	<u>21,169</u>	<u>(1,680)</u>
Total expenditures	<u>40,444</u>	<u>40,417</u>	<u>27</u>
Excess of revenues over (under) expenditures	5,554	5,581	27
Other financing sources (uses):			
Advances (out)	(5,926)	(5,926)	-
Refund of prior year expenditures	<u>188</u>	<u>188</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,738)</u>	<u>(5,738)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(184)	(157)	27
Fund balance, July 1	-	-	-
Prior year encumbrances appropriated	<u>1,522</u>	<u>1,522</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1,338</u>	<u>\$ 1,365</u>	<u>\$ 27</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
And Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Title I Special Revenue Fund  
For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 952,078	\$ 952,078	\$ -
Total revenues	<u>952,078</u>	<u>952,078</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Salaries and wages	639,100	639,039	61
Fringe benefits	163,100	163,047	54
Materials and supplies	31,100	31,081	19
Capital outlay-new	14,600	14,597	3
Total instruction	<u>847,900</u>	<u>847,764</u>	<u>136</u>
Support services:			
Salaries and wages	17,858	17,140	718
Fringe benefits	4,000	3,722	278
Purchased services	199,525	199,524	1
Materials and supplies	4,150	4,147	3
Total support services	<u>225,533</u>	<u>224,533</u>	<u>1,000</u>
Operation of non-instructional services:			
Materials and supplies	1,300	1,229	71
Total operation of non-instructional services	<u>1,300</u>	<u>1,229</u>	<u>71</u>
Total expenditures	<u>1,074,733</u>	<u>1,073,526</u>	<u>1,207</u>
Excess of revenues over (under) expenditures	(122,655)	(121,448)	1,207
Fund balance, July 1	111,672	111,672	-
Prior year encumbrances appropriated	<u>81,244</u>	<u>81,244</u>	<u>-</u>
Fund balance, June 30	<u>\$ 70,261</u>	<u>\$ 71,468</u>	<u>\$ 1,207</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Title V Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 27,370	\$ 27,370	\$ -
Total revenues	<u>27,370</u>	<u>27,370</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Purchased services	11,014	11,014	-
Total instruction	<u>11,014</u>	<u>11,014</u>	<u>-</u>
Support services:			
Materials and supplies	17,484	17,484	-
Total support services	<u>17,484</u>	<u>17,484</u>	<u>-</u>
Operation of non-instructional services:			
Purchased services	2,181	2,181	-
Materials and supplies	1,313	1,313	-
Total operation of non-operational services	<u>3,494</u>	<u>3,494</u>	<u>-</u>
Total expenditures	<u>31,992</u>	<u>31,992</u>	<u>-</u>
Excess of revenues over (under) expenditures	(4,622)	(4,622)	-
Other financing sources (uses):			
Operating transfers in	100,468	100,468	-
Advances in	124,435	124,435	-
Advances (out)	(220,281)	(220,281)	-
Total other financing sources (uses)	<u>4,622</u>	<u>4,622</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-
Fund balance, July 1	-	-	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Title IV Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 42,903	\$ 42,903	\$ -
Total revenues	<u>42,903</u>	<u>42,903</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Materials and supplies	4,925	4,922	3
Total instruction	<u>4,925</u>	<u>4,922</u>	<u>3</u>
Support services:			
Salaries and wages	1,526	1,526	-
Fringe benefits	260	260	-
Purchased services	4,510	4,510	-
Materials and supplies	2,836	3,561	(725)
Total support services	<u>9,132</u>	<u>9,857</u>	<u>(725)</u>
Operation on non-instructional services:			
Purchased services	690	690	-
Materials and supplies	4,043	4,043	-
Total operation of non-instructional services	<u>4,733</u>	<u>4,733</u>	<u>-</u>
Total expenditures	<u>18,790</u>	<u>19,512</u>	<u>(722)</u>
Excess of revenues over (under) expenditures	24,113	23,391	(722)
Other financing sources (uses):			
Advances (out)	(337)	(337)	-
Total other financing sources (uses)	<u>(337)</u>	<u>(337)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	23,776	23,054	(722)
Fund balance, July 1	(1,075)	(1,075)	-
Prior year encumbrances appropriated	<u>4,785</u>	<u>4,785</u>	<u>-</u>
Fund balance, June 30	<u>\$ 27,486</u>	<u>\$ 26,764</u>	<u>\$ (722)</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Preschool Grant Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 17,680	\$ 17,680	\$ -
Total revenues	<u>17,680</u>	<u>17,680</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Salaries and wages	1,193	1,192	1
Fringe benefits	(35)	(35)	-
Purchased services	<u>25,125</u>	<u>25,125</u>	<u>-</u>
Total support services	<u>26,283</u>	<u>26,282</u>	<u>1</u>
Total expenditures	<u>26,283</u>	<u>26,282</u>	<u>1</u>
Excess of revenues over (under) expenditures	(8,603)	(8,602)	1
Other financing sources (uses):			
Advances in	<u>6,924</u>	<u>6,924</u>	<u>-</u>
Total other financing sources (uses)	<u>6,924</u>	<u>6,924</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,679)	(1,678)	1
Fund balance, July 1	1,679	1,679	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Reducing Class Size Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 236,296	\$ 236,296	\$ -
Total revenues	<u>236,296</u>	<u>236,296</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Salaries and wages	39,197	39,197	-
Fringe benefits	6,521	6,521	-
Purchased services	121,497	121,497	-
Materials and supplies	11,321	11,321	-
Total support services	<u>178,536</u>	<u>178,536</u>	<u>-</u>
Operation on non-instructional services:			
Purchased services	19,034	19,034	-
Materials and supplies	3,700	3,655	45
Total operation of non-instructional services	<u>22,734</u>	<u>22,689</u>	<u>45</u>
Total expenditures	<u>201,270</u>	<u>201,225</u>	<u>45</u>
Excess of revenues over (under) expenditures	35,026	35,071	45
Other financing sources (uses):			
Advances (out)	(2,354)	(100,468)	(98,114)
Total other financing sources (uses)	<u>(2,354)</u>	<u>(100,468)</u>	<u>(98,114)</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	32,672	(65,397)	(98,069)
Fund balance, July 1	96,267	96,267	-
Prior year encumbrances appropriated	<u>14,914</u>	<u>14,914</u>	<u>-</u>
Fund balance, June 30	<u>\$ 143,853</u>	<u>\$ 45,784</u>	<u>\$ (98,069)</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Miscellaneous Federal Grants Special Revenue Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	38,742	38,742	-
Total revenues	<u>38,742</u>	<u>38,742</u>	-
Expenditures:			
Current:			
Instruction:			
Materials and supplies	(27)	(27)	-
Total instruction	<u>(27)</u>	<u>(27)</u>	-
Support services:			
Purchased services	5,694	5,694	-
Materials and supplies	12,348	12,348	-
Total support services	<u>18,042</u>	<u>18,042</u>	-
Operation of non-instructional services:			
Purchased services	1,630	1,630	-
Total operation of non-instructional services	<u>1,630</u>	<u>1,630</u>	-
Total expenditures	<u>19,645</u>	<u>19,645</u>	-
Excess of revenues over (under) expenditures	19,097	19,097	-
Fund balance, July 1	99,163	99,163	-
Prior year encumbrances appropriated	<u>595</u>	<u>595</u>	-
Fund balance, June 30	<u>\$ 118,855</u>	<u>\$ 118,855</u>	<u>\$ -</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures

And Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Debt Service Fund

For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 4,730,726	\$ 5,222,709	\$ 491,983
Earnings on Investments	-	-	-
Intergovernmental-State	<u>1,204,749</u>	<u>711,766</u>	<u>(492,983)</u>
Total revenues	<u>5,935,475</u>	<u>5,934,475</u>	<u>(1,000)</u>
Expenditures:			
Current:			
Support services:			
Other expenditures	<u>73,964</u>	<u>73,964</u>	<u>-</u>
Total support services	<u>73,964</u>	<u>73,964</u>	<u>-</u>
Debt service:			
Repayment of debt	<u>5,813,378</u>	<u>5,813,378</u>	<u>-</u>
Total repayment of debt	<u>5,813,378</u>	<u>5,813,378</u>	<u>-</u>
Total expenditures	<u>5,887,342</u>	<u>5,887,342</u>	<u>-</u>
Excess of revenues over (under) expenditures	48,133	47,133	(1,000)
Other financing sources (uses):			
Transfers in	<u>491,983</u>	<u>491,983</u>	<u>-</u>
Total other financing sources (uses)	<u>491,983</u>	<u>491,983</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	540,116	539,116	(1,000)
Fund balance, July 1	<u>967,749</u>	<u>967,749</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1,507,865</u>	<u>\$ 1,506,865</u>	<u>\$ (1,000)</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures

And Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Permanent Improvement Capital Projects Fund

For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Earnings on investments	\$ 103	\$ 114	\$ 11
Total revenues	<u>103</u>	<u>114</u>	<u>11</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	103	114	11
Fund balance, July 1	<u>2,756</u>	<u>2,756</u>	<u>-</u>
Fund balance, June 30	<u>\$ 2,859</u>	<u>\$ 2,870</u>	<u>\$ 11</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Building Capital Projects Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Earnings on investments	\$ 2,069,055	\$ 2,193,605	\$ 124,550
Other Revenue	-	40,370	40,370
Total revenues	<u>2,069,055</u>	<u>2,233,975</u>	<u>164,920</u>
Expenditures:			
Current:			
Support services:			
Purchased services	148,000	147,971	29
Materials and supplies	57,945	57,944	1
Capital outlay - new	26,150	26,131	19
Other expenditures	93,495	93,495	0
Total support services	<u>325,590</u>	<u>325,541</u>	<u>49</u>
Facilities acquisition and construction services:			
Purchased services	6,194,050	6,194,029	21
Capital outlay - new	59,130,850	59,138,791	(7,941)
Capital outlay - replacement	11,175	11,171	4
Other Expenditures	28,130	28,129	1
Total facilities acquisition and construction services	<u>65,364,205</u>	<u>65,372,120</u>	<u>(7,915)</u>
Total expenditures	<u>65,689,795</u>	<u>65,697,661</u>	<u>(7,866)</u>
Excess of revenues over (under) expenditures	(63,620,740)	(63,463,686)	157,054
Fund balance, July 1	46,936,326	46,936,326	-
Prior year encumbrances appropriated	<u>28,868,981</u>	<u>28,868,981</u>	<u>-</u>
Fund balance, June 30	<u>\$ 12,184,567</u>	<u>\$ 12,341,621</u>	<u>\$ 157,054</u>

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures  
 And Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 School Net Plus Capital Projects Fund  
 For Year Ended June 30, 2006

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 1,634	\$ 1,634	\$ -
Total revenues	<u>1,634</u>	<u>1,634</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Capital outlay-new	459	459	-
Total support services	<u>459</u>	<u>459</u>	<u>-</u>
Total expenditures	<u>459</u>	<u>459</u>	<u>-</u>
Excess of revenues over (under) expenditures	1,175	1,175	-
Fund balance, July 1	<u>459</u>	<u>459</u>	<u>-</u>
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1,634</u>	<u>\$ 1,634</u>	<u>\$ -</u>



# STATISTICAL SECTION

## **Governing Values**

### WE KNOW

All students can learn.

All people have worth and value.

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

Valuing the diversity of all people creates enhanced learning opportunities.

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

# STATISTICAL TABLES

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

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<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	<b>104-111</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax (and the income tax).	<b>112-121</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	<b>122-127</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	<b>128-129</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	<b>130-134</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

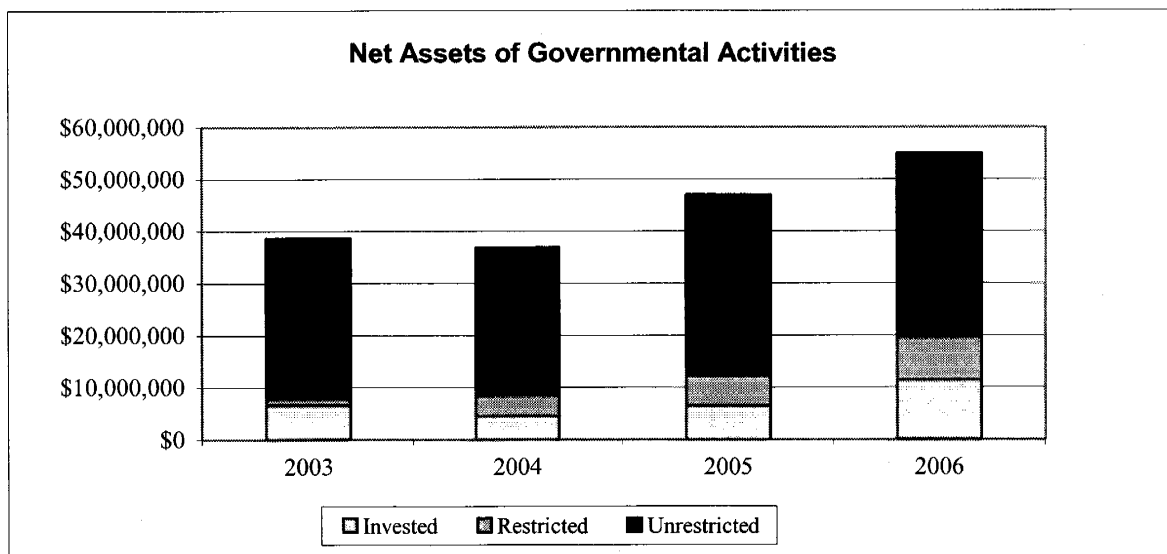
**PRINCETON CITY SCHOOL DISTRICT, OHIO**

**TABLE 1**

Net Assets by Component  
 Last Four Fiscal Years  
 (accrual basis of accounting)

	2003	2004	2005	2006
<b>Governmental Activities:</b>				
Invested in Capital Assets, Net of Related Debt	\$6,625,976	\$4,510,135	\$6,505,305	\$11,365,292
Restricted for:				
Capital Projects	2,673	1,283,874	387,924	2,908,095
Other Purposes	1,178,658	2,643,536	5,334,719	5,273,383
Unrestricted (Deficit)	<u>30,869,065</u>	<u>28,453,533</u>	<u>34,758,011</u>	<u>35,398,152</u>
Total Governmental Activities Net Assets	<u>38,676,372</u>	<u>36,891,078</u>	<u>46,985,959</u>	<u>54,944,922</u>
<b>Business-type Activities:</b>				
Invested in Capital Assets, Net of Related Debt	274,607	243,327	208,642	147,762
Unrestricted (Deficit)	<u>785,997</u>	<u>702,781</u>	<u>418,366</u>	<u>318,712</u>
Total Business-type Activities Net Assets	<u>1,060,604</u>	<u>946,108</u>	<u>627,008</u>	<u>466,474</u>
<b>Primary Government:</b>				
Invested in Capital Assets, Net of Related Debt	6,900,583	4,753,462	6,713,947	11,513,054
Restricted	1,181,331	3,927,410	5,722,643	8,181,478
Unrestricted (Deficit)	<u>31,655,062</u>	<u>29,156,314</u>	<u>35,176,377</u>	<u>35,716,864</u>
Total Primary Government Net Assets	<u>\$39,736,976</u>	<u>\$37,837,186</u>	<u>\$47,612,967</u>	<u>\$55,411,396</u>

Source: Princeton City School District financial records.



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**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Changes in Net Assets  
 Last Four Fiscal Years  
 (accrual basis of accounting)

	2003	2004	2005	2006
<b>Expenses</b>				
<b>Governmental Activities:</b>				
Regular Instruction	\$29,334,784	\$30,729,997	\$27,427,926	\$29,747,934
Special Instruction	7,373,837	8,371,776	7,995,537	7,357,435
Vocational Instruction	1,030,735	1,240,045	1,332,891	3,106,871
Pupil Support	4,855,476	5,235,034	5,255,056	4,742,701
Instructional Staff Support	5,438,025	5,115,420	5,167,170	5,991,323
Board of Education	346,989	390,937	392,114	382,312
Administration	5,013,395	5,409,443	5,131,871	5,961,291
Fiscal	1,702,433	1,946,483	1,739,623	2,266,379
Business	488,820	514,215	458,015	551,136
Operation and Maintenance of Plant	8,604,249	7,539,647	7,556,075	7,698,335
Pupil Transportation	3,782,287	4,035,873	4,831,948	3,795,527
Central	1,316,573	1,957,176	1,856,891	1,551,154
Non-instructional services	2,740,798	2,732,136	2,796,650	2,770,641
Interest and Fiscal Charges	138,719	3,499,610	4,070,873	4,021,596
<i>Total Governmental Activities Expenses</i>	<u>72,167,120</u>	<u>78,717,792</u>	<u>76,012,640</u>	<u>79,944,635</u>
<b>Business-type Activities:</b>				
Food Service	2,389,282	2,478,656	2,377,661	2,390,548
Uniform school supplies	26,209	7,651	5,999	16,783
After School Care	1,017,455	1,003,507	1,195,317	1,397,093
<i>Total Business-type Activities Expenses</i>	<u>3,432,946</u>	<u>3,489,814</u>	<u>3,578,977</u>	<u>3,804,424</u>
<i>Total Primary Government Expenses</i>	<u>75,600,066</u>	<u>82,207,606</u>	<u>79,591,617</u>	<u>83,749,059</u>
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
<b>Charges for Services</b>				
Regular Instruction	1,346,780	1,775,113	1,663,279	1,740,329
Extracurricular Activities	135,875	108,621	136,202	128,062
Operating Grants and Contributions	3,629,108	5,129,831	4,850,833	4,378,133
Capital Grants and Contributions	102,848	0	51,345	1,634
<i>Total Governmental Activities Program Revenues</i>	<u>5,214,611</u>	<u>7,013,565</u>	<u>6,701,659</u>	<u>6,248,158</u>
<b>Business-type Activities:</b>				
<b>Charges for Services</b>				
Food Service	1,122,096	1,052,424	960,987	998,984
Uniform School Supplies	37,707	30,090	36,533	20,482
Early Childhood Programs	1,075,378	1,053,486	1,034,158	1,353,973
Operating Grants and Contributions	1,350,606	1,239,318	1,228,199	1,291,317
<i>Total Business-type Activities Program Revenues</i>	<u>3,585,787</u>	<u>3,375,318</u>	<u>3,259,877</u>	<u>3,664,756</u>
<i>Total Primary Government Program Revenues</i>	<u>8,800,398</u>	<u>10,388,883</u>	<u>9,961,536</u>	<u>9,912,914</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	(66,952,509)	(71,704,227)	(69,310,981)	(73,696,477)
Business-type Activities	152,841	(114,496)	(319,100)	(139,668)
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(66,799,668)</u>	<u>(71,818,723)</u>	<u>(69,630,081)</u>	<u>(73,836,145)</u>

(continued)

Source: Princeton City School District financial records

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

**TABLE 2**

Changes in Net Assets (continued)

Last Four Fiscal Years

(accrual basis of accounting)

	2003	2004	2005	2006
<b>General Revenues and Other Changes in Net Assets</b>				
<b>Governmental Activities:</b>				
Property Taxes Levied for:	56,692,006	57,156,993	65,629,652	65,600,762
Grants and Entitlements not Restricted to Specific Programs	9,283,088	10,257,768	10,233,936	10,566,991
Investment Earnings	729,971	1,275,157	2,209,135	3,321,120
Miscellaneous	430,894	1,218,775	1,333,139	1,478,996
Gain on sale of capital assets	39,830	10,240	0	7,667
<i>Total Governmental Activities</i>	<u>67,175,789</u>	<u>69,918,933</u>	<u>79,405,862</u>	<u>80,975,536</u>
<b>Business-type Activities:</b>				
Miscellaneous	0	0	0	380
<i>Total Business-type Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>380</u>
<i>Total Primary Government</i>	<u>67,175,789</u>	<u>69,918,933</u>	<u>79,405,862</u>	<u>80,975,916</u>
<b>Change in Net Assets</b>				
Governmental Activities	223,280	(1,785,294)	10,094,881	7,279,059
Business-type Activities	152,841	(114,496)	(319,100)	(139,288)
<i>Total Primary Government Change in Net Assets</i>	<u>\$376,121</u>	<u>(\$1,899,790)</u>	<u>\$9,775,781</u>	<u>\$7,139,771</u>

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**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	1997	1998	1999	2000
<b>General Fund</b>				
Reserved	\$12,236,531	\$11,287,078	\$14,892,866	14,780,664
Unreserved	10,083,833	8,409,072	4,651,446	9,231,234
<b>Total General Fund</b>	<b>22,320,364</b>	<b>19,696,150</b>	<b>19,544,312</b>	<b>24,011,898</b>
<b>All Other Governmental Funds</b>				
Reserved	1,546,441	669,009	401,941	723,058
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	(133,990)	316,406	204,016	308,507
Debt Service Funds	0	0	0	0
Capital Projects Funds	3,268,157	2,103,440	2,055,577	1,622,411
<b>Total All Other Governmental Funds</b>	<b>4,680,608</b>	<b>3,088,855</b>	<b>2,661,534</b>	<b>2,653,976</b>
<b>Total Governmental Funds</b>	<b>\$27,000,972</b>	<b>\$22,785,005</b>	<b>\$22,205,846</b>	<b>\$26,665,874</b>

Source: Princeton City School District financial records

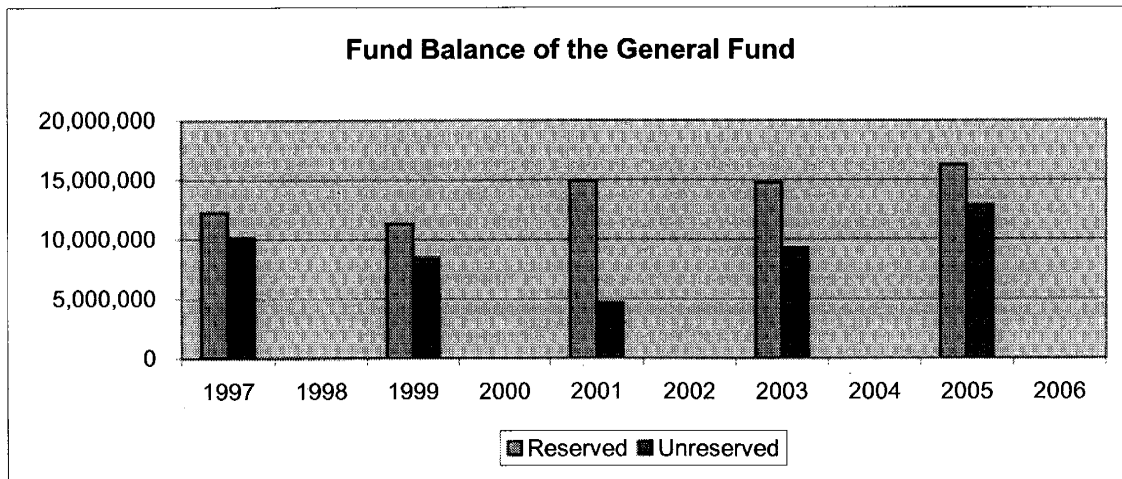




TABLE 3

2001	2002	2003	2004	2005	2006
\$16,218,683	\$18,575,155	\$16,308,334	\$14,228,324	\$18,062,506	\$20,329,900
12,835,978	14,567,456	17,135,200	13,841,444	16,935,494	12,294,817
29,054,661	33,142,611	33,443,534	28,069,768	34,998,000	32,624,717
912,051	71,046	977,991	11,412,461	29,556,294	21,325,576
662,774	278,998	248,469	747,708	369,958	1,092,426
0	0	0	227,271	1,103,769	1,506,864
354,754	147,591	(894,207)	72,749,842	46,873,525	12,899,423
1,929,579	497,635	332,253	85,137,282	77,903,546	36,824,289
\$30,984,240	\$33,640,246	\$33,775,787	\$113,207,050	\$112,901,546	\$69,449,006

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	1997	1998	1999	2000
<b>Revenues</b>				
Property and Other Local Taxes	\$45,692,508	\$45,111,417	\$50,185,894	\$51,180,443
Intergovernmental	9,072,881	9,332,373	9,501,014	11,221,780
Interest	1,762,794	1,561,103	1,332,779	1,438,755
Tuition and Fees	388,962	239,084	261,259	260,682
Other Local Revenues	639,646	1,017,323	419,773	488,497
Intermediate Sources	30,362	21,500	31,028	40,644
Extracurricular Activities	121,021	111,258	102,266	102,940
Claims and judgments	0	0	0	0
<i>Total Revenues</i>	<u>57,708,174</u>	<u>57,394,058</u>	<u>61,834,013</u>	<u>64,733,741</u>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	25,377,485	24,929,665	25,994,159	24,433,998
Special	4,259,603	4,474,849	5,050,083	5,225,521
Vocational	766,633	727,441	353,593	366,785
Other	363,121	382,800	475,822	429,615
<b>Support Services:</b>				
Pupil	3,203,129	3,175,309	3,413,685	3,328,767
Instructional Staff	4,606,058	4,827,296	5,294,185	5,367,612
Board of Education	276,521	214,611	178,781	201,641
Administration	4,586,787	4,377,803	4,524,332	4,264,966
Fiscal	1,336,439	1,630,484	1,406,387	1,465,568
Business	1,047,791	854,011	630,837	588,258
Operation and Maintenance of Plant	8,358,590	8,560,325	7,476,800	7,356,225
Pupil Transportation	2,591,393	3,218,045	2,659,644	2,782,569
Central	952,894	919,101	979,095	1,087,470
Extracurricular Activities	929,901	984,840	1,028,346	1,056,977
Community Service	976,562	585,922	1,092,602	811,776
Capital Outlay	5,337,774	661,075	137,839	1,427,821
<b>Debt Service:</b>				
Principal Retirement	985,851	1,188,386	1,262,402	1,193,587
Interest and Fiscal Charges	269,543	319,797	267,365	256,692
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>66,226,075</u>	<u>62,031,760</u>	<u>62,225,957</u>	<u>61,645,848</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(8,517,901)</u>	<u>(4,637,702)</u>	<u>(391,944)</u>	<u>3,087,893</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Capital Assets	6,826	15,302	12,565	10,500
Proceeds from sale of bonds	4,772,130	392,099	0	0
Premium on sale of bonds	0	0	0	0
Proceeds from lease purchase agreement	691,358	34,934	57,087	1,352,235
Refund of prior year expenditures	8,930	0	0	0
Refund of prior year receipts	(13,314)	0	0	0
Other miscellaneous uses of funds	2,745	0	(193,000)	0
Claims and judgements	0	0	0	43,000
Transfers In	2,014,952	1,660,626	1,727,695	1,470,099
Transfers Out	(2,046,502)	(1,660,626)	(1,772,555)	(1,482,099)
<i>Total Other Financing Sources (Uses)</i>	<u>5,437,125</u>	<u>442,335</u>	<u>(168,208)</u>	<u>1,393,735</u>
<i>Net Change in Fund Balances</i>	<u>(\$3,080,776)</u>	<u>(\$4,195,367)</u>	<u>(\$560,152)</u>	<u>\$4,481,628</u>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>				
	2.06%	2.46%	2.46%	2.41%

Source: Princeton City School District financial records

TABLE 4

2001	2002	2003	2004	2005	2006
\$56,161,246	\$57,668,854	\$56,692,006	\$54,034,496	\$65,740,919	62,512,646
12,540,486	12,603,097	12,755,984	15,539,902	14,907,680	14,864,188
1,807,603	1,006,393	709,777	1,187,812	2,211,600	3,448,933
331,893	436,392	1,346,780	1,775,113	1,663,279	1,774,304
826,425	1,073,962	639,654	1,321,006	1,464,236	1,573,083
25,809	131,760	0	0	0	0
126,236	130,931	0	0	0	0
150,000	0	0	0	0	0
<u>71,969,698</u>	<u>73,051,389</u>	<u>72,144,201</u>	<u>73,858,329</u>	<u>85,987,714</u>	<u>84,173,154</u>
26,352,994	27,825,890	28,627,270	30,107,765	26,824,759	29,121,630
6,083,344	6,904,323	7,379,674	8,361,955	8,006,233	7,606,694
454,756	506,224	0	1,232,448	1,327,014	3,199,392
444,725	633,165	1,021,310	0	0	0
3,525,770	4,711,618	4,842,955	5,226,609	5,253,048	4,883,938
6,102,155	5,176,201	5,380,575	5,057,224	5,138,665	6,172,017
193,441	267,505	333,915	382,610	388,534	382,312
4,779,862	5,068,237	5,077,614	5,366,310	5,127,096	6,007,403
1,690,826	1,684,824	1,693,653	2,176,777	1,836,629	2,335,416
363,570	392,707	493,025	510,215	458,015	537,136
8,778,387	8,450,757	8,103,191	7,332,923	7,307,221	8,004,633
3,108,738	3,630,849	3,874,063	3,844,915	4,712,953	4,297,383
1,001,494	984,384	1,305,628	2,165,784	1,791,364	1,593,224
1,296,364	1,554,611	1,493,467	1,492,133	1,735,206	1,461,272
1,481,055	1,141,817	1,223,164	1,250,924	1,258,022	1,281,840
262,324	870,224	532,973	3,866,575	9,705,033	44,564,267
1,256,757	1,195,809	1,276,773	682,532	1,275,616	2,113,811
273,939	213,811	149,004	3,178,622	4,137,441	4,070,993
0	0	0	918,140	0	0
<u>67,450,501</u>	<u>71,212,956</u>	<u>72,808,254</u>	<u>83,154,461</u>	<u>86,282,849</u>	<u>127,633,361</u>
<u>4,519,197</u>	<u>1,838,433</u>	<u>(664,053)</u>	<u>(9,296,132)</u>	<u>(295,135)</u>	<u>(43,460,207)</u>
31,590	0	0	10,240	0	7,667
0	0	0	85,000,000	0	0
0	0	0	2,114,155	0	0
160,005	841,739	145,951	1,603,000	558,000	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,457,258	1,422,200	1,887,970	85,622,582	1,009,680	1,775,110
<u>(1,845,178)</u>	<u>(1,422,200)</u>	<u>(1,887,970)</u>	<u>(85,622,582)</u>	<u>(1,009,680)</u>	<u>(1,775,110)</u>
<u>(196,325)</u>	<u>841,739</u>	<u>145,951</u>	<u>88,727,395</u>	<u>558,000</u>	<u>7,667</u>
<u>\$4,322,872</u>	<u>\$2,680,172</u>	<u>(\$518,102)</u>	<u>\$79,431,263</u>	<u>\$262,865</u>	<u>(\$43,452,540)</u>
2.28%	2.00%	1.97%	4.87%	7.07%	7.45%

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
1997	\$964,361,560		\$2,755,318,743	\$72,083,190	\$81,912,716
1998	969,842,720		2,770,979,200	68,634,990	77,994,307
1999	979,193,070		2,797,694,486	70,718,000	80,361,364
2000	1,144,748,820		3,270,710,914	68,921,740	78,320,159
2001	1,159,115,740		3,311,759,257	75,031,110	85,262,625
2002	1,182,629,890		3,378,942,543	64,083,860	72,822,568
2003	1,369,415,290		3,912,615,114	65,570,470	74,511,898
2004	1,358,732,160		3,882,091,886	66,068,790	75,078,170
2005	610,650,720	756,943,290	3,907,411,457	68,900,980	78,296,568
2006	\$740,866,830	\$820,060,390	\$4,459,792,057	\$68,330,650	\$77,648,466

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

A breakdown between Residential and Commercial was not available prior to 2004.

1995 through 2002 did not include information for Butler County.

1995 through 2005 did not include information for Warren County.

Source: Hamilton County, Butler County and Warren County Auditors Office

TABLE 5

Tangible Personal Property		Total		
General Business				
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio
\$393,557,600	\$1,574,230,400	\$1,430,002,350	\$4,411,461,859	32.42%
413,521,590	1,654,086,360	1,451,999,300	4,503,059,867	32.24%
433,706,660	1,734,826,640	1,483,617,730	4,612,882,490	32.16%
438,526,560	1,754,106,240	1,652,197,120	5,103,137,313	32.38%
452,832,700	1,811,330,800	1,686,979,550	5,208,352,682	32.39%
442,634,670	1,770,538,680	1,689,348,420	5,222,303,791	32.35%
466,102,466	1,864,409,864	1,901,088,226	5,851,536,876	32.49%
404,687,148	1,618,748,592	1,829,488,098	5,575,918,648	32.81%
421,066,962	1,684,267,848	1,857,561,952	5,669,975,873	32.76%
\$384,837,640	\$1,539,350,560	\$2,014,095,510	\$6,076,791,083	33.14%

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

**TABLE 6**

Property Tax Levies and Collections

Last Ten Years

Collection Year (1)	Current Tax Levy (2)	Current Tax Collections (3)	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (4)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
1997	29,860,878	27,053,016	90.60%	682,012	27,735,028	92.88%
1998	29,685,600	27,784,701	93.60%	842,271	28,626,972	96.43%
1999	29,936,630	27,906,438	93.22%	694,210	28,600,648	95.54%
2000	35,750,340	33,435,460	93.52%	929,371	34,364,831	96.12%
2001	36,456,290	34,200,211	93.81%	1,083,180	35,283,391	96.78%
2002	36,676,496	34,248,633	93.38%	812,848	35,061,481	95.60%
2003	40,338,209	36,906,936	91.49%	931,035	37,837,971	93.80%
2004	42,955,981	41,456,291	96.51%	1,260,498	42,716,788	99.44%
2005	43,363,212	41,689,007	96.14%	1,335,719	43,024,726	99.22%
2006	45,038,152	42,953,593	95.37%	1,249,715	44,203,309	98.15%

(1) 1997 through 2002 did not include information for Butler County.  
1997 through 2005 did not include information for Warren County.

(2) Tax levied and collected are presented on a cash basis.

(3) State reimbursements of rollback and homestead exemptions are included.

(4) Penalties and interest are included since by Ohio law they become part of tax obligation as assessment occurs.

Source: Hamilton County, Butler County and Warren County Auditors Office

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**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Property Tax Rates  
(per \$1,000 of assessed value)  
Last Ten Years

	1997	1998	1999	2000	2001
<b>Voted Millage - by levy (1)</b>					
1964 Operating - continuing	8.25	8.25	8.25	8.25	8.25
1968 Operating - continuing	5.45	5.45	5.45	5.45	5.45
1971 Operating - continuing	8.61	8.61	8.61	8.61	8.61
1973 Operating - continuing	2.80	2.80	2.80	2.80	2.80
1985 Operating - continuing	5.00	5.00	5.00	5.00	5.00
1992 Operating - continuing	7.50	7.50	7.50	7.50	7.50
1999 Operating - continuing	-	-	3.95	3.95	3.95
2003 Bond Levy (debt service)	-	-	-	-	-
<b>Total voted millage by type of property</b>	<b>37.61</b>	<b>37.61</b>	<b>41.56</b>	<b>41.56</b>	<b>41.56</b>
<b>Overlapping Rates by Taxing District (2)</b>					
Princeton City School District	42.24	42.24	42.24	46.19	46.19
Hamilton County	19.44	19.01	19.54	20.83	19.92
City of Blue Ash	3.08	3.08	3.08	3.08	3.08
City of Springdale	3.08	3.08	3.08	3.08	3.08
Village of Evendale	3.34	3.34	3.34	-	-
Village of Glendale	23.26	22.34	19.66	21.93	21.65
Village of Lincoln Heights	20.08	20.08	20.08	20.08	20.08
Village of Woodlawn	4.08	5.08	5.08	5.08	5.08
Springfield Township	9.80	14.30	14.30	14.30	14.30
Sycamore Township	7.60	7.60	7.75	7.75	7.75
Great Oaks Joint Vocational School District	2.70	2.70	2.70	2.70	2.70
West Fork Fire Department (3)	14.30	-	-	-	-

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

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

Source:

(1) Princeton City School District financial records

(2) Hamilton County Auditors Office

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



TABLE 7

2002	2003	2004	2005	2006
8.25	8.25	8.25	8.25	8.25
5.45	5.45	5.45	5.45	5.45
8.61	8.61	8.61	8.61	8.61
2.80	2.80	2.80	2.80	2.80
5.00	5.00	5.00	5.00	5.00
7.50	7.50	7.50	7.50	7.50
3.95	3.95	3.95	3.95	3.95
-	2.84	2.84	2.84	2.84
41.56	44.40	44.40	44.40	44.40
46.19	45.79	49.03	49.03	49.03
21.47	21.87	21.51	21.06	20.81
3.08	3.08	3.08	3.08	3.08
3.08	3.08	3.08	3.08	3.08
-	-	-	-	-
21.55	22.61	22.23	21.83	21.39
24.58	26.33	26.33	26.33	28.33
5.08	5.08	5.08	5.08	5.08
20.30	20.30	20.30	20.30	20.30
7.75	7.75	7.75	7.75	7.75
2.70	2.70	2.70	2.70	2.70
-	-	-	-	-

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

**TABLE 8**

Principal Taxpayers  
 Real Estate Tax  
 2005 and 1996

Name of Taxpayer (1)	2005	
	Assessed Value	Percent of Real Property Assessed Value
Thor Gallery at Tri County LLC	\$62,915,900	44.69%
NRFC Cinn Investor LLC	16,611,550	11.80%
Merchant Street 27 LLC @ 30	10,650,510	7.57%
Ford Motor Co.	8,400,000	5.97%
Springdale-Kemper Assoc	7,726,890	5.49%
Kimco 420 Inc	7,221,200	5.13%
Kir Tri-County 018 LLC	7,180,640	5.10%
Kemper Apartments Ltd	7,102,050	5.04%
Avon Capital Corp	6,824,550	4.85%
Proctor & Gamble Co.	6,145,760	4.37%
<b>Totals</b>	<b>\$140,779,050</b>	<b>100.00%</b>
Total Assessed Valuation	\$756,943,290	

Name of Taxpayer (2)	1996	
	Assessed Value	Percent of Real Property Assessed Value
Concordia Properties, LLC	\$52,585,110	63.32%
Duke Realty	15,924,870	19.17%
WHPHC Real Estate	14,540,210	17.51%
<b>Totals</b>	<b>\$83,050,190</b>	<b>100.00%</b>
Total Assessed Valuation	n/a	

The amounts presented represent the assessed values upon which 2005 and 1996 collections were based.  
 n/a = not available.

Source:

- (1) Hamilton County, Butler County, and Warren County Auditors Office
- (2) Princeton City School District financial records

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

**TABLE 9**

Principal Taxpayers  
Tangible Personal Property Tax  
2005 and 1996

Name of Taxpayer (1)	2005	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
General Electric Company	\$44,454,650	32.86%
Ford Motor Company	33,811,770	24.99%
Dugan Financial	10,206,990	7.55%
John Morrell & Co.	7,546,720	5.58%
Proctor and Gamble	6,837,030	5.05%
General Mills Cereal Properties LLC	6,719,810	4.97%
Graphic Packaging International Inc	6,539,770	4.83%
Formica Corporation	6,531,930	4.83%
XTEK Inc.	6,433,730	4.76%
Jake Sweeney Chevrolet Imports	6,194,590	4.58%
Total	<u>\$135,276,990</u>	<u>100.00%</u>
Total Assessed Valuation	<u>\$421,066,962</u>	

Name of Taxpayer (2)	1996	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
General Electric Company	\$78,268,480	43.73%
Ford Motor Company	51,640,040	0.29
Procter & Gamble	25,265,060	0.14
Quantum Chemical	12,456,070	0.07
Kroger Company	11,334,250	0.06
Total	<u>\$178,963,900</u>	<u>100.00%</u>
Total Assessed Valuation	<u>\$389,588,480</u>	

The amounts presented represent the assessed values upon which 2005 and 1996 collections were based.

Source:

(1) Hamilton County, Butler County, and Warren County Auditors Office

(2) Princeton City School District financial records

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

**TABLE 10**

Principal Taxpayers  
Public Utilities Tax  
2005 and 1996

Name of Taxpayer (1)	2005	
	Assessed Value	Percent of Public Utility Assessed Value
Cincinnati Gas & Electric Company	\$33,414,990	52.67%
Cincinnati Bell Wireless LLC	9,844,720	15.52%
Cincinnati Bell Telephone	9,004,660	14.19%
Sprintcom Inc.	8,919,840	14.06%
Norfolk Souther	2,259,060	3.56%
<b>Total</b>	<b>\$63,443,270</b>	<b>100.00%</b>
<b>Total Assessed Valuation</b>	<b>\$68,900,980</b>	

Name of Taxpayer (2)	1996	
	Assessed Value	Percent of Public Utility Assessed Value
Cinergy	\$48,297,440	72.12%
Cincinnati Bell	18,668,550	27.88%
<b>Total</b>	<b>\$66,965,990</b>	<b>100.00%</b>
<b>Total Assessed Valuation</b>	<b>\$74,137,260</b>	

The amounts presented represent the assessed values upon which 2005 and 1996 collections were based.

Source:

- (1) Hamilton County, Butler County, and Warren County Auditors Office
- (2) Princeton City School District financial records

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**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Ratio of Debt  
to Assessed Value and Debt per Capita  
Last Ten Fiscal Years

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property(2)	General Bonded Debt				
			General Bonded Debt Outstanding	Resources Available to Pay Principal	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita
1997	40,980	\$1,430,002,350	\$5,052,475	n/a	n/a	n/a	n/a
1998	40,980	1,451,999,300	4,412,041	n/a	n/a	n/a	n/a
1999	40,980	1,483,617,730	3,302,094	1,110,140	2,191,954	0.22%	53
2000	40,980	1,652,197,120	3,047,504	980,891	2,066,613	0.18%	50
2001	42,426	1,686,979,550	2,103,059	929,757	1,173,302	0.12%	28
2002	42,426	1,689,348,420	1,228,775	874,284	354,491	0.07%	8
2003	42,426	1,901,088,226	303,353	925,363	(622,010)	0.02%	(15)
2004	42,426	1,829,488,098	85,000,000	85,375,114	(375,114)	4.77%	(9)
2005	41,880	1,857,561,952	84,755,000	1,744,628	83,010,372	4.67%	1,982
2006	41,880	\$2,014,095,510	\$85,341,875	\$2,335,650	\$83,006,225	4.13%	1,982

n/a = not available

Sources:

- (1) Ohio Municipal Advisory Council estimated population.
- (2) Hamilton County, Butler County, and Warren County Auditors. Information provided by collection year. 1997 through 2002 do not include Butler County. 1997 through 2005 do not include Warren County

**TABLE 11**

General Debt				
General Bonded Debt Outstanding	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita
\$5,052,475	\$695,819	\$5,748,294	0.40%	140
4,412,041	572,787	4,984,828	0.34%	122
3,302,094	260,950	3,563,044	0.24%	87
3,047,504	1,311,662	4,359,166	0.26%	106
2,103,059	1,159,354	3,262,413	0.19%	77
1,228,775	1,351,519	2,580,294	0.15%	61
303,353	1,085,606	1,388,959	0.07%	33
87,217,833	708,073	87,925,906	4.81%	2,072
86,745,177	348,811	87,093,988	4.69%	2,080
\$85,341,875	\$0	\$85,341,875	4.24%	2,038

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

**TABLE 12**

Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2006

	Debt Attributable to Governmental Activities	Percentage Applicable to School District	Amount of Direct and Overlapping Debt
<b>Overlapping Debt:</b>			
Butler County	\$72,135,000	1.56%	\$1,125,306
Hamilton County	111,605,000	8.75%	9,765,438
Warren County	421,790	0.48%	2,025
City of Blue Ash	0	2.55%	0
City of Sharonville	23,925,000	99.96%	23,915,430
City of Springdale	6,390,000	99.99%	6,389,361
Village of Evendale	1,560,000	85.30%	1,330,680
Village of Glendale	436,744	100.00%	436,744
Village of Lincoln Heights	0	100.00%	0
Village of Woodlawn	4,760,000	100.00%	4,760,000
Deerfield Township	16,977,000	2.57%	436,309
Springfield Township	14,290,000	1.17%	167,193
Sycamore Township	0	25.89%	0
West Chester Township	39,225,000	4.10%	1,608,225
Great Oaks Joint Vocational School District	3,325,000	10.26%	341,145
<b>Total Overlapping Debt</b>			
<b>Direct Debt</b>	<u>83,430,000</u>	100.00%	<u>83,430,000</u>
<b>Total Direct and Overlapping Debt</b>	<u>\$378,480,534</u>		<u>\$133,707,855</u>

Source: Ohio Municipal Advisory Council



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**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Computation of Legal Debt Margin

Last Ten Fiscal Years

	1997	1998	1999	2000
Tax Valuation	<u>\$1,430,002,350</u>	<u>\$1,451,999,300</u>	<u>\$1,483,617,730</u>	<u>\$1,652,197,120</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>128,700,212</u>	<u>130,679,937</u>	<u>133,525,596</u>	<u>148,697,741</u>
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds	5,052,475	4,412,041	3,302,094	3,047,504
Less Amount Available in Debt Service				
Amount of Debt Subject to Limit	<u>5,052,475</u>	<u>4,412,041</u>	<u>3,302,094</u>	<u>3,047,504</u>
Legal Debt Margin	<u>123,647,737</u>	<u>126,267,896</u>	<u>130,223,502</u>	<u>145,650,237</u>
Legal Debt Margin as a Percentage of the Debt Limit	96.07%	96.62%	97.53%	97.95%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	1,430,002	1,451,999	1,483,618	1,652,197
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$1,430,002</u>	<u>\$1,451,999</u>	<u>\$1,483,618</u>	<u>\$1,652,197</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

(1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

Source: Hamilton, Butler and Warren County Auditors and Princeton City School District financial records.  
 (Information for Warren County is not reported from 1997-2005 since it represents less than 2% of the total assessed value.)

TABLE 13

2001	2002	2003	2004	2005	2006
<u>\$1,686,979,550</u>	<u>\$1,689,348,420</u>	<u>\$1,901,088,226</u>	<u>\$1,829,488,098</u>	<u>\$1,857,561,952</u>	<u>\$2,014,095,510</u>
151,828,160	152,041,358	171,097,940	164,653,929	167,180,576	181,268,596
2,103,059	1,228,775	303,353	87,217,833	86,745,177	85,341,875
2,103,059	1,228,775	303,353	87,217,833	86,745,177	85,341,875
<u>149,725,101</u>	<u>150,812,583</u>	<u>170,794,587</u>	<u>77,436,096</u>	<u>80,435,399</u>	<u>95,926,721</u>
98.61%	99.19%	99.82%	47.03%	48.11%	52.92%
1,686,980	1,689,348	1,901,088	1,829,488	1,857,562	2,014,096
0	0	0	0	0	0
<u>\$1,686,980</u>	<u>\$1,689,348</u>	<u>\$1,901,088</u>	<u>\$1,829,488</u>	<u>\$1,857,562</u>	<u>\$2,014,096</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**PRINCETON CITY SCHOOL DISTRICT, OHIO**  
 Demographic and Economic Statistics  
 Last Ten Years

**TABLE 14**

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (2)</u>
1997	\$40,980	n/a	n/a	4.5%
1998	40,980	n/a	n/a	4.3%
1999	40,980	n/a	n/a	4.3%
2000	42,426	n/a	n/a	4.1%
2001	42,426	n/a	n/a	4.3%
2002	42,426	n/a	n/a	5.7%
2003	42,426	n/a	n/a	6.1%
2004	42,426	n/a	n/a	6.0%
2005	41,380	n/a	n/a	5.7%
2006	41,380	n/a	n/a	5.5%

n/a = not available

Sources:

- (1) Ohio Municipal Advisory Council estimated population.
- (2) Greater Cincinnati Chamber of Commerce.

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

**TABLE 15**

Principal Employers  
Current Year and Nine Years Ago

Employer	Nature of Business	2006		1997	
		Number of Employees	Rank	Number of Employees	Rank
General Electric	Manufacturing	7,600	1	8,000	1
Ford Motor Company	Manufacturing	1,800	2	2,284	2
Avon Products, Incorporated	Manufacturing	1,552	3		
General Electric Client Business	Sales	1,481	4	1,662	3
M R Temorary Services, Inc.	Temporary Service	1,274	5		
U S Bulk Mail	Delivery	1,250	6	1,394	4
John Morrell and Company	Manufacturing	1,013	7		
Princeton City School District	Education	953	8	907	8
Adecco USA, Inc	Temporary Service	890	9		
United Parcel Service	Delivery	741	10	1,349	5
Formica	Manufacturing			1,100	6
Lazarus	Retail			985	7
Mercantile Stores	Retail			822	9
Wal-Mart Stores	Retail			809	10
Total		<u>18,554</u>		<u>19,312</u>	

Total Employment within the School District is not available.

Source: Cities of Sharonville and Springdale. Villages of Evendale, Lincoln Heights and Woodlawn (Village of Glendale is unable to provide information due to the lack of a village income tax.)

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

**TABLE 16**

School District Employees by Function/Program  
Last Three Fiscal Years

Function/Program	2004	2005	2006
<b>Regular Instruction</b>	395.77	373.15	363.57
Elementary Classroom Teachers			
High School Classroom Teachers			
<b>Special Instruction</b>	67.10	55.00	78.19
Elementary Classroom Teachers			
Gifted Education Teachers			
High School Classroom Teachers			
<b>Vocational Instruction</b>			
High School Classroom Teachers	4.00	3.00	1.00
<b>Pupil Support Services</b>			
Guidance Counselors	14.00	12.00	12.00
Librarians	18.00	14.50	5.00
Psychologists	7.00	6.00	7.00
Speech and Language Pathologists	4.70	4.80	4.80
Nurse	10.00	9.00	8.00
Other Pupil Support	123.12	99.33	123.00
<b>Administrators</b>	20.00	17.00	16.00
Elementary			
High School			
Other Administrators	27.00	27.00	30.00
<b>Operation of Plant</b>			
Custodians	54.00	47.50	48.00
Maintenance	16.00	15.00	18.00
<b>Pupil Transportation</b>			
Bus Drivers	64.58	62.58	66.62
Bus Aides			
Van Drivers	6.00	6.00	5.00
Other Pupil Transportation	1.00	1.00	1.00
<b>Food Service Program</b>	48.42	40.42	39.50
Elementary Cooks			
High School Cooks			
<b>Clerical/Support</b>			
Clerical	84.00	76.00	69.88
Other Clerical/Support	25.00	23.00	28.00
<b>Totals:</b>	<u>989.69</u>	<u>892.28</u>	<u>924.56</u>

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year.

Information prior to 2004 is not available.

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

Source: Ohio Department of Education

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

**TABLE 17**

Operating Statistics  
Last Four Fiscal Years

Fiscal Year	Expenses (1)	Enrollment (2)	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio
2003	\$68,446,262	6,318	\$10,834	n/a	485	13.0
2004	\$70,959,959	6,104	11,625	7.31%	497	12.3
2005	\$67,662,885	5,934	11,403	-1.91%	457	13.0
2006	\$72,099,035	5,714	12,618	10.66%	486	11.8

Expense information is not available prior to 2003.

n/a = not available

Source:

- (1) Princeton City School District records
- (2) Ohio Department of Education

**PRINCETON CITY SCHOOL DISTRICT, OHIO**

Building Statistics  
Last Ten Fiscal Years

**TABLE 18**

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Evendale Elementary</b>										
Constructed in 1961										
Total Building Square Footage	45,254	45,254	45,254	45,254	45,254	45,254	45,254	45,254	45,254	45,254
Enrollment Grades PK-6 / PK - 5	312	326	291	295	295	274	259	281	297	273
Student Capacity	625	625	625	625	625	625	625	625	625	625
Regular Instruction Classrooms	29	29	29	29	29	29	29	29	29	29
Regular Instruction Teachers	14	20	19	20	21	22	21	22	19	20
Special Instruction Classrooms	3	3	3	3	3	3	3	3	3	3
Special Instruction Teachers	3	3	3	3	3	3	4	4	5	6
<b>Glendale Elementary</b>										
Constructed in 1895										
Total Building Square Footage	31,676	31,676	31,676	31,676	31,676	31,676	31,676	31,676	31,676	31,676
Enrollment Grades PK-6 / PK - 5	270	260	244	204	229	205	218	203	292	264
Student Capacity	575	575	575	575	575	575	575	575	575	575
Regular Instruction Classrooms	19	19	19	19	19	19	19	19	19	19
Regular Instruction Teachers	14	18	21	20	20	19	18	18	19	20
Special Instruction Classrooms	3	3	3	3	3	3	3	3	3	3
Special Instruction Teachers	1	2	2	2	2	2	2	2	2	2
<b>Heritage Hill Elementary</b>										
Constructed in 1961										
Total Building Square Footage	64,895	64,895	64,895	64,895	64,895	64,895	64,895	64,895	64,895	64,895
Enrollment Grades PK - 6 / PK - 5	370	425	464	506	461	477	521	529	421	447
Student Capacity	950	950	950	950	950	950	950	950	950	950
Regular Instruction Classrooms	36	36	36	36	36	36	36	36	36	36
Regular Instruction Teachers	29	32	31	34	37	35	39	38	36	37
Special Instruction Classrooms	3	3	3	3	3	3	3	3	3	3
Special Instruction Teachers	3	3	3	3	3	4	4	4	4	5
<b>Sharonville Elementary</b>										
Constructed in 1927										
Total Building Square Footage	54,437	54,437	54,437	54,437	54,437	54,437	54,437	54,437	54,437	Demo'd
Enrollment Grades PK-6 / PK - 5	385	352	360	338	342	333	364	329		
Student Capacity	875	875	875	875	875	875	875	875		
Regular Instruction Classrooms	30	30	30	30	34	34	34	34		
Regular Instruction Teachers	27	29	28	27	27	26	27	28		
Special Instruction Classrooms	3	3	3	3	3	3	3	3		
Special Instruction Teachers	3	3	3	3	3	3	4	3		



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Springdale Elementary</b>										
Constructed in 1927										
Total Building Square Footage	57,124	57,124	57,124	57,124	57,124	57,124	57,124	57,124	57,124	57,124
Enrollment Grades K-6	523	488	494	480	469	490	488	459	409	415
Student Capacity	523	523	523	523	523	523	523	523	523	523
Regular Instruction Classrooms	37	37	37	37	37	37	37	37	37	37
Regular Instruction Teachers	27	31	33	33	33	33	33	33	23	26
Special Instruction Classrooms	4	4	4	4	4	4	4	4	4	4
Special Instruction Teachers	4	4	4	4	4	4	3	4	3	4
<b>Stewart Elementary</b>										
Constructed in 1958										
Total Building Square Footage	34,150	34,150	34,150	34,150	34,150	34,150	34,150	34,150	34,150	34,150
Enrollment Grades PK - 3 / PK - 4	398	415	377	344	309	301	350	355	403	412
Student Capacity	500	500	500	500	500	500	500	500	500	500
Regular Instruction Classrooms	30	30	30	30	30	30	30	32	32	32
Regular Instruction Teachers	17	23	21	20	19	20	20	21	23	22
Special Instruction Classrooms	4	4	4	4	4	4	4	4	4	4
Special Instruction Teachers	3	3	3	3	3	3	3	3	3	4
<b>Woodlawn Elementary</b>										
Constructed in 1958										
Total Building Square Footage	23,051	23,051	23,051	23,051	23,051	23,051	23,051	23,051	Demo'd	Demo'd
Enrollment Grades K - 3	158	172	177	167	147	156	182	185		
Student Capacity	375	375	375	375	375	375	375	375	375	
Regular Instruction Classrooms	16	16	16	16	16	16	16	16	16	
Regular Instruction Teachers	11	11	12	12	12	12	12	12	12	
Special Instruction Classrooms	6	6	6	6	6	6	6	6	6	
Special Instruction Teachers	2	2	2	2	2	2	2	1		
<b>Lincoln Heights Elementary</b>										
Constructed in 1936										
Total Building Square Footage	50,908	50,908	50,908	50,908	50,908	50,908	50,908	50,908	50,908	50,908
Enrollment Grades PK-6 / PK - 5	464	467	452	478	481	464	474	440	399	398
Student Capacity	950	950	950	950	950	950	950	950	950	950
Regular Instruction Classrooms	44	44	44	44	44	44	44	44	38	38
Regular Instruction Teachers	35	37	39	39	37	39	39	37	26	30
Special Instruction Classrooms	4	4	4	4	4	4	4	4	2	2
Special Instruction Teachers	6	5	5	5	5	5	5	5	4	4

(continued)









Mary Taylor, CPA  
Auditor of State

PRINCETON CITY SCHOOL DISTRICT  
HAMILTON COUNTY

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
MAY 10, 2007