

LITTLE MIAMI LOCAL SCHOOL DISTRICT

Single Audit Report

June 30, 2007



Mary Taylor, CPA
Auditor of State

Board of Education
Little Miami Local School District
5819 Morrow-Rossburg Road
Morrow, Ohio 45152

We have reviewed the *Independent Auditor's Report* of the Little Miami Local School District, Warren County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2006 through June 30, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

April 25, 2008

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LITTLE MIAMI LOCAL SCHOOL DISTRICT

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2007

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
National School Breakfast Program	05PU	10.553	\$29,270	\$0	\$29,270	\$0
National School Lunch Program	LLP4	10.555	198,614	0	198,614	0
Total Nutrition Cluster			<u>227,884</u>	<u>0</u>	<u>227,884</u>	<u>0</u>
Total U.S. Department of Agriculture			<u>227,884</u>	<u>0</u>	<u>227,884</u>	<u>0</u>
U.S. DEPARTMENT OF EDUCATION						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Special Education-Grants to States	6B-SF	84.027	619,550	0	639,551	0
Special Education-Handicapped Preschool	PGS1	84.173	9,249	0	9,249	0
Total Special Education Cluster			<u>628,799</u>	<u>0</u>	<u>648,800</u>	<u>0</u>
Title I Grants to Local Education Agencies	C1S1	84.010	174,348	0	222,289	0
Vocational Education Grant	20-C2	84.048	9,920	0	15,315	0
Safe and Drug Free Schools and Communities	DRS1	84.186	9,201	0	9,677	0
Innovative Education Program Strategy	C2S1	84.298	6,542	0	6,542	0
Education Technology State Grants	TJS1	84.318	2,120	0	2,120	0
Improving Teacher Quality State Grants	TRS1	84.367	121,899	0	125,736	0
Total Department of Education			<u>952,829</u>	<u>0</u>	<u>1,030,479</u>	<u>0</u>
Total Federal Assistance			<u>\$1,180,713</u>	<u>\$0</u>	<u>\$1,258,363</u>	<u>\$0</u>

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

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



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

To the Board of Education
Little Miami Local School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Little Miami Local School District (the District), as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 17, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 management of the District in a separate letter dated December 17, 2007.

This report is intended solely for the information and use of management, the Auditor of State, 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.

Plattenburg & Associates, Inc.

Cincinnati, Ohio
December 17, 2007



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

To the Board of Education
Little Miami Local School District

Compliance

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

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

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

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in a District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2007, and have issued our report thereon dated December 17, 2007. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Auditor of State, 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.

Platterburg & Associates, Inc.

Cincinnati, Ohio
December 17, 2007

LITTLE MIAMI LOCAL SCHOOL DISTRICT

June 30, 2007

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None Noted

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

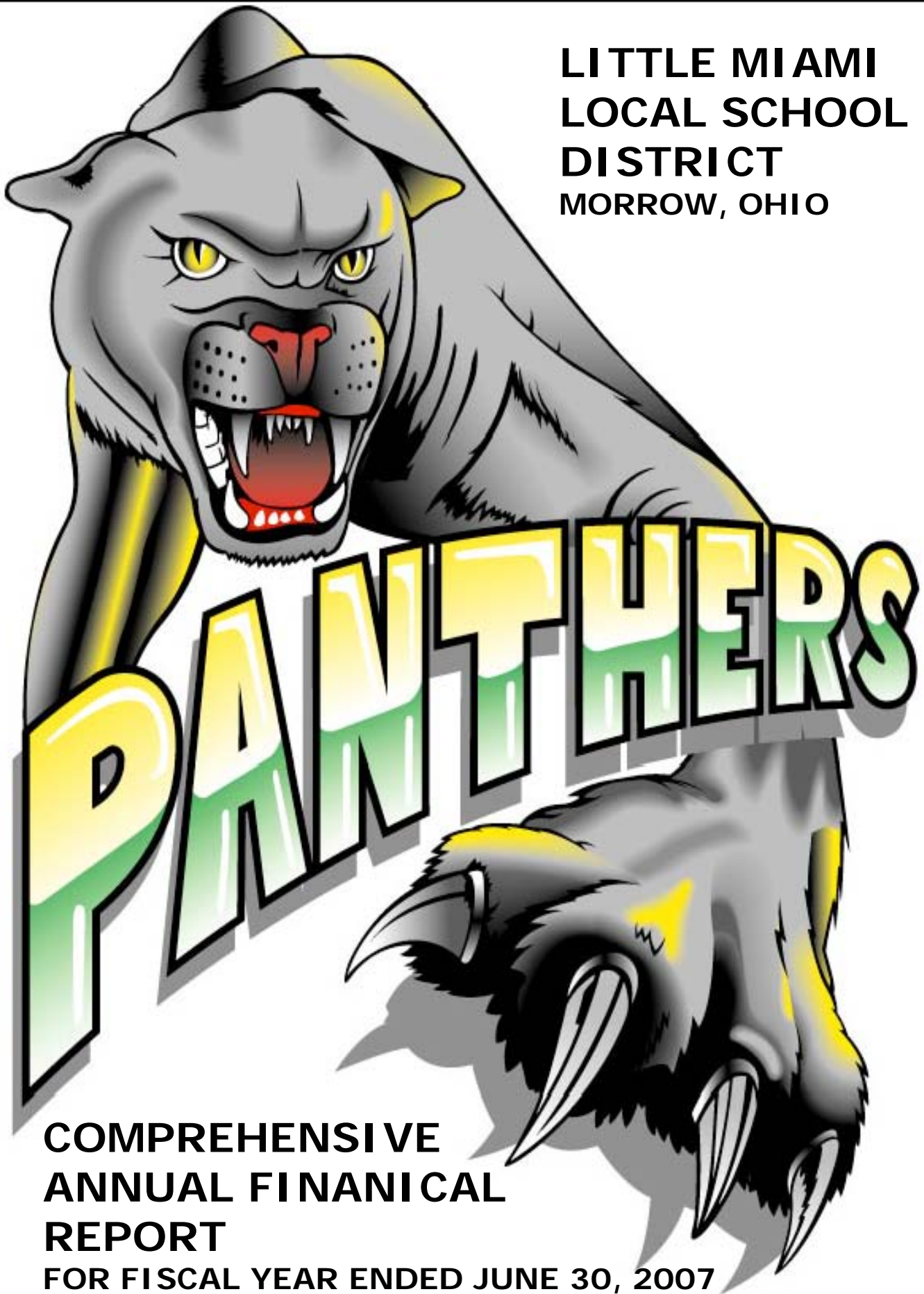
None Noted

LITTLE MIAMI LOCAL SCHOOL DISTRICT
JUNE 30, 2007

SCHEDULE OF PRIOR AUDIT AND QUESTIONED COSTS
OMB CIRCULAR A-133

Little Miami Local School District had no prior audit findings or questioned costs.

**LITTLE MIAMI
LOCAL SCHOOL
DISTRICT
MORROW, OHIO**



**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

FOR FISCAL YEAR ENDED JUNE 30, 2007

**Little Miami Local School District
Morrow, Ohio**

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2007**

**Prepared By:
Office Of The Treasurer
Shaun Bevan, Treasurer**

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Little Miami Local School District
Comprehensive Annual Financial Report
For the Year Ended June 30, 2007

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INTRODUCTORY SECTION



December 17, 2007

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

The Comprehensive Annual Financial Report [CAFR] of the Little Miami Local School District [District] for the fiscal year ended June 30, 2007, is hereby submitted. This report, prepared by the Treasurer's office, includes an unqualified opinion from Plattenburg & Associates, Inc. and conforms to generally accepted accounting principles as applicable to governmental entities. The responsibility for an accurate, complete and fair presentation of the data, including all disclosures, belongs to the District. This report will provide the taxpayers of the Little Miami Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties.

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

THE REPORTING ENTITY AND SERVICES PROVIDED

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

ECONOMIC CONDITION AND OUTLOOK

The District is located north of Cincinnati, in the southeastern part of Warren County. Approximately 90% of the District's tax base is agricultural and residential properties; the remainder is composed of a wide range of manufacturing, commercial and other business properties. The overall economic outlook for the area remains stable with low unemployment rates, growth in the local tax base and low inflationary pressures.

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

THE DISTRICT AND ITS FACILITIES

The District is located mostly in Warren County and partly in Clermont County. It is approximately thirty miles from downtown Cincinnati, Ohio and covers an area of 98 square miles. It serves pupils from Hamilton, Harlan, Washington and Salem Townships and the Villages of Morrow, Butlerville and Maineville. Since 1995, the District has experienced strong growth, mostly in Hamilton Township.

The District now houses 3,754 students in one high school, one junior high school, an intermediate school and three elementary schools.

Constructed	School Address	Enrollment as of October 2006
2000	Little Miami High School 3001 SR 22 & 3 Morrow, Ohio 45152	1,023
1956	Little Miami Junior High School 605 Welch Road Morrow, Ohio 45152	549
1956	Little Miami Intermediate School 605 Welch Road Morrow, Ohio 45152	563
1937	Hamilton Maineville Elementary 373 E. Foster Maineville Road Maineville, Ohio 45039	850
1937	Harlan-Butlerville Elementary 8276 SR 132 Blanchester, Ohio 45107	244
1913	Morrow Elementary 10 Miranda Street Morrow, Ohio 45152	525

ORGANIZATION OF THE SCHOOL DISTRICT

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

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

<u>Board Member</u>	<u>Began Service</u>	<u>Term Expires</u>	<u>Profession</u>
Nona Cress	January 1, 2000	December, 2007	Retired (Education)
Bobbie Grice	June 30, 1997	December, 2009	Education
Michael Cremeans	January 1, 2000	December, 2007	Steel
Mary Beth Hamburg	January 1, 2000	December, 2007	Technical Writing
John Stern	January 1, 2006	December, 2009	Transportation

The Superintendent is the Chief Executive Officer of the District, responsible directly to the Board for all educational and support operations. Mr. Daniel Bennett was appointed Superintendent in August 2003, from the High School Principal's position. Over Mr. Bennett's twenty year career he has held positions as a classroom teacher, assistant principal and varsity coach. He received his undergraduate degree in education from Wilmington College, Ohio and his master's degree in education administration from the University of Dayton, Ohio.

The Treasurer of the District is Shaun Bevan. Mr. Bevan joined the Little Miami administrative team in August 2007, bringing with him four years of experience as a public school Treasurer in Ohio. Prior to becoming a school Treasurer, Mr. Bevan worked in the Assurance and Advisory Business Services division of the professional services firm of Ernst & Young. He received an undergraduate degree in accounting and finance from Miami University in Oxford, Ohio. Mr. Bevan is a Certified Public Accountant (CPA) and a member of the American Institute of Certified Public Accounts (AICPA) and the Ohio Society of Certified Public Accountants.

EMPLOYEE RELATIONS

In 2006-2007 the District employed 236 certified personnel and 168 non-certified personnel. The starting salary for a teacher with a bachelor's degree for the period beginning September 1, 2007 will be \$38,146. The maximum teacher salary in 2007-2008 will be \$75,682.

The Little Miami Teacher's Association (LMTA), an affiliate of the Ohio Education Association (OEA), represents certificated employees of the District. The District and the LMTA have entered into a collective bargaining agreement that expires July 31, 2009.

Classified employees are represented by the Ohio Association of Public School Employees (OAPSE). The School District and OAPSE entered into a three-year collective bargaining agreement that expired June 30, 2007 and are currently in negotiations to renew that contract.

SERVICES PROVIDED

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

The food service department served 331,311 plate lunches through the District's five kitchens. The District currently offers a breakfast program at four sites.

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

The District offers regular instructional programs daily to students in grades K-12. Over 414 students receive special services, due to physical or mental handicapping conditions. Gifted services are provided in grades three through six in the areas of math, science and language arts. Gifted services are provided in grades seven and eight in the areas of math and language arts. Advanced placement classes are provided at the high school in the areas of English, Math, Science, History, Government, Social Studies, Art, Global Languages, and Computer Science. The District presented 226 high school diplomas in June, 2007.

CURRENT INITIATIVES

Curriculum and Instructional Services

The Little Miami Local School District is committed to providing a quality education for all students. Continuous effort is given to defining and articulating challenging content-based standards and expectations that will create a demanding curriculum focused on meeting the individual needs of our students. Teacher learning drives student learning. This forms the basis for supporting improving student learning by providing research-based professional development.

The curriculum is designed to respond to a wide range of individual differences in student abilities and learning rates by providing a variety of instructional materials and resources, curricular offerings and courses adapted to the needs of the individual student. The district leadership team is constantly reviewing and examining various educational initiatives to assure that high expectations are being met by each student.

At the elementary level a conscious effort has been made to make sure that each child is reading on grade level through the implementation of a formal literacy program. Using data from regular assessments and tools like DIBELS, intervention is provided during and after schools who are not meeting the learning standards.

During this school year students who are academically talented in mathematics were identified in grades 3-6 and were placed in an advanced mathematics class. These students will be accelerated through the current and next grade level's math curriculum. It is our hope that more of our students will be better prepared to qualify as a National Merit Finalist. Also, the students in the advanced math program are being targeted to take AP calculus in their junior year at Little Miami High School. The school district desires for our students to be prepared to compete with students across the world in math and science.

All schools in the district are implementing the Ohio Integrated Systems Model and Olweus Bullying Program. Both of these initiatives focus on establishing a learning environment that supports closing the achievement gap for students with disabilities and other at-risk learners. A district wide effort was made by forming building-level teams to plan and implement OISM activities, using a data-based, collaborative problem-solving process. Parents are an integral part of our team, thus ensuring that family needs and perspectives are represented. Because of the district's implementation of the OISM model students with disabilities and at-risk learners are achieving at high levels, sometimes exceeding the expectations of their teachers and parents. In Little Miami Schools all students can learn. There are no excuses for students not to learn. We feel that it is our responsibility to figure out how the students learn and how to teach them.

The Olweus Bullying Program is a comprehensive, school-wide program designed for use in elementary, intermediate, and junior high schools. Its goals are to reduce and prevent bullying problems among school children and to improve the social climate of classrooms, and reduce related antisocial behaviors, such as vandalism and truancy. This program has been implemented in grades K-8. All staff have been trained in the model and school wide rules against bullying have been established. We are seeing a dramatic improvement in overall attitude and behavior as we emphasize positive behavior supports in each of our schools.

Based on the 2006 Middle Grade Assessment results and most recent state data, Little Miami Junior High School was selected to receive the designation of Making Middle School Grades Work *Pacesetter* School at the 2007 *HSTW* Summer Staff Development Conference. Little Miami Junior High is one of only six middle grades schools in the *MMGW* network that received this designation.

Little Miami Junior High School was identified for the *Pacesetter* Schools award based on the following criteria: had 85% or more of students meet one or more *MMGW* performance goals; had 50% or more of students experience and intensive emphasis on one or more *MMGW* rigorous curriculum indices; achieved "*MMGW* high-implementation" status; participated in both the 2003 / 2004 and the 2006 Middle Grades Assessment and met Adequate Yearly Progress. This award exemplifies this school's commitment to having high expectations and success for all students.

At Little Miami High School we are proud of numerous accomplishments and continue to challenge ourselves to create an environment that stimulates the mind and makes all students feel safe and challenged. By participating in the nationally recognized High Schools That Work program we continue to raise the core content standards. Little Miami High School has been acknowledged by SREB as a Gold Award Recipient for 2003 and 2006 as a Top 50 High Schools That Work site. This award is attained by less than four percent of all 1,300 districts in the program across the country. This year Little Miami High School was recognized as the top performing high school site in Ohio by High Schools That Work.

The Little Miami School District has received the rating of Excellent on the Ohio Department of Education report card for the third year in a row. The academic performance index for the district continues to improve on an annual basis and is making our school district one of the best districts in the state.

FINANCIAL INFORMATION

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

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

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 are compiled to allow for the preparation of financial statements in conformity with GAAP. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that: (1) the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

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

At the beginning of each fiscal year, the Board adopts a temporary appropriation measure. The Board then adopts a permanent appropriation measure in September.

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

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

The accounting system used by the District allows on-line immediate financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. The financial statements are available to each approved District user and budget authority.

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

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

CASH MANAGEMENT

The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently investing available cash in obligations collateralized by the United States Government, or the State of Ohio issued instruments or insured by the Federal Deposit Insurance Corporation [FDIC]. The total amount of earnings on investments was \$2,164,835 for the year ended June 30, 2007.

The cash management program is designed to minimize cash on hand and maximize investment holdings. All investments are spread among available investment options to insure maximum interest rates. For more information on the cash management of the District see Note 3 in the Notes to the Basic Financial Statements.

RISK MANAGEMENT

The District continues to protect its assets through a comprehensive insurance program. For more information on the schedule of insurance of the District see Note 13 in the Notes to the Basic Financial Statements.

INDEPENDENT AUDIT

Provisions of State statute require that the District's financial statements be subjected to an annual examination by an independent auditor. Plattenburg & Associates, 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: The District adopted and has been in conformance with that system.

AWARDS

GFOA Certificate of Achievement for Excellence in Financial Reporting

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

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ASBO Certificate of Excellence in Financial Reporting

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

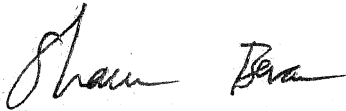
The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2006. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2007, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

ACKNOWLEDGEMENTS

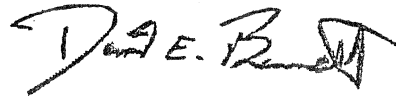
The preparation of the 2007 Comprehensive Annual Financial Report of the Little Miami Local School District was made possible by the dedicated service of Ms. Deborah Harper, Mrs. Karen Bahr, Mrs. Laura Short and Mrs. Dawn Shank. Special recognition is given to Plattenburg and Associates, Inc., Certified Public Accountants for their assistance in the preparation of the CAFR in addition to their work for their audit of the CAFR. Finally, this report would not have been possible without the leadership and support of the District's Board of Education and the Little Miami Local Schools community.

The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability of the District to the taxpayers of the community.

Respectfully submitted,



Shaun Bevan,
Treasurer



Daniel Bennett,
Superintendent/CEO

**LITTLE MIAMI LOCAL SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
As of June 30, 2007**

BOARD OF EDUCATION

Nona Cress, President
Mary Beth Hamburg, Vice President
Michael Cremeans, Member
Bobbie Grice, Member
John Stern, Member

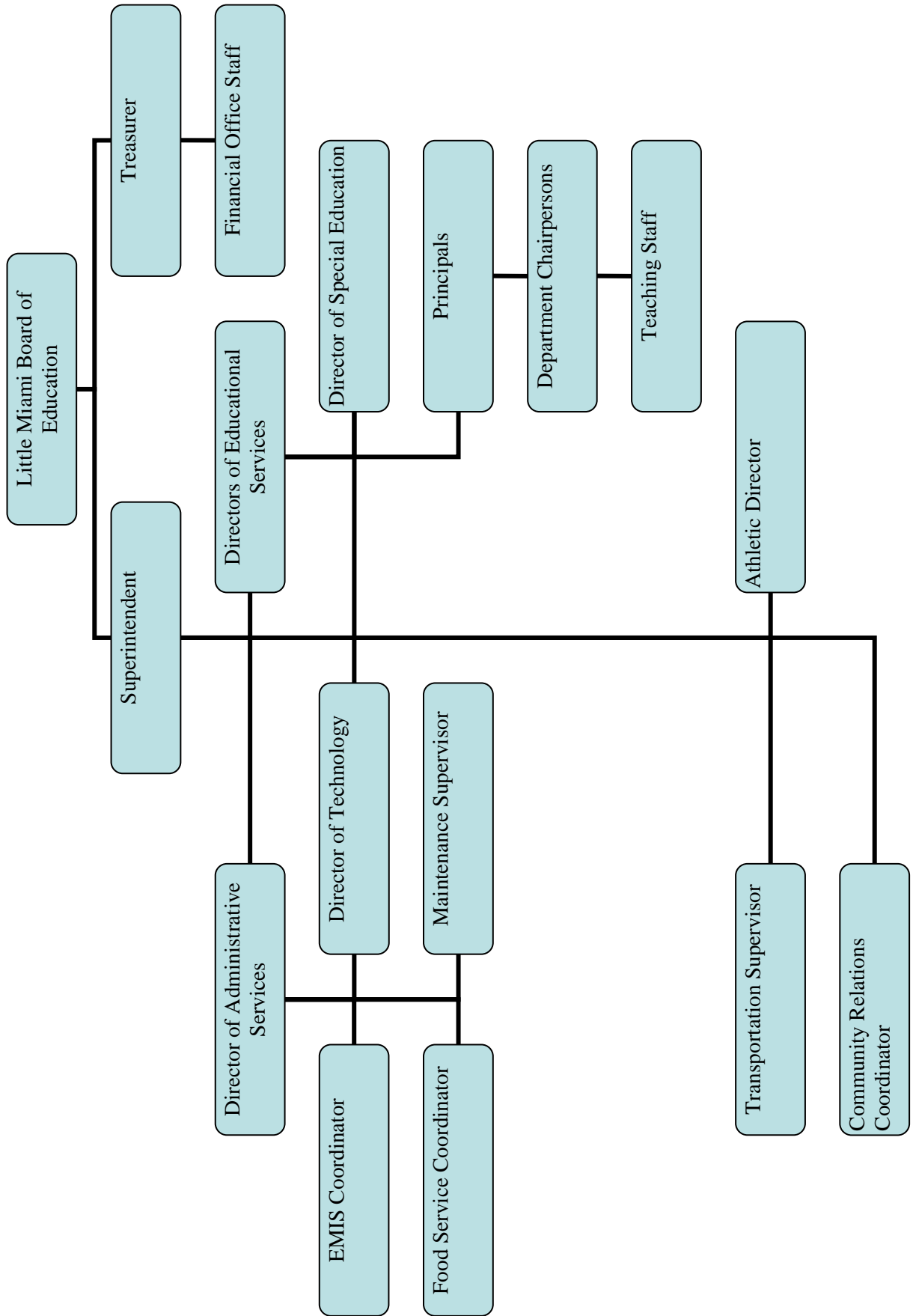
TREASURER

Shaun Bevan

SUPERINTENDENT OF SCHOOLS

Daniel Bennett

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Little Miami Local School
District, Ohio

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

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



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

LITTLE MIAMI LOCAL SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2006

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

President

Executive Director

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Little Miami Local School District

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2007, and the respective changes in financial position 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 December 17, 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 and budgetary comparison information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Plattenburg & Associates, Inc.

Cincinnati, Ohio
December 17, 2007

**LITTLE MIAMI LOCAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2007
(Unaudited)**

The discussion and analysis of Little Miami Local School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2007. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

Financial Highlights

Key financial highlights for 2007 are as follows:

- In total, net assets increased \$1,463,879.
- General revenues accounted for \$33,338,783 in revenue or 90% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,689,962 or 10% of total revenues of \$37,028,745.
- The District had \$35,564,866 in expenses related to governmental activities; \$3,689,962 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$33,338,962 were also used to provide for these programs.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2007?” The Government-wide Financial Statements answer this question. These statements include *all assets* and *liabilities* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

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

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

Fund Financial Statements

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

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

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

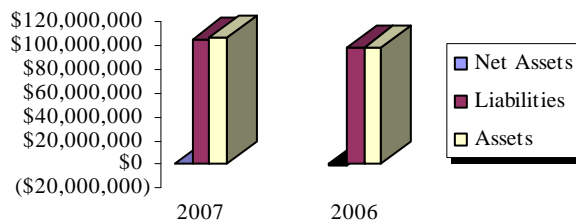
The District as a Whole

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

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

Table 1
Net Assets

	Governmental Activities	
	2007	2006
Assets		
Current Assets	\$83,158,191	\$79,246,726
Capital Assets	22,585,005	17,973,111
Total Assets	105,743,196	97,219,837
Liabilities		
Long-Term Liabilities	76,505,534	77,621,744
Other Liabilities	28,524,968	20,349,278
Total Liabilities	105,030,502	97,971,022
Net Assets		
Invested in Capital		
Assets Net of Debt	1,399,522	592,319
Restricted	3,960,747	2,841,287
Unrestricted	(4,647,575)	(4,184,791)
Total Net Assets	\$712,694	(\$751,185)



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2007, the District's assets exceeded liabilities by \$712,694

At year-end, capital assets represented 21% of total assets. Capital assets include land, buildings and improvements, equipment and construction in progress. Capital assets, net of related debt to acquire the assets at June 30, 2007, was \$1,399,522. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Current assets and deferred revenue increased due to the passage of a levy for the construction and improvements throughout the District. Capital assets increased due to the construction of new buildings and improvements throughout the District.

Table 2 shows the change in net assets for fiscal years 2006 and 2007.

Table 2
Changes in Net Assets

	Governmental Activities	
	2007	2006
Revenues		
Program Revenues:		
Charges for Services	\$1,651,229	\$1,593,754
Operating Grants	1,956,685	1,250,619
Capital Grants	82,048	87,645
General Revenue:		
Property Taxes	20,881,473	14,291,620
Grants and Entitlements	10,124,545	10,234,854
Other	2,332,765	676,705
Total Revenues	<u>37,028,745</u>	<u>28,135,197</u>
Program Expenses:		
Instruction	17,257,215	15,833,099
Support Services:		
Pupil and Instructional Staff	2,796,998	2,815,084
General and School Administrative, Fiscal and Business	3,312,256	3,173,821
Operations and Maintenance	2,766,276	2,960,510
Pupil Transportation	2,931,447	2,370,086
Central	1,401,384	472,297
Operation of Non-Instructional Services	1,482,976	1,331,283
Extracurricular Activities	987,357	909,095
Interest and Fiscal Charges	2,628,957	654,223
Total Expenses	<u>35,564,866</u>	<u>30,519,498</u>
Change in Net Assets	1,463,879	(2,384,301)
Beginning Net Assets	<u>(751,185)</u>	<u>1,633,116</u>
Ending Net Assets	<u><u>\$712,694</u></u>	<u><u>(\$751,185)</u></u>

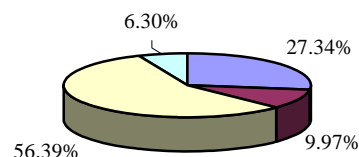
The District revenues came from mainly two sources. Property taxes levied for general, debt service and capital projects purposes, as well as grants and entitlements comprised 84% of the District's revenues for governmental activities.

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

Thus Ohio districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service.

Property taxes made up 56% of governmental activities for the District in fiscal year 2007. The District's reliance upon tax revenues is demonstrated in the following graph:

Revenue Sources	2007	Percent of Total
General Grants	\$10,124,545	27.34%
Program Revenues	3,689,962	9.97%
General Tax Revenues	20,881,473	56.39%
Other Revenues	2,332,765	6.30%
	<u>\$37,028,745</u>	<u>100.00%</u>



Instruction comprises 49% of governmental program expenses. Support services expenses were 37% of governmental program expenses. All other expenses including interest expense were 14%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Overall, revenues increased from the prior year due to the passage of a levy to construct new buildings and to complete improvements throughout the District. Instruction and related support services increased due to a growing student population.

Governmental Activities

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2007	2006	2007	2006
Instruction	\$17,257,215	\$15,833,099	(\$16,462,517)	(\$15,256,599)
Support Services:				
Pupil and Instructional Staff	2,796,998	2,815,084	(1,866,983)	(2,386,369)
General and School Administrative, Fiscal and Business	3,312,256	3,173,821	(3,284,891)	(3,101,252)
Operations and Maintenance	2,766,276	2,960,510	(2,733,335)	(2,929,054)
Pupil Transportation	2,931,447	2,370,086	(2,836,849)	(2,357,625)
Central	1,401,384	472,297	(1,388,566)	(462,109)
Operation of Non-Instructional Services	1,482,976	1,331,283	(162,834)	(228,407)
Extracurricular Activities	987,357	909,095	(509,972)	(211,842)
Interest and Fiscal Charges	2,628,957	654,223	(2,628,957)	(654,223)
Total Expenses	<u>\$35,564,866</u>	<u>\$30,519,498</u>	<u>(\$31,874,904)</u>	<u>(\$27,587,480)</u>

The District's Funds

The District has three major governmental funds: the General Fund, Debt Service Fund, and the Building Fund. Assets of these funds comprised \$79,945,228 (97%) of the total \$82,755,236 governmental funds assets.

General Fund: Fund balance at June 30, 2007 was \$1,078,797. Fund balance increased \$2,495,094 from the prior year. The primary reason for the increase in fund balance was increases in revenues from the prior year as expenditures remained relatively consistent.

Debt Service Fund: Fund balance at June 30, 2007 was \$2,946,305. Fund balance increased \$278,959 from 2006. The fund balance remained relatively consistent from 2006 to 2007.

Building Fund: Fund balance at June 30, 2007 was \$49,201,031. Current year change in fund balance was \$6,388,399 which is a decrease from the fiscal year 2006 fund balance of \$55,589,430. The cause of the decrease relates mainly to the construction of new buildings and school improvements throughout the District.

General Fund Budgeting Highlights

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

During the course of fiscal year 2007, the District amended its general fund budget numerous times, however none were significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, budget basis actual revenue was \$26,061,263, compared to original budget estimates of \$24,561,183. Of the \$1,500,080 difference, most was due to a conservative estimate for taxes and intergovernmental revenue.

The District's ending unobligated actual fund balance for the General Fund was \$254,279 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$22,585,005 invested in land, construction in progress, buildings and improvements, and equipment. Table 4 shows fiscal year 2007 balances compared to fiscal year 2006:

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

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
Land	\$1,588,132	\$1,588,132
Construction in Progress	4,165,530	20,946
Buildings and Improvements	13,649,171	14,037,843
Equipment	<u>3,182,172</u>	<u>2,326,190</u>
Total Net Capital Assets	<u><u>\$22,585,005</u></u>	<u><u>\$17,973,111</u></u>

The District continues its ongoing commitment to maintaining and improving its capital assets.

See note 6 to the basic financial statements for further details on the District's capital assets.

Debt

At fiscal year end, the District had \$74,963,759 in bonds and capital leases payable, \$3,223,495 due within one year. Table 5 summarizes bonds and capital leases outstanding at year end.

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2007	2006
Governmental Activities:		
Energy Conservation Notes	\$206,250	\$275,000
2005 Refunded Bonds:		
Current Interest Bonds	11,280,000	12,115,000
Capital Appreciation Bonds	3,080,025	2,801,577
Premium on Bonds	718,442	798,269
2006 School Improvement:		
Current Interest Bonds	2,425,051	49,625,000
Capital Appreciation Bonds	6,755,756	6,624,938
Premium on Bonds	0	1,828,979
2007 Refunding:	45,035,001	0
Current Interest Bonds	0	0
Capital Appreciation Bonds	2,216,277	0
Premium on Bonds	3,389,451	0
Deferred Amount	(1,877,730)	0
Total General Obligation Bonds	<u>73,228,523</u>	<u>74,068,763</u>
Capital Leases Payable:		
2006 Ground Lease	1,121,390	1,370,000
2006 Equipment Lease	<u>613,846</u>	<u>750,000</u>
Total Bonds, Notes, and Capital Leases	<u>\$74,963,759</u>	<u>\$76,188,763</u>

See note 8 to the basic financial statements for further details on the District's long-term obligations.

For the Future

Externally, the Ohio Supreme Court found the State of Ohio in March 1997, to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable." Since 1997, the State has directed its tax revenue growth toward school districts with little property tax wealth. In May of 2000, the Ohio Supreme Court again ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes which are inherently not "equitable" nor "adequate". The Court directed the Governor and the legislature to address the fundamental issues creating the inequities. In 2001, the Ohio legislature crafted a school-funding program to address the Court's concerns.

In June of 2005, the State legislature passed House Bill 66. House Bill 66 phases out the tax on tangible personal property of general business, telephone, and telecommunications companies, and railroads. The tax on general business and railroad property began being phased out in 2006 and will be eliminated by 2009. The tax on telephone and telecommunication property will begin being phased out in 2009 and will be eliminated by 2011. The tax is being phased out by reducing the assessment rate on the property each year. In the first five years, school districts are being reimbursed fully for the lost revenue; in the following seven years, the reimbursements are phased out.

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

With no increase in state funding projected, the District must increase revenues with an operating levy to the community in the near future. Financially, the future of the District is not without challenges. Management must diligently plan future expenditures.

All of the District's financial abilities will be needed to meet the challenges of the future. With careful planning and monitoring of the District's finances, the District's management is confident that the District can continue to provide a quality education for our students and provide a secure financial future.

Contacting the District's Financial Management

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

Little Miami Local School District
Statement of Net Assets
June 30, 2007

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Investments	\$60,155,832
Restricted Cash and Investments	349,889
Receivables:	
Taxes	21,950,146
Accounts	21,431
Intergovernmental	124,355
Deferred Bond Issuance Costs	550,271
Inventory	6,267
Nondepreciable Capital Assets	5,753,662
Depreciable Capital Assets, Net	<u>16,831,343</u>
 Total Assets	 <u>105,743,196</u>
 Liabilities:	
Accounts Payable	244,349
Accrued Wages and Benefits	3,267,208
Accrued Interest Payable	262,275
Unearned Revenue	18,040,078
Contracts Payable	461,058
Bond Anticipation Notes Payable	6,250,000
Long-Term Liabilities:	
Due Within One Year	3,459,768
Due In More Than One Year	<u>73,045,766</u>
 Total Liabilities	 <u>105,030,502</u>
 Net Assets:	
Invested in Capital Assets, Net of Related Debt	1,399,522
Restricted for:	
Special Revenue	225,182
Debt Service	3,381,858
Set-Aside	331,889
Smith Trust Nonexpendable	18,000
Smith Trust Expendable	3,818
Unrestricted	<u>(4,647,575)</u>
 Total Net Assets	 <u><u>\$712,694</u></u>

See accompanying notes to the basic financial statements.

Little Miami Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2007

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$13,617,919	\$53,279	\$77,116	\$45,760	(\$13,441,764)
Special	2,823,914	0	606,621	0	(2,217,293)
Vocational	3,458	0	11,922	0	8,464
Other	811,924	0	0	0	(811,924)
Support Services:					
Pupil	1,388,588	0	285,278	0	(1,103,310)
Instructional Staff	1,408,410	0	644,737	0	(763,673)
General Administration	37,589	0	0	0	(37,589)
School Administration	2,366,571	0	27,365	0	(2,339,206)
Fiscal	724,189	0	0	0	(724,189)
Business	183,907	0	0	0	(183,907)
Operations and Maintenance	2,766,276	5,863	27,078	0	(2,733,335)
Pupil Transportation	2,931,447	0	58,310	36,288	(2,836,849)
Central	1,401,384	0	12,818	0	(1,388,566)
Operation of Non-Instructional Services	1,482,976	1,114,702	205,440	0	(162,834)
Extracurricular Activities	987,357	477,385	0	0	(509,972)
Interest and Fiscal Charges	2,628,957	0	0	0	(2,628,957)
Total Governmental Activities	<u>\$35,564,866</u>	<u>\$1,651,229</u>	<u>\$1,956,685</u>	<u>\$82,048</u>	<u>(31,874,904)</u>

General Revenues:

Property Taxes Levied for:

General Purposes	16,839,680
Debt Service Purposes	2,886,432
Capital Projects Purposes	1,155,361
Grants and Entitlements not Restricted to Specific Programs	10,124,545
Unrestricted Payment in Lieu of Taxes	19,096
Unrestricted Contributions	5,000
Investment Earnings	2,164,835
Other Revenues	143,834

Total General Revenues 33,338,783

Change in Net Assets 1,463,879

Net Assets Beginning of Year (751,185)

Net Assets End of Year \$712,694

See accompanying notes to the basic financial statements.

Little Miami Local School District
Balance Sheet
Governmental Funds
June 30, 2007

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$693,779	\$2,793,519	\$56,136,425	\$532,109	\$60,155,832
Restricted Cash and Investments	331,889	0	0	18,000	349,889
Receivables:					
Taxes	15,408,122	4,427,459	0	2,114,565	21,950,146
Accounts	6,719	0	0	14,712	21,431
Intergovernmental	0	0	0	124,355	124,355
Interfund	147,316	0	0	0	147,316
Inventory	0	0	0	6,267	6,267
Total Assets	16,587,825	7,220,978	56,136,425	2,810,008	82,755,236
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	1,024	0	191,114	52,211	244,349
Accrued Wages and Benefits	3,090,992	0	0	176,216	3,267,208
Compensated Absences	155,436	0	0	0	155,436
Accrued Interest Payable	0	0	19,531	0	19,531
Interfund Payable	0	0	13,691	133,625	147,316
Deferred Revenue	12,261,576	4,274,673	0	2,042,957	18,579,206
Contracts Payable	0	0	461,058	0	461,058
Bond Anticipation Notes Payable	0	0	6,250,000	0	6,250,000
Total Liabilities	15,509,028	4,274,673	6,935,394	2,405,009	29,124,104
Fund Balances:					
Reserved for Encumbrances	79,303	0	5,959,037	126,870	6,165,210
Reserved for Inventory	0	0	0	6,267	6,267
Reserved for Property Tax Advances	3,146,546	152,786	0	73,570	3,372,902
Reserved for Set-Aside	331,889	0	0	0	331,889
Reserved for Smith Trust	0	0	0	18,000	18,000
Unreserved, Undesignated, Reported in:					
General Fund	(2,478,941)	0	0	0	(2,478,941)
Special Revenue Funds	0	0	0	245,040	245,040
Debt Service Funds	0	2,793,519	0	0	2,793,519
Capital Projects Funds	0	0	43,241,994	(68,566)	43,173,428
Permanent Fund	0	0	0	3,818	3,818
Total Fund Balances	1,078,797	2,946,305	49,201,031	404,999	53,631,132
Total Liabilities and Fund Balances	\$16,587,825	\$7,220,978	\$56,136,425	\$2,810,008	\$82,755,236

See accompanying notes to the basic financial statements.

Little Miami Local School District
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 June 30, 2007

Total Governmental Fund Balance \$53,631,132

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

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds. 22,585,005

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

Delinquent Property Taxes	537,166	
Intergovernmental	<u>1,962</u>	
		539,128

In the statement of net assets interest payable is accrued when
 incurred, whereas in the governmental funds interest is
 reported as a liability only when it will require the use of
 current financial resources. (242,744)

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

Compensated Absences	<u>(1,386,339)</u>	
		(1,386,339)

Deferred bond issuance cost associated with long-term liabilities
 are not reported in the funds. 550,271

Long-term liabilities, are not due and payable in the current
 period and therefore are not reported in the funds. (74,963,759)

Net Assets of Governmental Activities \$712,694

See accompanying notes to the basic financial statements.

Little Miami Local School District
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2007

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$16,683,416	\$2,812,783	\$0	\$1,111,753	\$20,607,952
Tuition and Fees	54,409	0	0	0	54,409
Investment Earnings	2,124,861	0	38,814	1,160	2,164,835
Intergovernmental	10,324,916	336,138	0	1,483,518	12,144,572
Extracurricular Activities	69,216	0	0	407,039	476,255
Charges for Services	0	0	0	1,114,702	1,114,702
Other Revenues	78,955	0	0	107,363	186,318
Total Revenues	29,335,773	3,148,921	38,814	4,225,535	36,749,043
Expenditures:					
Current:					
Instruction:					
Regular	12,644,029	0	0	513,557	13,157,586
Special	2,454,619	0	0	360,529	2,815,148
Vocational	3,458	0	0	0	3,458
Other	811,924	0	0	0	811,924
Support Services:					
Pupil	1,099,467	0	0	283,424	1,382,891
Instructional Staff	1,100,443	0	0	301,452	1,401,895
General Administration	37,589	0	0	0	37,589
School Administration	2,314,645	5,791	0	30,007	2,350,443
Fiscal	668,531	39,163	0	15,007	722,701
Business	177,924	0	0	0	177,924
Operations and Maintenance	2,306,167	0	0	440,294	2,746,461
Pupil Transportation	2,330,665	0	1,093,604	362,709	3,786,978
Central	209,681	0	625,443	561,948	1,397,072
Operation of Non-Instructional Services	0	0	0	1,460,834	1,460,834
Extracurricular Activities	462,076	0	0	481,259	943,335
Capital Outlay	0	0	4,205,238	84,368	4,289,606
Debt Service:					
Principal Retirement	68,750	835,000	384,764	0	1,288,514
Interest and Fiscal Charges	66,535	1,990,008	118,164	0	2,174,707
Total Expenditures	26,756,503	2,869,962	6,427,213	4,895,388	40,949,066
Excess of Revenues Over (Under) Expenditures	2,579,270	278,959	(6,388,399)	(669,853)	(4,200,023)
Other Financing Sources (Uses):					
Refunding Bond Issuance Cost	0	(403,082)	0	0	(403,082)
Proceeds from Sale of Assets	14,139	0	0	0	14,139
Payments to Refunded Bond Escrow Agent	0	(50,247,945)	0	0	(50,247,945)
Sale of Refunding Bonds	0	47,199,949	0	0	47,199,949
Premium on Sale of Refunded Bonds	0	3,451,078	0	0	3,451,078
Transfers In	0	0	0	98,315	98,315
Transfers (Out)	(98,315)	0	0	0	(98,315)
Total Other Financing Sources (Uses)	(84,176)	0	0	98,315	14,139
Net Change in Fund Balance	2,495,094	278,959	(6,388,399)	(571,538)	(4,185,884)
Fund Balance Beginning of Year	(1,416,297)	2,667,346	55,589,430	976,537	57,817,016
Fund Balance End of Year	\$1,078,797	\$2,946,305	\$49,201,031	\$404,999	\$53,631,132

See accompanying notes to the basic financial statements.

Little Miami Local School District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2007

Net Change in Fund Balance - Total Governmental Funds (\$4,185,884)

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

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

Capital assets used in governmental activities	5,488,883	
Depreciation Expense	<u>(876,989)</u>	4,611,894

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

Delinquent Property Taxes	273,521	
Intergovernmental	<u>(7,958)</u>	265,563

In the statement of activities, certain costs and proceeds associated with long-term debt obligations issued during the year are accrued and amortized over the life of the debt obligation. In governmental funds these costs and proceeds are recognized as financing sources and uses.

Bond Issuance Costs	403,082	
Premium on Bonds Issued	(3,451,078)	
Deferred Amount on Refunding	<u>3,047,996</u>	0

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,288,514

Interest expense in the statement of activities differs from the amount reported in governmental funds for two reasons. Additional accrued interest was calculated for bonds and notes payable, and the difference arising from the advance refunding due to premium and bond issuance costs.

Accrued Interest	(76,616)	(76,616)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(61,958)	
Amortization of Bond Issuance Cost	(24,352)	
Amortization of Bond Premium	141,454	
Amortization of Deferred Charge on Refunding	(34,141)	
Bond Accretion	<u>(460,595)</u>	<u>(439,592)</u>

Change in Net Assets of Governmental Activities \$1,463,879

See accompanying notes to the basic financial statements.

Little Miami Local School District
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
June 30, 2007

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	\$115,093
Receivables:	
Accounts	<u>130</u>
Total Assets	<u><u>\$115,223</u></u>
Liabilities:	
Accounts Payable	8,614
Other Liabilities	<u>106,609</u>
Total Liabilities	<u><u>\$115,223</u></u>

See accompanying notes to the basic financial statements.

**LITTLE MIAMI LOCAL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2007**

1. DESCRIPTION OF THE DISTRICT

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

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

REPORTING ENTITY

In accordance with Governmental Accounting Standards Board [GASB] Statement 14, the financial reporting entity consists of a primary government. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

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

The District is associated with three jointly governed organizations. These organizations include the Southwest Ohio Computer Association, Warren County Vocational School and the Jewell Education Foundation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

MEASUREMENT FOCUS

Government-wide Financial Statements

The District’s basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements which provide a more detailed level of financial information.

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

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

Fund Financial Statements

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

Fiduciary Funds are reported using the accrual basis of accounting.

FUND ACCOUNTING

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

Governmental Funds

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

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

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

Building Fund – The building fund is used to account for receipts and expenditures related to the acquisition and construction of capital facilities including real property. Debt proceeds related to this activity are recorded in this fund, except premium or accrued interest.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District maintains two fiduciary (agency) funds, known as the Student Managed Activity Fund and District Agency Fund. The Student Managed Activity Fund was established to account for assets and liabilities generated by student managed activities and the District Agency Fund was established to account for assets and liabilities generated by the district agency activities.

BASIS OF ACCOUNTING

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

Revenues – Exchange and Non-exchange Transactions

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

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

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

Deferred Revenue

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

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

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

Unearned Revenue

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

Expenses/Expenditures

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

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

EQUITY IN POOLED CASH AND INVESTMENTS

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as “Equity in Pooled Cash and Investments” on the financial statements.

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

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2007. STAR Ohio is an investment pool managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule2A7 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, 2007.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2007 amounted to \$2,164,835. Interest revenue credited to the General Fund during fiscal year 2007 amounted to \$2,124,861.

INVENTORY

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

CAPITAL ASSETS

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of two thousand five hundred dollars (\$2,500). The District does not possess any infrastructure. Improvements that add to the value of an asset or materially extend an asset’s life 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.

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

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

RESTRICTED ASSETS

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other government or imposed by enabling legislation. Restricted assets include the amount required by state statute to be set aside to create a reserve for textbooks and instructional material and the nonexpendable amount relating to the Smith Trust in the permanent fund.

COMPENSATED ABSENCES

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences.” Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time, when earned, for all employees with more than one year of service.

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

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount due to the employee at year end. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. Compensated absences are reported in governmental funds only if they have matured.

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

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month for a total of 15 days of sick leave for each year under contract. Sick leave may be accumulated up to a maximum of 220 days for teachers and administrators, and 220 days for classified personnel. Upon retirement, payment is made for one-fourth of their accrued, but unused sick leave credit to a maximum of 55 days for teachers and administrators. Classified personnel, upon retirement, are paid for one-fourth of accrued, but unused sick leave credit to a maximum of 55 days.

NET ASSETS

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the District’s restricted net assets of \$331,889, none was restricted by enabling legislation.

FUND BALANCE RESERVES AND DESIGNATIONS

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for textbooks represents money required to be set-aside by statute as part of mandated spending requirements for maintaining and updating the District.

INTERFUND ACTIVITY

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Interfund transactions within governmental activities are eliminated in the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

INTERFUND ASSETS/LIABILITIES

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

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.

3. EQUITY IN POOLED CASH AND INVESTMENTS

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

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

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

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but not limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by federal depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2007, \$4,046,220 of the District's bank balance of \$4,266,863 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

Investments

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighed Average Maturity (Years)</u>
STAR Ohio	\$1,207,293	0.11
Federal Home Loan Bank	24,795,427	0.98
Federal Home Loan Mortgage	16,546,014	0.79
Federal National Mortgage Association	13,190,228	0.88
Federal Farm Credit Bank	<u>978,352</u>	0.97
Total Fair Value	<u>\$56,717,314</u>	
Portfolio Weighted Average Maturity		0.88

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

Credit Risk – It is the District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The District's investments in Federal Home Loan Bank, Federal Home Loan Mortgage, Federal National Mortgage Association, and Federal Farm Credit Bank were rated AAA by Standard & Poor's and Fitch Ratings and Aaa by Moody's Investors Service. Investments in STAR Ohio were rated AAAM by Standard& Poor's.

Concentration of credit risk – The District’s investment policy allows investments in Federal Agencies or Instrumentalities. 2% of investments at June 30, 2007 were in STAROhio, 44% in Federal Loan Bank, 29% in Federal Home Loan Mortgage, 23% in Federal National Mortgage Association, and 2% in Federal Farm Credit Bank. .

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

4. PROPERTY TAXES

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

Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 25 percent of true value (as defined). In 2007, each business was eligible to receive a \$10,000 exemption in assessed value which was reimbursed by the State.

The tangible personal property tax will phase out over a four-year period starting with tax year 2006 and ending with no tax due in 2009. This phase-out applies to most business and includes furniture and fixtures, machinery and equipment and inventory. New manufacturing machinery and equipment first reportable on the 2006 and subsequent year returns is not subject to the personal property tax.

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

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2007 and for which there is an enforceable legal claim. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2007. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2007, was \$3,146,546 for General Fund, \$152,786 for Debt Service and \$73,570 for Capital Projects, and is recognized as revenue, with a corresponding reserve to fund balance since the Board did not appropriate these receivables for fiscal year 2007 operations.

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

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

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$729,574,040
Public Utility	17,695,790
Tangible Personal Property	<u>12,468,212</u>
Total Assessed Value	<u>\$759,738,042</u>

5. RECEIVABLES

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

6. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,588,132	\$0	\$0	\$1,588,132
Construction in Progress	20,946	4,144,584	0	4,165,530
Total Capital Assets, not being depreciated	1,609,078	4,144,584	0	5,753,662
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	19,383,897	55,625	0	19,439,522
Equipment	6,160,206	1,288,674	0	7,448,880
<i>Total Capital Assets, being depreciated:</i>	25,544,103	1,344,299	0	26,888,402
Totals at Historical Cost	27,153,181	5,488,883	0	32,642,064
Less Accumulated Depreciation:				
Buildings and Improvements	(5,346,054)	(444,297)	0	(5,790,351)
Equipment	(3,834,016)	(432,692)	0	(4,266,708)
Total Accumulated Depreciation	(9,180,070)	(876,989)	0	(10,057,059)
Governmental Activities Capital Assets, Net	\$17,973,111	\$4,611,894	\$0	\$22,585,005

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$530,553
Support Services:	
Pupil	706
Instructional Staff	2,011
School Administration	4,684
Fiscal	0
Business	5,983
Operations and Maintenance	22,475
Pupil Transportation	250,730
Central	768
Operation of Non-Instructional Services	15,617
Extracurricular Activities	43,462
Total Depreciation Expense	\$876,989

7. SHORT-TERM LIABILITIES

In January 2007, the District issued \$1,500,000 and \$1,000,000 in notes in anticipation of tax revenues. The notes had an interest rate of 3.80% and 4.3% respectively, with an original maturity date of June 30, 2007.

	Rate	Beginning Balance	Issued	Retired	Ending Balance
Tax Anticipaiton Note	3.80%	\$0	\$1,500,000	(\$1,500,000)	\$0
Tax Anticipaiton Note	4.30%	0	1,000,000	(1,000,000)	0
Bond Anticipaiton Note	3.75%	0	6,250,000	0	6,250,000
Total Anticipaiton Notes		<u>\$0</u>	<u>\$8,750,000</u>	<u>(\$2,500,000)</u>	<u>\$6,250,000</u>

The District also issued \$6,250,000 in notes in anticipation of bond revenues. The notes had an interest rate of 3.75% with an original maturity date of June 5, 2008.

8. LONG-TERM LIABILITIES

	Rate	Beginning Balance	Issued	Retired	Ending Balance	Due in One Year
Governmental Activities:						
Energy Conservation Notes	4.85%	\$275,000	\$0	(\$68,750)	\$206,250	\$68,750
2005 Refunded Bonds:						
Current Interest Bonds	3.50%	12,115,000	0	(835,000)	11,280,000	1,100,000
Capital Appreciation Bonds						
Principal		2,724,968	0	0	2,724,968	0
Accreted Interest		76,609	278,448	0	355,057	0
Premium on Bonds		798,269	0	(79,827)	718,442	0
2006 School Improvement:						
Current Interest Bonds	5.14%	49,625,000	0	(47,199,949)	2,425,051	725,000
Capital Appreciation Bonds						
Principal		6,624,938	0	0	6,624,938	0
Accreted Interest		0	130,818	0	130,818	0
Premium on Bonds		1,828,979	0	(1,828,979)	0	0
2007 Refunding:						
Current Interest Bonds	4.64%	0	45,035,001	0	45,035,001	925,000
Capital Appreciation Bonds						
Principal		0	2,164,948	0	2,164,948	0
Accreted Interest		0	51,329	0	51,329	0
Premium on Bonds		0	3,451,078	(61,627)	3,389,451	0
Deferred Amount		0	(1,911,871)	34,141	(1,877,730)	0
Total General Obligation Bonds & Notes		<u>74,068,763</u>	<u>49,199,751</u>	<u>(50,039,991)</u>	<u>73,228,523</u>	<u>2,818,750</u>
Capital Lease:						
2006 Ground Lease	4.50%	1,370,000	0	(248,610)	1,121,390	261,995
2006 Equipment Lease	4.74%	750,000	0	(136,154)	613,846	142,750
Total Long Term Debt		<u>76,188,763</u>	<u>49,199,751</u>	<u>(50,424,755)</u>	<u>74,963,759</u>	<u>3,223,495</u>
Compensated Absences		<u>1,432,981</u>	<u>279,311</u>	<u>(170,517)</u>	<u>1,541,775</u>	<u>236,273</u>
Total Governmental Activities		<u>\$77,621,744</u>	<u>\$49,479,062</u>	<u>(\$50,595,272)</u>	<u>\$76,505,534</u>	<u>\$3,459,768</u>

Compensated absences will be paid from the General and Special Revenue Funds. Capital lease obligations will be paid from the Building Fund.

2007 Advanced Refunding of 2006 School Improvement Bonds

On February 27, 2007, the District issued \$50,826,447 in General Obligation bonds with an average interest rate of 4.64% of which \$47,199,949 was used to partially advance refund \$47,199,949 of outstanding 2006 School Improvement Bonds with an average interest rate of 5.14%. The net proceeds of \$50,247,945 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments on the 2006 School Improvement Bonds. As a result, \$47,199,949 of the 2006 School Improvement Bonds are considered to be defeased and the related liability for those bonds has been removed from the Statement of Net Assets.

The District advance refunded a portion of the 2006 School Improvement Bonds to reduce its total debt service payments by \$3,652,951 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,468,056.

The District had \$3,451,078 premium on the issuance of these refunding bonds will be amortized over the remaining life of the debt which has a final maturity date of December 1, 2034. The debt will be retired from the debt service fund. The refunding bonds are not subject to optional redemption prior to maturity. Of the \$47,199,949 issued, \$45,035,001 represents serial bonds and \$2,164,948 is capital appreciation bonds. The serial bonds mature at varying amounts through December 1, 2034. The capital appreciation bonds will mature in fiscal years 2022, 2023, 2024, and 2025. The final maturity amount of the bonds is \$10,810,000.

2005 Refunded Bonds

In June 2005, the District advance refunded \$15,759,968 in school improvement bonds that were originally for the purpose of new construction, improvements, renovations, and additions to school facilities, including the construction of a new high school, and providing equipment, furnishings and site improvements. The \$818,096 premium on the issuance of these refunding bonds will be amortized over the remaining life of the debt which has a final maturity date of December 1, 2015. The debt will be retired from the debt service fund.

The refunding bonds are not subject to optional redemption prior to maturity. Of the \$15,759,968 issued, \$13,035,000 represents serial bonds and \$2,724,968 is capital appreciation bonds. The serial bonds mature at varying amounts through December 1, 2014.

The capital appreciation bonds will mature in fiscal years 2015 and 2016. The final maturity amount of the bonds is \$5,100,000.

2006 School Improvement Bonds

In February 2007, the District partially refunded the 2006 School Improvement bonds, of the remaining \$9,049,989. The debt will be retired from the debt service fund.

The bonds are not subject to optional redemption prior to maturity. Of the \$9,049,989 issued, \$2,425,051 represents serial bonds and \$6,624,938 is capital appreciation bonds. The serial bonds mature at varying amounts through December 1, 2011.

The capital appreciation bonds will mature in fiscal years 2012 through 2020. The final maturity amount of the bonds is \$11,245,000.

Energy Conservation Notes

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

Prior Year Defeasance of Debt

As a result of the 2005 and 2006 advance refunding, the \$66,007,962 of the 1998 Series Bonds and 2006 School Improvement Bonds are considered defeased and the liability is therefore not included on the Statement of Net Assets. The remaining balance on the refunded general obligation bonds as of June 30, 2007 was \$63,649,409.

Principal and interest requirements for governmental activities to retire bonds and notes outstanding at June 30, 2007, are as follows:

Fiscal Year Ending June 30	Notes & Current Interest Bonds			Capital Appreciation		
	Principal	Interest	Total	Principal	Interest	Total
2008	\$2,818,750	\$1,981,440	\$4,800,190	\$0	\$0	\$0
2009	1,998,750	2,401,344	4,400,094	0	0	0
2010	2,333,750	2,326,859	4,660,609	0	0	0
2011	3,120,000	2,235,050	5,355,050	0	0	0
2012	1,985,051	2,127,175	4,112,226	0	0	0
2013-2017	7,055,000	9,526,600	16,581,600	5,458,505	3,791,495	9,250,000
2018-2022	2,290,000	6,954,700	9,244,700	4,491,426	5,193,574	9,685,000
2023-2027	6,195,000	3,225,825	9,420,825	1,564,923	6,655,077	8,220,000
2028-2022	19,505,000	5,375,700	24,880,700	0	0	0
2033-2035	11,645,001	914,850	12,559,851	0	0	0
Total	<u>\$58,946,302</u>	<u>\$37,069,543</u>	<u>\$96,015,845</u>	<u>\$11,514,854</u>	<u>\$15,640,146</u>	<u>\$27,155,000</u>

9. LEASES

CAPITAL LEASES

The District has entered into capitalized leases for the acquisition of land and equipment. The terms of each agreement provide options to purchase the equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

Capital assets acquired by lease in the current year has been capitalized on the statement of net assets in the amount of \$1,735,236 which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net assets.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of fiscal year end.

Fiscal Year <u>Ending June 30,</u>	Long-Term <u>Debt</u>
2008	\$485,297
2009	485,297
2010	485,297
2011	<u>485,297</u>
Total Minimum Lease Payments	1,941,188
Less: Amount Representing Interest	<u>(205,952)</u>
Present Value of Minimum Lease Payments	<u>\$1,735,236</u>

Capital assets acquired under capital leases in accordance with Statement of Financial Accounting Standards No. 13 are as follows:

Land	\$1,370,000
Equipment	750,000

10. PENSION PLANS

SCHOOL EMPLOYEES RETIREMENT SYSTEM

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

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. The current School District rate is 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The District's contributions to SERS for the years ending June 30, 2007, 2006, and 2005, were \$631,680, \$616,836, and \$535,224 respectively; 33% has been contributed for fiscal year 2007 and 100% for fiscal years 2006 and 2005.

STATE TEACHERS RETIREMENT SYSTEM

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090.

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

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

For the fiscal year ended June 30, 2006, plan members were required to contribute 10% of their annual covered salaries. The School District was required to contribute 14%; 13% was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for members and employer contributions.

The District's required contributions for pension obligations for the fiscal years ended June 30, 2007, 2006, and 2005 were \$1,877,220, \$1,650,792, and \$2,051,916, respectively; 83% has been contributed for fiscal year 2007 and 100% for fiscal years 2006 and 2005.

11. POST EMPLOYMENT BENEFITS

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

STRS retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. The STRS Board currently allocates employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$134,087 for fiscal year 2007.

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

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2007, employer contributions to fund health care benefits were 3.42 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2007, the minimum pay was established at \$35,800. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2007 fiscal year, School District paid \$154,310 to fund health care benefits, including the surcharge.

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

12. CONTINGENT LIABILITIES

GRANTS

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

LITIGATION

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

13. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2007, the District contracted with Indiana Insurance, Inc. for property insurance. Professional liability was protected by Selective Insurance Company of South Carolina with a \$3,000,000 aggregate limit under a commercial policy.

The District's vehicles are also covered by Indiana Insurance Inc. and hold a \$1,000 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability. Vehicles are also covered under the commercial umbrella policy. The Travelers Casualty and Surety Company of America maintains both a \$250,000 public official bond for the Treasurer and a \$20,000 blanket bond for other employees. The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

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

14. FUND BALANCE RESERVES FOR SET-ASIDES

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

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set-aside Reserve Balance as of June 30, 2006	\$36,496	\$0
Current Year Set-aside Requirement	517,213	517,213
Qualified Disbursements	(221,820)	(125,964)
Current Year Offsets	<u>0</u>	<u>(391,249)</u>
Set-Aside Reserve Balance as of June 30, 2007	<u>\$331,889</u>	<u>\$0</u>
Restricted Cash as of June 30, 2007	<u>\$331,889</u>	<u>\$0</u>
Carry Forward to FY2008	<u>\$331,889</u>	<u>\$0</u>

15. JOINTLY GOVERNED ORGANIZATIONS

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

The Warren County Vocational School, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from the participating district's elected board, which possesses its own budgeting and taxing authority. Accordingly, the Warren County Vocational School is not part of the District and its operations are not included as part of the reporting entity. The District did not have any financial obligations to the Warren County Vocational School during fiscal year 2007. Financial information can be obtained from Karen Royer, Treasurer, Warren County Vocational School, 3525 North State Route 48, Lebanon, Ohio 45036.

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

16. ACCOUNTABILITY AND COMPLIANCE

Accountability

The following funds had deficit fund balances at June 30, 2007:

Management Information System	\$844
Title VI-B	9,142
Title I	4,880
Improving Teacher Quality Funds	6,427

These deficits were created by the recognition of accrued liabilities.

Compliance

Ohio Revised Code Section 5705.36 requires the district to revise the Certificate of Estimated Resources as needed. The District did revise Estimated Resources throughout the year, but the final Certificate prepared in June 2007 was not approved by the Board or filed with the County Auditor. Final budget revenue is not to exceed actual revenues. The following funds had budgeted revenues exceeding actual revenues: Permanent Improvement Fund, \$317,870; Special Trust Fund, \$2,400; Public School Fund, \$17,537; District Managed Activities Fund, \$34,911; Title V, \$2,978; Improving Teacher Quality, \$94; and the Miscellaneous Federal Grant Fund, \$16.

Ohio Revised Code Section 5705.39 requires that appropriations should be limited by estimated resources. Upon review of appropriations and estimated resources, it was noted that appropriations exceeded estimated resources at the beginning of year in the following fund: General Fund, \$954,787; and at year-end in the following funds: Debt Service, \$18,907; Carl Perkins, \$2,700; and the Title I, \$7,665.

Ohio Revised Code Section 5705.41 (B) states that actual expenditures should be limited by appropriations plus prior year encumbrances. It was noted that expenditures exceeded appropriations in the following funds: General Fund, \$539,972; Food Service, \$119,100; Public School, \$88,914; District Managed Activities Fund \$34,035; Management Information System, \$3,593; Entry Year Programs, \$9,800; SchoolNet Professional Development, \$3,300; Ohio Reads, \$2,000; and Vocational Education Enhancement, \$17,000.

17. INTERFUND BALANCES/TRANSFERS

Interfund transactions at June 30, 2007, consisted of the following individual fund receivables and payables:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$147,316	\$0	\$0	\$98,315
Building Fund	0	13,691	0	0
Other Governmental Funds	<u>0</u>	<u>133,625</u>	<u>98,315</u>	<u>0</u>
	<u>\$147,316</u>	<u>\$147,316</u>	<u>\$98,315</u>	<u>\$98,315</u>

Interfund balances/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization; to segregate and to return money to the fund from which it was originally provided once a project is completed. All interfund payables are expected to be repaid during the next fiscal year.

18. SUBSEQUENT EVENTS

The Board of Education on August 22, 2007, approved a detailed estimate of cost of the portion of the Junior High project totaling \$21,292,252.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$12,953,767	\$13,744,922	\$14,126,716	\$381,794
Tuition and Fees	54,851	58,201	59,818	1,617
Investment Earnings	1,948,433	2,067,434	2,124,861	57,427
Intergovernmental	9,467,633	10,045,871	10,324,916	279,045
Extracurricular Activities	63,418	67,291	69,160	1,869
Other Revenues	73,081	77,544	79,698	2,154
Total Revenues	24,561,183	26,061,263	26,785,169	723,906
Expenditures:				
Current:				
Instruction:				
Regular	12,197,772	12,197,772	12,426,786	(229,014)
Special	2,453,531	2,453,531	2,499,596	(46,065)
Vocational	3,394	3,394	3,458	(64)
Other	796,961	796,961	811,924	(14,963)
Support Services:				
Pupil	1,071,895	1,071,895	1,092,020	(20,125)
Instructional Staff	1,058,303	1,058,303	1,078,173	(19,870)
General Administration	38,613	38,613	39,338	(725)
School Administration	2,250,751	2,250,751	2,293,009	(42,258)
Fiscal	652,460	652,460	664,710	(12,250)
Business	174,645	174,645	177,924	(3,279)
Operations and Maintenance	2,284,973	2,284,973	2,327,874	(42,901)
Pupil Transportation	2,326,300	2,326,300	2,369,976	(43,676)
Central	235,129	235,129	239,544	(4,415)
Extracurricular Activities	453,458	453,458	461,972	(8,514)
Debt Service:				
Principal Retirement	2,568,750	2,521,410	2,568,750	(47,340)
Interest and Fiscal Charges	17,969	65,309	66,535	(1,226)
Total Expenditures	28,584,904	28,584,904	29,121,589	(536,685)
Excess of Revenues Over (Under) Expenditures	(4,023,721)	(2,523,641)	(2,336,420)	187,221
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	12,965	13,757	14,139	382
Proceeds of Short-Term Notes	2,292,424	2,432,434	2,500,000	67,566
Advances In	81,318	86,284	88,681	2,397
Advances (Out)	(78,550)	(78,550)	(80,025)	(1,475)
Transfers (Out)	(96,503)	(96,503)	(98,315)	(1,812)
Total Other Financing Sources (Uses)	2,211,654	2,357,422	2,424,480	67,058
Net Change in Fund Balance	(1,812,067)	(166,219)	88,060	254,279
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	857,280	857,280	857,280	0
Fund Balance End of Year	(\$954,787)	\$691,061	\$945,340	\$254,279

See accompanying notes to the required supplementary information.

LITTLE MIAMI LOCAL SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For The Fiscal Year Ended June 30, 2007

1. BUDGETARY PROCESS

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2007.

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

While the District is reporting financial position, results of operations and changes in fund balance 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 Balance - Budget (Non-GAAP Basis) and Actual presented for the general fund 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 as follows:

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

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

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$2,495,094
Net Adjustment for Revenue Accruals	38,077
Net Adjustment for Expenditure Accruals	(2,364,784)
Encumbrances	<u>(80,327)</u>
Budget Basis	<u><u>\$88,060</u></u>

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

DESCRIPTION OF FUNDS

NONMAJOR GOVERNMENTAL FUNDS

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

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

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

DISTRICT MANAGED ACTIVITIES: To account for those student activity programs that have student participation in the activity, but do not have student management of the programs.

MANAGEMENT INFORMATION SYSTEM: To account for hardware and software development, or other costs associated with the requirements of the management information system.

ENTRY YEAR PROGRAMS: To implement entry-year programs pursuant to division (T) of section 3317.024 of the Revised Code.

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

OHIO READS: To account for state funds, which are designated reading. The Ohio Reads Program is intended to improve reading outcomes, especially on the fourth grade reading proficiency test.

VOCATIONAL EDUCATION ENHANCEMENT: To account for Vocational Education Enhancements that: 1) expand the number of students enrolled in tech prep programs, 2) enable students to develop career plans, and 3) replace or update equipment essential for the instruction of students in vocational education programs.

CORE IMPLEMENTATION GRANT FY07: To account for funds, which are used for the core implementation grant.

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

CAREER TECH GRANT: To account for federal grants used to present various career opportunities to students.

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

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

DRUG-FREE GRANT: To account for federal funds used for establishment, operation and improvement of programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

IDEA PRESCHOOL GRANT: To account for federal funds received to provide programs to handicapped preschool children.

E-RATE GRANT: To account for funds to be used for telecommunications.

IMPROVING TEACHER QUALITY: To account for state funds provided for staff development programs.

MISCELLANEOUS FEDERAL GRANTS: To account for the proceeds of specific federal grants that are legally restricted to expenditures for specific purposes.

FOOD SERVICES: To account for the financial transaction related to food service operation. It accounts for all food service charges for services, state and federal grants specific to the fund service activity, as well as related food service expenditures.

UNIFORM SCHOOL SUPPLIES: To account for the purchase and sale of school supplies as adopted by the Board of Education for use in the School District.

SPECIAL TRUST: To account for assets held by a school system in a trustee capacity or as an agent for individuals, private organizations, other governmental and/or other funds.

SPECIAL ENTERPRISES FUND: To account for financial transactions related to miscellaneous enterprise activity

DEBT SERVICE FUND: The Debt Service Fund is used to account for the accumulation of resources for the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment.

CAPITAL PROJECTS FUNDS: The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, and for major renovation projects including equipment purchases.

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

PERMANENT FUND (SMITH TRUST): The Permanent Fund is used to account for the financial resources that are restricted. Only the income earned can be used for specific purposes.

Little Miami Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$370,936	\$157,355	\$3,818	\$532,109
Restricted Cash and Investments	0	0	18,000	18,000
Receivables:				
Taxes	0	2,114,565	0	2,114,565
Accounts	13,212	1,500	0	14,712
Intergovernmental	124,355	0	0	124,355
Inventory	6,267	0	0	6,267
Total Assets	514,770	2,273,420	21,818	2,810,008
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	5,912	46,299	0	52,211
Accrued Wages and Benefits	141,367	34,849	0	176,216
Interfund Payable	80,025	53,600	0	133,625
Deferred Revenue	1,962	2,040,995	0	2,042,957
Total Liabilities	229,266	2,175,743	0	2,405,009
Fund Balances:				
Reserved for Encumbrances	34,197	92,673	0	126,870
Reserved for Inventory	6,267	0	0	6,267
Reserved for Property Tax Advances	0	73,570	0	73,570
Reserved for Smith Trust	0	0	18,000	18,000
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	245,040	0	0	245,040
Capital Projects Funds	0	(68,566)	0	(68,566)
Permanent Fund	0	0	3,818	3,818
Total Fund Balances	285,504	97,677	21,818	404,999
Total Liabilities and Fund Balances	\$514,770	\$2,273,420	\$21,818	\$2,810,008

Little Miami Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007

	Public School	Other Grants	District Managed Activities	Management Information System	Entry Year Programs
Assets:					
Equity in Pooled Cash and Investments	\$63,730	\$30,388	\$68,334	\$5,633	\$878
Receivables:					
Accounts	7,094	0	574	0	0
Intergovernmental	0	14,600	0	0	0
Inventory	0	0	0	0	0
Total Assets	70,824	44,988	68,908	5,633	878
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	3,516	352	1,787	0	0
Accrued Wages and Benefits	0	0	0	6,477	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
Total Liabilities	3,516	352	1,787	6,477	0
Fund Balances:					
Reserved for Encumbrances	18,339	84	4,887	0	628
Reserved for Inventory	0	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	48,969	44,552	62,234	(844)	250
Total Fund Balances	67,308	44,636	67,121	(844)	878
Total Liabilities and Fund Balances	\$70,824	\$44,988	\$68,908	\$5,633	\$878

SchoolNet Professional Development	Ohio Reads	Vocational Education Enhancement	Core Implementation Grant FY07	Title VI-B	Career Tech Grant	Title I
\$0	\$0	\$0	\$2,000	\$44,599	\$0	\$26,323
0	0	0	0	0	0	0
0	0	0	1,962	20,949	0	52,060
0	0	0	0	0	0	0
0	0	0	3,962	65,548	0	78,383
0	0	0	0	0	0	0
0	0	0	0	53,741	0	31,203
0	0	0	0	20,949	0	52,060
0	0	0	1,962	0	0	0
0	0	0	1,962	74,690	0	83,263
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	2,000	(9,142)	0	(4,880)
0	0	0	2,000	(9,142)	0	(4,880)
\$0	\$0	\$0	\$3,962	\$65,548	\$0	\$78,383

Continued

Little Miami Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007

	Title V	Drug-Free Grant	IDEA PreSchool Grant	E-Rate Grant	Improving Teacher Quality
Assets:					
Equity in Pooled Cash and Investments	\$0	\$0	\$0	\$43,672	\$12,922
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	0	0	0	0	4,936
Inventory	0	0	0	0	0
Total Assets	0	0	0	43,672	17,858
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	0	0	0	0	0
Accrued Wages and Benefits	0	0	0	0	19,349
Interfund Payable	0	0	0	0	4,936
Deferred Revenue	0	0	0	0	0
Total Liabilities	0	0	0	0	24,285
Fund Balances:					
Reserved for Encumbrances	0	0	0	0	0
Reserved for Inventory	0	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	0	0	0	43,672	(6,427)
Total Fund Balances	0	0	0	43,672	(6,427)
Total Liabilities and Fund Balances	\$0	\$0	\$0	\$43,672	\$17,858

Miscellaneous Federal Grants	Food Services	Uniform School Supplies	Special Trust	Special Enterprises Fund	Total Nonmajor Special Revenue Funds
\$0	\$25,256	\$36,153	\$1,595	\$9,453	\$370,936
0	2,719	0	0	2,825	13,212
0	29,848	0	0	0	124,355
0	6,267	0	0	0	6,267
0	64,090	36,153	1,595	12,278	514,770
0	0	257	0	0	5,912
0	30,597	0	0	0	141,367
0	0	2,080	0	0	80,025
0	0	0	0	0	1,962
0	30,597	2,337	0	0	229,266
0	9,524	735	0	0	34,197
0	6,267	0	0	0	6,267
0	17,702	33,081	1,595	12,278	245,040
0	33,493	33,816	1,595	12,278	285,504
\$0	\$64,090	\$36,153	\$1,595	\$12,278	\$514,770

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Little Miami Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$0	\$1,111,753	\$0	\$1,111,753
Investment Earnings	247	0	913	1,160
Intergovernmental	1,344,085	139,433	0	1,483,518
Extracurricular Activities	407,039	0	0	407,039
Charges for Services	1,114,702	0	0	1,114,702
Other Revenues	60,003	47,260	100	107,363
Total Revenues	2,926,076	1,298,446	1,013	4,225,535
Expenditures:				
Current:				
Instruction:				
Regular	14,526	499,031	0	513,557
Special	360,529	0	0	360,529
Support Services:				
Pupil	283,424	0	0	283,424
Instructional Staff	301,452	0	0	301,452
School Administration	27,349	2,658	0	30,007
Fiscal	0	15,007	0	15,007
Operations and Maintenance	0	440,294	0	440,294
Pupil Transportation	0	362,709	0	362,709
Central	102,561	459,387	0	561,948
Operation of Non-Instructional Services	1,460,834	0	0	1,460,834
Extracurricular Activities	481,259	0	0	481,259
Capital Outlay	0	84,368	0	84,368
Total Expenditures	3,031,934	1,863,454	0	4,895,388
Excess of Revenues Over (Under) Expenditures	(105,858)	(565,008)	1,013	(669,853)
Other Financing Sources (Uses):				
Transfers In	98,315	0	0	98,315
Total Other Financing Sources (Uses)	98,315	0	0	98,315
Net Change in Fund Balance	(7,543)	(565,008)	1,013	(571,538)
Fund Balance Beginning of Year	293,047	662,685	20,805	976,537
Fund Balance End of Year	\$285,504	\$97,677	\$21,818	\$404,999

Little Miami Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007

	Public School	Other Grants	District Managed Activities	Management Information System	Entry Year Programs
Revenues:					
Investment Earnings	\$0	\$0	\$0	\$0	\$0
Intergovernmental	0	42,708	0	11,993	10,050
Extracurricular Activities	239,519	0	167,520	0	0
Charges for Services	0	0	0	0	0
Other Revenues	155	0	293	0	0
Total Revenues	239,674	42,708	167,813	11,993	10,050
Expenditures:					
Current:					
Instruction:					
Regular	0	9,074	0	0	0
Special	0	0	0	0	0
Support Services:					
Pupil	0	8,424	0	0	0
Instructional Staff	0	0	0	0	9,172
School Administration	0	0	0	0	0
Central	0	216	0	102,345	0
Operation of Non-Instructional Services	0	0	0	0	0
Extracurricular Activities	265,271	0	215,988	0	0
Total Expenditures	265,271	17,714	215,988	102,345	9,172
Excess of Revenues Over (Under) Expenditures	(25,597)	24,994	(48,175)	(90,352)	878
Other Financing Sources (Uses):					
Transfers In	0	0	0	95,000	0
Total Other Financing Sources (Uses)	0	0	0	95,000	0
Net Change in Fund Balance	(25,597)	24,994	(48,175)	4,648	878
Fund Balance Beginning of Year	92,905	19,642	115,296	(5,492)	0
Fund Balance End of Year	\$67,308	\$44,636	\$67,121	(\$844)	\$878

SchoolNet Professional Development	Ohio Reads	Vocational Education Enhancement	Core Implementation Grant FY07	Title VI-B	Career Tech Grant	Title I
\$0	\$0	\$0	\$0	\$0	\$0	\$0
3,300	6,000	17,000	2,000	609,888	9,920	203,745
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
3,300	6,000	17,000	2,000	609,888	9,920	203,745
0	0	0	0	0	5,395	0
0	0	0	0	266,830	0	0
0	0	0	0	275,000	0	0
5,276	6,000	17,000	0	2,534	0	230,329
0	0	0	0	27,349	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	500
0	0	0	0	0	0	0
5,276	6,000	17,000	0	571,713	5,395	230,829
(1,976)	0	0	2,000	38,175	4,525	(27,084)
0	0	0	0	0	0	0
0	0	0	0	0	0	0
(1,976)	0	0	2,000	38,175	4,525	(27,084)
1,976	0	0	0	(47,317)	(4,525)	22,204
\$0	\$0	\$0	\$2,000	(\$9,142)	\$0	(\$4,880)

Continued

Little Miami Local School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007

	Title V	Drug-Free Grant	IDEA PreSchool Grant	E-Rate Grant	Improving Teacher Quality
Revenues:					
Investment Earnings	\$0	\$0	\$0	\$0	\$0
Intergovernmental	4,857	9,201	9,249	32,443	103,510
Extracurricular Activities	0	0	0	0	0
Charges for Services	0	0	0	0	0
Other Revenues	0	0	0	0	0
Total Revenues	4,857	9,201	9,249	32,443	103,510
Expenditures:					
Current:					
Instruction:					
Regular	0	0	0	0	0
Special	0	0	0	0	93,699
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	4,857	5,601	9,249	0	9,314
School Administration	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	3,600	0	0	0
Extracurricular Activities	0	0	0	0	0
Total Expenditures	4,857	9,201	9,249	0	103,013
Excess of Revenues Over (Under) Expenditures	0	0	0	32,443	497
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	0	0	0	32,443	497
Fund Balance Beginning of Year	0	0	0	11,229	(6,924)
Fund Balance End of Year	\$0	\$0	\$0	\$43,672	(\$6,427)

Miscellaneous Federal Grants	Food Services	Uniform School Supplies	Special Trust	Special Enterprises Fund	Total Nonmajor Special Revenue Funds
\$0	\$247	\$0	\$0	\$0	\$247
2,120	266,101	0	0	0	1,344,085
0	0	0	0	0	407,039
0	931,988	182,714	0	0	1,114,702
0	40,760	0	3,300	15,495	60,003
2,120	1,239,096	182,714	3,300	15,495	2,926,076
0	0	57	0	0	14,526
0	0	0	0	0	360,529
0	0	0	0	0	283,424
2,120	0	0	0	0	301,452
0	0	0	0	0	27,349
0	0	0	0	0	102,561
0	1,250,898	181,241	4,684	19,911	1,460,834
0	0	0	0	0	481,259
2,120	1,250,898	181,298	4,684	19,911	3,031,934
0	(11,802)	1,416	(1,384)	(4,416)	(105,858)
0	0	0	0	3,315	98,315
0	0	0	0	3,315	98,315
0	(11,802)	1,416	(1,384)	(1,101)	(7,543)
0	45,295	32,400	2,979	13,379	293,047
\$0	\$33,493	\$33,816	\$1,595	\$12,278	\$285,504

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

	Public School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$256,434	\$238,908	(\$17,526)
Other Revenues	166	155	(11)
Total Revenues	<u>256,600</u>	<u>239,063</u>	<u>(17,537)</u>
Expenditures:			
Current:			
Extracurricular Activities	195,052	283,966	(88,914)
Total Expenditures	<u>195,052</u>	<u>283,966</u>	<u>(88,914)</u>
Net Change in Fund Balance	61,548	(44,903)	(106,451)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>86,781</u>	<u>86,781</u>	<u>0</u>
Fund Balance End of Year	<u>\$148,329</u>	<u>\$41,878</u>	<u>(\$106,451)</u>

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

	Other Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$14,308	\$28,108	\$13,800
Total Revenues	14,308	28,108	13,800
Expenditures:			
Current:			
Instruction:			
Regular	11,544	9,655	1,889
Support Services:			
Pupil	10,116	8,461	1,655
Central	258	216	42
Total Expenditures	21,918	18,332	3,586
Net Change in Fund Balance	(7,610)	9,776	17,386
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	20,176	20,176	0
Fund Balance End of Year	\$12,566	\$29,952	\$17,386

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

	District Managed Activities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$201,796	\$166,946	(\$34,850)
Other Revenues	354	293	(61)
Total Revenues	<u>202,150</u>	<u>167,239</u>	<u>(34,911)</u>
Expenditures:			
Current:			
Extracurricular Activities	<u>188,052</u>	<u>222,087</u>	<u>(34,035)</u>
Total Expenditures	<u>188,052</u>	<u>222,087</u>	<u>(34,035)</u>
Net Change in Fund Balance	14,098	(54,848)	(68,946)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>116,506</u>	<u>116,506</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$130,604</u></u>	<u><u>\$61,658</u></u>	<u><u>(\$68,946)</u></u>

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

	Management Information System Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$10,963	\$11,993	\$1,030
Total Revenues	10,963	11,993	1,030
Expenditures:			
Current:			
Support Services:			
Central	98,684	102,277	(3,593)
Total Expenditures	98,684	102,277	(3,593)
Excess of Revenues Over (Under) Expenditures	(87,721)	(90,284)	(2,563)
Other financing sources (uses):			
Transfers In	86,837	95,000	8,163
Total Other Financing Sources (Uses)	86,837	95,000	8,163
Net Change in Fund Balance	(884)	4,716	5,600
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	919	919	0
Fund Balance End of Year	<u>\$35</u>	<u>\$5,635</u>	<u>\$5,600</u>

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

	Entry Year Programs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$10,050	\$10,050	\$0
Total Revenues	10,050	10,050	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	0	9,800	(9,800)
Total Expenditures	0	9,800	(9,800)
Net Change in Fund Balance	10,050	250	(9,800)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$10,050	\$250	(\$9,800)

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

	SchoolNet Professional Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$3,300	\$3,300	\$0
Total Revenues	3,300	3,300	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	1,976	5,276	(3,300)
Total Expenditures	1,976	5,276	(3,300)
Net Change in Fund Balance	1,324	(1,976)	(3,300)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,976	1,976	0
Fund Balance End of Year	\$3,300	\$0	(\$3,300)

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

	Ohio Reads Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$4,000	\$6,000	\$2,000
Total Revenues	4,000	6,000	2,000
Expenditures:			
Current:			
Support Services:			
Instructional Staff	4,000	6,000	(2,000)
Total Expenditures	4,000	6,000	(2,000)
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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

	Vocational Education Enhancement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$17,000	\$17,000	\$0
Total Revenues	17,000	17,000	0
Expenditures:			
Current:			
Instructional Staff	0	17,000	(17,000)
Total Expenditures	0	17,000	(17,000)
Net Change in Fund Balance	17,000	0	(17,000)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$17,000	\$0	(\$17,000)

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

	Core Implementation Grant FY07 Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,000	\$2,000	\$0
Total Revenues	2,000	2,000	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	2,000	2,000	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$2,000	\$2,000	\$0

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

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$619,550	\$619,550	\$0
Total Revenues	619,550	619,550	0
Expenditures:			
Current:			
Instruction:			
Special	227,949	213,089	14,860
Support Services:			
Pupil	294,178	275,000	19,178
Instructional Staff	100,024	93,503	6,521
School Administration	29,255	27,348	1,907
Total Expenditures	651,406	608,940	42,466
Excess of Revenues Over (Under) Expenditures	(31,856)	10,610	42,466
Other financing sources (uses):			
Advances In	20,949	20,949	0
Advances (Out)	(32,746)	(30,611)	2,135
Total Other Financing Sources (Uses)	(11,797)	(9,662)	2,135
Net Change in Fund Balance	(43,653)	948	44,601
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	43,653	43,653	0
Fund Balance End of Year	\$0	\$44,601	\$44,601

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

	Career Tech Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$9,920	\$9,920	\$0
Total Revenues	9,920	9,920	0
Expenditures:			
Current:			
Instruction:			
Regular	6,346	5,395	951
Total Expenditures	6,346	5,395	951
Excess of Revenues Over (Under) Expenditures	3,574	4,525	951
Other financing sources (uses):			
Advances (Out)	(11,669)	(9,920)	1,749
Total Other Financing Sources (Uses)	(11,669)	(9,920)	1,749
Net Change in Fund Balance	(8,095)	(5,395)	2,700
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,395	5,395	0
Fund Balance End of Year	(\$2,700)	\$0	\$2,700

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

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$170,342	\$174,348	\$4,006
Total Revenues	170,342	174,348	4,006
Expenditures:			
Current:			
Support Services:			
Instructional Staff	224,912	199,126	25,786
Operation of Non-Instructional Services	565	500	65
Total Expenditures	225,477	199,626	25,851
Excess of Revenues Over (Under) Expenditures	(55,135)	(25,278)	29,857
Other financing sources (uses):			
Advances In	50,863	52,059	1,196
Advances (Out)	(25,598)	(22,663)	2,935
Total Other Financing Sources (Uses)	25,265	29,396	4,131
Net Change in Fund Balance	(29,870)	4,118	33,988
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	22,205	22,205	0
Fund Balance End of Year	(\$7,665)	\$26,323	\$33,988

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

	Title V Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$9,520	\$6,542	(\$2,978)
Total Revenues	9,520	6,542	(2,978)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	6,542	4,857	1,685
Total Expenditures	6,542	4,857	1,685
Excess of Revenues Over (Under) Expenditures	2,978	1,685	(1,293)
Other financing sources (uses):			
Advances In	(2,452)	(1,685)	767
Total Other Financing Sources (Uses)	(2,452)	(1,685)	767
Net Change in Fund Balance	526	0	(526)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$526	\$0	(\$526)

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

	Drug-Free Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$9,677	\$9,677	\$0
Total Revenues	9,677	9,677	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	5,601	5,601	0
Operation of Non-Instructional Services	3,600	3,600	0
Total Expenditures	9,201	9,201	0
Excess of Revenues Over (Under) Expenditures	476	476	0
Other financing sources (uses):			
Advances (Out)	(476)	(476)	0
Total Other Financing Sources (Uses)	(476)	(476)	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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

	IDEA Preschool Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$9,249	\$9,249	\$0
Total Revenues	9,249	9,249	0
Expenditures:			
Support Services:			
Instructional Staff	9,249	9,249	0
Total Expenditures	9,249	9,249	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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

	E-Rate Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$32,443	\$32,443
Total Revenues	0	32,443	32,443
Expenditures:			
Current:			
Instruction:			
Regular	10,000	0	10,000
Total Expenditures	10,000	0	10,000
Net Change in Fund Balance	(10,000)	32,443	42,443
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,229	11,229	0
Fund Balance End of Year	<u>\$1,229</u>	<u>\$43,672</u>	<u>\$42,443</u>

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

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$121,989	\$121,899	(\$90)
Total Revenues	121,989	121,899	(90)
Expenditures:			
Current:			
Instruction:			
Special	102,734	93,097	9,637
Support Services:			
Instructional Staff	10,278	9,314	964
Total Expenditures	113,012	102,411	10,601
Excess of Revenues Over (Under) Expenditures	8,977	19,488	10,511
Other financing sources (uses):			
Advances In	4,940	4,936	(4)
Advances (Out)	(25,739)	(23,325)	2,414
Total Other Financing Sources (Uses)	(20,799)	(18,389)	2,410
Net Change in Fund Balance	(11,822)	1,099	12,921
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,822	11,822	0
Fund Balance End of Year	\$0	\$12,921	\$12,921

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

	Miscellaneous Federal Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,136	\$2,120	(\$16)
Total Revenues	2,136	2,120	(16)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	2,136	2,120	16
Total Expenditures	2,136	2,120	16
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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

	Food Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$219	\$247	\$28
Intergovernmental	209,904	236,253	26,349
Charges for Services	827,733	931,637	103,904
Other Revenues	33,844	38,092	4,248
Total Revenues	1,071,700	1,206,229	134,529
Expenditures:			
Current:			
Operation of Non-Instructional Services	1,119,561	1,238,661	(119,100)
Total Expenditures	1,119,561	1,238,661	(119,100)
Net Change in Fund Balance	(47,861)	(32,432)	15,429
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	47,863	47,863	0
Fund Balance End of Year	\$2	\$15,431	\$15,429

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

	Uniform School Supplies Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$181,499	\$182,713	\$1,214
Total Revenues	181,499	182,713	1,214
Expenditures:			
Current:			
Operation of Non-Instructional Services	183,272	182,233	1,039
Total Expenditures	183,272	182,233	1,039
Excess of Revenues Over (Under) Expenditures	(1,773)	480	2,253
Other financing sources (uses):			
Advances In	2,066	2,080	14
Total Other Financing Sources (Uses)	2,066	2,080	14
Net Change in Fund Balance	293	2,560	2,267
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	32,599	32,599	0
Fund Balance End of Year	<u>\$32,892</u>	<u>\$35,159</u>	<u>\$2,267</u>

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

	Special Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$5,700	\$3,300	(\$2,400)
Total Revenues	5,700	3,300	(2,400)
Expenditures:			
Current:			
Operation of Non-Instructional Services	5,166	4,684	482
Total Expenditures	5,166	4,684	482
Net Change in Fund Balance	534	(1,384)	(1,918)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,979	2,979	0
Fund Balance End of Year	<u>\$3,513</u>	<u>\$1,595</u>	<u>(\$1,918)</u>

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

	Special Enterprises Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$11,889	\$12,670	\$781
Total Revenues	11,889	12,670	781
Expenditures:			
Current:			
Operation of Non-Instructional Services	28,372	19,911	8,461
Total Expenditures	28,372	19,911	8,461
Excess of Revenues Over (Under) Expenditures	(16,483)	(7,241)	9,242
Other financing sources (uses):			
Transfers In	3,111	3,315	204
Total Other Financing Sources (Uses)	3,111	3,315	204
Net Change in Fund Balance	(13,372)	(3,926)	9,446
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,380	13,380	0
Fund Balance End of Year	\$8	\$9,454	\$9,446

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

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,405,943	\$2,708,149	\$1,302,206
Intergovernmental	174,507	336,138	161,631
Total Revenues	<u>1,580,450</u>	<u>3,044,287</u>	<u>1,463,837</u>
Expenditures:			
Current:			
Support Services:			
School Administration	8,512	5,791	2,721
Fiscal	57,566	39,163	18,403
Debt Service:			
Principal Retirement	1,227,365	835,000	392,365
Interest and Fiscal Charges	2,925,109	1,990,008	935,101
Total Expenditures	<u>4,218,552</u>	<u>2,869,962</u>	<u>1,348,590</u>
Net Change in Fund Balance	(2,638,102)	174,325	2,812,427
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>2,619,195</u>	<u>2,619,195</u>	<u>0</u>
Fund Balance End of Year	<u>(\$18,907)</u>	<u>\$2,793,520</u>	<u>\$2,812,427</u>

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

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$1,307,934	\$1,038,183	(\$269,751)
Intergovernmental	175,662	139,433	(36,229)
Other Revenues	57,650	45,760	(11,890)
Total Revenues	<u>1,541,246</u>	<u>1,223,376</u>	<u>(317,870)</u>
Expenditures:			
Current:			
Instruction:			
Regular	622,209	592,000	30,209
Support Services:			
School Administration	2,794	2,658	136
Fiscal	15,773	15,007	766
Business	2,841	2,703	138
Operations and Maintenance	466,754	444,093	22,661
Pupil Transportation	381,217	362,709	18,508
Central	458,230	435,983	22,247
Capital Outlay	88,673	84,368	4,305
Total Expenditures	<u>2,038,491</u>	<u>1,939,521</u>	<u>98,970</u>
Net Change in Fund Balance	(497,245)	(716,145)	(218,900)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>734,530</u>	<u>734,530</u>	<u>0</u>
Fund Balance End of Year	<u>\$237,285</u>	<u>\$18,385</u>	<u>(\$218,900)</u>

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

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$0	\$38,814	\$38,814
Total Revenues	0	38,814	38,814
Expenditures:			
Current:			
Support Services:			
Pupil Transportation	4,855,912	1,093,604	3,762,308
Central	6,686,481	1,505,868	5,180,613
Capital Outlay	39,175,697	8,822,792	30,352,905
Debt Service:			
Principal Retirement	384,764	384,764	0
Interest and Fiscal Charges	1,778,529	102,433	1,676,096
Total Expenditures	52,881,383	11,909,461	40,971,922
Excess of Revenues Over (Under) Expenditures	(52,881,383)	(11,870,647)	41,010,736
Other financing sources (uses):			
Proceeds of Short-Term Notes	0	6,250,000	6,250,000
Total Other Financing Sources (Uses)	0	6,250,000	6,250,000
Net Change in Fund Balance	(52,881,383)	(5,620,647)	47,260,736
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	55,603,122	55,603,122	0
Fund Balance End of Year	\$2,721,739	\$49,982,475	\$47,260,736

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

	Smith Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$766	\$913	\$147
Other Revenues	84	100	16
Total Revenues	850	1,013	163
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	850	1,013	163
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	20,806	20,806	0
Fund Balance End of Year	\$21,656	\$21,819	\$163

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DESCRIPTION OF FUNDS

NONMAJOR FUNDS

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

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

AGENCY FUND – DISTRICT AGENCY: To account for assets and liabilities generated by the District agency activities. The fund accounts for sales and other revenue generating activities by the District agency.

Little Miami Local School District
Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2007

	Student Managed Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$87,340	\$221,800	\$201,059	\$108,081
Receivables:				
Accounts	1,000	130	1,000	130
Total Assets	<u>88,340</u>	<u>221,930</u>	<u>202,059</u>	<u>108,211</u>
Liabilities:				
Accounts Payable	1,472	8,614	1,472	8,614
Other Liabilities	86,868	213,316	200,587	99,597
Total Liabilities	<u>\$88,340</u>	<u>\$221,930</u>	<u>\$202,059</u>	<u>\$108,211</u>
	District Agency			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$4,365	\$2,647	\$0	\$7,012
Total Assets	<u>4,365</u>	<u>2,647</u>	<u>0</u>	<u>7,012</u>
Liabilities:				
Other Liabilities	4,365	2,647	0	7,012
Total Liabilities	<u>\$4,365</u>	<u>\$2,647</u>	<u>\$0</u>	<u>\$7,012</u>
	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$91,705	\$224,447	\$201,059	\$115,093
Receivables:				
Accounts	1,000	130	1,000	130
Total Assets	<u>92,705</u>	<u>224,577</u>	<u>202,059</u>	<u>115,223</u>
Liabilities:				
Accounts Payable	1,472	8,614	1,472	8,614
Other Liabilities	91,233	215,963	200,587	106,609
Total Liabilities	<u>\$92,705</u>	<u>\$224,577</u>	<u>\$202,059</u>	<u>\$115,223</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

CONTENTS

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

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

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

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

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

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

Little Miami Local School District
 Net Assets by Component
 Last Five Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 1

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$1,277,044	\$795,236	\$191,020	\$592,319	\$1,399,522
Restricted	3,093,862	2,282,023	2,223,498	2,841,287	3,960,747
Unrestricted	4,788	(1,512,671)	(781,402)	(4,184,791)	(4,647,575)
Total Government Net Assets	<u>\$4,375,694</u>	<u>\$1,564,588</u>	<u>\$1,633,116</u>	<u>(\$751,185)</u>	<u>\$712,694</u>

Source: District Records

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

Little Miami Local School District
Expenses, Program Revenues and Net (Expense)/Revenue
Last Five Fiscal Years (1)
(accrual basis of accounting)
Schedule 2

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental Activities:					
Instruction	\$11,780,507	\$13,599,683	\$14,349,816	\$15,833,099	\$17,257,215
Pupil	899,948	1,158,455	1,145,688	1,232,600	1,388,588
Instructional Staff	746,716	1,142,780	1,136,140	1,582,484	1,408,410
General Administration	73,382	62,821	68,822	32,196	37,589
School Administration	1,652,114	1,878,415	2,107,196	2,210,188	2,366,571
Fiscal	496,759	629,455	636,128	663,479	724,189
Business	146,093	207,103	228,368	267,958	183,907
Operation and Maintenance	1,968,841	2,817,573	2,407,568	2,960,510	2,766,276
Pupil Transportation	1,546,957	2,253,641	1,932,505	2,370,086	2,931,447
Central	126,643	419,066	464,521	472,297	1,401,384
Operation of Non-Instructional Services	758,335	1,095,840	1,190,263	1,331,283	1,482,976
Extracurricular Activities	811,335	921,143	887,070	909,095	987,357
Interest and Fiscal Charges	1,067,788	843,087	1,685,420	654,223	2,628,957
Total Government Expenses	<u>22,075,418</u>	<u>27,029,062</u>	<u>28,239,505</u>	<u>30,519,498</u>	<u>35,564,866</u>
Program Revenues					
Governmental Activities:					
Charges for Services					
Instruction	25,730	33,929	30,834	6,449	53,279
Operation and Maintenance	0	13,980	10,735	13,770	5,863
Pupil Transportation	14,186	0	0	0	1,114,702
Operation of Non-Instructional Services	145,943	861,192	759,873	876,282	0
Food Service	652,423	0	0	0	0
Extracurricular Activities	436,744	457,096	668,695	697,253	477,385
Operating Grants and Contributions	916,264	1,067,550	1,277,137	1,250,619	1,956,685
Capital Grants and Contributions	0	95,474	106,397	87,645	82,048
Total Government Revenues	<u>2,191,290</u>	<u>2,529,221</u>	<u>2,853,671</u>	<u>2,932,018</u>	<u>3,689,962</u>
Net (Expense)/Revenue	<u>(\$19,884,128)</u>	<u>(\$24,499,841)</u>	<u>(\$25,385,834)</u>	<u>(\$27,587,480)</u>	<u>(\$31,874,904)</u>

Source: District Records

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

Little Miami Local School District
 General Revenues and Total Change in Net Assets
 Last Five Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 3

	Fiscal Year				
	2003	2004	2005	2006	2007
Net (Expense)/Revenue	(\$19,884,128)	(\$24,499,841)	(\$25,385,834)	(\$27,587,480)	(\$31,874,904)
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Property Taxes					
Property Taxes Levied for General Purposes	12,438,072	11,070,886	13,403,044	13,071,053	16,839,680
Property Taxes Levied for Debt Service Purposes	0	1,060,906	1,243,866	1,067,470	2,886,432
Property Taxes Levied for Capital Projects	0	396,709	328,061	153,097	1,155,361
Grants and Entitlements not Restricted to Specific Programs	8,884,773	9,303,972	10,050,141	10,234,854	10,124,545
Unrestricted Payment in Lieu of Taxes	58,759	42,981	38,199	65,033	19,096
Unrestricted Contributions	0	14,700	10,000	0	5,000
Investment Earnings	74,202	47,466	102,363	208,506	2,164,835
Refunds and Reimbursements	0	0	0	100,459	0
Other Revenues	242,221	75,031	278,689	302,707	143,834
Total Government	21,698,027	22,012,651	25,454,363	25,203,179	33,338,783
Change in Net Assets	\$1,813,899	(\$2,487,190)	\$68,529	(\$2,384,301)	\$1,463,879

Source: District Records

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

Little Miami Local School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Schedule 4

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	N/A	\$621,993	\$1,033,526	\$866,251	\$852,685	\$2,000,693	\$688,444	\$1,357,848	\$626,342	\$3,557,738
Unreserved	N/A	231,045	638,856	(296,159)	(1,194,623)	(540,475)	(1,402,039)	(1,325,425)	(2,042,639)	(2,478,941)
Total General Fund	N/A	853,038	1,672,382	570,092	(341,938)	1,460,218	(713,595)	32,423	(1,416,297)	1,078,797
All Other Governmental Funds										
Reserved	N/A	12,136,302	3,075,948	238,362	164,100	521,066	206,505	155,592	716,774	6,336,530
Unreserved. Reported in:										
Special Revenue Funds	N/A	162,125	182,996	217,220	216,642	329,249	294,607	350,659	225,400	245,040
Debt Service Funds	N/A	794,068	1,097,590	1,217,444	1,303,310	1,390,628	1,444,698	1,590,041	2,619,194	2,793,519
Capital Project Funds	N/A	1,692,609	(433,790)	637,062	771,034	1,011,919	284,937	(35,288)	55,669,140	43,173,428
Permanent Fund	N/A	0	0	0	0	18,287	19,120	19,949	2,805	3,818
	N/A	\$14,785,104	\$3,922,744	\$2,310,088	\$2,455,086	\$3,271,149	\$2,249,867	\$2,080,953	\$59,233,313	\$52,552,335

Source: District Records

N/A - Information not available

Little Miami Local School District
 Governmental Funds Revenues
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 5

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues:										
Taxes	N/A	\$7,109,125	\$8,823,152	\$9,054,975	\$9,659,675	\$12,438,072	\$11,853,723	\$14,993,132	\$14,684,590	\$20,607,952
Tuition and Fees	N/A	15,666	10,413	13,690	14,424	185,860	191,770	210,184	180,719	54,409
Investment Earnings	N/A	1,081,641	783,195	314,576	120,154	74,201	48,324	102,363	208,506	2,164,835
Intergovernmental	N/A	6,746,947	7,440,381	8,243,604	9,347,370	9,785,737	10,443,074	11,466,826	11,554,587	12,144,572
Extracurricular Activities	N/A	275,319	348,013	423,409	417,918	436,647	456,702	489,345	522,981	476,255
Charges for Services	N/A	0	0	0	0	652,423	703,746	759,873	876,282	1,114,702
Other Revenues	N/A	88,179	31,878	24,018	90,109	277,996	197,153	302,935	492,121	186,318
Total Revenues	N/A	\$15,316,877	\$17,437,032	\$18,074,272	\$19,649,650	\$23,850,936	\$23,894,492	\$28,324,658	\$28,519,786	\$36,749,043

Source: District Records

N/A - Information not available

Little Miami Local School District
 Governmental Funds Expenditures and Debt Service Ratio
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 6

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Instruction:										
Regular	N/A	\$6,707,929	\$7,097,989	\$8,192,838	\$8,708,042	\$8,930,866	\$10,654,458	\$11,376,311	\$12,298,815	\$13,157,586
Special	N/A	806,852	1,034,115	1,421,453	1,696,548	1,922,036	2,066,960	2,096,148	2,448,767	2,815,148
Vocational	N/A	0	0	0	0	0	1,658	8,125	211	3,458
Other	N/A	76,168	41,713	153,052	135,038	233,666	280,621	391,490	623,408	811,924
Support Services:										
Pupil	N/A	571,150	540,760	712,197	843,462	892,837	1,138,182	1,150,192	1,333,412	1,382,891
Instructional Staff	N/A	456,687	561,577	778,420	923,166	696,824	1,111,930	1,136,939	1,553,647	1,401,895
General Administration	N/A	36,562	53,968	46,014	36,591	73,329	62,821	68,822	32,196	37,589
School Administration	N/A	1,195,391	1,267,056	1,501,263	1,669,095	1,638,439	1,898,415	2,010,100	2,242,948	2,350,443
Fiscal	N/A	321,130	376,880	399,864	414,497	490,954	601,913	625,173	679,537	722,701
Business	N/A	171,143	200,142	203,915	200,175	144,645	201,328	222,385	261,975	177,924
Operations and Maintenance	N/A	1,122,436	1,288,585	1,970,093	2,395,212	1,952,749	2,574,704	2,432,198	2,976,513	2,746,461
Pupil Transportation	N/A	808,419	1,119,786	1,292,120	1,499,112	1,415,004	1,786,671	2,234,910	2,201,705	3,786,978
Central	N/A	32,156	24,383	46,856	113,644	125,968	397,262	466,403	471,123	1,397,072
Operation of Non-Instructional Services	N/A	16,693	21,110	24,578	25,495	715,673	1,068,988	1,174,414	1,330,060	1,460,834
Extracurricular Activities	N/A	389,490	534,000	692,512	717,193	764,839	867,533	841,420	865,877	943,335
Capital Outlay	N/A	5,476,403	12,185,917	2,255,690	381,451	0	1,031,986	28,478	1,508,690	4,289,606
Debt Service:										
Principal Retirement	N/A	353,104	284,607	347,142	418,017	542,184	222,801	197,191	1,003,299	1,288,514
Interest and Fiscal Charges	N/A	828,993	811,627	798,780	790,183	798,049	1,122,530	1,141,820	1,183,051	2,174,707
Total Expenditures	N/A	\$19,370,706	\$27,444,215	\$20,836,787	\$20,966,921	\$21,338,062	\$27,090,761	\$27,602,519	\$33,015,234	\$40,949,066
Debt Service as a Percentage of Noncapital Expenditures	N/A	23.69%	40.73%	0.37%	1.73%	0.49%	1.51%	2.06%	5.31%	13.40%

Source: District Records

N/A - Information not available

Little Miami Local School District
 Other Financing Sources and Uses and Net Change in Fund Balances
 Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 Schedule 7

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Other Financing Sources (Uses):										
Proceeds of Refunding Bonds	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$15,759,968	\$0	\$0
Refunding Bond Issuance Cost	N/A	0	0	0	0	0	0	0	0	(403,082)
Payments to Refunded Bond Escrow Agent	N/A	0	0	0	0	0	0	(16,638,064)	0	(50,247,945)
Sale of Refunding Bonds	N/A	0	0	0	0	0	0	0	0	47,199,949
Issuance of Long-Term Capital-Related Debt	N/A	0	0	0	0	0	0	0	56,249,938	0
Premium on Sale of Refunded Bonds	N/A	0	0	0	0	0	0	0	0	3,451,078
Bond Premium	N/A	0	0	0	0	0	0	878,096	1,828,979	0
Issuance of Capital Leases	N/A	0	0	77,269	0	0	0	0	2,120,000	0
Proceeds from Sale of Assets	N/A	281	167	1,650	239	4,219	1,174	1,550	171	14,139
Transfers In	N/A	73,374	5,127	37,050	43,000	50,000	75,000	50,000	81,672	98,315
Transfers (Out)	N/A	(98,374)	(41,127)	(62,050)	(43,000)	(50,000)	(75,000)	(50,000)	(81,672)	(98,315)
Proceeds from Sale of Notes	N/A	0	0	0	550,000	0	0	0	0	0
Total Other Financing Sources (Uses)	N/A	(24,719)	(35,833)	53,919	550,239	4,219	1,174	1,550	60,199,088	14,139
Net Change in Fund Balances	N/A	(\$4,078,548)	(\$10,043,016)	(\$2,708,596)	(\$767,032)	\$2,517,093	(\$3,195,095)	\$723,689	\$55,703,640	(\$4,185,884)

Source: District Records

N/A - Information not available

Little Miami Local School District
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Collection (Calendar) Years
 Schedule 8

Collection Year	Real Property Assessed Value (1)	Tangible Personal Property Assessed Value (1)	Public Utilities Personal Assessed Value (1)	Total Assessed Value (1)	Total Estimated Actual Value	Total Direct Rate
1997	\$170,454,360	\$17,373,639	\$17,739,700	\$205,567,699	\$607,610,226	43.15
1998	202,690,950	18,491,925	17,890,710	239,073,585	703,513,911	48.36
1999	219,225,770	19,980,737	18,744,170	257,950,677	758,423,843	47.59
2000	243,960,620	25,742,334	18,447,255	288,150,209	844,368,889	46.05
2001	313,645,380	27,333,305	19,187,510	360,166,195	1,050,974,854	44.34
2002	352,989,300	25,584,850	12,537,430	391,111,580	1,131,790,148	43.89
2003	398,482,930	25,176,710	15,927,780	439,587,420	1,274,167,234	47.44
2004	483,344,110	21,573,050	17,083,150	522,000,310	1,486,688,041	45.94
2005	538,958,250	17,533,100	17,720,840	574,212,190	1,630,150,432	45.39
2006	592,076,770	15,454,360	17,618,400	625,149,530	1,771,083,754	42.59

Source: Warren County Auditor

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

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

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

N/A - Information not available

Little Miami Local School District
 Direct and Overlapping Property Tax Rates
 Last Ten Calendar Years
 Schedule 9

Fiscal Year	District Direct Rates	Overlapping Rates						
		Warren County	Hamilton Township Exc	Warren/Clinnton Mental Health	Warren County JVS	Hamilton Township	Warren County Health District	Hamilton Township Fire
1997	43.15	5.00	4.30	1.00	4.50	1.00	0.50	5.00
1998	48.36	5.00	4.30	1.00	4.50	1.00	0.50	5.00
1999	47.59	4.75	4.30	1.00	4.50	1.00	0.50	5.00
2000	46.05	4.00	4.30	1.00	4.50	1.00	0.50	5.00
2001	44.34	4.00	4.30	1.00	4.50	1.00	0.50	5.00
2002	43.89	4.00	4.30	1.00	4.50	1.00	0.50	5.00
2003	47.44	4.96	4.30	1.00	4.50	1.00	0.50	5.00
2004	45.94	6.53	4.30	1.00	4.50	1.00	0.50	5.00
2005	45.39	6.46	4.30	1.00	4.50	1.00	0.50	5.00
2006	42.59	6.71	5.00	1.00	4.50	1.00	0.50	5.00

Source: Warren County Auditor

N/A - Information not available

Little Miami Local School District
Principal Property Tax Payers
Current Year and Eight Years Ago (1)
Schedule 10

Taxpayer	2007	
	Tangible Personal and Real Property	Percentage of Total Assessed Value
Cincinnati Gas & Electric	\$12,940,722	2.07%
Sumco Phoenix	11,516,540	1.84%
HCDC Real Estate Holding	3,577,808	0.57%
Tournament Players Club D P & L	2,055,070	0.33%
Schoellmer Family	1,693,667	0.27%
DP & L	1,562,230	0.25%
Fith Third Bank	1,323,031	0.21%
United Telephone Co	1,197,500	0.19%
Bellwood Co	1,135,631	0.18%
Cincinnati Bell	825,360	0.13%
Total Principal Property Tax Payers	37,827,559	6.05%
All Others	587,321,971	93.95%
Total Assessed Value	\$625,149,530	100.00%

Taxpayer	1999	
	Tangible Personal and Real Property	Percentage of Total Taxable Value
Mitsubishi Electric	\$17,091,230	6.63%
Cincinnati Gas & Electric	16,996,680	6.59%
Procter & Gamble	9,542,400	3.70%
Facs Group Inc	3,651,810	1.42%
Portion Pac Inc	3,385,070	1.31%
Buckeye Steel Castings Inc	3,355,140	1.30%
Hartz Mountain Group	2,799,000	1.09%
Deerfield MFG	2,774,440	1.08%
Leggett Partners LP	2,514,560	0.97%
United Telephone	766,360	0.30%
Total Principal Property Tax Payers	62,876,690	24.38%
All Others	195,073,987	75.62%
Total Assessed Value	\$257,950,677	100.00%

Source: Warren County Auditor

(1) - 1999 is the latest available year

Little Miami Local School District
Property Tax Levies and Collections
Last Ten Calendar Years
Schedule 11

Calendar Year	Taxes Levied for the Calendar Year (1)	Collected within the Calendar Year of the Levy		Delinquent Collections in Subsequent Years	Total Collections to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
1997	\$5,640,592	\$5,495,239	97.42%	\$159,016	\$5,654,255	100.24%
1998	5,975,796	5,887,601	98.52%	167,655	6,055,256	101.33%
1999	9,029,342	8,775,617	97.19%	247,204	9,022,821	99.93%
2000	10,520,823	10,236,144	97.29%	271,497	10,507,641	99.87%
2001	11,007,571	10,735,264	97.53%	339,702	11,074,966	100.61%
2002	13,917,067	13,439,835	96.57%	350,072	13,789,907	99.09%
2003	15,522,050	15,309,366	98.63%	287,830	15,597,196	100.48%
2004	16,217,033	13,814,272	85.18%	501,572	14,315,844	88.28%
2005	15,522,050	15,309,366	98.63%	287,830	15,597,196	100.48%
2006	16,899,437	16,412,829	97.12%	630,763	17,043,592	100.85%

Source: Warren County Auditor

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

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

Little Miami Local School District
 Outstanding Debt by Type
 Last Ten Fiscal Years
 Schedule 12

Fiscal Year	Governmental Activities			Total Primary Government	Ratio of General Bonded Debt to Estimated Actual Value (1)	Percentage of Personal Income	General Bonded Debt Per Capita
	General Obligation Bonds	Energy Conservation Notes	Capital Leases				
1998	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1999	\$17,434,810	\$0	\$71,969	\$17,506,779	2.49%	0.39%	\$115
2000	17,169,810	0	52,362	17,222,172	2.27%	0.35%	107
2001	16,844,810	0	103,650	16,948,460	2.01%	0.32%	101
2002	15,909,810	550,000	70,633	16,530,443	1.57%	0.30%	94
2003	15,528,560	481,250	47,199	16,057,009	1.42%	0.28%	88
2004	16,048,638	412,500	31,319	16,492,457	1.29%	0.27%	87
2005	16,638,064	343,750	14,549	16,996,363	1.14%	0.26%	86
2006	73,793,763	275,000	2,120,000	76,188,763	4.67%	N/A	377
2007	73,022,273	206,250	1,735,236	74,963,759	4.23%	N/A	N/A

Source: District Records

N/A - Information not available

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

Little Miami Local School District
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2007
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Clermont County	\$14,967,670	0.02%	\$2,994
Warren County	337,400	12.52%	42,242
Loveland City	6,775,000	6.91%	468,153
Maineville Village	67,528	100.00%	67,528
South Lebanon Village	318,000	7.66%	24,359
Goshen Township	2,650,000	0.41%	10,865
Hamilton Township	4,725,975	76.91%	3,634,747
Harlan Township	2,366,020	76.36%	1,806,693
Salem Township	490,000	97.90%	479,710
Turtle Creek Township	2,625,000	0.02%	525
Union Township	132,000	4.18%	5,518
Subtotal Overlapping Debt	35,454,593		6,543,333
District Direct Debt	76,504,855	100.00%	76,504,855
Total Direct and Overlapping Debt	\$111,959,448		\$83,048,188

Source: Ohio Municipal Advisory Council

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

Little Miami Local School District
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Schedule 14

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value (1)	\$625,149,530
Debt limit (9% of assessed value)	56,263,458
Debt applicable to limit	76,504,855
Legal debt margin (2)	<u>(\$20,241,397)</u>

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit	N/A	N/A	N/A	N/A	N/A	\$39,562,868	\$46,980,028	\$51,679,097	\$51,679,097	\$56,263,458
Total Net Debt Applicable to Limit	N/A	N/A	N/A	N/A	N/A	16,009,810	15,871,639	15,759,968	71,166,515	76,504,855
Legal Debt Margin	N/A	N/A	N/A	N/A	N/A	<u>\$23,553,058</u>	<u>\$31,108,389</u>	<u>\$35,919,129</u>	<u>(\$19,487,418)</u>	<u>(\$20,241,397)</u>

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	N/A	N/A	N/A	N/A	N/A	40.47%	33.78%	30.50%	137.71%	135.98%
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Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2006 is calendar year 2005)

(2) - The District has obtained consent of the State Tax Commissioner and the Superintendent of Public Instruction to issue debt beyond the nine percent debt limitation and has qualified as a "special needs" district.

N/A - Information not available

Little Miami Local School District
 Demographic and Economic Statistics
 Last Ten Calendar Years
 Schedule 15

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
1997	139,428	\$3,725,625	\$26,721	3.00%
1998	145,427	4,113,058	28,283	3.00%
1999	152,448	4,501,708	29,529	2.60%
2000	161,322	4,946,103	30,660	2.50%
2001	167,507	5,286,564	31,512	3.40%
2002	175,041	5,521,565	31,522	3.60%
2003	182,330	5,786,295	31,699	3.90%
2004	189,276	6,213,055	32,745	4.00%
2005	196,793	6,597,227	33,524	4.00%
2006	201,871	N/A	N/A	4.90%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau
 - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Warren County
 - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Warren County
 - (4) - US Department of Labor - Bureau of Labor Statistics

N/A - Information not available

Little Miami Local School District
Principal Employers (1)
Current Year and Prior Year (2)
Schedule 16

2007		
Employers	Employees	Percentage of Total Total Employment
Anthem	2,243	2.20%
Procter & Gamble	2,100	2.06%
Financial & Credit Services Group	2,000	1.96%
Middletown Regional Hospital	1,900	1.87%
Cintas Corporate	1,800	1.77%
Luxotica Retail	1,166	1.14%
Advics Manufacturing	650	0.64%
Sumco	623	0.61%
Pioneer Automotive	621	0.61%
Siemens Business Services	525	0.52%
	<u>13,628</u>	<u>13.38%</u>
Total County Employment	101,867	

2006		
Employers	Employees	Percentage of Total Total Employment
Financial & Credit Services Group	2,250	2.29%
Anthem	2,243	2.28%
Procter & Gamble	2,100	2.13%
Middletown Regional Hospital	1,900	1.93%
Cintas Corporate	1,800	1.83%
Luxotica Retail	1,166	1.18%
Advics Manufacturing	650	0.66%
Sumco	623	0.63%
Pioneer Automotive	621	0.63%
Quebecor World	553	0.56%
	<u>13,906</u>	<u>14.13%</u>
Total County Employment	98,400	

Source: County Chamber of Commerce

(1) - For all of Warren County

(2) - Prior fiscal year information latest available

Little Miami Local School District
 Full-Time Equivalent District Employees by Type
 Last Six Fiscal Years (1)
 Schedule 17

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Official/Administrative						
Administrative Assistant	0.00	0.00	1.00	2.00	1.00	1.00
Assistant Principal	3.00	1.00	1.00	2.00	3.00	3.00
Principals	6.00	6.00	6.00	7.00	6.00	7.00
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00
Supervising/Managing/Directing	6.00	4.00	5.50	3.50	1.12	1.00
Treasurer	1.00	1.00	1.00	1.00	1.00	1.00
Coordinator	2.00	2.00	3.00	4.00	4.28	4.30
Education Administrative Specialist	0.00	0.00	0.00	1.50	2.00	1.00
Director	0.00	0.00	0.00	0.00	0.13	0.00
Total Official/Administrative	<u>19.00</u>	<u>15.00</u>	<u>18.50</u>	<u>22.00</u>	<u>19.53</u>	<u>19.30</u>
Professional - Educational						
Curriculum Specialist	0.00	0.00	0.00	0.00	0.75	0.81
Counseling	5.00	5.00	7.00	5.00	5.37	5.37
Librarian/Media	2.00	1.00	2.00	1.50	1.00	1.00
Remedial Specialist	7.00	7.50	8.00	8.50	7.10	7.60
Regular Teaching	146.50	138.80	138.90	149.00	151.64	157.50
Special Education Teaching	17.30	16.00	20.30	20.20	16.17	22.50
Vocational Education Teaching	0.00	0.00	1.00	1.00	1.00	1.00
Educ. Service Personnel Teacher	13.00	10.80	16.60	17.47	18.30	18.03
Supplemental Service Teacher (Special Education)	0.00	0.00	0.00	0.00	6.00	2.00
Teacher Mentor/Evaluator	1.00	0.00	1.00	1.50	0.43	0.00
Total Professional - Education	<u>191.80</u>	<u>179.10</u>	<u>194.80</u>	<u>204.17</u>	<u>207.76</u>	<u>215.81</u>
Professional - Other						
Dietitian/Nutritionist	0.00	0.00	0.00	0.00	0.50	1.00
Psychologist	1.00	0.00	0.00	0.00	2.00	0.00
Publicity Relations	0.00	0.00	0.00	0.00	1.00	1.00
Registered Nursing	2.00	2.00	3.00	3.00	3.00	3.50
Physical Therapist	0.00	0.00	0.00	0.00	0.20	0.00
Speech and Language Therapist	2.60	2.60	2.50	2.70	3.00	3.00
Occupational Therapist	0.00	0.00	0.00	0.00	0.20	0.00
Physical Therapy Assistant	0.00	0.00	0.00	0.00	0.27	0.00
Total Professional - Other	<u>5.60</u>	<u>4.60</u>	<u>5.50</u>	<u>5.70</u>	<u>10.17</u>	<u>8.50</u>
Technical						
Practical Nursing	0.00	0.00	0.00	0.00	0.50	1.00
Library Aide	3.50	0.00	3.50	3.50	3.50	4.50
Other Technical	0.00	2.00	2.00	1.00	1.00	1.00
Total Technical	<u>3.50</u>	<u>2.00</u>	<u>5.50</u>	<u>4.50</u>	<u>5.00</u>	<u>6.50</u>

Source: State Department of Education

(1) - Only last 6 fiscal years available

Little Miami Local School District
 Full-Time Equivalent District Employees by Type
 Last Six Fiscal Years (1)
 Schedule 17 (Continued)

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Office/Clerical						
Bookkeeping	3.00	3.00	3.00	3.00	3.00	3.00
Clerical	14.50	10.00	13.50	14.20	14.20	14.70
Teaching Aide	10.46	0.00	8.53	8.24	13.13	11.74
Other Office/Clerical	1.00	0.00	0.50	0.50	0.50	0.50
Total Office/Clerical	<u>28.96</u>	<u>13.00</u>	<u>25.53</u>	<u>25.94</u>	<u>30.83</u>	<u>29.94</u>
Crafts and Trades						
General Maintenance	2.00	2.00	2.00	2.00	2.00	2.00
Mechanic	2.00	2.00	3.00	2.00	2.00	3.00
Foreman	0.00	0.00	0.00	0.00	1.00	1.00
Total Crafts and Trades	<u>4.00</u>	<u>4.00</u>	<u>5.00</u>	<u>4.00</u>	<u>5.00</u>	<u>6.00</u>
Operative						
Dispatching	0.00	0.00	0.00	0.00	1.00	2.00
Vehicle Operator (Buses)	25.51	24.23	25.27	30.11	37.11	44.23
Total Operative	<u>25.51</u>	<u>24.23</u>	<u>25.27</u>	<u>30.11</u>	<u>38.11</u>	<u>46.23</u>
Service Work/Laborer						
Attendance Officer	0.00	0.00	0.00	0.00	0.20	0.00
Custodian	19.56	13.12	17.56	20.81	21.31	21.19
Food Service	16.61	17.75	16.29	16.99	18.99	16.99
Groundskeeping	1.00	0.00	2.00	2.00	2.00	2.00
Attendant	8.72	7.73	8.66	14.08	17.15	18.22
Total Service Work/Laborer	<u>45.89</u>	<u>38.60</u>	<u>44.51</u>	<u>53.88</u>	<u>59.65</u>	<u>58.40</u>
Total Employees	<u>324.26</u>	<u>280.53</u>	<u>324.61</u>	<u>350.30</u>	<u>376.05</u>	<u>390.68</u>

Source: State Department of Education

(1) - Only last 6 fiscal years available

Little Miami Local School District
 Operating Statistics
 Last Ten Fiscal Years
 Schedule 18

Fiscal Year	Enrollment	Operating Expenditure	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
1998	2,469	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1999	2,557	\$13,894,303	\$5,434	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2000	2,521	15,258,298	6,052	11.39%	N/A	N/A	N/A	N/A	N/A	N/A
2001	2,610	18,581,097	7,119	17.62%	N/A	N/A	N/A	164	15.9	N/A
2002	2,814	20,585,470	7,315	2.76%	N/A	N/A	N/A	179	15.7	N/A
2003	2,936	21,338,062	7,268	(0.65%)	\$22,075,418	\$7,519	N/A	167	17.6	9.30%
2004	3,200	26,058,775	8,143	12.05%	27,029,062	8,447	12.34%	186	17.2	8.80%
2005	3,413	27,574,041	8,079	(0.79%)	28,239,505	8,274	(2.04%)	192	17.8	9.80%
2006	3,623	31,506,544	8,696	7.64%	30,519,498	8,424	1.81%	194	18.7	11.10%
2007	3,754	36,659,460	9,765	12.29%	35,564,866	9,474	12.47%	202	18.6	11.60%

Source: District Records

N/A - Information not available

Little Miami Local School District
 School Building Information
 Last Ten Fiscal Years
 Schedule 19

School	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Little Miami High School (2000)										
Square Feet	-	-	140,090	140,090	140,090	140,090	140,090	140,090	140,090	140,090
Capacity	-	-	905	905	905	905	905	905	905	905
Enrollment	-	-	N/A	N/A	N/A	N/A	812	853	1,014	1,023
Little Miami Intermediate (1975)										
Square Feet	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	489	508	548	563
Little Miami Junior High (1956)										
Square Feet	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	519	560	531	549
Harlan-Butlerville Elementary School (1979)										
Square Feet	40,140	40,140	40,140	40,140	40,140	40,140	40,140	40,140	40,140	40,140
Capacity	300	300	300	300	300	300	300	300	300	300
Enrollment (1)	N/A	N/A	N/A	N/A	N/A	N/A	1,265	1,330	1,530	1,619
Hamilton-Maineville Elementary School (1975)										
Square Feet	56,385	56,385	56,385	56,385	56,385	56,385	56,385	56,385	56,385	56,385
Capacity	515	515	515	515	515	515	515	515	515	515
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-
Morrow Elementary School (1975)										
Square Feet	92,664	92,664	92,664	92,664	92,664	92,664	92,664	92,664	92,664	92,664
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-

Source: District Records

(1) - Enrollment number includes all three elementary schools combined

N/A - Information not available

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Mary Taylor, CPA
Auditor of State

LITTLE MIAMI LOCAL SCHOOL DISTRICT

WARREN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 8, 2008**