

Princeton City School District

Hamilton County

Single Audit

July 1, 2006 through June 30, 2007

Fiscal Year Audited Under GAGAS: 2007

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

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



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Accountant's Report* of the Princeton City School District, Hamilton County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 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 Princeton City School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 4, 2008

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**Princeton City School District
Hamilton County**

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Princeton City School District

Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2007

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
United States Department of Agriculture						
<i>Passed through Ohio Department of Education</i>						
Food Donation	N/A	10.550	\$ -	\$ 100,092	\$ -	100,092
<i>Nutrition Cluster:</i>						
School Breakfast Program	PU	10.553	230,123	-	230,123	-
National School Lunch Program	LLP4	10.555	779,506	-	779,506	-
Summer Food Service Program for Children	24PU	10.559	9,460	-	9,460	-
Total Nutrition Cluster			1,019,089	-	1,019,089	-
Total United States Department of Agriculture			1,019,089	100,092	1,019,089	100,092
United States Department of Education						
<i>Passed through Ohio Department of Education</i>						
<i>Special Education Cluster:</i>						
Special Education-Grants to States	6BSF	84.027	1,651,356	-	1,787,303	-
Special Education-Preschool Grants	PGS1	84.173	41,962	-	23,476	-
Total Special Education Cluster			1,693,318	-	1,810,779	-
Title I Grants to Local Educational Agencies	C1S1	84.010	854,150	-	940,779	-
Safe & Drug Free Schools and Communities_State Grants	DRS1	84.186	2,281	-	21,452	-
State Grants for Innovative Education	C2S1	84.298	6,108	-	22,403	-
Education Technology State Grants	TJS1	84.318	28,930	-	51,397	-
Comprehensive School Reform Demonstration	RFS2	84.332	16,684	-	22,039	-
English Language Acquisition Grants	T3S2	84.365	28,145	-	32,092	-
Improving Teacher Quality State Grants	TRS1	84.367	56,673	-	228,673	-
Hurricane Recovery Education	HR01	84.938	24,551	-	44,404	-
<i>Passed Through Great Oaks Institute of Technology and Career Development</i>						
Vocational Education Basic Grants to States	N/A	84.048	5,125	-	12,796	-
Total United States Department of Education			2,715,965	-	3,186,814	-
United States Department of Health and Human Services						
<i>Passed through Ohio Department of MR/DD</i>						
Medical Assistance Program	N/A	93.778	39,330	-	-	-
Total United States Department of Health and Human Services			39,330	-	-	-
Total Federal Financial Assistance			\$ 3,774,384	\$ 100,092	\$ 4,205,903	\$ 100,092

N/A - Not Available

See accompanying notes to the Schedule of Federal Awards Expenditures

**PRINCETON CITY SCHOOL DISTRICT
HAMILTON COUNTY**

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

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – FOOD DONATION

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

NOTE C – MATCHING REQUIREMENTS

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

NOTE D – MEDICAL ASSISTANCE PROGRAM

As of July 1, 2005, the Community Alternative Funding System (CAFS) program (CFDA #93.778) no longer exists as a funding stream. All remittances subsequent to this date reflect settlements of past years. In fiscal year 2007, the District received \$39,330 in settlements related to expenditures made in prior years.

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Piketon, Ohio 45661

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

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Princeton City School District, Hamilton County, Ohio (the School District), as of and for the year ended June 30, 2007 and have issued our report thereon dated December 14, 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 School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but, not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

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 entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control over financial reporting. We consider the deficiency described in the accompanying schedule of findings and questioned cost to be a significant deficiency in internal control over financial reporting. This item has been identified in the accompanying schedule of findings and questioned costs as item 2007-01.

Internal Control over Financial Reporting (Continued)

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 entity's internal control. Our consideration of the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described above to be material weaknesses.

Compliance and Other Matters

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

We noted certain matters that we reported to the management of the School District in a separate letter dated December 14, 2007.

The School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the School District's response and, accordingly, express no opinion on it.

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



Balestra, Harr & Scherer, CPAs, Inc.
December 14, 2007

BALESTRA, HARR & SCHERER, CPAs, INC.

528 South West Street, P.O. Box 687

Piketon, Ohio 45661

Telephone (740) 289-4131

Fax (740) 289-3639

www.bhscpas.com

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

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

Compliance

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

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

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

Internal Control Over Compliance

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

A control deficiency in an entity'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 entity'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 entity'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 School District's internal control.

Our consideration of the 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 Federal Awards Expenditures

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2007, and have issued our report thereon dated December 14, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial 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 Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.
December 14, 2007

**PRINCETON CITY SCHOOL DISTRICT
HAMILTON COUNTY**

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

1. SUMMARY OF AUDITOR' S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any significant internal control deficiencies reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any material weakness reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any significant internal control deficiencies reported for major federal programs?	No
(d)(1)(iv)	Were there any material weakness reported for major federal programs?	No
(d)(1)(v)	Type of Major Program' s Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster: CFDA# 10.553, 10.555 and 10.559 Title I Grants to Local Educational Agencies: CFDA# 84.010
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**PRINCETON CITY SCHOOL DISTRICT
HAMILTON COUNTY**

*SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505
(CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007*

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

Finding Number 2007-01

Material Weakness – Capital Assets

The School District’s capital asset accounting records did not accurately and completely support capital asset figures reported in the annual financial report. Adjustments were required to properly reflect construction in progress and depreciation expense. Failure to maintain accurate and complete capital asset accounting records can lead to the School District reporting misstated balances. The School District should investigate and resolve variances between reported capital asset balances and the capital asset accounting records.

Client’s Response

The District was challenged with five of eight new elementary school buildings going into service during fiscal year 2007. Management understood that not all construction in progress was to be reclassified to capital assets, but it was inadvertently journalized as such. Management will confirm during fiscal years 2008 and 2009, when the last three buildings are put into service, that construction in progress amounts are correctly reflected in the financials.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	None
CFDA Title and Number	
Federal Award Number/Year	
Federal Agency	
Pass-Through Agency	

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



***Princeton City School District
Cincinnati, Ohio***

**PRINCETON CITY SCHOOL DISTRICT
CINCINNATI, OHIO**

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

PREPARED BY: OFFICE OF THE TREASURER

**TRACY A JARVIS - TREASURER / CFO
TERESA A JOHNSON, CPA - ASSISTANT TREASURER**

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INTRODUCTORY SECTION

Mission Statement

Princeton is a diverse community where we are all learners - inspired to dream and challenged to achieve.

Vision Statement

Princeton City Schools is an Excellent school district of opportunities where families desire to live and choose to educate their children.

PRINCETON CITY SCHOOL DISTRICT, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2007

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PRINCETON CITY SCHOOL DISTRICT, OHIO
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PRINCETON CITY SCHOOL DISTRICT, OHIO
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Princeton City School District
25 West Sharon Avenue
Cincinnati, Ohio 45246

Office of the Treasurer

Phone: (513) 864-1040

Fax: (513) 864-1059

December 14, 2007

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

We are pleased to present the eleventh Comprehensive Annual Financial Report (CAFR) of the Princeton City School District (District) for the fiscal year ended June 30, 2007. This report was prepared by the Treasurer's Office, and contains financial statements, supplemental statements, and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2006-07 fiscal year.

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

This report has been divided into three sections:

- The Introductory Section includes a table of contents, this transmittal letter, the list of principal officials, the District's organizational chart, and the GFOA and ASBO certificates the district received for the June 30, 2006, CAFR.
- The Financial Section includes the independent accountants' report on the financial statements, management's discussion and analysis, basic financial statements, notes to the basic financial statements, and the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.
- The Statistical Section includes selective financial, economic, and demographic information, generally presented on a multi-year basis for comparative purposes.

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

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

DESCRIPTION OF THE DISTRICT

The District serves an area of 36 square miles in the north central part of Hamilton County, encompassing the villages of Glendale, Evendale, Woodlawn and Lincoln Heights, and, the cities of Springdale and Sharonville. It also encompasses a small portion of Butler and Warren Counties. The total District population has increased

slightly from 40,980 in 1990 to 41,380 in 2007, according to information provided by the Ohio Municipal Advisory Council. The tax base of the District is comprised of a unique blend of residential, commercial, and industrial property, with approximately 69.0% of the tax revenue of the District paid by business and industry.

During the 2006-07 school year, the District served 5,645 students enrolled in preschool, eight elementary schools, one junior high school and one high school. The District's enrollment is slightly declining with no significant increase projected due to the lack of available land for new residential development.

The student enrollment of the District is a reflection of the diversity of the communities it serves. For the 2006-07 school year, approximately 45.22% of the students were considered low-income and eligible to participate in the free/reduced lunch program; 106 students and 4 students were enrolled in a full time or part-time trade program, respectively, through vocational education; 844 students received instruction through a variety of special education programs; and all eligible students can participate in a number of advanced academic programs such as International Baccalaureate, advanced placement courses and gifted elementary programs. The District also offers a comprehensive adult education program to the community to help adults obtain a high school diploma.

ORGANIZATION OF THE DISTRICT

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

The members of the Board, their current terms, and total years served on the Board as of June 30, 2007, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mr. Gary Bryson	Jan. 2004 - Dec. 2007	7 ½
Mr. George Keyser	Jan. 2004 - Dec. 2007	7 ½
Mrs. Sandy Leach	Jan. 2004 - Dec. 2007	3 ½
Ms. Lillian Hawkins	Jan. 2006 - Dec. 2009	1 ½
Ms. Tawana Keels	Jan. 2006 - Dec. 2009	9 ½

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

The Treasurer is the Chief Financial Officer of the District and is directly responsible to the Board for all financial operations, investments, and serves as Secretary to the Board. Mr. Larry McDonough had served as Princeton's Treasurer since January 1987, and had 23 1/2 years experience as a school treasurer in Ohio. At its regular meeting in January 2005, the board approved a four-year contract extension which expired in January 2009, however, Mr. McDonough retired effective January 1, 2007. His successor is Tracy A. Jarvis who began as Treasurer-Elect on November 6, 2006 and her role as Treasurer began on January 1, 2007. Mrs. Jarvis has 13 years experience as a school treasurer in Ohio.

FINANCIAL CONDITION

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

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

Fund financial statements: These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the

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

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

As part of this reporting model, management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for fiscal year 2007 and the outlook for the future.

EMPLOYEE RELATIONS

As of June 30, 2007, the Board employed 912 full-time employees. Of the Board's current employees, 498 were certificated by the Ohio Department of Education serving as classroom teachers or education specialists, and 31 administrators, all of whom have at least a bachelor's degree. In addition, there are 18 support staff administrators.

Certificated teachers and education specialists are represented by the Princeton Association of Classroom Educators (PACE) which is a labor organization affiliated with the Ohio Education Association. As of June 30, 2007, the District and the association completed the fourth year of a three (3) year contract with a one-year extension.

Operational personnel are represented by the Princeton Support Staff Association (PSSA) which is affiliated with the Ohio Association of Public School Employees, Chapter 174 (OAPSE) which is a labor organization affiliated with the American Federation of State, County and Municipal Employees (AFSCME). As of June 30, 2007, the District and the association completed the fourth year of a three (3) year contract with a one-year extension.

MAJOR INITIATIVES FOR THE YEAR

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

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

District expectations developed for the 2007-2008 school year are as follows:

1. All schools designated as "Excellent" will maintain their designations; all other schools, as well as the district, will improve to at least the next designation on the Ohio Report Card.
2. All subgroups of students will achieve above state averages, reach the designated Adequate Yearly Progress goal, and further close all achievement gaps.
3. The newly adopted Mission and Vision Statements will be implemented and promoted with district staff and the community.
4. District employees will work collaboratively with parents and community members as our partners and valued customers.
5. We will promote Princeton through community engagement strategies, developing partnerships designed to increase support for students, staff and the entire district.
6. Principals, district supervisors, and coordinators will intensely monitor their expenditures to continue to ensure fiscal responsibility.

7. Finalize the elementary building program with the opening of the new Evendale, renovated Glendale and completion of Heritage Hill Elementary Schools. Pass the bond issue and begin architectural planning for the new middle and high school buildings.
8. Continue to ensure high-quality and effective staff at all levels.

FINANCIAL INFORMATION

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

Internal Controls

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

Single Audit Act

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

As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2007, provided no significant violations of applicable laws and regulations.

Budgetary Controls

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

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

Cash Management

The District operates a cash management program designed to provide safety, liquidity, and yield, in that order. Funds are invested in overnight savings accounts, certificates of deposit, in the Ohio State Treasurer's Investment Pool (Star Ohio), money market funds, or in United States Government agency securities. The amount of investment income received in fiscal year 2007 for all District funds was \$2,864,157. A more detailed description of the District's investment functions is provided in Note 2 to the financial statements.

Risk Management

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

OTHER INFORMATION

Independent Audit

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Princeton City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2006. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2006, to the District. The award was the tenth for the District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after extensive review of the report by an expert panel of certified public accountants and practicing school business officials. The District believes our current report conforms to the ASBO's principles and standards, and we are submitting it to ASBO to determine its eligibility for a certificate.

Acknowledgments

The preparation and publication of the 2007 Comprehensive Annual Financial Report of the Princeton City School District was made possible by the combined efforts of the entire Treasurer's office staff. Sincere appreciation is extended to Mrs. Teresa A. Johnson, CPA, Assistant Treasurer, for her exceptional individual efforts in preparing this report. She is primarily responsible for the District's success in earning the certificates. Finally, this report would not have been possible without the support, commitment, and leadership of the Board of Education to continue the pursuit of excellence in financial reporting.

Sincerely,



Mrs. Tracy A. Jones, Treasurer / CFO

Mr. Aaron K. Mackey, Superintendent

PRINCETON CITY SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
June 30, 2007

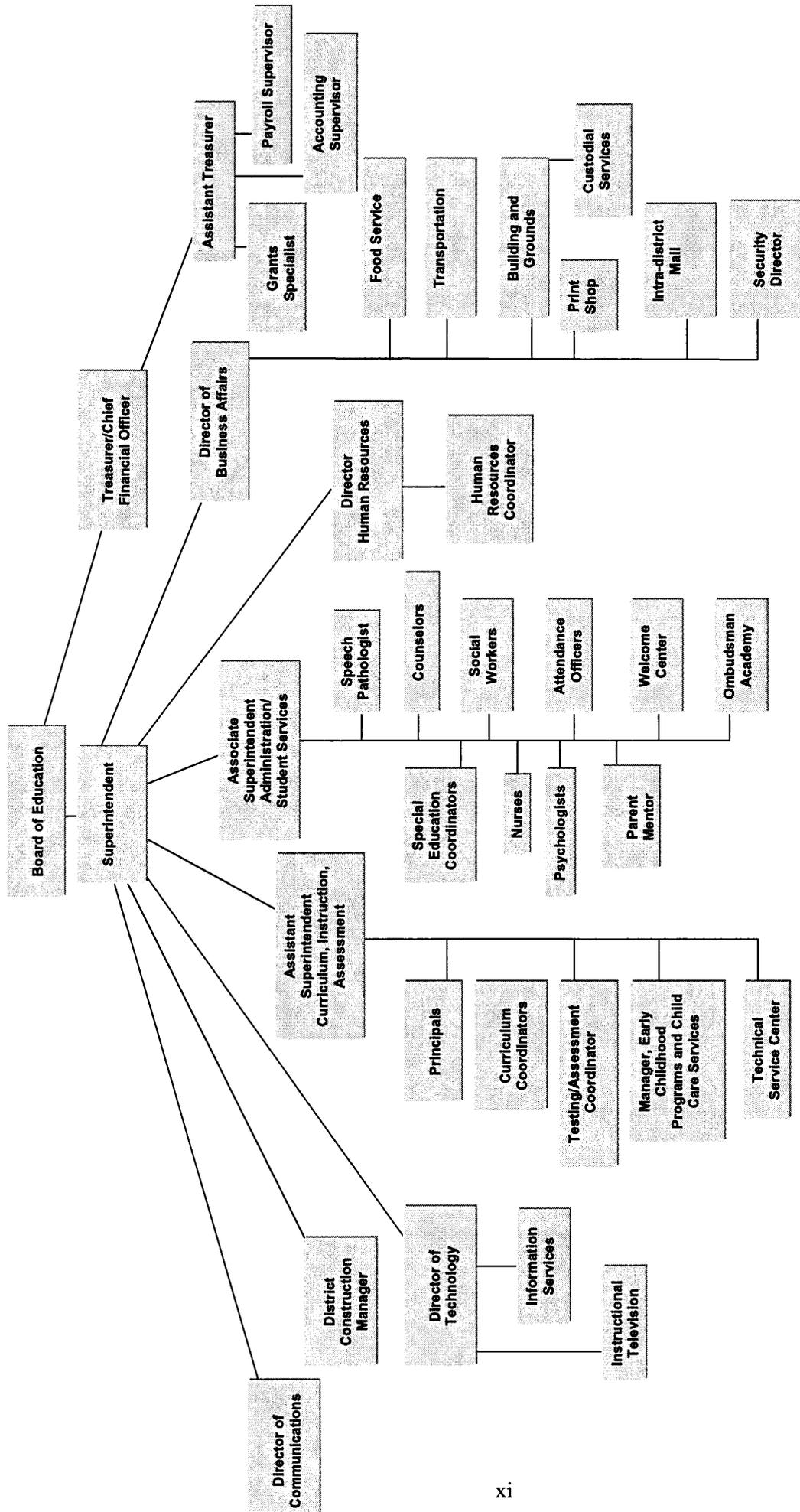
Elected Officials

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

Administrative Officials

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

Organizational Chart of the Princeton City School District





Certificate of Achievement for Excellence in Financial Reporting

Presented to

Princeton City School District
Ohio

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

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

PRINCETON CITY SCHOOL DISTRICT

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

CHARACTER EDUCATION VALUES

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

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

Responsibility - Be accountable for the results of your actions.

Honor - Stand by your word. Exhibit ethical conduct.

Compassion - Treat others and self with kindness.

Service - Give back to the community. Help others.

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

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

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Princeton City School District (the District), Hamilton County, as of and for the year ended June 30, 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2007, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 11 and the budgetary comparison information on pages 48 through 49 are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on them.

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

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



Balestra, Harr & Scherer, CPAs, Inc.
December 14, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

This discussion and analysis provides key information from management highlighting the overall financial performance of the Princeton City School District, Ohio for the year ended June 30, 2007. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the School District's financial statements.

Financial Highlights

Major financial highlights for fiscal year 2007 are listed below:

- ✓ The assets of the School District exceeded its liabilities at year-end by \$65.6 million. Of this amount, \$43.3 million may be used to meet the government's ongoing obligations to citizens and creditors.
- ✓ In total, net assets increased by \$9.9 million.
- ✓ The School District had \$81.7 million in expenses related to governmental activities; only \$5.3 million of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$85.3 million, made up primarily of property taxes and State Foundation payments provided the majority of funding for the School District.
- ✓ The General Fund balance increased by \$7.1 million from \$32.6 million in fiscal year 2006 to \$39.7 million in fiscal year ended June 30, 2007.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

PRINCETON CITY SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

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

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

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

Both of the government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School District include instruction, support services, administration, operation and maintenance of plant, and extracurricular activities. The business-type activities of the School District include food services and early childhood programs.

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between government funds and governmental activities.

The School District accounts for its activities using many individual funds. The most significant funds are reported in separate columns in the governmental fund financial statements. These statements provide detailed information about the individual major funds – unlike the government-wide financial statements, which report on the School District as a whole. Some funds are required to be established by State law. Also, the School District may establish separate funds to show that it is meeting legal requirements for using grants or other money.

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

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

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

PRINCETON CITY SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A. Net assets at year-end

The following table presents a condensed summary of the School District's overall financial position at June 30, 2007:

		<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
		Restated					
		<u>FY07</u>	<u>FY06</u>	<u>FY07</u>	<u>FY06</u>	<u>FY07</u>	<u>FY06</u>
Current and other assets	\$	113,030,472	122,798,027	1,548,751	810,531	114,579,223	123,608,558
Capital assets		<u>95,648,100</u>	<u>67,699,402</u>	<u>298,034</u>	<u>147,762</u>	<u>95,946,134</u>	<u>67,847,164</u>
Total assets		<u>208,678,572</u>	<u>190,497,429</u>	<u>1,846,785</u>	<u>958,293</u>	<u>210,525,357</u>	<u>191,455,722</u>
Long-term liabilities		86,837,031	89,703,554	74,509	102,227	86,911,540	89,805,781
Other liabilities		<u>57,685,632</u>	<u>45,576,428</u>	<u>346,086</u>	<u>389,592</u>	<u>58,031,718</u>	<u>45,966,020</u>
Total liabilities		<u>144,522,663</u>	<u>135,279,982</u>	<u>420,595</u>	<u>491,819</u>	<u>144,943,258</u>	<u>135,771,801</u>
Net assets:							
Invested in capital assets, net of debt		12,177,021	11,365,292	298,034	147,762	12,475,055	11,513,054
Restricted:							
For capital purposes		3,772,059	2,908,095	-	-	3,772,059	2,908,095
Debt service		4,515,804	3,599,561	-	-	4,515,804	3,599,561
Other purposes		1,222,878	1,673,822	-	-	1,222,878	1,673,822
Endowment		279,879	272,525	-	-	279,879	272,525
Unrestricted		<u>42,188,268</u>	<u>35,398,152</u>	<u>1,128,156</u>	<u>318,712</u>	<u>43,316,424</u>	<u>35,716,864</u>
Total net assets	\$	<u>64,155,909</u>	<u>55,217,447</u>	<u>1,426,190</u>	<u>466,474</u>	<u>65,582,099</u>	<u>55,683,921</u>

Total assets increased by approximately \$19.1 million. However, cash and investments decreased by \$16.0 million while capital assets increased by \$28.1 million due to the School District's facilities improvement project. In addition, taxes receivable increased by \$8.8 million due to a reassessment of tangible personal property owned by Ford Motor Company, collection of delinquent taxes from General Electric, and the elimination of commercial real property rollback which increased the actual amount of taxes paid to the School District.

Total liabilities increased by \$9.2 million primarily related to an increase of unearned revenue of \$11.8 million. Generally, unearned revenue increases as taxes receivable increase but also can be impacted by the amount available for advance at year-end.

B. Governmental and Business-type Activities during fiscal year 2007

The following is a condensed summary of the School District's activities during 2007:

PRINCETON CITY SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	Restated		<u>FY07</u>	<u>FY06</u>	<u>FY07</u>	<u>FY06</u>
	<u>FY07</u>	<u>FY06</u>				
Revenues:						
Program revenues:						
Charges for services and sales	\$ 849,380	1,868,391	2,519,669	2,373,439	3,369,049	4,241,830
Operating grants and contributions	4,441,557	4,378,133	1,356,924	1,291,317	5,798,481	5,669,450
Capital grants and contributions	<u>45,197</u>	<u>1,634</u>	-	-	<u>45,197</u>	<u>1,634</u>
Total program revenues	<u>5,336,134</u>	<u>6,248,158</u>	<u>3,876,593</u>	<u>3,664,756</u>	<u>9,212,727</u>	<u>9,912,914</u>
General revenues:						
Property taxes	66,930,812	65,600,762	-	-	66,930,812	65,600,762
Grants and entitlements	14,367,565	10,566,991	-	-	14,367,565	10,566,991
Investment earnings	2,846,626	3,332,685	-	-	2,846,626	3,332,685
Miscellaneous	1,202,956	1,478,996	-	380	1,202,956	1,479,376
Gain on sale of capital assets	-	7,667	-	-	-	7,667
Transfers	<u>(54,876)</u>	-	<u>54,876</u>	-	-	-
Total general revenues and transfers	<u>85,293,083</u>	<u>80,987,101</u>	<u>54,876</u>	<u>380</u>	<u>85,347,959</u>	<u>80,987,481</u>
Total revenues	<u>90,629,217</u>	<u>87,235,259</u>	<u>3,931,469</u>	<u>3,665,136</u>	<u>94,560,686</u>	<u>90,900,395</u>
Expenses:						
Instruction	39,868,642	40,212,240	-	-	39,868,642	40,212,240
Support services:						
Pupil	4,853,378	4,749,913	-	-	4,853,378	4,749,913
Instructional staff	6,104,382	5,991,323	-	-	6,104,382	5,991,323
Board of Education	356,891	382,312	-	-	356,891	382,312
Administration	6,148,062	5,961,291	-	-	6,148,062	5,961,291
Fiscal	2,582,803	2,266,379	-	-	2,582,803	2,266,379
Business	739,910	551,136	-	-	739,910	551,136
Operation and maintenance of plant	7,940,072	7,698,335	-	-	7,940,072	7,698,335
Pupil transportation	4,996,401	3,795,527	-	-	4,996,401	3,795,527
Central	1,751,752	1,551,154	-	-	1,751,752	1,551,154
Non-instructional services	2,936,311	2,770,641	-	-	2,936,311	2,770,641
Interest and fiscal charges	3,412,151	4,021,596	-	-	3,412,151	4,021,596
Food services	-	-	2,203,636	2,390,548	2,203,636	2,390,548
Uniform school supplies	-	-	21,439	16,783	21,439	16,783
Early childhood programs	-	-	<u>746,678</u>	<u>1,397,093</u>	<u>746,678</u>	<u>1,397,093</u>
Total expenses	<u>81,690,755</u>	<u>79,951,847</u>	<u>2,971,753</u>	<u>3,804,424</u>	<u>84,662,508</u>	<u>83,756,271</u>
Change in net assets	\$ <u>8,938,462</u>	<u>7,283,412</u>	<u>959,716</u>	<u>(139,288)</u>	<u>9,898,178</u>	<u>7,144,124</u>

PRINCETON CITY SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

Of the total governmental activities revenues of \$90,629,217, \$5,336,134 is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, \$66,930,812 (78%) comes from property tax levies and \$14,367,565 (17%) is from state funding. The School District's operations are reliant upon its property tax levy and the state's foundation program.

In total, revenues increased only about 4% with the majority under grants and entitlements. Even though tangible personal property is a large part of the School District revenues and this revenue continues to be phased out, the School District still reveals an increase due to a reassessment of personal property tax and delinquent tax collections on two large corporations operating in the school district boundaries.

Expenses increased only about 1% even with the substantial rise in fuel, heating, insurance, and many other costs. The School District has worked very diligently on cost cutting measures to remain fiscally accountable and offset the elimination of tangible personal property (TPP) taxes with HB66. Administrators have focused on efficiencies in support staffing, transportation routes, reduction of the number of elective class sections offered for students where overall interest was minimal, increased safety training to reduce workers compensation claims, and prudent management monitoring of all expenditures.

Governmental Activities

The following table presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately 7% of the cost of the general government programs was recouped in program revenues. Instruction costs were \$39,868,642 but program revenue contributed to fund 4% of those costs. Thus, general revenues of \$38,089,280 were used to support of remainder of the instruction costs. The School District's governmental activities net assets increased by 16% during the fiscal year primarily to the increase in property tax revenues and a decline in expenses due to budget cuts.

Governmental Activities

		<u>Total Cost of Services</u>	<u>Program Revenue</u>	<u>Revenues as a % of Total Costs</u>	<u>Net Cost of Services</u>
Instruction	\$	39,868,642	1,779,362	4%	38,089,280
Support services		35,473,651	2,192,011	6%	33,281,640
Non-instructional services		2,936,311	1,364,761	46%	1,571,550
Interest and fiscal charges		<u>3,412,151</u>	<u>-</u>	0%	<u>3,412,151</u>
Total	\$	<u>81,690,755</u>	<u>5,336,134</u>	<u>7%</u>	<u>76,354,621</u>

PRINCETON CITY SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

Business-type Activities

Net assets of the business-type activities increased by \$959,716 primarily due to early childhood program revenues and decreased costs due to state poverty based assistance funds covering nearly half of the early childhood program salaries.

The following table presents the total cost of each of the School District's business segments and the net cost after deducting the revenues generated by each segment. Charges and operating grants paid for 130% of the costs of the business-type activities.

Business-type Activities					
		<u>Total Cost of Services</u>	<u>Program Revenue</u>	<u>Revenues as a % of Total Costs</u>	<u>Net Cost (Revenue) of Services</u>
Food services	\$	2,203,636	2,351,240	107%	(147,604)
Early childhood programs		746,678	1,509,709	202%	(763,031)
Uniform school supplies		<u>21,439</u>	<u>15,644</u>	73%	<u>5,795</u>
Total	\$	<u>2,971,753</u>	<u>3,876,593</u>	<u>130%</u>	<u>(904,840)</u>

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S INDIVIDUAL FUNDS

Governmental funds

The School District has three major governmental funds: the General Fund, Debt Service Fund and Building Fund. Assets of these funds comprise \$113,839,219 of the total governmental funds assets of \$116,082,870.

General Fund. Fund balance at June 30, 2007 was \$39,740,713 including \$17,131,871 of unreserved balance, which represents 25% of expenditures for fiscal year 2007. The primary reasons for the increase in fund balance of \$7,115,996 were the increase in property tax revenues and investment earnings and the reduction of expenditures.

Debt Service Fund. Fund balance at June 30, 2007 was \$4,389,748. This fund will be used to accumulate resources to retire the outstanding School Improvement Bonds. This increase to the debt service fund is a direct result of the accumulation of taxes to repay the general long-term debt principal and interest.

Building Fund. Fund balance at June 30, 2007 was \$3,769,037. The proceeds from the issuance of school improvement bonds in 2003 are being used to construct new buildings and renovate other buildings. The capital outlay expenditures incurred in the current fiscal year relate primarily to construction in progress and architect and construction manager fees.

PRINCETON CITY SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

GENERAL FUND BUDGETARY HIGHLIGHTS

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of the year, but primarily at the end of the year, the School District revises the budget in an attempt to deal with unexpected changes in revenues and expenditures. The differences between the General Fund's Original Budget and Final Budget were due primarily to an increase in taxes and transfers out to other funds. Due to the timing of the final revision, final budget figures are closely aligned with actual figures.

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. At June 30, 2007, the School District had \$95,946,134 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. The total increase in the School District's investment in capital assets for the current fiscal year was approximately 40%. See Note 5 to the financial statements for more detail.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land	\$ 5,226,711	3,142,982	-	-	5,226,711	3,142,982
Construction in progress	21,784,906	55,938,530	-	-	21,784,906	55,938,530
Land improvements	7,082,987	4,686,175	-	-	7,082,987	4,686,175
Buildings and improvements	56,234,394	1,720,350	-	-	56,234,394	1,720,350
Equipment and furniture	4,126,813	765,189	298,034	147,762	4,424,847	912,951
Vehicles	<u>1,192,289</u>	<u>1,446,176</u>	<u>-</u>	<u>-</u>	<u>1,192,289</u>	<u>1,446,176</u>
Total	\$ <u>95,648,100</u>	<u>67,699,402</u>	<u>298,034</u>	<u>147,762</u>	<u>95,946,134</u>	<u>67,847,164</u>

Major capital asset events during the current fiscal year include the ongoing costs for construction of new school buildings. Five of the eight planned new elementary schools were complete and opened for the beginning of the 2006-2007 school year.

PRINCETON CITY SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

Debt

During the fiscal year 2007 the School District issued \$70,840,000 of general obligation bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$71,800,000 of the 2003 school improvement general obligation bonds.

At the end of the current fiscal year, the School District had total bonded debt outstanding of \$80,960,000 and Lease Purchase obligations of \$595,000. See Note 10 to the financial statements.

ECONOMIC FACTORS

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

While the State has made some progress in resolving the school funding issue, the court ruled that the funding system is far too reliant on property taxes which are inherently not equitable or adequate for many districts. Princeton, however, receives 80% of its general funding from property taxes.

To further complicate the School District's funding challenges, the State's most recent budget bill (effective July 1, 2005) mandates that all personal property taxes be phased out. By 2010, the valuation on which the personal property tax is based will be reduced to zero. Though the state will reimburse school districts for the loss of this revenue, the reimbursement is temporary. Of the total property tax revenue collected by the School District, 44% comes from the personal property tax.

REQUESTS FOR ADDITIONAL INFORMATION

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

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PRINCETON CITY SCHOOL DISTRICT, OHIO

Statement of Net Assets

June 30, 2007

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 37,845,671	1,209,336	39,055,007
Receivables:			
Taxes	72,208,325	-	72,208,325
Accounts	359,835	18,973	378,808
Intergovernmental	1,146,566	279,290	1,425,856
Interest	232,115	-	232,115
Supplies inventory	160,912	41,152	202,064
Restricted cash and investments	212,907	-	212,907
Deferred charges	864,141	-	864,141
Nondepreciable capital assets	27,011,617	-	27,011,617
Depreciable capital assets, net	68,636,483	298,034	68,934,517
Total assets	208,678,572	1,846,785	210,525,357
Liabilities:			
Accounts payable	2,270,090	3,553	2,273,643
Accrued wages and benefits	5,202,432	184,257	5,386,689
Intergovernmental payable	1,971,159	158,276	2,129,435
Unearned revenue	47,940,500	-	47,940,500
Accrued interest payable	301,451	-	301,451
Long-term liabilities:			
Due within one year	3,334,318	10,708	3,345,026
Due within more than one year	83,502,713	63,801	83,566,514
Total liabilities	144,522,663	420,595	144,943,258
Net Assets:			
Invested in capital assets, net of related debt	12,177,021	298,034	12,475,055
Restricted for:			
Capital projects	3,772,059	-	3,772,059
Debt service	4,515,804	-	4,515,804
Other purposes	1,222,878	-	1,222,878
Endowment:			
Expendable	19,490	-	19,490
Nonexpendable	260,389	-	260,389
Unrestricted	42,188,268	1,128,156	43,316,424
Total net assets	\$ 64,155,909	1,426,190	65,582,099

See accompanying notes to the basic financial statements.

PRINCETON CITY SCHOOL DISTRICT, OHIO

Statement of Activities
Year Ended June 30, 2007

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction:				
Regular	\$ 27,185,096	716,783	189,418	-
Special education	7,337,829	-	873,161	-
Other instruction	5,345,717	-	-	-
Support services:				
Pupil	4,853,378	-	1,238,531	-
Instructional staff	6,104,382	-	692,064	-
Board of Education	356,891	-	-	-
Administration	6,148,062	-	69,262	-
Fiscal	2,582,803	-	64,282	-
Business	739,910	-	-	-
Operation and maintenance of plant	7,940,072	-	-	-
Pupil transportation	4,996,401	-	39,938	45,197
Central	1,751,752	-	42,737	-
Non-instructional services:				
Extracurricular activities	1,431,994	132,597	-	-
Community service	1,504,317	-	1,232,164	-
Debt service:				
Interest and fiscal charges	3,412,151	-	-	-
Total Governmental Activities	81,690,755	849,380	4,441,557	45,197
Business-Type Activities:				
Food Service	2,203,636	994,316	1,356,924	-
Uniform School Supplies	21,439	15,644	-	-
Early Childhood Programs	746,678	1,509,709	-	-
Total Business-Type Activities	2,971,753	2,519,669	1,356,924	-
	\$ 84,662,508	3,369,049	5,798,481	45,197

General Revenues:

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Grants and entitlements not restricted to specific programs
- Investment earnings
- Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets beginning of year, restated

Net assets end of year

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and
Changes in Net Assets

	Governmental Activities	Business-Type Activities	Total
\$	(26,278,895)	-	(26,278,895)
	(6,464,668)	-	(6,464,668)
	(5,345,717)	-	(5,345,717)
	(3,614,847)	-	(3,614,847)
	(5,412,318)	-	(5,412,318)
	(356,891)	-	(356,891)
	(6,078,800)	-	(6,078,800)
	(2,518,521)	-	(2,518,521)
	(739,910)	-	(739,910)
	(7,940,072)	-	(7,940,072)
	(4,911,266)	-	(4,911,266)
	(1,709,015)	-	(1,709,015)
	-	-	-
	(1,299,397)	-	(1,299,397)
	(272,153)	-	(272,153)
	(3,412,151)	-	(3,412,151)
	(76,354,621)	-	(76,354,621)
	-	147,604	147,604
	-	(5,795)	(5,795)
	-	763,031	763,031
	-	904,840	904,840
	(76,354,621)	904,840	(75,449,781)
	61,395,093	-	61,395,093
	5,535,719	-	5,535,719
	14,367,565	-	14,367,565
	2,846,626	-	2,846,626
	1,202,956	-	1,202,956
	(54,876)	54,876	-
	85,293,083	54,876	85,347,959
	8,938,462	959,716	9,898,178
	55,217,447	466,474	55,683,921
\$	64,155,909	1,426,190	65,582,099

PRINCETON CITY SCHOOL DISTRICT, OHIO

Balance Sheet
 Governmental Funds
 June 30, 2007

	General	Debt Service Fund	Building Fund	Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 25,118,288	2,642,748	8,997,256	1,087,379
Restricted cash and investments	212,907	-	-	-
Receivables:				
Taxes	65,866,818	6,341,507	-	-
Accounts	353,819	-	-	6,016
Accrued interest	202,585	-	25,840	3,690
Intergovernmental	-	-	-	1,146,566
Materials and supplies inventory	160,912	-	-	-
Interfund receivable	3,916,539	-	-	-
Total assets	<u>95,831,868</u>	<u>8,984,255</u>	<u>9,023,096</u>	<u>2,243,651</u>
Liabilities:				
Accounts payable	402,439	-	1,802,725	64,926
Accrued wages and benefits	4,917,766	-	-	284,666
Intergovernmental payable	1,903,803	-	-	67,356
Interfund payable	-	-	3,451,334	465,205
Compensated absences payable	158,640	-	-	-
Deferred revenue	48,708,507	4,594,507	-	718,956
Total liabilities	<u>56,091,155</u>	<u>4,594,507</u>	<u>5,254,059</u>	<u>1,601,109</u>
Fund Balances:				
Reserved for:				
Encumbrances	1,135,984	-	7,934,578	110,322
Budget stabilization	212,907	-	-	-
Property taxes	17,182,500	1,747,000	-	-
Materials and supplies inventory	160,912	-	-	-
Advances	3,916,539	-	-	-
Endowment	-	-	-	260,389
Unreserved, reported in:				
General Fund	17,131,871	-	-	-
Special Revenue Funds	-	-	-	249,319
Debt Service Fund	-	2,642,748	-	-
Permanent Fund	-	-	-	19,490
Capital Projects Funds	-	-	(4,165,541)	3,022
Total fund balances	<u>39,740,713</u>	<u>4,389,748</u>	<u>3,769,037</u>	<u>642,542</u>
Total liabilities and fund balances	\$ <u>95,831,868</u>	<u>8,984,255</u>	<u>9,023,096</u>	<u>2,243,651</u>

See accompanying notes to the basic financial statements.

PRINCETON CITY SCHOOL DISTRICT, OHIO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2007

	General	Debt Service Fund	Building Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 62,052,324	5,572,509	-	-	67,624,833
Tuition and fees	751,060	-	-	-	751,060
Interest	1,959,730	-	866,064	36,823	2,862,617
Intergovernmental	12,023,253	563,489	-	6,059,941	18,646,683
Other local revenues	1,131,604	-	10,450	295,322	1,437,376
Total revenues	<u>77,917,971</u>	<u>6,135,998</u>	<u>876,514</u>	<u>6,392,086</u>	<u>91,322,569</u>
Expenditures:					
Current:					
Instruction:					
Regular	27,635,540	-	-	178,709	27,814,249
Special education	6,355,701	-	-	864,831	7,220,532
Other instruction	2,224,727	-	-	3,088,917	5,313,644
Support services:					
Pupil	3,622,382	-	-	1,291,426	4,913,808
Instructional staff	5,241,960	-	-	826,715	6,068,675
Board of Education	356,891	-	-	-	356,891
Administration	5,823,963	-	-	166,202	5,990,165
Fiscal	2,390,147	90,089	32,909	68,231	2,581,376
Business	713,724	-	255,164	-	968,888
Operation and maintenance of plant	7,960,595	-	10,068	-	7,970,663
Pupil transportation	4,199,160	-	-	38,521	4,237,681
Central	1,546,472	-	-	143,303	1,689,775
Non-instructional services:					
Extracurricular activities	196,325	-	-	1,160,193	1,356,518
Community service	125,500	-	-	1,450,733	1,576,233
Capital outlay	8,818	-	28,776,031	-	28,784,849
Debt Service:					
Principal	-	1,963,000	-	-	1,963,000
Interest and fiscal charges	-	3,640,237	-	-	3,640,237
Bond issuance costs	-	788,041	-	-	788,041
Total expenditures	<u>68,401,905</u>	<u>6,481,367</u>	<u>29,074,172</u>	<u>9,277,781</u>	<u>113,235,225</u>
Excess of revenues over (under) expenditures	<u>9,516,066</u>	<u>(345,369)</u>	<u>(28,197,658)</u>	<u>(2,885,695)</u>	<u>(21,912,656)</u>
Other financing sources (uses):					
Transfers in	149,862	491,212	-	2,003,844	2,644,918
Transfers out	(2,549,932)	-	(149,862)	-	(2,699,794)
Proceeds from sale of bonds	-	70,840,000	-	-	70,840,000
Premium on sale of bonds	-	5,406,759	-	-	5,406,759
Payment to escrow agent	-	(75,458,718)	-	-	(75,458,718)
Total other financing sources (uses):	<u>(2,400,070)</u>	<u>1,279,253</u>	<u>(149,862)</u>	<u>2,003,844</u>	<u>733,165</u>
Net change in fund balance	7,115,996	933,884	(28,347,520)	(881,851)	(21,179,491)
Fund balance, beginning of year, restated	<u>32,624,717</u>	<u>3,455,864</u>	<u>32,116,557</u>	<u>1,524,393</u>	<u>69,721,531</u>
Fund balance, end of year	\$ <u>39,740,713</u>	<u>4,389,748</u>	<u>3,769,037</u>	<u>642,542</u>	<u>48,542,040</u>

See accompanying notes to the basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2007

Net Change in Fund Balances - Total Governmental Funds	\$	(21,179,491)
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated estimated useful lives as depreciation expense.		
Capital outlay	30,353,520	
Depreciation expense	<u>(2,404,822)</u>	27,948,698
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		1,510,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		19,149
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		563,980
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(502,376)
Repayment of lease purchase agreement principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the statement of net assets.		453,000
Governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Premium on sale of bonds	266,957	
Bond issuance costs	(83,435)	
Deferred amount on refunding	<u>(58,020)</u>	<u>125,502</u>
Change in Net Assets of Governmental Activities	\$	<u>8,938,462</u>

PRINCETON CITY SCHOOL DISTRICT, OHIO

Statement of Net Assets

Proprietary Funds

June 30, 2007

	<u>Nonmajor Enterprise Funds</u>
Assets:	
Current assets:	
Equity in pooled cash and investments	\$ 1,209,336
Receivables:	
Accounts	18,973
Intergovernmental	279,290
Materials and supplies inventory	<u>41,152</u>
Total current assets	<u>1,548,751</u>
Noncurrent assets:	
Capital assets, net	<u>298,034</u>
Total assets	<u>1,846,785</u>
Liabilities:	
Current liabilities:	
Accounts payable	3,553
Accrued wages	184,257
Intergovernmental payable	158,276
Compensated absences	<u>10,708</u>
Total current liabilities	<u>356,794</u>
Noncurrent liabilities:	
Compensated absences	<u>63,801</u>
Total liabilities	<u>420,595</u>
Net Assets:	
Invested in capital assets	298,034
Unrestricted	<u>1,128,156</u>
Total net assets	<u>\$ 1,426,190</u>

See accompanying notes to the basic financial statements.

PRINCETON CITY SCHOOL DISTRICT, OHIO

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

Year Ended June 30, 2007

	<u>Nonmajor Enterprise Funds</u>
Operating revenues:	
Charges for services	\$ <u>2,519,669</u>
Operating expenses:	
Salaries and wages	1,271,880
Fringe benefits	688,912
Contractual services	47,185
Materials and supplies	935,761
Depreciation	18,393
Other expenses	<u>9,622</u>
Total operating expenses	<u>2,971,753</u>
Operating loss	(452,084)
Nonoperating revenues:	
Intergovernmental grants	1,355,384
Interest income	<u>1,540</u>
Total nonoperating revenues	<u>1,356,924</u>
Net income before transfers	904,840
Transfer in	<u>54,876</u>
Net income	959,716
Net assets, beginning of year	<u>466,474</u>
Net assets, end of year	\$ <u><u>1,426,190</u></u>

See accompanying notes to the basic financial statements.

PRINCETON CITY SCHOOL DISTRICT, OHIO

Statement of Cash Flows

Proprietary Funds

Year Ended June 30, 2007

	<u>Nonmajor Enterprise Funds</u>
Cash flows from operating activities:	
Cash received from customers	\$ 2,503,677
Cash payments for personal services	(2,023,681)
Cash payments for contract services	(46,281)
Cash payments for supplies and materials	(843,072)
Cash payments for other expenses	<u>(7,770)</u>
Net cash used by operating activities	<u>(417,127)</u>
Cash flows from noncapital financing activities:	
Cash received from operating grants	1,067,786
Transfers in	<u>54,876</u>
Net cash provided by noncapital financing activities	<u>1,122,662</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(168,665)</u>
Cash flows from investing activities:	
Investment income	<u>1,540</u>
Net increase in cash and investments	538,410
Cash and investments at beginning of year	<u>670,926</u>
Cash and investments at end of year	\$ <u>1,209,336</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	(452,084)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	18,393
Donated commodities used	111,535
Changes in assets and liabilities:	
Accounts receivable	(14,780)
Accounts payable	(8,335)
Supplies inventory	(8,967)
Accrued wages and benefits	(58,735)
Intergovernmental payable	23,564
Compensated absences payable	<u>(27,718)</u>
Net cash used by operating activities	\$ <u>(417,127)</u>

See accompanying notes to the basic financial statements.

PRINCETON CITY SCHOOL DISTRICT, OHIO

Statement of Net Assets

Fiduciary Funds

June 30, 2007

	<u>Private Purpose Trusts</u>	<u>Agency Fund</u>
ASSETS		
Equity in pooled cash and investments	\$ 65,601	102,060
Total assets	<u>65,601</u>	<u>102,060</u>
LIABILITIES		
Accounts payable	-	8,818
Due to student groups	-	93,242
Total liabilities	<u>-</u>	<u>102,060</u>
NET ASSETS		
Held in trust	\$ <u>65,601</u>	

See accompanying notes to the basic financial statements.

PRINCETON CITY SCHOOL DISTRICT, OHIO

Statement of Changes in Net Assets

Fiduciary Funds

Year Ended June 30, 2007

	<u>Private- Purpose Trust Funds</u>
Additions:	
Contributions	\$ <u>4,742</u>
Total additions	<u>4,742</u>
Deductions:	
Community gifts, awards and scholarships	<u>7,094</u>
Total deductions	<u>7,094</u>
Change in net assets	(2,352)
Net assets, beginning of year, restated	<u>67,953</u>
Net assets, end of year	\$ <u><u>65,601</u></u>

See accompanying notes to the basic financial statements.

PRINCETON CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Princeton City School District, Ohio (the "School District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent they do not conflict with or contradict GASB pronouncements. The School District has elected not to apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989 to its proprietary activities. The more significant of the School District's accounting policies are described below.

A. Reporting Entity

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

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

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

PRINCETON CITY SCHOOL DISTRICT, OHIO
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The following activity is included within the reporting entity:

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

The School District is associated with two jointly governed organizations. These organizations are the Hamilton/Clermont Cooperative Association/Unified Purchasing Association and Great Oaks Institute of Technology and Career Development. The organizations are presented in Note 11 to the basic financial statements.

B. Basis of Presentation

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

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

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

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

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

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

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

C. Fund Accounting

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

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

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

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

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

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

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

D. Basis of Accounting

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

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

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

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

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

PRINCETON CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

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

Deferred Revenue Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2007 which are intended to finance fiscal year 2008 operations have been recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

E. Cash and Cash Equivalents

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

During fiscal year 2007, the District's investments were limited to US Government Agency securities, money market funds, and the State Treasury Assets Reserve of Ohio (STAR Ohio).

STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2007.

The Governmental Accounting Standards Board Statement No. 31 (GASB 31), "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", requires that investments, with certain exceptions, be recorded at their fair value and that changes in the fair value be reported in the operating statement. The School District recorded investments held at June 30, 2007 at fair value.

PRINCETON CITY SCHOOL DISTRICT, OHIO
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Year Ended June 30, 2007

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

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

F. Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used. Inventory in governmental funds consists of expendable supplies. The cost of inventory items is recorded as an expenditure in the governmental fund types when used. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds, which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

G. Capital Assets

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

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

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

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

PRINCETON CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

H. Interfund Balances

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

I. Compensated Absences

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

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

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

J. Accrued Liabilities and Long-Term Obligations

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

K. Fund Balance Reserves

The School District records reservations for portions of fund equity that are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balances indicates that portion of fund equity that is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes, inventory, advances, endowments and budget reserve set-asides. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statutes. The reserve for budget stabilization represents money set-aside to protect against cyclical changes in revenues and expenditures.

PRINCETON CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
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L. Restricted Assets

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

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments which for the School District includes amounts set-aside for budget stabilization and restricted grants.

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

The government-wide Statement of Net Assets reports \$9,790,620 of restricted net assets, none of which are restricted by enabling legislation.

N. Estimates

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

2. DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

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

PRINCETON CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

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

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

Investments

The School District's investments at June 30, 2007 are as summarized as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity Years</u>
FHLB	\$ 7,951,135	1.11
FNMA	12,276,781	1.01
FHLMC	5,030,965	1.30
Star Ohio	8,490,709	-
US Money Market	<u>61,730</u>	<u>-</u>
	<u>\$ 33,811,320</u>	<u>0.82</u>

Credit Risk

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

Custodial Credit Risk

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

PRINCETON CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

Concentration of Credit Risk

The School District's policy places no limit on the amount it may invest in any one issuer. The School District investments in FHLB, FNMA, and FHLMC securities represent 24%, 36%, and 15%, respectively, of the School District's total investments.

Interest Rate Risk

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

3. PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Public utility property taxes are assessed on tangible personal property at varying percentages of true value and on real property at 35% of true value.

Tangible personal property taxes are levied after April 1 on the value as of December 31 of the current year. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 was 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes primarily from Hamilton County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2007, are available to finance fiscal year 2007 operations. The amount available for advance can vary based on the date the tax bills are sent.

PRINCETON CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
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Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2007. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amounts available for advance at June 30, 2007 were \$17,182,500 and \$1,747,000 in the General Fund and Debt Service Fund, respectively.

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

	<u>2006 Second- Half Collections</u>		<u>2007 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 1,392,713,510	73.66%	1,565,323,230	85.40%
Public Utility	68,870,689	3.64%	59,406,820	3.24%
Tangible Personal Property	<u>429,094,902</u>	22.70%	<u>208,144,506</u>	11.36%
Total Assessed Value	\$ <u>1,890,679,101</u>	100.00%	<u>1,832,874,556</u>	100.00%
Tax rate per \$1,000 of assessed valuation		\$49.03		\$49.03

4. INTERFUND TRANSACTIONS

During the year ended June 30, 2007, the General Fund made the following transfers:

Debt Service Fund	\$ 491,212
Other Governmental Funds	2,003,844
Nonmajor Enterprise Funds	<u>54,876</u>
Total	\$ <u>2,549,932</u>

Also, a transfer of \$149,682 was made from the Building Fund to the General Fund for unspent debt proceeds after the completion of the related construction project. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

At June 30, 2007, the School District has also made interfund loans from the General Fund to the Building Fund and Other Governmental Funds in the amounts of \$3,451,334 and \$465,205 respectively.

PRINCETON CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

5. CAPITAL ASSETS

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

	Balance 7/1/06	Additions	Disposals	Balance 6/30/07
Governmental Activities				
Non-depreciable:				
Land	\$ 3,142,982	2,083,729	-	5,226,711
Construction in progress	55,938,530	29,067,941	(63,221,565)	21,784,906
Subtotal	<u>59,081,512</u>	<u>31,151,670</u>	<u>(63,221,565)</u>	<u>27,011,617</u>
Depreciable:				
Land improvements	7,718,111	2,604,239	-	10,322,350
Buildings and improvements	15,193,211	55,790,059	-	70,983,270
Equipment and furniture	4,049,123	4,029,117	-	8,078,240
Vehicles	4,845,599	-	-	4,845,599
Subtotal	<u>31,806,044</u>	<u>62,423,415</u>	<u>-</u>	<u>94,229,459</u>
Totals at historical cost	<u>90,887,556</u>	<u>93,575,085</u>	<u>(63,221,565)</u>	<u>121,241,076</u>
Less accumulated depreciation:				
Land improvements	3,031,936	207,427	-	3,239,363
Buildings and improvements	13,472,861	1,276,015	-	14,748,876
Equipment and furniture	3,283,934	667,493	-	3,951,427
Vehicles	3,399,423	253,887	-	3,653,310
Total accumulated depreciation	<u>23,188,154</u>	<u>2,404,822</u>	<u>-</u>	<u>25,592,976</u>
Capital assets, net	<u>\$ 67,699,402</u>	<u>91,170,263</u>	<u>(63,221,565)</u>	<u>95,648,100</u>
	Balance 7/1/06	Additions	Disposals	Balance 6/30/07
Business-type Activities:				
Furniture and equipment	\$ 208,640	168,665	-	377,305
Less accumulated depreciation	<u>60,878</u>	<u>18,393</u>	<u>-</u>	<u>79,271</u>
Capital assets, net	<u>\$ 147,762</u>	<u>18,393</u>	<u>-</u>	<u>298,034</u>

PRINCETON CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
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Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular	\$	1,097,820
Instructional staff		158,898
Administration		290,410
Pupil transportation		723,365
Operating and Maintenance of Plant		12,235
Central		63,758
Extracurricular activities		<u>58,336</u>
Total depreciation expense	\$	<u>2,404,822</u>

Depreciation expense of \$18,393 was charged to the food services segment.

6. RISK MANAGEMENT

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

7. DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

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

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute at an actuarially determined rate, which is currently 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts by the SERS' Retirement Board. The School District's required contributions to SERS for the fiscal years ended June 30, 2007, 2006, and 2005 were approximately \$1,947,000, \$1,813,000, and \$1,925,000 respectively; 57% has been contributed for fiscal year 2007 and 100% for fiscal years 2006 and 2005. The unpaid contribution for fiscal year 2007 is recorded as a liability within the respective funds.

PRINCETON CITY SCHOOL DISTRICT, OHIO
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State Teachers Retirement System

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

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

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

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14%. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The School District's required contributions for pension obligations to STRS for the years ended June 30, 2007, 2006, and 2005 were approximately \$4,793,000, \$4,382,000 and \$4,504,000 respectively; 85% has been contributed for fiscal year 2007 and 100% for fiscal years 2006 and 2005. The unpaid contribution for fiscal year 2007 is recorded as a liability within the respective funds.

PRINCETON CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

Social Security System

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

8. POSTEMPLOYMENT BENEFITS

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

STRS has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. For the year ended June 30, 2007, the board allocated employer contributions equal to 1.00% of covered payroll to the Health Care Reserve Fund. For the School District, this amount was approximately \$342,000 during fiscal year 2007. STRS pays health care benefits from the Health Care Reserve Fund. The balance in the fund was \$3.5 billion at June 30, 2006 (the latest information available). For the year ended June 30, 2006, net health care costs paid by STRS were \$282.7 million and STRS had 119,184 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. For the fiscal year ended June 30, 2007, employer contributions to fund health care benefits were 3.32% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2007, the minimum pay has been established at \$35,800. The surcharge rate added to the unallocated portion of the 14% employer contribution rate provides for maintenance of the asset target level for the health care fund.

Net health care costs for the year ended June 30, 2006 were \$158.8 million (the latest information available). The target level for the health care fund reserve is 150% of the projected claims less premium contributions for the next fiscal year. As of June 30, 2006, the value of the health care fund was \$295.6 million, which is about 221% of next year's projected health care costs. On the basis of actuarial projections, the allocated contributions will be insufficient, in the long term, to provide for a health care reserve equal to at least 150% of estimated annual net claims costs. SERS has 59,492 participants currently receiving health care benefits. For the School District, this amount to fund health care benefits, including the surcharge, was approximately \$477,000 during the 2007 fiscal year.

PRINCETON CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

9. EMPLOYEE BENEFITS

Compensated Absences

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

10. LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2007 were as follows:

	Principal Outstanding 7/1/06	Additions	Reductions	Principal Outstanding 6/30/07	Amounts Due in One Year
Governmental Activities:					
General obligation bonds:					
2003 School Improvement	\$ 83,430,000	-	(73,310,000)	10,120,000	1,560,000
Issuance premiums	1,911,875	-	(1,698,838)	213,037	-
2006 Refunding Bonds	-	70,840,000	-	70,840,000	330,000
Issuance premiums		5,406,759	(112,641)	5,294,118	-
Deferred amount on refunding		(2,784,955)	58,020	(2,726,935)	-
Lease-purchase agreements	1,048,000	-	(453,000)	595,000	469,000
Compensated absences	3,313,679	2,501,811	(3,313,679)	2,501,811	975,318
Total	\$ 89,703,554	75,963,615	(78,830,138)	86,837,031	3,334,318
Business-type Activities:					
Compensated absences	\$ 102,227	74,509	(102,227)	74,509	10,708

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

PRINCETON CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

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

These bonds were used to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of the 2003 school improvement general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability associated with these bonds has been removed from the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$2,784,955. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next twenty-three years by \$4,859,768 and resulted in an economic gain of \$2,836,593.

Principal and interest requirements to retire the refunded as well as the non-refunded school improvements bonds are as follows:

Fiscal Year <u>Ending June 30,</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$	1,890,000	3,719,958	5,609,958
2009		1,695,000	3,663,858	5,358,858
2010		1,285,000	3,604,258	4,889,258
2011		1,360,000	3,557,028	4,917,028
2012		1,425,000	3,511,618	4,936,618
2013 - 2017		9,590,000	16,483,819	26,073,819
2018 - 2022		15,020,000	13,718,450	28,738,450
2023 - 2027		22,695,000	9,535,913	32,230,913
2028 - 2031		<u>26,000,000</u>	<u>2,863,084</u>	<u>28,863,084</u>
Total	\$	<u>80,960,000</u>	<u>60,657,986</u>	<u>141,617,986</u>

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

PRINCETON CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

Future minimum payments, payable from the Debt Service Fund, are as follows

Fiscal Year		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Ending June 30,</u>				
2008	\$	469,000	21,762	490,762
2009		<u>126,000</u>	<u>4,744</u>	<u>130,744</u>
Total	\$	<u>595,000</u>	<u>26,506</u>	<u>621,506</u>

All general obligation debt is supported by the full faith and credit of the School District. Compensated absences payable are generally paid from the General Fund. The School District's overall legal debt margin was \$83,998,710 with an unvoted debt margin of \$1,832,875 at June 30, 2007.

11. JOINTLY GOVERNED ORGANIZATIONS

The Hamilton/Clermont Cooperative Association

The School District is a participant in a consortium of school districts to operate The Hamilton/Clermont Cooperative Association (H/CCA). H/CCA is an association of public districts in a geographic area determined by the Ohio Department of Education formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The Board of H/CCA consists of one representative from each of the participating members. The School District has no ongoing financial interest in nor responsibility for H/CCA. Complete financial statements can be obtained for H/CCA at 7615 Harrison Avenue, Cincinnati 45231.

The Great Oaks Institute of Technology and Career Development

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

PRINCETON CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

12. CONTINGENCIES

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2007.

Litigation

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

13. REQUIRED SET-ASIDES

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

		<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside balance as of June 30, 2006	\$	-	-	212,907
Current year set-aside requirement		834,784	834,784	-
Less qualifying disbursements		<u>(2,270,702)</u>	<u>(1,844,600)</u>	<u>-</u>
Total		<u>(1,435,918)</u>	<u>(1,009,816)</u>	<u>212,907</u>
Balance carried to FY2008		<u>(1,435,918)</u>	<u>-</u>	<u>212,907</u>
Cash balance as of June 30, 2007	\$	<u>-</u>	<u>-</u>	<u>212,907</u>

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

PRINCETON CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

14. DEFICIT FUND BALANCES

At June 30, 2007, the following funds had deficit fund balances:

Nonmajor governmental funds:	
Entry Year Fund	\$ 18,345
Alternative Schools	32,057
Title III	5,104
Title I	144,625
Title VI	129,706
Reducing Class Size	2,455

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

15. SIGNIFICANT CONTRACTUAL COMMITMENTS

As of June 30, 2007, the School District had entered into various construction contracts for building renovations and construction improvements under which it had a remaining unperformed and unpaid total commitment of approximately \$8,938,000.

16. RESTATEMENT FOR FUND RECLASSIFICATION

During the year ended June 30, 2007, certain funds previously reported as private-purpose trust funds should have been reported as permanent funds. The reclassification of these funds had the following effect on beginning net assets:

	Governmental <u>Activities</u>	Private <u>Purpose-Trust</u>
Net assets - June 30, 2006	\$ 54,944,922	340,478
Fund reclassification	<u>272,525</u>	<u>(272,525)</u>
Net assets - June 30, 2006, restated	\$ <u>55,217,447</u>	<u>67,953</u>

In addition, the reclassification had the following effect on fund balance:

	Other Governmental <u>Funds</u>
Fund balance at June 30, 2006 as previously reported	\$ 1,251,868
Fund Reclassification	<u>272,525</u>
Fund balance at June 30, 2006, restated	\$ <u>1,524,393</u>

PRINCETON CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

17. OPERATING LEASES

The School District entered into noncancelable operating leases for the use of office equipment. Operating lease payments are reported as function expenditures in governmental funds and on budgetary statements. Total operating lease payments in fiscal year 2007 totaled approximately \$77,000. The following is a schedule of the future minimum lease payments:

	Year Ending <u>June 30</u>	
	2008	\$ 76,890
	2009	76,890
	2010	<u>76,890</u>
Future minimum lease payments		\$ <u>230,670</u>

18. SUBSEQUENT EVENTS

The School District has entered into agreements to sell surplus land to two unrelated parties in the amount of approximately \$4,000,000.

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PRINCETON CITY SCHOOL DISTRICT, OHIO

Required Supplementary Information
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund
 For Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 58,875,291	\$ 64,139,823	\$ 64,139,823	\$ -
Tuition	969,970	928,422	928,422	-
Earnings on investments	1,750,000	1,664,429	1,664,429	-
Classroom materials and fees	300	302	302	-
Other revenues	900,000	885,917	885,917	-
Intermediate sources	25,000	24,832	24,832	-
Intergovernmental - State	11,438,960	11,983,923	11,983,923	-
Intergovernmental - Federal	40,000	39,330	39,330	-
Total revenues	73,999,521	79,666,978	79,666,978	-
Expenditures:				
Instruction	36,135,000	36,476,859	36,476,859	-
Support services	32,463,990	32,855,579	32,855,579	-
Operation of non-instructional services	132,300	125,025	125,025	-
Extracurricular activities	298,000	273,076	273,076	-
Facilities acquisition and construction services	13,000	12,300	12,300	-
Total expenditures	69,042,290	69,742,839	69,742,839	-
Excess (deficiency) of revenues over (under) expenditures	4,957,231	9,924,139	9,924,139	-
Other financing sources (uses):				
Operating transfers (out)	(5,000,000)	(3,078,734)	(2,607,863)	470,871
Advances in	-	240,924	240,924	-
Advances (out)	-	(3,916,539)	(3,916,539)	-
Refund of prior year expenditures	-	669,624	669,624	-
Refund of prior year receipts	-	(68,770)	(68,770)	-
Total other financing sources (uses)	(5,000,000)	(6,153,495)	(5,682,624)	470,871
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(42,769)	3,770,644	4,241,515	470,871
Fund balance, July 1	18,475,628	18,475,628	18,475,628	-
Prior year encumbrances appropriated	910,336	910,336	910,336	-
Fund balance, June 30	\$ 19,343,195	\$ 23,156,608	\$ 23,627,479	\$ 470,871

PRINCETON CITY SCHOOL DISTRICT, OHIO

Notes to Required Supplementary Information

Year Ended June 30, 2007

Note A Budgetary Basis of Accounting

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

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

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

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

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

	<u>General</u>
Net change in fund balance – GAAP Basis	\$ 7,115,996
Due to revenues	1,749,007
Due to expenditures	191,444
Due to other sources (uses)	(3,282,554)
Due to encumbrances	(1,532,378)
Excess of revenues and other sources over (under) expenditures and other uses – Budget Basis	\$ 4,241,515

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COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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

NONMAJOR ENTERPRISE FUNDS

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

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

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

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

AGENCY FUND

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

PRINCETON CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2007

		Nonmajor Special Revenue Funds	Nonmajor Capital Projects	Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in pooled cash and investments	\$	737,478	70,022	279,879	1,087,379
Net receivables:					
Accounts		6,016	-	-	6,016
Interest		3,690	-	-	3,690
Intergovernmental		1,146,566	-	-	1,146,566
Total assets		<u>1,893,750</u>	<u>70,022</u>	<u>279,879</u>	<u>2,243,651</u>
Liabilities:					
Accounts payable		64,926	-	-	64,926
Accrued wages and benefits		284,666	-	-	284,666
Intergovernmental payable		67,356	-	-	67,356
Deferred revenue		651,956	67,000	-	718,956
Interfund payable		465,205	-	-	465,205
Total liabilities		<u>1,534,109</u>	<u>67,000</u>	<u>-</u>	<u>1,601,109</u>
Fund Balances:					
Reserved for:					
Encumbrances		110,322	-	-	110,322
Endowment		-	-	260,389	260,389
Unreserved, reported in:					
Special Revenue Funds		249,319	-	-	249,319
Permanent Fund		-	-	19,490	19,490
Capital Projects Funds		-	3,022	-	3,022
Total fund balances		<u>359,641</u>	<u>3,022</u>	<u>279,879</u>	<u>642,542</u>
Total liabilities and fund balances	\$	<u>1,893,750</u>	<u>70,022</u>	<u>279,879</u>	<u>2,243,651</u>

PRINCETON CITY SCHOOL DISTRICT, OHIO

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

Nonmajor Governmental Funds

Year Ended June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects	Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Interest	\$ 22,319	152	14,352	36,823
Other local revenues	295,322	-	-	295,322
Intergovernmental	6,059,941	-	-	6,059,941
Total revenues	<u>6,377,582</u>	<u>152</u>	<u>14,352</u>	<u>6,392,086</u>
Expenditures:				
Current:				
Instruction:				
Regular	177,075	1,634	-	178,709
Special	864,831	-	-	864,831
Other	3,088,917	-	-	3,088,917
Support services:				
Pupil	1,291,426	-	-	1,291,426
Instructional staff	826,715	-	-	826,715
School administration	166,202	-	-	166,202
Fiscal	68,183	-	48	68,231
Pupil transportation	38,521	-	-	38,521
Central	143,303	-	-	143,303
Non-instructional services:				
Community services	1,443,783	-	6,950	1,450,733
Extracurricular activities	1,160,193	-	-	1,160,193
Total expenditures	<u>9,269,149</u>	<u>1,634</u>	<u>6,998</u>	<u>9,277,781</u>
Excess of revenues over (under) expenditures	<u>(2,891,567)</u>	<u>(1,482)</u>	<u>7,354</u>	<u>(2,885,695)</u>
Other financing sources				
Transfers in	2,003,844	-	-	2,003,844
Total other financing sources	<u>2,003,844</u>	<u>-</u>	<u>-</u>	<u>2,003,844</u>
Net change in fund balances	(887,723)	(1,482)	7,354	(881,851)
Fund balance, beginning of year, restated	1,247,364	4,504	272,525	1,524,393
Fund balance, end of year	\$ <u>359,641</u>	<u>3,022</u>	<u>279,879</u>	<u>642,542</u>

PRINCETON CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2007

	Public School Support	Other Grants	Athletic	Auxiliary Service	Education Management Information Systems	Entry Year
Assets:						
Equity in pooled cash and investments	\$ 168,685	34,308	54,504	67,810	1,375	-
Net receivables:						
Accounts	6,016	-	-	-	-	-
Interest	-	-	-	3,690	-	-
Intergovernmental	-	-	-	-	-	19,100
Total assets	174,701	34,308	54,504	71,500	1,375	19,100
Liabilities:						
Accounts payable	1,459	-	3,305	10,158	100	-
Accrued wages and benefits	-	-	40,278	12,756	-	21,501
Intergovernmental payable	153	-	2,232	7,286	-	514
Deferred revenue	-	-	-	-	-	-
Interfund loans payable	-	-	-	-	-	15,430
Total liabilities	1,612	-	45,815	30,200	100	37,445
Fund Balances:						
Fund Balances						
Reserved for:						
Encumbrances	5,646	-	5,312	35,764	884	-
Unreserved-undesignated	167,443	34,308	3,377	5,536	391	(18,345)
Total fund balances	173,089	34,308	8,689	41,300	1,275	(18,345)
Total liabilities and fund balances \$	174,701	34,308	54,504	71,500	1,375	19,100

<u>Poverty Based Assistance</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads</u>	<u>Student Intervention</u>	<u>Vocational Education Enhancement</u>
61,627	1,071	-	3,082	-	7,601
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	8,977	-	-
<u>61,627</u>	<u>1,071</u>	<u>-</u>	<u>12,059</u>	<u>-</u>	<u>7,601</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	614	-	-
-	-	-	8,977	-	-
-	-	-	-	-	-
-	-	-	9,591	-	-
-	-	-	1,434	-	3,975
<u>61,627</u>	<u>1,071</u>	<u>-</u>	<u>1,034</u>	<u>-</u>	<u>3,626</u>
<u>61,627</u>	<u>1,071</u>	<u>-</u>	<u>2,468</u>	<u>-</u>	<u>7,601</u>
<u>61,627</u>	<u>1,071</u>	<u>-</u>	<u>12,059</u>	<u>-</u>	<u>7,601</u>

(Continued)

PRINCETON CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2007

(Continued)

	Alternative Schools	Misc. State Grants	Title VI-B	Vocational Education	Title III	Title I
Assets:						
Equity in pooled cash and investments	\$ 1,317	95,588	44,453	17,954	14,649	35,084
Net receivables:						
Accounts	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Intergovernmental	<u>13,088</u>	<u>-</u>	<u>319,738</u>	<u>-</u>	<u>68,299</u>	<u>283,232</u>
Total assets	<u>14,405</u>	<u>95,588</u>	<u>364,191</u>	<u>17,954</u>	<u>82,948</u>	<u>318,316</u>
Liabilities:						
Accounts payable	881	-	9,107	-	8,728	15,530
Accrued wages and benefits	-	7,616	83,573	-	-	97,559
Intergovernmental payable	1,059	2,468	29,153	-	707	17,029
Deferred revenue	13,088	-	-	-	68,299	283,232
Interfund loans payable	<u>31,434</u>	<u>-</u>	<u>96,361</u>	<u>-</u>	<u>10,318</u>	<u>49,591</u>
Total liabilities	<u>46,462</u>	<u>10,084</u>	<u>218,194</u>	<u>-</u>	<u>88,052</u>	<u>462,941</u>
Fund Balances:						
Fund Balances						
Reserved for:						
Encumbrances	436	-	31,671	4,000	4,579	9,288
Unreserved-undesignated	<u>(32,493)</u>	<u>85,504</u>	<u>114,326</u>	<u>13,954</u>	<u>(9,683)</u>	<u>(153,913)</u>
Total fund balances	<u>(32,057)</u>	<u>85,504</u>	<u>145,997</u>	<u>17,954</u>	<u>(5,104)</u>	<u>(144,625)</u>
Total liabilities and fund balances \$	<u>14,405</u>	<u>95,588</u>	<u>364,191</u>	<u>17,954</u>	<u>82,948</u>	<u>318,316</u>

<u>Title V</u>	<u>Drug Free Schools</u>	<u>Preschool Grant</u>	<u>Reducing Class Size</u>	<u>Misc. Federal Grants</u>	<u>TOTAL</u>
401	9,077	11,562	10,787	96,543	737,478
-	-	-	-	-	6,016
-	-	-	-	-	3,690
<u>4,504</u>	<u>28,200</u>	<u>5,228</u>	<u>381,752</u>	<u>14,448</u>	<u>1,146,566</u>
<u>4,905</u>	<u>37,277</u>	<u>16,790</u>	<u>392,539</u>	<u>110,991</u>	<u>1,893,750</u>
-	550	-	12,612	2,496	64,926
-	791	-	20,592	-	284,666
337	325	-	2,151	3,328	67,356
4,504	26,842	5,228	227,338	14,448	651,956
<u>129,770</u>	<u>-</u>	<u>-</u>	<u>132,301</u>	<u>-</u>	<u>465,205</u>
<u>134,611</u>	<u>28,508</u>	<u>5,228</u>	<u>394,994</u>	<u>20,272</u>	<u>1,534,109</u>
400	808	-	5,875	250	110,322
<u>(130,106)</u>	<u>7,961</u>	<u>11,562</u>	<u>(8,330)</u>	<u>90,469</u>	<u>249,319</u>
<u>(129,706)</u>	<u>8,769</u>	<u>11,562</u>	<u>(2,455)</u>	<u>90,719</u>	<u>359,641</u>
<u>4,905</u>	<u>37,277</u>	<u>16,790</u>	<u>392,539</u>	<u>110,991</u>	<u>1,893,750</u>

PRINCETON CITY SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Nonmajor Special Revenue Funds
Year Ended June 30, 2007

	Public School Support	Other Grants	Athletic	Auxiliary Service	Education Management Information Systems	Entry Year
Revenues:						
Earnings on investments	\$ -	-	-	22,319	-	-
Other local revenues	131,285	31,395	132,642	-	-	-
Intergovernmental	-	-	-	1,045,350	18,900	19,100
Total revenues	<u>131,285</u>	<u>31,395</u>	<u>132,642</u>	<u>1,067,669</u>	<u>18,900</u>	<u>19,100</u>
Expenditures:						
Current:						
Instruction:						
Regular	-	5,625	-	-	-	-
Special	-	-	-	-	-	-
Other	-	-	-	-	-	-
Support services:						
Pupil	-	274	-	-	-	-
Instructional staff	70,153	-	-	-	-	26,086
School administration	92,224	-	-	-	-	1,500
Fiscal	624	-	-	-	-	-
Pupil transportation	1,299	525	-	-	-	-
Central	1,289	-	-	-	78,512	1,540
Non-instructional services:						
Community services	902	-	-	1,254,180	-	-
Extracurricular activities	4,271	-	1,155,922	-	-	-
Total expenditures	<u>170,762</u>	<u>6,424</u>	<u>1,155,922</u>	<u>1,254,180</u>	<u>78,512</u>	<u>29,126</u>
Excess of revenues over (under) expenditures	(39,477)	24,971	(1,023,280)	(186,511)	(59,612)	(10,026)
Other financing sources						
Transfers in	1,417	-	1,025,160	-	46,666	-
Total other financing sources	<u>1,417</u>	<u>-</u>	<u>1,025,160</u>	<u>-</u>	<u>46,666</u>	<u>-</u>
Net change in fund balances	(38,060)	24,971	1,880	(186,511)	(12,946)	(10,026)
Fund balance, beginning of year	211,149	9,337	6,809	227,811	14,221	(8,319)
Fund balance, end of year	\$ <u>173,089</u>	<u>34,308</u>	<u>8,689</u>	<u>41,300</u>	<u>1,275</u>	<u>(18,345)</u>

<u>Poverty Based Assistance</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads</u>	<u>Student Intervention</u>	<u>Vocational Education Enhancement</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,865,350</u>	<u>27,000</u>	<u>3,300</u>	<u>41,475</u>	<u>-</u>	<u>2,716</u>
<u>1,865,350</u>	<u>27,000</u>	<u>3,300</u>	<u>41,475</u>	<u>-</u>	<u>2,716</u>
-	-	-	10,859	(478)	1,834
-	-	-	-	-	-
3,088,917	-	-	-	-	-
-	-	-	21,800	-	1,080
-	28,447	3,300	4,746	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	8,383	-	-
-	-	-	-	-	-
<u>3,088,917</u>	<u>28,447</u>	<u>3,300</u>	<u>45,788</u>	<u>(478)</u>	<u>2,914</u>
(1,223,567)	(1,447)	-	(4,313)	478	(198)
<u>921,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,044</u>	<u>-</u>
<u>921,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,044</u>	<u>-</u>
(302,008)	(1,447)	-	(4,313)	6,522	(198)
<u>363,635</u>	<u>2,518</u>	<u>-</u>	<u>6,781</u>	<u>(6,522)</u>	<u>7,799</u>
<u>61,627</u>	<u>1,071</u>	<u>-</u>	<u>2,468</u>	<u>-</u>	<u>7,601</u>

(Continued)

PRINCETON CITY SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

All Nonmajor Special Revenue Funds

Year Ended June 30, 2007

(Continued)

	Alternative Schools	Misc. State Grants	Title VI-B	Vocational Education	Title III	Title I
Revenues:						
Earnings on investments	\$ -	-	-	-	-	-
Other local revenues	-	-	-	-	-	-
Intergovernmental	59,682	125,673	1,788,770	5,125	21,857	779,708
Total revenues	<u>59,682</u>	<u>125,673</u>	<u>1,788,770</u>	<u>5,125</u>	<u>21,857</u>	<u>779,708</u>
Expenditures:						
Current:						
Instruction:						
Regular	6,177	-	-	-	12,171	99,730
Special	-	-	51,535	-	7,752	778,750
Other	-	-	-	-	-	-
Support services:						
Pupil	55,455	95,180	1,084,801	12,057	304	-
Instructional staff	1,059	-	343,478	293	13,781	96,616
School administration	-	-	72,478	-	-	-
Fiscal	-	-	39,018	-	805	20,899
Pupil transportation	-	35,785	912	-	-	-
Central	39,406	-	20,060	-	-	-
Non-instructional services:						
Community services	2,989	-	136,136	-	1,304	5,161
Extracurricular activities	-	-	-	-	-	-
Total expenditures	<u>105,086</u>	<u>130,965</u>	<u>1,748,418</u>	<u>12,350</u>	<u>36,117</u>	<u>1,001,156</u>
Excess of revenues over (under) expenditures	(45,404)	(5,292)	40,352	(7,225)	(14,260)	(221,448)
Other financing sources						
Transfers in	2,998	-	-	-	-	-
Total other financing sources	<u>2,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(42,406)	(5,292)	40,352	(7,225)	(14,260)	(221,448)
Fund balance, beginning of year	10,349	90,796	105,645	25,179	9,156	76,823
Fund balance, end of year	\$ (32,057)	<u>85,504</u>	<u>145,997</u>	<u>17,954</u>	<u>(5,104)</u>	<u>(144,625)</u>

<u>Title V</u>	<u>Drug Free Schools</u>	<u>Preschool Grant</u>	<u>Reducing Class Size</u>	<u>Misc. Federal Grants</u>	<u>TOTAL</u>
-	-	-	-	-	22,319
-	-	-	-	-	295,322
<u>6,232</u>	<u>(7,877)</u>	<u>41,962</u>	<u>211,238</u>	<u>4,380</u>	<u>6,059,941</u>
<u>6,232</u>	<u>(7,877)</u>	<u>41,962</u>	<u>211,238</u>	<u>4,380</u>	<u>6,377,582</u>
159	97	-	401	40,500	177,075
178	-	22,866	-	3,750	864,831
-	-	-	-	-	3,088,917
1,176	19,299	-	-	-	1,291,426
7,887	-	-	224,962	5,907	826,715
-	-	-	-	-	166,202
298	442	610	5,302	185	68,183
-	-	-	-	-	38,521
-	-	-	-	2,496	143,303
1,571	1,366	-	30,284	1,507	1,443,783
-	-	-	-	-	1,160,193
<u>11,269</u>	<u>21,204</u>	<u>23,476</u>	<u>260,949</u>	<u>54,345</u>	<u>9,269,149</u>
(5,037)	(29,081)	18,486	(49,711)	(49,965)	(2,891,567)
-	-	-	-	-	2,003,844
-	-	-	-	-	2,003,844
(5,037)	(29,081)	18,486	(49,711)	(49,965)	(887,723)
<u>(124,669)</u>	<u>37,850</u>	<u>(6,924)</u>	<u>47,256</u>	<u>140,684</u>	<u>1,247,364</u>
<u>(129,706)</u>	<u>8,769</u>	<u>11,562</u>	<u>(2,455)</u>	<u>90,719</u>	<u>359,641</u>

PRINCETON CITY SCHOOL DISTRICT, OHIO
 Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2007

	<u>Permanent Improvement</u>	<u>School Net Plus</u>	<u>TOTAL</u>
Assets:			
Equity in pooled cash and investments	\$ <u>70,022</u>	<u>-</u>	<u>70,022</u>
Total assets	<u>70,022</u>	<u>-</u>	<u>70,022</u>
Liabilities:			
Deferred revenue	<u>67,000</u>	<u>-</u>	<u>67,000</u>
Total liabilities	<u>67,000</u>	<u>-</u>	<u>67,000</u>
Fund Balances:			
Fund Balances Unreserved-undesignated	<u>3,022</u>	<u>-</u>	<u>3,022</u>
Total fund balances	<u>3,022</u>	<u>-</u>	<u>3,022</u>
Total liabilities and fund balances	\$ <u>70,022</u>	<u>-</u>	<u>70,022</u>

PRINCETON CITY SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

All Nonmajor Capital Projects Funds

Year Ended June 30, 2007

	<u>Permanent Improvement</u>	<u>School Net Plus</u>	<u>TOTAL</u>
Revenues:			
Earnings on investments	\$ <u>152</u>	<u>-</u>	<u>152</u>
Total revenues	<u>152</u>	<u>-</u>	<u>152</u>
Expenditures:			
Current:			
Instruction:			
Regular	<u>-</u>	<u>1,634</u>	<u>1,634</u>
Total expenditures	<u>-</u>	<u>1,634</u>	<u>1,634</u>
Net change in fund balances	152	(1,634)	(1,482)
Fund balance, beginning of year	<u>2,870</u>	<u>1,634</u>	<u>4,504</u>
Fund balance, end of year	\$ <u><u>3,022</u></u>	<u><u>-</u></u>	<u><u>3,022</u></u>

PRINCETON CITY SCHOOL DISTRICT, OHIO

Combining Statement of Net Assets

Nonmajor Enterprise Funds

June 30, 2007

	<u>Food Service</u>	<u>Early Childhood Programs</u>	<u>Uniform School Supply</u>	<u><i>TOTAL</i></u>
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 17,560	1,038,015	153,761	1,209,336
Receivables:				
Accounts	13,667	5,034	272	18,973
Intergovernmental	279,290	-	-	279,290
Materials and supplies inventory	41,152	-	-	41,152
Total current assets	<u>351,669</u>	<u>1,043,049</u>	<u>154,033</u>	<u>1,548,751</u>
Noncurrent assets:				
Capital assets, net	<u>298,034</u>	<u>-</u>	<u>-</u>	<u>298,034</u>
Total assets	<u>649,703</u>	<u>1,043,049</u>	<u>154,033</u>	<u>1,846,785</u>
Liabilities:				
Current liabilities:				
Accounts payable	3,373	180	-	3,553
Accrued wages and benefits	116,149	68,108	-	184,257
Intergovernmental payable	113,160	45,116	-	158,276
Compensated absences payable	10,140	-	-	10,140
Total current liabilities	<u>242,822</u>	<u>113,404</u>	<u>-</u>	<u>356,226</u>
Noncurrent liabilities:				
Compensated absences payable	<u>17,661</u>	<u>46,708</u>	<u>-</u>	<u>64,369</u>
Total liabilities	<u>260,483</u>	<u>160,112</u>	<u>-</u>	<u>420,595</u>
Net assets:				
Invested in capital assets	298,034	-	-	298,034
Unrestricted	<u>91,186</u>	<u>882,937</u>	<u>154,033</u>	<u>1,128,156</u>
Total net assets	<u>\$ 389,220</u>	<u>882,937</u>	<u>154,033</u>	<u>1,426,190</u>

PRINCETON CITY SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenses and

Changes in Fund Net Assets

Nonmajor Enterprise Funds

Year Ended June 30, 2007

	<u>Food Service</u>	<u>Early Childhood Programs</u>	<u>Uniform School Supplies</u>	<u>TOTAL</u>
Operating revenues:				
Charges for services	\$ 994,316	1,509,709	15,644	2,519,669
Total operating revenues	<u>994,316</u>	<u>1,509,709</u>	<u>15,644</u>	<u>2,519,669</u>
Operating expenses:				
Salaries and wages	753,964	517,916	-	1,271,880
Fringe benefits	498,959	189,953	-	688,912
Contractual services	46,004	1,181	-	47,185
Materials and supplies	880,099	37,448	18,214	935,761
Depreciation	18,393	-	-	18,393
Other operating expenses	6,217	180	3,225	9,622
Total operating expenses	<u>2,203,636</u>	<u>746,678</u>	<u>21,439</u>	<u>2,971,753</u>
Operating income (loss)	(1,209,320)	763,031	(5,795)	(452,084)
Nonoperating revenues:				
Interest income	1,540	-	-	1,540
Intergovernmental grants	<u>1,355,384</u>	-	-	<u>1,355,384</u>
Total nonoperating revenues	<u>1,356,924</u>	-	-	<u>1,356,924</u>
Net income (loss) before transfers	147,604	763,031	(5,795)	904,840
Transfers in	<u>54,876</u>	-	-	<u>54,876</u>
Net income (loss)	202,480	763,031	(5,795)	959,716
Net assets, beginning of year	<u>186,740</u>	<u>119,906</u>	<u>159,828</u>	<u>466,474</u>
Net assets, end of year	\$ <u>389,220</u>	<u>882,937</u>	<u>154,033</u>	<u>1,426,190</u>

PRINCETON CITY SCHOOL DISTRICT, OHIO

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year Ended June 30, 2007

	Food Service	Early Childhood Program	Uniform School Supply	<i>TOTAL</i>
Cash flows from operating activities:				
Cash received from customers	\$ 980,649	1,507,656	15,372	2,503,677
Cash payments for personal services	(1,264,741)	(758,940)	-	(2,023,681)
Cash payments for contract services	(44,879)	(1,402)	-	(46,281)
Cash payments for supplies and materials	(787,410)	(37,448)	(18,214)	(843,072)
Cash payments for other expenses	(4,545)	-	(3,225)	(7,770)
Net cash provided (used) by operating activities	<u>(1,120,926)</u>	<u>709,866</u>	<u>(6,067)</u>	<u>(417,127)</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	54,876	-	-	54,876
Cash received from operating grants	1,067,786	-	-	1,067,786
Net cash provided by noncapital financing activities	<u>1,122,662</u>	<u>-</u>	<u>-</u>	<u>1,122,662</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(168,665)	-	-	(168,665)
Cash flows from investing activities:				
Interest received	1,540	-	-	1,540
Net increase (decrease) in cash	(165,389)	709,866	(6,067)	538,410
Cash, beginning of year	182,949	328,149	159,828	670,926
Cash, end of year	<u>17,560</u>	<u>1,038,015</u>	<u>153,761</u>	<u>1,209,336</u>
Reconciliation of operating income (loss)				
to net cash provided (used) by operating activities:				
Operating income (loss)	(1,209,320)	763,031	(5,795)	(452,084)
Adjustments to reconcile operating income (loss)				
to net cash provided (used) by operating activities:				
Depreciation	18,393	-	-	18,393
Donated commodities used	111,535	-	-	111,535
Changes in assets and liabilities:				
Accounts receivable	(12,455)	(2,053)	(272)	(14,780)
Materials and supplies inventory	(8,967)	-	-	(8,967)
Accounts payable	(8,294)	(41)	-	(8,335)
Accrued wages and benefits	9,349	(68,084)	-	(58,735)
Intergovernmental payable	17,196	6,368	-	23,564
Compensated absences payable	(38,363)	10,645	-	(27,718)
Net cash provided (used) by operating activities	<u>\$ (1,120,926)</u>	<u>709,866</u>	<u>(6,067)</u>	<u>(417,127)</u>

PRINCETON CITY SCHOOL DISTRICT, OHIO

Statement of Changes in Assets and Liabilities

Agency Fund

Year Ended June 30, 2007

<u>Student Activities Fund</u>				
	<u>Beginning</u>		<u>Deletions</u>	<u>Ending</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Assets:				
Equity in pooled cash and investments	\$ 84,148	178,431	160,519	102,060
Liabilities:				
Due to student groups	79,436	169,613	155,807	93,242
Accounts payable	4,712	8,818	4,712	8,818
Total liabilities	\$ 84,148	178,431	160,519	102,060

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

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 58,875,291	\$ 64,139,823	\$ 64,139,823	\$ -
Tuition	969,970	928,422	928,422	-
Earnings on investments	1,750,000	1,664,429	1,664,429	-
Classroom materials and fees	300	302	302	-
Other revenues	900,000	885,917	885,917	-
Intermediate sources	25,000	24,832	24,832	-
Intergovernmental - State	11,438,960	11,983,923	11,983,923	-
Intergovernmental - Federal	40,000	39,330	39,330	-
Total revenues	73,999,521	79,666,978	79,666,978	-
Expenditures:				
Current:				
Instruction:				
Salaries and wages	25,000,000	24,929,593	24,929,593	-
Fringe benefits	7,000,000	7,014,246	7,014,246	-
Purchased services	2,000,000	2,365,256	2,365,256	-
Materials and supplies	800,000	812,457	812,457	-
Capital outlay - new	650,000	664,449	664,449	-
Capital outlay - replacement	650,000	653,989	653,989	-
Other expenditures	35,000	36,869	36,869	-
Total instruction	36,135,000	36,476,859	36,476,859	-
Support services:				
Salaries and wages	17,500,000	17,313,685	17,313,685	-
Fringe benefits	6,000,000	6,198,438	6,198,438	-
Purchased services	5,163,990	5,575,091	5,575,091	-
Materials and supplies	1,600,000	1,582,202	1,582,202	-
Capital outlay - new	200,000	204,420	204,420	-
Capital outlay - replacement	400,000	391,307	391,307	-
Other expenditures	1,600,000	1,590,436	1,590,436	-
Total support services	32,463,990	32,855,579	32,855,579	-
Operation of non-instructional services:				
Salaries and wages	100,000	90,659	90,659	-
Fringe benefits	30,000	32,398	32,398	-
Purchased services	100	10	10	-
Materials and supplies	1,200	1,208	1,208	-
Other expenditures	1,000	750	750	-
Total operation of non-instructional services	132,300	125,025	125,025	-
Extracurricular activities:				
Salaries and wages	250,000	216,608	216,608	-
Fringe benefits	40,000	47,773	47,773	-
Purchased services	5,000	4,643	4,643	-
Materials and supplies	3,000	3,034	3,034	-
Other expenditures	-	1,018	1,018	-
Total extracurricular activities	298,000	273,076	273,076	-

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Facilities acquisition and construction services:				
Purchased services	10,000	9,316	9,316	-
Capital outlay - new	3,000	2,984	2,984	-
Total facilities acquisition and construction services	<u>13,000</u>	<u>12,300</u>	<u>12,300</u>	-
Total expenditures	<u>69,042,290</u>	<u>69,742,839</u>	<u>69,742,839</u>	-
Excess (deficiency) of revenues over (under) expenditures	<u>4,957,231</u>	<u>9,924,139</u>	<u>9,924,139</u>	-
Other financing sources (uses):				
Operating transfers (out)	(5,000,000)	(3,078,734)	(2,607,863)	470,871
Advances (in)	-	240,924	240,924	-
Advances (out)	-	(3,916,539)	(3,916,539)	-
Refund of prior year's expenditures	-	669,624	669,624	-
Refund of prior year receipts	-	(68,770)	(68,770)	-
Total other financing sources (uses)	<u>(5,000,000)</u>	<u>(6,153,495)</u>	<u>(5,682,624)</u>	<u>470,871</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(42,769)	3,770,644	4,241,515	470,871
Fund balance, July 1	18,475,628	18,475,628	18,475,628	-
Prior year encumbrances appropriated	<u>910,336</u>	<u>910,336</u>	<u>910,336</u>	-
Fund balance, June 30	<u>\$ 19,343,195</u>	<u>\$ 23,156,608</u>	<u>\$ 23,627,479</u>	<u>\$ 470,871</u>

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Public School Support Special Revenue Fund
For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Extracurricular revenue	\$ 6,546	\$ 6,546	\$ -
Other local revenues	118,611	118,611	-
Total revenues	125,157	125,157	-
Expenditures:			
Current:			
Support services:			
Materials and supplies	3,019	3,019	-
Capital outlay - replacement	70,000	70,000	-
Other expenditures	98,129	98,129	-
Total support services	171,148	171,148	-
Operation of non-instructional services:			
Other expenditures	902	902	-
Total operation of non-instructional services	902	902	-
Extracurricular activities:			
Other expenditures	4,271	4,271	-
Total operation of non-instructional services	4,271	4,271	-
Total expenditures	176,321	176,321	-
Excess of revenues over (under) expenditures	(51,164)	(51,164)	-
Other financing sources (uses):			
Operating transfers (out)	(162)	(162)	-
Operating transfers (in)	1,579	1,579	-
Refund of prior year's expenditures	112	112	-
Total other financing sources (uses)	1,529	1,529	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(49,635)	(49,635)	-
Fund balance, July 1	205,436	205,436	-
Prior year encumbrances appropriated	6,530	6,530	-
Fund balance, June 30	\$ 162,331	\$ 162,331	\$ -

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Other Grants Special Revenue Fund
 For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other local revenues	\$ 31,395	\$ 31,395	\$ -
Total revenues	<u>31,395</u>	<u>31,395</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Purchased services	1,395	1,395	-
Materials and supplies	3,930	3,930	-
Other expenditures	300	300	-
Total instruction	<u>5,625</u>	<u>5,625</u>	<u>-</u>
Support services:			
Purchased services	525	525	-
Materials and supplies	274	274	-
Total support services	<u>799</u>	<u>799</u>	<u>-</u>
Total expenditures	<u>6,424</u>	<u>6,424</u>	<u>-</u>
Excess of revenues over (under) expenditures	24,971	24,971	-
Fund balance, July 1	<u>9,337</u>	<u>9,337</u>	<u>-</u>
Fund balance, June 30	<u>\$ 34,308</u>	<u>\$ 34,308</u>	<u>\$ -</u>

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Athletic Special Revenue Fund
For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Extracurricular revenue	\$ 128,950	\$ 128,950	\$ -
Other local revenues	3,647	3,647	-
Total revenues	<u>132,597</u>	<u>132,597</u>	<u>-</u>
Expenditures:			
Current:			
Extracurricular activities:			
Salaries and wages	655,887	655,887	-
Fringe benefits	126,551	126,551	-
Purchased services	138,942	138,942	-
Materials and supplies	148,835	148,835	-
Other Expenditures	51,597	51,597	-
Total extracurricular activities	<u>1,121,812</u>	<u>1,121,812</u>	<u>-</u>
Total expenditures	<u>1,121,812</u>	<u>1,121,812</u>	<u>-</u>
Excess of revenues over (under) expenditures	(989,215)	(989,215)	-
Other financing sources (uses):			
Operating transfers (in)	1,025,160	1,025,160	-
Refund of prior year's expenditures	45	45	-
Total other financing sources (uses)	<u>1,025,205</u>	<u>1,025,205</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	35,990	35,990	-
Fund balance, July 1	-	-	-
Prior year encumbrances appropriated	<u>10,587</u>	<u>10,587</u>	<u>-</u>
Fund balance, June 30	<u>\$ 46,577</u>	<u>\$ 46,577</u>	<u>\$ -</u>

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Auxiliary Service Special Revenue Fund
For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Earnings on investments	\$ 18,629	\$ 18,629	\$ -
Intergovernmental - State	1,045,350	1,045,350	-
Total revenues	<u>1,063,979</u>	<u>1,063,979</u>	<u>-</u>
Expenditures:			
Current:			
Operation of non-instructional services:			
Salaries and wages	69,680	69,680	-
Fringe benefits	38,349	38,349	-
Purchased services	524,827	523,939	888
Materials and supplies	328,392	328,392	-
Capital outlay - new	252,470	252,470	-
Other expenditures	50	50	-
Total operation of non-instructional services	<u>1,213,768</u>	<u>1,212,880</u>	<u>888</u>
Total expenditures	<u>1,213,768</u>	<u>1,212,880</u>	<u>888</u>
Excess of revenues over (under) expenditures	(149,789)	(148,901)	888
Other financing sources (uses):			
Refund of prior year's expenditures	6,906	6,906	-
Refund of prior year receipts	(101,780)	(101,780)	-
Total other financing sources (uses)	<u>(94,874)</u>	<u>(94,874)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(244,663)	(243,775)	888
Fund balance, July 1	201,190	201,190	-
Prior year encumbrances appropriated	<u>64,814</u>	<u>64,814</u>	<u>-</u>
Fund balance, June 30	<u>\$ 21,341</u>	<u>\$ 22,229</u>	<u>\$ 888</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Education Management Information Systems Special Revenue Fund
 For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 18,900	\$ 18,900	\$ -
Total revenues	<u>18,900</u>	<u>18,900</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Salaries and wages	58,696	58,696	-
Fringe benefits	16,382	16,382	-
Purchased services	1,503	1,503	-
Materials and supplies	3,580	3,190	390
Capital outlay - new	1,225	1,225	-
Other expenditures	60	60	-
Total support services	<u>81,446</u>	<u>81,056</u>	<u>390</u>
Total expenditures	<u>81,446</u>	<u>81,056</u>	<u>390</u>
Excess of revenues over (under) expenditures	(62,546)	(62,156)	390
Other financing sources (uses):			
Operating transfers (in)	46,666	46,666	-
Total other financing sources (uses)	<u>46,666</u>	<u>46,666</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(15,880)	(15,490)	390
Fund balance, July 1	12,721	12,721	-
Prior year encumbrances appropriated	<u>3,159</u>	<u>3,159</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 390</u>	<u>\$ 390</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Entry Year Special Revenue Fund
 For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Salaries and wages	6,192	6,192	-
Fringe benefits	1,058	1,058	-
Purchased services	5,850	5,850	-
Materials and supplies	2,330	2,330	-
Total support services	<u>15,430</u>	<u>15,430</u>	<u>-</u>
Total expenditures	<u>15,430</u>	<u>15,430</u>	<u>-</u>
Excess of revenues over (under) expenditures	(15,430)	(15,430)	-
Other financing sources (uses):			
Advances (in)	15,430	15,430	-
Total other financing sources (uses)	<u>15,430</u>	<u>15,430</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Data Communications Special Revenue Fund
 For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 27,000	\$ 27,000	\$ -
Total revenues	<u>27,000</u>	<u>27,000</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Other expenditures	28,447	28,447	-
Total support services	<u>28,447</u>	<u>28,447</u>	<u>-</u>
Total expenditures	<u>28,447</u>	<u>28,447</u>	<u>-</u>
Excess of revenues over (under) expenditures	(1,447)	(1,447)	-
Fund balance, July 1	<u>2,518</u>	<u>2,518</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1,071</u>	<u>\$ 1,071</u>	<u>\$ -</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 School Net Professional Development Special Revenue Fund
 For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 3,300	\$ 3,300	\$ -
Total revenues	<u>3,300</u>	<u>3,300</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Purchased services	3,300	3,300	-
Total support services	<u>3,300</u>	<u>3,300</u>	<u>-</u>
Total expenditures	<u>3,300</u>	<u>3,300</u>	<u>-</u>
Excess of revenues over (under) expenditures	-	-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Ohio Reads Special Revenue Fund
 For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 45,023	\$ 45,023	\$ -
Total revenues	<u>45,023</u>	<u>45,023</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Salaries and wages	8,540	8,540	-
Fringe benefits	1,457	1,457	-
Purchased services	2,000	2,000	-
Materials and supplies	9,303	9,303	-
Total instruction	<u>21,300</u>	<u>21,300</u>	<u>-</u>
Support services:			
Purchased services	22,958	22,958	-
Materials and supplies	3,683	3,683	-
Total support services	<u>26,641</u>	<u>26,641</u>	<u>-</u>
Operation of non-instructional services:			
Materials and supplies	2,342	2,342	-
Total operation of non-instructional services	<u>2,342</u>	<u>2,342</u>	<u>-</u>
Total expenditures	<u>50,283</u>	<u>50,283</u>	<u>-</u>
Excess of revenues over (under) expenditures	(5,260)	(5,260)	-
Other financing sources (uses):			
Operating transfers (in)	6,000	6,000	-
Operating transfers (out)	(6,000)	(6,000)	-
Refund of prior year receipts	(6,245)	(6,245)	-
Total other financing sources (uses)	<u>(6,245)</u>	<u>(6,245)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(11,505)	(11,505)	-
Fund balance, July 1	9,128	9,128	-
Prior year encumbrances appropriated	<u>4,025</u>	<u>4,025</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1,648</u>	<u>\$ 1,648</u>	<u>\$ -</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Student Intervention Special Revenue Fund
 For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ -	\$ -	\$ -
Total revenues	-	-	-
Expenditures:			
Current:			
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	-	-	-
Other financing sources (uses):			
Advances (out)	(6,044)	(6,044)	-
Operating transfers (in)	6,044	6,044	-
Total other financing sources (uses)	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	-	-	-
Fund balance, July 1	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Vocational Education Enhancement Special Revenue Fund
For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intermediate sources	\$ 2,717	\$ 2,717	\$ -
Total revenues	<u>2,717</u>	<u>2,717</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Materials and supplies	1,835	1,835	-
Total instruction	<u>1,835</u>	<u>1,835</u>	<u>-</u>
Support services:			
Salaries and wages	69	69	-
Fringe benefits	11	11	-
Purchased services	4,975	4,975	-
Total support services	<u>5,055</u>	<u>5,055</u>	<u>-</u>
Total expenditures	<u>6,890</u>	<u>6,890</u>	<u>-</u>
Excess of revenues over (under) expenditures	(4,173)	(4,173)	-
Other financing sources (uses):			
Operating transfers (out)	(8,227)	(8,227)	-
Operating transfers (in)	8,227	8,227	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(4,173)	(4,173)	-
Fund balance, July 1	6,799	6,799	-
Prior year encumbrances appropriated	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Fund balance, June 30	<u>\$ 3,626</u>	<u>\$ 3,626</u>	<u>\$ -</u>

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Alternative Schools Special Revenue Fund
For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 65,959	\$ 65,959	\$ -
Total revenues	<u>65,959</u>	<u>65,959</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Salaries and wages	3,064	3,064	-
Fringe benefits	503	503	-
Purchased services	1,702	1,702	-
Materials and supplies	1,075	1,075	-
Total instruction	<u>6,344</u>	<u>6,344</u>	<u>-</u>
Support services:			
Salaries and wages	7,680	7,680	-
Fringe benefits	1,312	1,312	-
Purchased services	49,507	49,507	-
Materials and supplies	2,310	2,310	-
Total support services	<u>60,809</u>	<u>60,809</u>	<u>-</u>
Operation of non-instructional services:			
Salaries and wages	2,555	2,555	-
Fringe benefits	434	434	-
Total operation of non-instructional services	<u>2,989</u>	<u>2,989</u>	<u>-</u>
Total expenditures	<u>70,142</u>	<u>70,142</u>	<u>-</u>
Excess of revenues over (under) expenditures	(4,183)	(4,183)	-
Other financing sources (uses):			
Operating transfers (in)	2,998	2,998	-
Refund of prior year receipts	(34,320)	(34,320)	-
Advances (in)	31,434	31,434	-
Advances (out)	(2,651)	(2,651)	-
Total other financing sources (uses)	<u>(2,539)</u>	<u>(2,539)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(6,722)	(6,722)	-
Fund balance, July 1	-	-	-
Prior year encumbrances appropriated	<u>6,722</u>	<u>6,722</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Poverty Based Assistance Special Revenue Fund
 For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 1,865,350	\$ 1,865,350	\$ -
Total revenues	<u>1,865,350</u>	<u>1,865,350</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Salaries and wages	1,934,965	1,934,965	-
Fringe benefits	653,602	653,602	-
Purchased services	499,070	499,070	-
Materials and supplies	1,280	1,280	-
Total instruction	<u>3,088,917</u>	<u>3,088,917</u>	<u>-</u>
Total expenditures	<u>3,088,917</u>	<u>3,088,917</u>	<u>-</u>
Excess of revenues over (under) expenditures	(1,223,567)	(1,223,567)	-
Other financing sources (uses):			
Operating transfers (in)	921,559	921,559	-
Total other financing sources (uses)	<u>921,559</u>	<u>921,559</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(302,008)	(302,008)	-
Fund balance, July 1	<u>363,635</u>	<u>363,635</u>	<u>-</u>
Fund balance, June 30	<u>\$ 61,627</u>	<u>\$ 61,627</u>	<u>\$ -</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Miscellaneous State Grants Special Revenue Fund
 For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - State	\$ 121,194	\$ 121,194	\$ -
Total revenues	<u>121,194</u>	<u>121,194</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Salaries and wages	50,841	50,841	-
Fringe benefits	20,768	20,768	-
Purchased services	538	538	-
Materials and supplies	35,785	35,785	-
Total support services	<u>107,932</u>	<u>107,932</u>	<u>-</u>
Total expenditures	<u>107,932</u>	<u>107,932</u>	<u>-</u>
Excess of revenues over (under) expenditures	13,262	13,262	-
Other financing sources (uses):			
Refund of prior year receipts	(15,479)	(15,479)	-
Total other financing sources (uses)	<u>(15,479)</u>	<u>(15,479)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(2,217)	(2,217)	-
Fund balance, July 1	96,851	96,851	-
Prior year encumbrances appropriated	<u>954</u>	<u>954</u>	<u>-</u>
Fund balance, June 30	<u>\$ 95,588</u>	<u>\$ 95,588</u>	<u>\$ -</u>

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title VI-B Special Revenue Fund
For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 1,651,356	\$ 1,651,356	\$ -
Total revenues	<u>1,651,356</u>	<u>1,651,356</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Salaries and wages	10,761	10,761	-
Fringe benefits	2,720	2,720	-
Purchased services	32,704	32,704	-
Materials and supplies	104,720	104,720	-
Total instruction	<u>150,905</u>	<u>150,905</u>	<u>-</u>
Support services:			
Salaries and wages	548,656	548,656	-
Fringe benefits	236,733	236,733	-
Purchased services	687,062	687,062	-
Materials and supplies	21,921	21,921	-
Capital outlay - new	8,653	8,653	-
Other expenditures	39,017	39,017	-
Total support services	<u>1,542,042</u>	<u>1,542,042</u>	<u>-</u>
Operation of non-instructional services:			
Salaries and wages	44,547	44,547	-
Fringe benefits	13,368	13,368	-
Purchased services	76,646	76,646	-
Total operation of non-instructional services	<u>134,561</u>	<u>134,561</u>	<u>-</u>
Total expenditures	<u>1,827,508</u>	<u>1,827,508</u>	<u>-</u>
Excess of revenues over (under) expenditures	(176,152)	(176,152)	-
Other financing sources (uses):			
Advances (out)	(104,572)	(100,870)	3,702
Advances (in)	96,361	96,361	-
Refund of prior year receipts	13,176	13,176	-
Total other financing sources (uses)	<u>4,965</u>	<u>8,667</u>	<u>3,702</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(171,187)	(167,485)	3,702
Fund balance, July 1	546	546	-
Prior year encumbrances appropriated	<u>171,187</u>	<u>171,187</u>	<u>-</u>
Fund balance, June 30	<u>\$ 546</u>	<u>\$ 4,248</u>	<u>\$ 3,702</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Vocational Education Special Revenue Fund
 For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intermediate sources	\$ 5,125	\$ 5,125	\$ -
Total revenues	<u>5,125</u>	<u>5,125</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Salaries and wages	400	250	150
Fringe benefits	43	43	-
Purchased services	14,206	14,206	-
Materials and supplies	2,297	2,297	-
Total support services	<u>16,946</u>	<u>16,796</u>	<u>150</u>
Total expenditures	<u>16,946</u>	<u>16,796</u>	<u>150</u>
Excess of revenues over (under) expenditures	(11,821)	(11,671)	150
Other financing sources (uses):			
Operating transfers (in)	30,317	30,317	-
Operating transfers (out)	<u>(30,317)</u>	<u>(30,317)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(11,821)	(11,671)	150
Fund balance, July 1	<u>25,625</u>	<u>25,625</u>	<u>-</u>
Fund balance, June 30	<u>\$ 13,804</u>	<u>\$ 13,954</u>	<u>\$ 150</u>

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title III Special Revenue Fund
For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 28,145	\$ 28,145	\$ -
Total revenues	<u>28,145</u>	<u>28,145</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Purchased services	3,200	3,200	-
Materials and supplies	24,508	24,508	-
Total instruction	<u>27,708</u>	<u>27,708</u>	<u>-</u>
Support services:			
Salaries and wages	1,395	1,395	-
Fringe benefits	238	238	-
Purchased services	14,905	13,562	1,343
Materials and supplies	387	387	-
Other expenditures	805	805	-
Total support services	<u>17,730</u>	<u>16,387</u>	<u>1,343</u>
Operation of non-instructional services:			
Materials and supplies	1,304	1,304	-
Total operation of non-instructional services	<u>1,304</u>	<u>1,304</u>	<u>-</u>
Total expenditures	<u>46,742</u>	<u>45,399</u>	<u>1,343</u>
Excess of revenues over (under) expenditures	(18,597)	(17,254)	1,343
Other financing sources (uses):			
Advances (in)	10,318	10,318	-
Total other financing sources (uses)	<u>10,318</u>	<u>10,318</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(8,279)	(6,936)	1,343
Fund balance, July 1	1,365	1,365	-
Prior year encumbrances appropriated	<u>6,914</u>	<u>6,914</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 1,343</u>	<u>\$ 1,343</u>

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title I Special Revenue Fund
For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 870,834	\$ 870,834	\$ -
Total revenues	<u>870,834</u>	<u>870,834</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Salaries and wages	661,952	661,952	-
Fringe benefits	176,907	176,907	-
Purchased services	2,250	2,250	-
Materials and supplies	23,232	23,232	-
Total instruction	<u>864,341</u>	<u>864,341</u>	<u>-</u>
Support services:			
Salaries and wages	10,890	10,890	-
Fringe benefits	1,856	1,856	-
Purchased services	87,697	76,370	11,327
Materials and supplies	7,059	7,059	-
Other expenditures	20,897	20,897	-
Total support services	<u>128,399</u>	<u>117,072</u>	<u>11,327</u>
Operation of non-instructional services:			
Materials and supplies	5,161	5,161	-
Total operation of non-instructional services	<u>5,161</u>	<u>5,161</u>	<u>-</u>
Total expenditures	<u>997,901</u>	<u>986,574</u>	<u>11,327</u>
Excess of revenues over (under) expenditures	(127,067)	(115,740)	11,327
Other financing sources (uses):			
Advances (in)	49,591	49,591	-
Total other financing sources (uses)	<u>49,591</u>	<u>49,591</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(77,476)	(66,149)	11,327
Fund balance, July 1	71,467	71,467	-
Prior year encumbrances appropriated	<u>6,009</u>	<u>6,009</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 11,327</u>	<u>\$ 11,327</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title V Special Revenue Fund
 For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 6,108	\$ 6,108	\$ -
Total revenues	<u>6,108</u>	<u>6,108</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Purchased services	11,014	11,014	-
Total instruction	<u>11,014</u>	<u>11,014</u>	<u>-</u>
Support services:			
Materials and supplies	9,203	9,203	-
Other expenditures	298	298	-
Total support services	<u>9,501</u>	<u>9,501</u>	<u>-</u>
Operation of non-instructional services:			
Purchased services	867	867	-
Materials and supplies	881	881	-
Capital outlay - new	540	540	-
Total operation of non-operational services	<u>2,288</u>	<u>2,288</u>	<u>-</u>
Total expenditures	<u>22,803</u>	<u>22,803</u>	<u>-</u>
Excess of revenues over (under) expenditures	(16,695)	(16,695)	-
Other financing sources (uses):			
Advances (in)	129,770	129,770	-
Advances (out)	(124,435)	(124,435)	-
Total other financing sources (uses)	<u>5,335</u>	<u>5,335</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(11,360)	(11,360)	-
Fund balance, July 1	-	-	-
Prior year encumbrances appropriated	<u>11,360</u>	<u>11,360</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Princeton City School District, Ohio
Schedule of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Drug Free School Grant Special Revenue Fund
For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 2,281	\$ 2,281	\$ -
Total revenues	<u>2,281</u>	<u>2,281</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Salaries and wages	10,439	10,439	-
Fringe benefits	1,696	1,696	-
Purchased services	6,518	6,518	-
Materials and supplies	1,730	1,730	-
Other expenditures	441	441	-
Total support services	<u>20,824</u>	<u>20,824</u>	<u>-</u>
Operation on non-instructional services:			
Purchased services	850	850	-
Materials and supplies	1,136	1,136	-
Total operation of non-instructional services	<u>1,986</u>	<u>1,986</u>	<u>-</u>
Total expenditures	<u>22,810</u>	<u>22,810</u>	<u>-</u>
Excess of revenues over (under) expenditures	(20,529)	(20,529)	-
Fund balance, July 1	26,766	26,766	-
Prior year encumbrances appropriated	<u>1,483</u>	<u>1,483</u>	<u>-</u>
Fund balance, June 30	<u>\$ 7,720</u>	<u>\$ 7,720</u>	<u>\$ -</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 IDEA Preschool Grant for the Handicapped Special Revenue Fund
 For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 41,962	\$ 41,962	\$ -
Total revenues	<u>41,962</u>	<u>41,962</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Salaries and wages	756	756	-
Fringe benefits	118	118	-
Purchased services	21,992	21,992	-
Other expenditures	610	610	-
Total support services	<u>23,476</u>	<u>23,476</u>	<u>-</u>
Total expenditures	<u>23,476</u>	<u>23,476</u>	<u>-</u>
Excess of revenues over (under) expenditures	18,486	18,486	-
Other financing sources (uses):			
Advances (out)	(6,924)	(6,924)	-
Total other financing sources (uses)	<u>(6,924)</u>	<u>(6,924)</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	11,562	11,562	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 11,562</u>	<u>\$ 11,562</u>	<u>\$ -</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Reducing Class Size Special Revenue Fund
 For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 56,673	\$ 56,673	\$ -
Total revenues	<u>56,673</u>	<u>56,673</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Salaries and wages	98,236	98,236	-
Fringe benefits	27,171	27,171	-
Purchased services	69,783	69,783	-
Materials and supplies	5,561	5,561	-
Other expenditures	5,302	5,302	-
Total support services	<u>206,053</u>	<u>206,053</u>	<u>-</u>
Operation on non-instructional services:			
Purchased services	32,717	32,717	-
Materials and supplies	690	690	-
Total operation of non-instructional services	<u>33,407</u>	<u>33,407</u>	<u>-</u>
Total expenditures	<u>239,460</u>	<u>239,460</u>	<u>-</u>
Excess of revenues over (under) expenditures	(182,787)	(182,787)	-
Other financing sources (uses):			
Advances (in)	132,301	132,301	-
Total other financing sources (uses)	<u>132,301</u>	<u>132,301</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(50,486)	(50,486)	-
Fund balance, July 1	45,784	45,784	-
Prior year encumbrances appropriated	<u>4,702</u>	<u>4,702</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Miscellaneous Federal Grants Special Revenue Fund
 For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental - Federal	\$ 28,930	\$ 28,930	\$ -
Total revenues	<u>28,930</u>	<u>28,930</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Salaries and wages	36,727	36,727	-
Fringe benefits	7,523	7,523	-
Total instruction	<u>44,250</u>	<u>44,250</u>	<u>-</u>
Support services:			
Purchased services	2,845	2,845	-
Materials and supplies	5,355	5,355	-
Other expenditures	185	185	-
Total support services	<u>8,385</u>	<u>8,385</u>	<u>-</u>
Operation of non-instructional services:			
Purchased services	715	715	-
Materials and supplies	792	792	-
Total operation of non-instructional services	<u>1,507</u>	<u>1,507</u>	<u>-</u>
Total expenditures	<u>54,142</u>	<u>54,142</u>	<u>-</u>
Excess of revenues over (under) expenditures	(25,212)	(25,212)	-
Fund balance, July 1	118,856	118,856	-
Prior year encumbrances appropriated	154	154	-
Fund balance, June 30	<u>\$ 93,798</u>	<u>\$ 93,798</u>	<u>\$ -</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Debt Service Fund
 For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 5,774,509	\$ 5,774,509	\$ -
Other local revenues	6,895	6,895	-
Intergovernmental-State	<u>563,489</u>	<u>563,489</u>	<u>-</u>
Total revenues	<u>6,344,893</u>	<u>6,344,893</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Other debt service payments	90,089	90,089	-
Total support services	<u>90,089</u>	<u>90,089</u>	<u>-</u>
Debt service:			
Principal	1,963,000	1,963,000	-
Interest	3,645,833	3,645,833	-
Dues & Fees	1,299	1,299	-
Total repayment of debt	<u>5,610,132</u>	<u>5,610,132</u>	<u>-</u>
Total expenditures	<u>5,700,221</u>	<u>5,700,221</u>	<u>-</u>
Excess of revenues over (under) expenditures	644,672	644,672	-
Other financing sources (uses):			
Transfers (in)	<u>491,212</u>	<u>491,212</u>	<u>-</u>
Total other financing sources (uses)	<u>491,212</u>	<u>491,212</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,135,884	1,135,884	-
Fund balance, July 1	<u>1,506,864</u>	<u>1,506,864</u>	<u>-</u>
Fund balance, June 30	<u>\$ 2,642,748</u>	<u>\$ 2,642,748</u>	<u>\$ -</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Permanent Improvement Capital Projects Fund
 For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Earnings on investments	\$ 139	\$ 139	\$ -
Other local revenues	67,000	67,000	-
Total revenues	<u>67,139</u>	<u>67,139</u>	-
Total expenditures	<u>-</u>	<u>-</u>	-
Excess of revenues over (under) expenditures	67,139	67,139	-
Fund balance, July 1	<u>2,870</u>	<u>2,870</u>	-
Fund balance, June 30	<u>\$ 70,009</u>	<u>\$ 70,009</u>	\$ -

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Building Capital Projects Fund
 For Year Ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Earnings on investments	\$ 1,215,219	\$ 1,215,219	\$ -
Other local revenues	<u>10,450</u>	<u>10,450</u>	<u>-</u>
Total revenues	<u>1,225,669</u>	<u>1,225,669</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Purchased services	302,104	302,104	-
Materials and supplies	2,243	2,243	-
Other expenditures	<u>32,909</u>	<u>32,909</u>	<u>-</u>
Total support services	<u>337,256</u>	<u>337,256</u>	<u>-</u>
Facilities acquisition and construction services:			
Purchased services	2,980,139	2,980,139	-
Capital outlay - new	<u>33,926,287</u>	<u>33,926,287</u>	<u>-</u>
Total facilities acquisition and construction services	<u>36,906,426</u>	<u>36,906,426</u>	<u>-</u>
Total expenditures	<u>37,243,682</u>	<u>37,243,682</u>	<u>-</u>
Excess of revenues over (under) expenditures	(36,018,013)	(36,018,013)	-
Other financing sources (uses):			
Advances (in)	<u>3,451,334</u>	<u>3,451,334</u>	<u>-</u>
Total other financing sources (uses)	<u>3,451,334</u>	<u>3,451,334</u>	<u>-</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(32,566,679)	(32,566,679)	-
Fund balance, July 1	12,341,622	12,341,622	-
Prior year encumbrances appropriated	<u>20,225,057</u>	<u>20,225,057</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures
 And Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 School Net Plus Capital Projects Fund
 For Year Ended June 30, 2007

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

STATISTICAL SECTION

Core Values and Beliefs

The Princeton City School District values. . .

Learning and Thinking Centered Communities
Individual Accountability and Collective Responsibility
Fairness and Equity
Ethics and Integrity
Diversity
Mutual Care and Respect of others
Opportunities for All

We believe. . .

Relationships:

In the dignity and worth of each child. The relationship built on mutual trust and respect between the teacher and student is the foundation for all learning.

Safety/Security:

A safe, secure, and orderly environment is essential to learning and achieving.

Achievement:

All of our students will learn and achieve.

Thinking:

In actively engaging all learners by developing skills in critical thinking, creativity, and problem solving.

Diversity:

Our diversity empowers our students to thrive locally and globally - today and tomorrow.

Equity:

In providing learning opportunities with equitable resources and services.

Integrity:

In developing personal integrity and the commitment to serve our community.

Accountability and responsibility (Efficacy):

Student achievement and success are the collective responsibility of our administrators, staff, parents and students.

STATISTICAL TABLES

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	104-111
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax (and the income tax).	112-120
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	122-127
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	128-129
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	130-134

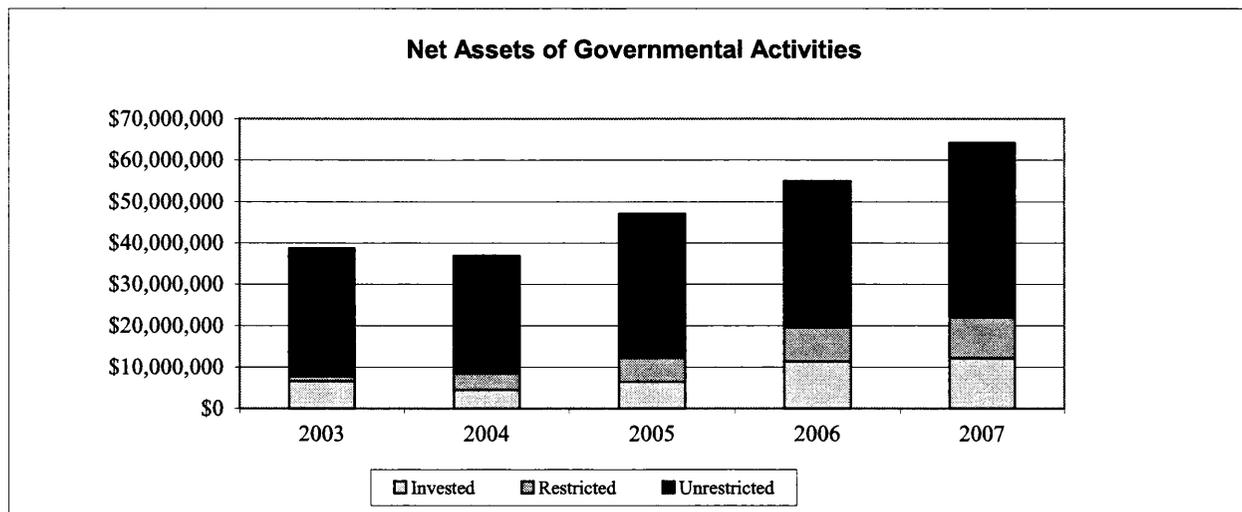
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in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

PRINCETON CITY SCHOOL DISTRICT, OHIO
 Net Assets by Component
 Last Five Fiscal Years
 (accrual basis of accounting)

TABLE 1

	2003	2004	2005	2006	2007
Governmental Activities:					
Invested in Capital Assets, Net of Related Debt	\$6,625,976	\$4,510,135	\$6,505,305	\$11,365,292	\$12,177,021
Restricted for:					
Capital Projects	2,673	1,283,874	387,924	2,908,095	3,772,059
Other Purposes	1,178,658	2,643,536	5,334,719	5,273,383	6,018,561
Unrestricted	<u>30,869,065</u>	<u>28,453,533</u>	<u>34,758,011</u>	<u>35,398,152</u>	<u>42,188,268</u>
Total Governmental Activities Net Assets	<u>38,676,372</u>	<u>36,891,078</u>	<u>46,985,959</u>	<u>54,944,922</u>	<u>64,155,909</u>
Business-type Activities:					
Invested in Capital Assets, Net of Related Debt	274,607	243,327	208,642	147,762	298,034
Unrestricted	<u>785,997</u>	<u>702,781</u>	<u>418,366</u>	<u>318,712</u>	<u>1,128,156</u>
Total Business-type Activities Net Assets	<u>1,060,604</u>	<u>946,108</u>	<u>627,008</u>	<u>466,474</u>	<u>1,426,190</u>
Primary Government:					
Invested in Capital Assets, Net of Related Debt	6,900,583	4,753,462	6,713,947	11,513,054	12,475,055
Restricted	1,181,331	3,927,410	5,722,643	8,181,478	9,790,620
Unrestricted	<u>31,655,062</u>	<u>29,156,314</u>	<u>35,176,377</u>	<u>35,716,864</u>	<u>43,316,424</u>
Total Primary Government Net Assets	<u>\$39,736,976</u>	<u>\$37,837,186</u>	<u>\$47,612,967</u>	<u>\$55,411,396</u>	<u>\$65,582,099</u>

Source: Princeton City School District financial records.



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PRINCETON CITY SCHOOL DISTRICT, OHIO
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007
Expenses					
Governmental Activities:					
Regular Instruction	\$29,334,784	\$30,729,997	\$27,427,926	\$29,747,934	\$27,185,096
Special Instruction	7,373,837	8,371,776	7,995,537	7,357,435	7,337,829
Vocational Instruction	1,030,735	1,240,045	1,332,891	3,106,871	5,345,717
Pupil Support	4,855,476	5,235,034	5,255,056	4,742,701	4,853,378
Instructional Staff Support	5,438,025	5,115,420	5,167,170	5,991,323	6,104,382
Board of Education	346,989	390,937	392,114	382,312	356,891
Administration	5,013,395	5,409,443	5,131,871	5,961,291	6,148,062
Fiscal	1,702,433	1,946,483	1,739,623	2,266,379	2,582,803
Business	488,820	514,215	458,015	551,136	739,910
Operation and Maintenance of Plant	8,604,249	7,539,647	7,556,075	7,698,335	7,940,072
Pupil Transportation	3,782,287	4,035,873	4,831,948	3,795,527	4,996,401
Central	1,316,573	1,957,176	1,856,891	1,551,154	1,751,752
Non-instructional services	2,740,798	2,732,136	2,796,650	2,770,641	2,936,311
Interest and Fiscal Charges	138,719	3,499,610	4,070,873	4,021,596	3,412,151
<i>Total Governmental Activities Expenses</i>	<u>72,167,120</u>	<u>78,717,792</u>	<u>76,012,640</u>	<u>79,944,635</u>	<u>81,690,755</u>
Business-type Activities:					
Food Service	2,389,282	2,478,656	2,377,661	2,390,548	2,203,636
Uniform school supplies	26,209	7,651	5,999	16,783	21,439
After School Care	1,017,455	1,003,507	1,195,317	1,397,093	746,678
<i>Total Business-type Activities Expenses</i>	<u>3,432,946</u>	<u>3,489,814</u>	<u>3,578,977</u>	<u>3,804,424</u>	<u>2,971,753</u>
<i>Total Primary Government Expenses</i>	<u>75,600,066</u>	<u>82,207,606</u>	<u>79,591,617</u>	<u>83,749,059</u>	<u>84,662,508</u>
Program Revenues					
Governmental Activities:					
Charges for Services					
Regular Instruction	1,346,780	1,775,113	1,663,279	1,740,329	716,783
Extracurricular Activities	135,875	108,621	136,202	128,062	132,597
Operating Grants and Contributions	3,629,108	5,129,831	4,850,833	4,378,133	4,441,557
Capital Grants and Contributions	102,848	0	51,345	1,634	45,197
<i>Total Governmental Activities Program Revenues</i>	<u>5,214,611</u>	<u>7,013,565</u>	<u>6,701,659</u>	<u>6,248,158</u>	<u>5,336,134</u>
Business-type Activities:					
Charges for Services					
Food Service	1,122,096	1,052,424	960,987	998,984	994,316
Uniform School Supplies	37,707	30,090	36,533	20,482	15,644
Early Childhood Programs	1,075,378	1,053,486	1,034,158	1,353,973	1,509,709
Operating Grants and Contributions	1,350,606	1,239,318	1,228,199	1,291,317	1,356,924
<i>Total Business-type Activities Program Revenues</i>	<u>3,585,787</u>	<u>3,375,318</u>	<u>3,259,877</u>	<u>3,664,756</u>	<u>3,876,593</u>
<i>Total Primary Government Program Revenues</i>	<u>8,800,398</u>	<u>10,388,883</u>	<u>9,961,536</u>	<u>9,912,914</u>	<u>9,212,727</u>
Net (Expense)/Revenue					
Governmental Activities	(66,952,509)	(71,704,227)	(69,310,981)	(73,696,477)	(76,354,621)
Business-type Activities	152,841	(114,496)	(319,100)	(139,668)	904,840
<i>Total Primary Government Net (Expense)/Revenue</i>	<u>(66,799,668)</u>	<u>(71,818,723)</u>	<u>(69,630,081)</u>	<u>(73,836,145)</u>	<u>(75,449,781)</u>

(continued)

Source: Princeton City School District financial records

PRINCETON CITY SCHOOL DISTRICT, OHIO
Changes in Net Assets (continued)
Last Five Fiscal Years
(accrual basis of accounting)

TABLE 2

	2003	2004	2005	2006	2007
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Property Taxes Levied for:	56,692,006	57,156,993	65,629,652	65,600,762	66,930,812
Grants and Entitlements not Restricted to Specific Programs	9,283,088	10,257,768	10,233,936	10,566,991	14,367,565
Investment Earnings	729,971	1,275,157	2,209,135	3,321,120	2,846,626
Miscellaneous	430,894	1,218,775	1,333,139	1,478,996	1,202,956
Gain on sale of capital assets	39,830	10,240	0	7,667	0
Transfers	0	0	0	0	(54,876)
Total Governmental Activities	67,175,789	69,918,933	79,405,862	80,975,536	85,293,083
Business-type Activities:					
Transfers	0	0	0	0	54,876
Total Business-type Activities	0	0	0	0	54,876
Total Primary Government	67,175,789	69,918,933	79,405,862	80,975,536	85,347,959
Change in Net Assets					
Governmental Activities	223,280	(1,785,294)	10,094,881	7,279,059	8,938,462
Business-type Activities	152,841	(114,496)	(319,100)	(139,668)	959,716
Total Primary Government Change in Net Assets	\$376,121	(\$1,899,790)	\$9,775,781	\$7,139,391	\$9,898,178

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PRINCETON CITY SCHOOL DISTRICT, OHIO

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	1998	1999	2000	2001
General Fund				
Reserved	\$11,287,078	\$14,892,866	\$14,780,664	\$16,218,683
Unreserved	8,409,072	4,651,446	9,231,234	12,835,978
<i>Total General Fund</i>	<u>19,696,150</u>	<u>19,544,312</u>	<u>24,011,898</u>	<u>29,054,661</u>
All Other Governmental Funds				
Reserved	669,009	401,941	723,058	912,051
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	316,406	204,016	308,507	662,774
Debt Service Funds	0	0	0	0
Capital Projects Funds	2,103,440	2,055,577	1,622,411	354,754
Permanent Funds	0	0	0	0
<i>Total All Other Governmental Funds</i>	<u>3,088,855</u>	<u>2,661,534</u>	<u>2,653,976</u>	<u>1,929,579</u>
<i>Total Governmental Funds</i>	<u><u>\$22,785,005</u></u>	<u><u>\$22,205,846</u></u>	<u><u>\$26,665,874</u></u>	<u><u>\$30,984,240</u></u>

Source: Princeton City School District financial records

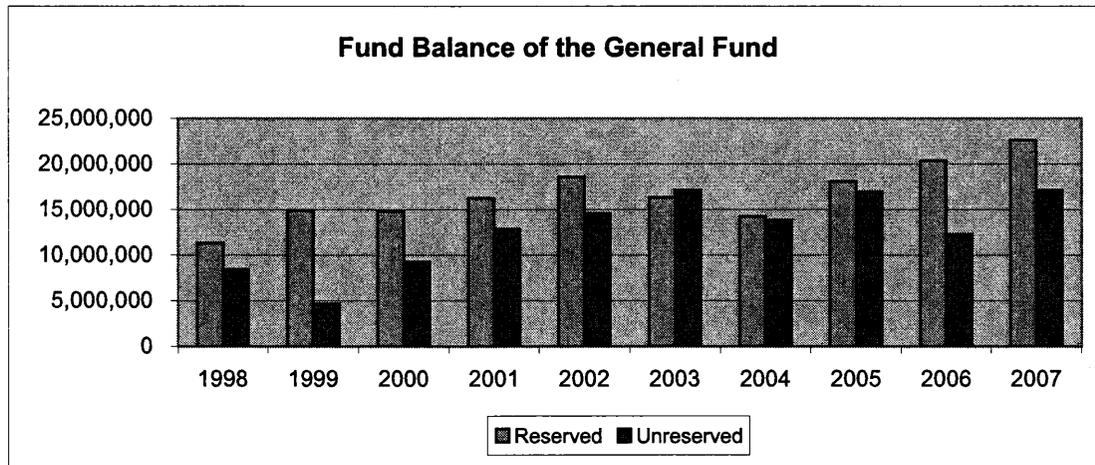


TABLE 3

2002	2003	2004	2005	2006	2007
\$18,575,155	\$16,308,334	\$14,228,324	\$18,062,506	\$20,329,900	\$22,608,842
14,567,456	17,135,200	13,841,444	16,935,494	12,294,817	17,131,871
33,142,611	33,443,534	28,069,768	34,998,000	32,624,717	39,740,713
71,046	977,991	11,412,461	29,556,294	21,325,576	10,052,289
278,998	248,469	747,708	369,958	1,092,426	249,319
0	0	227,271	1,103,769	1,506,864	2,642,748
147,591	(894,207)	72,749,842	46,873,525	12,899,423	(4,162,519)
0	0	0	0	0	19,490
497,635	332,253	85,137,282	77,903,546	36,824,289	8,801,327
\$33,640,246	\$33,775,787	\$113,207,050	\$112,901,546	\$69,449,006	\$48,542,040

PRINCETON CITY SCHOOL DISTRICT, OHIO
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	1998	1999	2000	2001
Revenues				
Property and Other Local Taxes	\$45,111,417	\$50,185,894	\$51,180,443	\$56,161,246
Intergovernmental	9,332,373	9,501,014	11,221,780	12,540,486
Interest	1,561,103	1,332,779	1,438,755	1,807,603
Tuition and Fees	239,084	261,259	260,682	331,893
Other Local Revenues	1,017,323	419,773	488,497	826,425
Intermediate Sources	21,500	31,028	40,644	25,809
Extracurricular Activities	111,258	102,266	102,940	126,236
Claims and judgments	0	0	0	150,000
<i>Total Revenues</i>	<u>57,394,058</u>	<u>61,834,013</u>	<u>64,733,741</u>	<u>71,969,698</u>
Expenditures				
Current:				
Instruction:				
Regular	24,929,665	25,994,159	24,433,998	26,352,994
Special	4,474,849	5,050,083	5,225,521	6,083,344
Vocational	727,441	353,593	366,785	454,756
Other	382,800	475,822	429,615	444,725
Support Services:				
Pupil	3,175,309	3,413,685	3,328,767	3,525,770
Instructional Staff	4,827,296	5,294,185	5,367,612	6,102,155
Board of Education	214,611	178,781	201,641	193,441
Administration	4,377,803	4,524,332	4,264,966	4,779,862
Fiscal	1,630,484	1,406,387	1,465,568	1,690,826
Business	854,011	630,837	588,258	363,570
Operation and Maintenance of Plant	8,560,325	7,476,800	7,356,225	8,778,387
Pupil Transportation	3,218,045	2,659,644	2,782,569	3,108,738
Central	919,101	979,095	1,087,470	1,001,494
Extracurricular Activities	984,840	1,028,346	1,056,977	1,296,364
Community Service	585,922	1,092,602	811,776	1,481,055
Capital Outlay	661,075	137,839	1,427,821	262,324
Debt Service:				
Principal Retirement	1,188,386	1,262,402	1,193,587	1,256,757
Interest and Fiscal Charges	319,797	267,365	256,692	273,939
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>62,031,760</u>	<u>62,225,957</u>	<u>61,645,848</u>	<u>67,450,501</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(4,637,702)</u>	<u>(391,944)</u>	<u>3,087,893</u>	<u>4,519,197</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	15,302	12,565	10,500	31,590
Proceeds from sale of bonds	392,099	0	0	0
Premium on sale of bonds	0	0	0	0
Proceeds from lease purchase agreement	34,934	57,087	1,352,235	160,005
Refund of prior year expenditures	0	0	0	0
Refund of prior year receipts	0	0	0	0
Other miscellaneous uses of funds	0	(193,000)	0	0
Payment to escrow agent	0	0	0	0
Claims and judgements	0	0	43,000	0
Transfers In	1,660,626	1,727,695	1,470,099	1,457,258
Transfers Out	(1,660,626)	(1,772,555)	(1,482,099)	(1,845,178)
<i>Total Other Financing Sources (Uses)</i>	<u>442,335</u>	<u>(168,208)</u>	<u>1,393,735</u>	<u>(196,325)</u>
<i>Net Change in Fund Balances</i>	<u>(\$4,195,367)</u>	<u>(\$560,152)</u>	<u>\$4,481,628</u>	<u>\$4,322,872</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	2.46%	2.46%	2.41%	2.28%

Source: Princeton City School District financial records

TABLE 4

2002	2003	2004	2005	2006	2007
\$57,668,854	\$56,692,006	\$54,034,496	\$65,740,919	62,512,646	67,624,833
12,603,097	12,755,984	15,539,902	14,907,680	14,864,188	18,646,683
1,006,393	709,777	1,187,812	2,211,600	3,448,933	2,862,617
436,392	1,346,780	1,775,113	1,663,279	1,774,304	751,060
1,073,962	639,654	1,321,006	1,464,236	1,573,083	1,437,376
131,760	0	0	0	0	0
130,931	0	0	0	0	0
0	0	0	0	0	0
<u>73,051,389</u>	<u>72,144,201</u>	<u>73,858,329</u>	<u>85,987,714</u>	<u>84,173,154</u>	<u>91,322,569</u>
27,825,890	28,627,270	30,107,765	26,824,759	29,121,630	27,814,249
6,904,323	7,379,674	8,361,955	8,006,233	7,606,694	7,220,532
506,224	0	1,232,448	1,327,014	3,199,392	5,313,644
633,165	1,021,310	0	0	0	0
4,711,618	4,842,955	5,226,609	5,253,048	4,883,938	4,913,808
5,176,201	5,380,575	5,057,224	5,138,665	6,172,017	6,068,675
267,505	333,915	382,610	388,534	382,312	356,891
5,068,237	5,077,614	5,366,310	5,127,096	6,007,403	5,990,165
1,684,824	1,693,653	2,176,777	1,836,629	2,335,416	2,581,376
392,707	493,025	510,215	458,015	537,136	968,888
8,450,757	8,103,191	7,332,923	7,307,221	8,004,633	7,970,663
3,630,849	3,874,063	3,844,915	4,712,953	4,297,383	4,237,681
984,384	1,305,628	2,165,784	1,791,364	1,593,224	1,689,775
1,554,611	1,493,467	1,492,133	1,735,206	1,461,272	1,356,518
1,141,817	1,223,164	1,250,924	1,258,022	1,281,840	1,576,233
870,224	532,973	3,866,575	9,705,033	44,564,267	28,784,849
1,195,809	1,276,773	682,532	1,275,616	2,113,811	1,963,000
213,811	149,004	3,178,622	4,137,441	4,070,993	3,640,237
0	0	918,140	0	0	788,041
<u>71,212,956</u>	<u>72,808,254</u>	<u>83,154,461</u>	<u>86,282,849</u>	<u>127,633,361</u>	<u>113,235,225</u>
1,838,433	(664,053)	(9,296,132)	(295,135)	(43,460,207)	(21,912,656)
0	0	10,240	0	7,667	0
0	0	85,000,000	0	0	70,840,000
0	0	2,114,155	0	0	5,406,759
841,739	145,951	1,603,000	558,000	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	(75,458,718)
0	0	0	0	0	0
1,422,200	1,887,970	85,622,582	1,009,680	1,775,110	2,644,918
(1,422,200)	(1,887,970)	(85,622,582)	(1,009,680)	(1,775,110)	(2,699,794)
<u>841,739</u>	<u>145,951</u>	<u>88,727,395</u>	<u>558,000</u>	<u>7,667</u>	<u>733,165</u>
<u>\$2,680,172</u>	<u>(\$518,102)</u>	<u>\$79,431,263</u>	<u>\$262,865</u>	<u>(\$43,452,540)</u>	<u>(\$21,179,491)</u>
2.00%	1.97%	4.87%	7.07%	7.45%	6.63%

PRINCETON CITY SCHOOL DISTRICT, OHIO
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
1998	969,842,720		2,770,979,200	68,634,990	77,994,307
1999	979,193,070		2,797,694,486	70,718,000	80,361,364
2000	1,144,748,820		3,270,710,914	68,921,740	78,320,159
2001	1,159,115,740		3,311,759,257	75,031,110	85,262,625
2002	1,182,629,890		3,378,942,543	64,083,860	72,822,568
2003	1,369,415,290		3,912,615,114	65,570,470	74,511,898
2004	1,358,732,160		3,882,091,886	66,068,790	75,078,170
2005	610,650,720	756,943,290	3,907,411,457	68,900,980	78,296,568
2006	740,866,830	820,060,390	4,459,792,057	68,330,650	77,648,466
2007	746,770,580	818,552,650	4,472,352,086	59,406,820	67,507,750

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

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

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

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

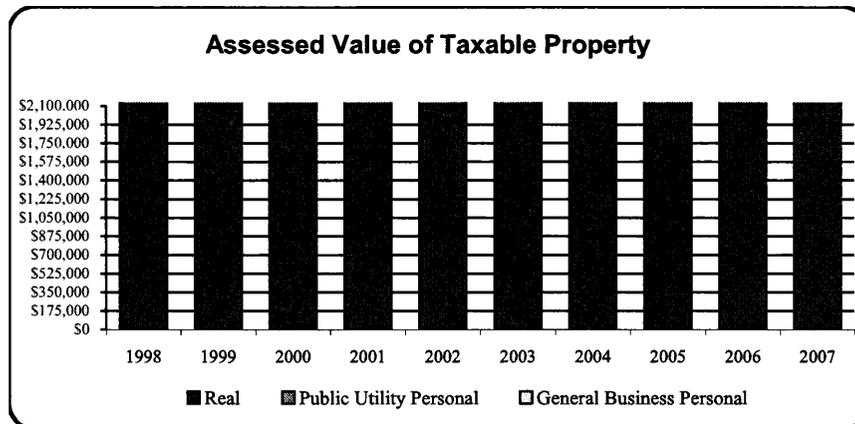
1998 through 2002 did not include information for Butler County.

1998 through 2005 did not include information for Warren County.

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

TABLE 5

Tangible Personal Property		Total		Ratio	Weighted Average Tax Rate
General Business		Assessed Value	Estimated Actual Value		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
413,521,590	1,654,086,360	1,451,999,300	4,503,059,867	32.24%	n/a
433,706,660	1,734,826,640	1,483,617,730	4,612,882,490	32.16%	n/a
438,526,560	1,754,106,240	1,652,197,120	5,103,137,313	32.38%	n/a
452,832,700	1,811,330,800	1,686,979,550	5,208,352,682	32.39%	n/a
442,634,670	1,770,538,680	1,689,348,420	5,222,303,791	32.35%	n/a
466,102,466	1,864,409,864	1,901,088,226	5,851,536,876	32.49%	n/a
404,687,148	1,618,748,592	1,829,488,098	5,575,918,648	32.81%	n/a
421,066,962	1,684,267,848	1,857,561,952	5,669,975,873	32.76%	n/a
384,837,640	1,539,350,560	2,014,095,510	6,076,791,083	33.14%	n/a
208,144,506	832,578,024	1,832,874,556	5,372,437,860	34.12%	n/a



PRINCETON CITY SCHOOL DISTRICT, OHIO
Property Tax Levies and Collections
Last Ten Years

TABLE 6

<u>Collection Year (1)</u>	<u>Current Tax Levy (2)</u>	<u>Current Tax Collections (3)</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (4)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
1998	29,685,600	27,784,701	93.60%	842,271	28,626,972	96.43%
1999	29,936,630	27,906,438	93.22%	694,210	28,600,648	95.54%
2000	35,750,340	33,435,460	93.52%	929,371	34,364,831	96.12%
2001	36,456,290	34,200,211	93.81%	1,083,180	35,283,391	96.78%
2002	36,676,496	34,248,633	93.38%	812,848	35,061,481	95.60%
2003	40,338,209	36,906,936	91.49%	931,035	37,837,971	93.80%
2004	42,955,981	41,456,291	96.51%	1,260,498	42,716,789	99.44%
2005	43,363,212	41,689,007	96.14%	1,335,719	43,024,726	99.22%
2006	45,038,152	42,953,593	95.37%	1,249,715	44,203,308	98.15%
2007	45,856,077	43,492,919	94.85%	2,055,694	45,548,613	99.33%

- (1) 1998 through 2002 did not include information for Butler County.
1998 through 2005 did not include information for Warren County.
- (2) Tax levied and collected are presented on a cash basis.
- (3) State reimbursements of rollback and homestead exemptions are included.
- (4) Penalties and interest are included since by Ohio law they become part of tax obligation as assessment occurs.

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

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PRINCETON CITY SCHOOL DISTRICT, OHIO

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

	1998	1999	2000	2001	2002
Voted Millage - by levy (1)					
1964 Operating - continuing	8.25	8.25	8.25	8.25	8.25
1968 Operating - continuing	5.45	5.45	5.45	5.45	5.45
1971 Operating - continuing	8.61	8.61	8.61	8.61	8.61
1973 Operating - continuing	2.80	2.80	2.80	2.80	2.80
1985 Operating - continuing	5.00	5.00	5.00	5.00	5.00
1992 Operating - continuing	7.50	7.50	7.50	7.50	7.50
1999 Operating - continuing	-	3.95	3.95	3.95	3.95
2003 Bond Levy (debt service)	-	-	-	-	-
Total voted millage by type of property	37.61	41.56	41.56	41.56	41.56
Overlapping Rates by Taxing District (2)					
Princeton City School District	42.24	42.24	46.19	46.19	46.19
Hamilton County	19.01	19.54	20.83	19.92	21.47
City of Blue Ash	3.08	3.08	3.08	3.08	3.08
City of Springdale	3.08	3.08	3.08	3.08	3.08
Village of Evendale	3.34	3.34	-	-	-
Village of Glendale	22.34	19.66	21.93	21.65	21.55
Village of Lincoln Heights	20.08	20.08	20.08	20.08	24.58
Village of Woodlawn	5.08	5.08	5.08	5.08	5.08
Springfield Township	14.30	14.30	14.30	14.30	20.30
Sycamore Township	7.60	7.75	7.75	7.75	7.75
Great Oaks Joint Vocational School District	2.70	2.70	2.70	2.70	2.70

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

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

Source:

- (1) Princeton City School District financial records
- (2) Hamilton County Auditors Office

TABLE 7

2003	2004	2005	2006	2007
8.25	8.25	8.25	8.25	8.25
5.45	5.45	5.45	5.45	5.45
8.61	8.61	8.61	8.61	8.61
2.80	2.80	2.80	2.80	2.80
5.00	5.00	5.00	5.00	5.00
7.50	7.50	7.50	7.50	7.50
3.95	3.95	3.95	3.95	3.95
2.84	2.84	2.84	2.84	2.84
44.40	44.40	44.40	44.40	44.40
45.79	49.03	49.03	49.03	49.03
21.87	21.51	21.06	20.81	20.18
3.08	3.08	3.08	3.08	3.08
3.08	3.08	3.08	3.08	3.08
-	-	-	-	-
22.61	22.23	21.83	21.39	21.18
26.33	26.33	26.33	28.33	28.33
5.08	5.08	5.08	5.08	5.08
20.30	20.30	20.30	20.30	20.30
7.75	7.75	7.75	7.75	8.75
2.70	2.70	2.70	2.70	2.70

PRINCETON CITY SCHOOL DISTRICT, OHIO

TABLE 8

Principal Taxpayers
Real Estate Tax
2006 and 1997

Name of Taxpayer (1)	2006	
	Assessed Value	Percent of Real Property Assessed Value
Thor Gallery at Tri County LLC	\$62,544,550	7.63%
NRFC Cinn Investor LLC	19,600,020	2.39%
Ford Motor Co.	8,474,550	1.03%
Springdale-Kemper Assoc	7,746,770	0.94%
Kimco 420 Inc	7,221,200	0.88%
Kir Tri-County 018 LLC	7,180,640	0.88%
Kemper Apartments Ltd	7,102,050	0.87%
Avon Capital Corp	6,824,550	0.83%
General Western Highland	6,720,000	0.82%
Proctor & Gamble Co.	6,145,760	0.75%
Totals	<u>\$139,560,090</u>	<u>17.02%</u>
Total Assessed Valuation	<u>\$820,060,390</u>	

Name of Taxpayer (2)	1997	
	Assessed Value	Percent of Real Property Assessed Value
Concordia Properties, LLC	\$52,585,110	n/a
Duke Realty	15,924,870	n/a
WHPHC Real Estate	14,540,210	n/a
Totals	<u>\$83,050,190</u>	

The amounts presented represent the assessed values upon which 2006 and 1997 collections were based.
n/a = not available.

Source:

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

(2) Princeton City School District financial records

PRINCETON CITY SCHOOL DISTRICT, OHIO

TABLE 9

Principal Taxpayers
Tangible Personal Property Tax
2006 and 1997

Name of Taxpayer (1)	2006	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
General Electric Company	\$28,308,640	7.36%
Ford Motor Company	21,710,220	5.64%
Dugan Financial	10,129,090	2.63%
XTEK Inc.	5,177,890	1.35%
Formica Corporation	5,007,000	1.30%
General Mills Cereal Properties LLC	4,787,460	1.24%
Ohio Machiner Co.	4,769,820	1.24%
Jake Sweeney Chevrolet Imports	4,575,120	1.19%
Avio Inc.	4,534,680	1.18%
Graphic Packaging International Inc.	4,262,080	1.11%
Total	\$93,262,000	24.24%
Total Assessed Valuation	\$384,837,640	

Name of Taxpayer (2)	1997	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
General Electric Company	\$78,268,480	19.89%
Ford Motor Company	51,640,040	13.12%
Procter & Gamble	28,265,060	7.18%
Quantum Chemical	12,456,070	3.16%
Kroger Company	11,334,250	2.88%
Total	\$181,963,900	46.23%
Total Assessed Valuation	\$393,557,600	

The amounts presented represent the assessed values upon which 2006 and 1997 collections were based.

Source:

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

(2) Princeton City School District financial records - only top five principal taxpayers were available for 1997

PRINCETON CITY SCHOOL DISTRICT, OHIO

TABLE 10

Principal Taxpayers
Public Utilities Tax
2006 and 1997

Name of Taxpayer (1)	2006	
	Assessed Value	Percent of Public Utility Assessed Value
Duke Energy Ohio Inc.	\$34,958,630	51.16%
Sprintcom Inc.	9,242,340	13.53%
Cincinnati Bell Telephone	7,437,500	10.88%
Cincinnati Bell Wireless	2,862,450	4.19%
Norfolk Southern Combined	1,971,160	2.88%
Total	\$56,472,080	82.64%
Total Assessed Valuation	\$68,330,650	

Name of Taxpayer (2)	1997	
	Assessed Value	Percent of Public Utility Assessed Value
Cinergy	\$48,297,440	67.00%
Cincinnati Bell	18,668,550	25.90%
Total	\$66,965,990	92.90%
Total Assessed Valuation	\$72,083,190	

The amounts presented represent the assessed values upon which 2006 and 1997 collections were based.

Source:

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

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PRINCETON CITY SCHOOL DISTRICT, OHIO

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

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property(2)	General Bonded Debt				Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita
			General Bonded Debt Outstanding	Resources Available to Pay Principal	Net General Bonded Debt			
1998	40,980	4,503,059,867	4,412,041	n/a	n/a	n/a	n/a	
1999	40,980	4,612,882,490	3,302,094	1,110,140	2,191,954	0.05	53	
2000	40,980	5,103,137,313	3,047,504	980,891	2,066,613	0.04	50	
2001	42,426	5,208,352,682	2,103,059	929,757	1,173,302	0.02	28	
2002	42,426	5,222,303,771	1,228,775	874,284	354,491	0.01	8	
2003	42,426	5,851,536,876	303,353	332,253	(28,900)	0.00	(15)	
2004	42,426	5,575,918,648	85,000,000	1,410,571	83,589,429	1.50	(9)	
2005	41,880	5,669,975,873	84,755,000	2,758,769	81,996,231	1.45	1,982	
2006	41,880	6,076,791,083	83,430,000	3,455,864	79,974,136	1.32	1,936	
2007	41,380	5,372,437,860	80,960,000	4,389,748	76,570,252	1.43	1,857	

(continued)

n/a = not available

Sources:

- (1) Ohio Municipal Advisory Council estimated population.
- (2) Hamilton County, Butler County, and Warren County Auditors. Information provided by collection year. 1998 through 2002 do not include Butler County. 1998 through 2005 do not include Warren County

TABLE 11

General Debt					
General Bonded Debt Outstanding	Capital Leases	Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita	Ratio of Total Outstanding Debt to Total Estimated Actual Value of Taxable Property
4,412,041	572,787	4,984,828	0.10%	108	0.11%
3,302,094	260,950	3,563,044	0.07%	81	0.08%
3,047,504	1,311,662	4,359,166	0.06%	74	0.09%
2,103,059	1,159,354	3,262,413	0.04%	50	0.06%
1,228,775	1,351,519	2,580,294	0.02%	29	0.05%
303,353	1,085,606	1,388,959	0.01%	7	0.02%
87,217,833	708,073	87,925,906	1.56%	2,056	1.58%
86,745,177	348,811	87,093,988	1.53%	2,071	1.54%
85,341,875	0	85,341,875	1.40%	2,038	1.40%
86,467,155	0	86,467,155	1.61%	2,090	1.61%

PRINCETON CITY SCHOOL DISTRICT, OHIO

TABLE 12

Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2007

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Overlapping Debt:			
Butler County	\$67,868,870	1.46%	\$990,886
Hamilton County	120,540,000	8.52%	10,270,008
Warren County	337,400	0.46%	1,552
City of Blue Ash	0	1.92%	0
City of Sharonville	23,720,000	99.97%	23,712,884
City of Springdale	5,145,000	99.99%	5,144,486
Village of Evendale	1,335,000	87.54%	1,168,659
Village of Glendale	256,113	100.00%	256,113
Village of Lincoln Heights	0	100.00%	0
Village of Woodlawn	5,005,000	100.00%	5,005,000
Deerfield Township	16,566,000	2.39%	395,927
Springfield Township	13,710,000	1.74%	238,554
Sycamore Township	0	26.40%	0
West Chester Township	51,675,000	3.69%	1,906,808
Great Oaks Joint Vocational School District	12,265,000	9.74%	1,194,611
Total Overlapping Debt	318,423,383		50,285,488
Direct Debt	80,960,000	100.00%	80,960,000
Total Direct and Overlapping Debt	\$399,383,383		\$131,245,488

Source: Ohio Municipal Advisory Council

- (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the School District's taxable assessed value that is within the government's boundaries and dividing it by the School District's total taxable assessed value.

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PRINCETON CITY SCHOOL DISTRICT, OHIO

Computation of Legal Debt Margin

Last Ten Fiscal Years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Tax Valuation	<u>\$1,451,999,300</u>	<u>\$1,483,617,730</u>	<u>\$1,652,197,120</u>	<u>\$1,686,979,550</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>130,679,937</u>	<u>133,525,596</u>	<u>148,697,741</u>	<u>151,828,160</u>
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds	4,412,041	3,302,094	3,047,504	2,103,059
Less Amount Available in Debt Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>4,412,041</u>	<u>3,302,094</u>	<u>3,047,504</u>	<u>2,103,059</u>
Legal Debt Margin	<u>126,267,896</u>	<u>130,223,502</u>	<u>145,650,237</u>	<u>149,725,101</u>
Legal Debt Margin as a Percentage of the Debt Limit	96.62%	97.53%	97.95%	98.61%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	1,451,999	1,483,618	1,652,197	1,686,980
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$1,451,999</u>	<u>\$1,483,618</u>	<u>\$1,652,197</u>	<u>\$1,686,980</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

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

Source: Hamilton, Butler and Warren County Auditors and Princeton City School District financial records.

(Information for Warren County is not reported from 1998-2005 since it represents less than 2% of the total assessed value.)

TABLE 13

2002	2003	2004	2005	2006	2007
<u>\$1,689,348,420</u>	<u>\$1,901,088,226</u>	<u>\$1,829,488,098</u>	<u>\$1,857,561,952</u>	<u>\$2,014,095,510</u>	<u>\$1,832,874,556</u>
<u>152,041,358</u>	<u>171,097,940</u>	<u>164,653,929</u>	<u>167,180,576</u>	<u>181,268,596</u>	<u>164,958,710</u>
<u>1,228,775</u>	<u>303,353</u>	<u>87,217,833</u>	<u>86,745,177</u>	<u>85,341,875</u>	<u>86,467,155</u>
<u>0</u>	<u>0</u>	<u>227,271</u>	<u>1,103,769</u>	<u>1,506,864</u>	<u>2,642,748</u>
<u>1,228,775</u>	<u>303,353</u>	<u>87,445,104</u>	<u>87,848,946</u>	<u>86,848,739</u>	<u>89,109,903</u>
<u>150,812,583</u>	<u>170,794,587</u>	<u>77,208,825</u>	<u>79,331,630</u>	<u>94,419,857</u>	<u>75,848,807</u>
99.19%	99.82%	46.89%	47.45%	52.09%	45.98%
<u>1,689,348</u>	<u>1,901,088</u>	<u>1,829,488</u>	<u>1,857,562</u>	<u>2,014,096</u>	<u>1,832,875</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$1,689,348</u>	<u>\$1,901,088</u>	<u>\$1,829,488</u>	<u>\$1,857,562</u>	<u>\$2,014,096</u>	<u>\$1,832,875</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

PRINCETON CITY SCHOOL DISTRICT, OHIO**TABLE 14**

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (2)</u>
1998	40,980	n/a	n/a	4.3%
1999	40,980	n/a	n/a	4.3%
2000	42,426	n/a	n/a	4.1%
2001	42,426	n/a	n/a	4.3%
2002	42,426	n/a	n/a	5.7%
2003	42,426	n/a	n/a	6.1%
2004	42,426	n/a	n/a	6.0%
2005	41,380	n/a	n/a	5.7%
2006	41,380	n/a	n/a	5.5%
2007	41,380	n/a	n/a	5.6%

n/a = not available

Sources:

(1) Ohio Municipal Advisory Council estimated population.

(2) Greater Cincinnati Chamber of Commerce.

PRINCETON CITY SCHOOL DISTRICT, OHIO

TABLE 15

Principal Employers
Current Year and Nine Years Ago

Employer	Nature of Business	2007		
		Number of Employees	Rank	Percentage of Total Employment
General Electric	Manufacturing	7,000	1	n/a
General Electric Client Business	Sales	1,653	2	n/a
Avon Products, Incorporated	Manufacturing	1,552	3	n/a
Ford Motor Company	Manufacturing	1,485	4	n/a
U S Bulk Mail	Delivery	1,000	5	n/a
United Parcel Services	Delivery	981	6	n/a
Princeton City School District	Education	912	7	n/a
John Morrell and Company	Manufacturing	910	8	n/a
Abercrombie and Fitch Sores Inc.	Retail	802	9	n/a
Lifesphere	Medical and Assisted Living	670	10	n/a
Total		<u>16,965</u>		

Employer	Nature of Business	1998		
		Number of Employees	Rank	Percentage of Total Employment
General Electric	Manufacturing	8,000	1	n/a
Ford Motor Company	Manufacturing	2,284	2	n/a
U S Bulk Mail	Delivery	1,394	3	n/a
United Parcel Service	Delivery	1,349	4	n/a
Formica	Manufacturing	1,100	5	n/a
Lazarus	Retail	985	6	n/a
Princeton City School District	Education	907	7	n/a
Ohio Valley Goodwill Industries	Employment and training services	500	8	n/a
Sysco Food Service	Wholesale food distributor	300	9	n/a
Kroger Company	Grocer	300	10	n/a
Total		<u>17,119</u>		

Total Employment within the School District is not available.
n/a = not applicable

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

PRINCETON CITY SCHOOL DISTRICT, OHIO

TABLE 16

School District Employees by Function/Program

Last Three Fiscal Years

Function/Program	2005	2006	2007
Regular Instruction	373.15	363.57	354.27
Elementary Classroom Teachers			
High School Classroom Teachers			
Special Instruction	55.00	78.19	93.42
Elementary Classroom Teachers			
Gifted Education Teachers			
High School Classroom Teachers			
Vocational Instruction			
High School Classroom Teachers	3.00	1.00	1.00
Pupil Support Services			
Guidance Counselors	12.00	12.00	12.00
Librarians	14.50	5.00	5.00
Psychologists	6.00	7.00	8.60
Speech and Language Pathologists	4.80	4.80	4.80
Nurse	9.00	8.00	6.76
Other Pupil Support	99.33	123.00	113.31
Administrators	17.00	16.00	19.00
Elementary			
High School			
Other Administrators	27.00	30.00	22.00
Operation of Plant			
Custodians	47.50	48.00	45.75
Maintenance	15.00	18.00	22.00
Pupil Transportation			
Bus Drivers	62.58	66.62	55.62
Bus Aides			
Van Drivers	6.00	5.00	4.29
Other Pupil Transportation	1.00	1.00	2.86
Food Service Program	40.42	39.50	31.51
Elementary Cooks			
High School Cooks			
Clerical/Support			
Clerical	76.00	69.88	71.64
Other Clerical/Support	23.00	28.00	12.51
Totals:	<u>892.28</u>	<u>924.56</u>	<u>886.34</u>

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

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

Source: Ohio Department of Education

PRINCETON CITY SCHOOL DISTRICT, OHIO
 Operating Statistics
 Last Five Fiscal Years

TABLE 17

Fiscal Year	Expenses (1)	Enrollment (2)	Cost Per Pupil	Percentage Change	Percent of Students on		Teaching Staff (2)	Pupil/Teacher Ratio
					Free or Reduced Lunch	Lunch		
2003	68,446,262	6,318	10,834	n/a	37.00%		485	13.0
2004	\$70,959,959	6,104	11,625	7.31%	31.19%		497	12.3
2005	\$67,662,885	5,934	11,403	-1.91%	30.00%		457	13.0
2006	\$72,099,035	5,714	12,618	10.66%	45.93%		486	11.8
2007	\$76,201,338	5,645	13,499	6.98%	45.22%		479	11.8

Expense information is not available prior to 2003.
 n/a = not available

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

PRINCETON CITY SCHOOL DISTRICT, OHIO

Building Statistics (continued)
Last Ten Fiscal Years

Table 18

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Springdale Elementary										
Constructed in:										
Total Building Square Footage	57,124	57,124	57,124	57,124	57,124	57,124	57,124	57,124	57,124	63,131
Enrollment Grades K-6	488	494	480	469	490	488	459	409	415	484
Student Capacity	523	523	523	523	523	523	523	523	523	546
Regular Instruction Classrooms	37	37	37	37	37	37	37	37	37	25
Regular Instruction Teachers	31	33	33	33	33	33	33	23	26	25
Special Instruction Classrooms	4	4	4	4	4	4	4	4	4	2
Special Instruction Teachers	4	4	4	4	4	3	4	3	4	3
Stewart Elementary										
Constructed in:										
Total Building Square Footage	1958	1958	1958	1958	1958	1958	1958	1958	1958	2006
Enrollment Grades PK - 3 / PK - 4	34,150	34,150	34,150	34,150	34,150	34,150	34,150	34,150	34,150	62,420
Student Capacity	415	377	344	309	301	350	355	403	412	434
Regular Instruction Classrooms	500	500	500	500	500	500	500	500	500	546
Regular Instruction Teachers	30	30	30	30	30	30	32	32	32	18
Special Instruction Classrooms	23	21	20	19	20	20	21	23	22	19
Special Instruction Teachers	4	4	4	4	4	4	4	4	4	2
	3	3	3	3	3	3	3	3	4	4
Woodlawn Elementary										
Constructed in:										
Total Building Square Footage	1958	1958	1958	1958	1958	1958	1958	1958	1958	2006
Enrollment Grades K - 3	23,051	23,051	23,051	23,051	23,051	23,051	23,051	23,051	23,051	52,711
Student Capacity	172	177	167	147	156	182	185	185	185	255
Regular Instruction Classrooms	375	375	375	375	375	375	375	375	375	364
Regular Instruction Teachers	16	16	16	16	16	16	16	16	16	13
Special Instruction Classrooms	11	12	12	12	12	12	12	12	12	12
Special Instruction Teachers	6	6	6	6	6	6	6	6	6	3
	2	2	2	2	2	2	1	1	1	6
Lincoln Heights Elementary										
Constructed in:										
Total Building Square Footage	1936	1936	1936	1936	1936	1936	1936	1936	1936	2006
Enrollment Grades PK-6 / PK - 5	50,908	50,908	50,908	50,908	50,908	50,908	50,908	50,908	50,908	63,301
Student Capacity	467	452	478	481	464	474	440	399	398	353
Regular Instruction Classrooms	950	950	950	950	950	950	950	950	950	546
Regular Instruction Teachers	44	44	44	44	44	44	44	38	38	21
Special Instruction Classrooms	37	39	39	37	39	39	37	26	30	22
Special Instruction Teachers	4	4	4	4	4	4	4	2	2	4
	5	5	5	5	5	5	5	4	4	7

(continued)

PRINCETON CITY SCHOOL DISTRICT, OHIO

Building Statistics (continued)
Last Ten Fiscal Years

Table 18

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
RELIS										
Constructed in:	1971	1971	1971	1971	1971	1971	1971	1971	1971	1971
Total Building Square Footage	74,632	74,632	74,632	74,632	74,632	74,632	74,632	74,632	74,632	74,632
Enrollment Grades 4,5,6 / PK - 5	600	603	596	566	532	534	458	424	370	300
Student Capacity	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
Regular Instruction Classrooms	40	40	40	40	40	40	40	41	41	41
Regular Instruction Teachers	39	39	37	37	36	36	35	38	31	37
Special Instruction Classrooms	10	10	10	10	10	10	10	10	10	10
Special Instruction Teachers	5	4	5	5	5	5	7	4	4	5
Princeton Community Middle School										
Constructed in:	1961	1962	1962	1962	1962	1962	1962	1962	1962	1962
Total Building Square Footage	154,952	154,952	154,952	154,952	154,952	154,952	154,952	154,952	154,952	154,952
Enrollment Grades 7 - 8 / 6 - 8	1015	978	1015	1028	999	961	971	1349	1277	1182
Student Capacity	2650	2650	2650	2650	2650	2650	2650	2650	2650	2650
Regular Instruction Classrooms	87	87	87	87	87	87	87	89	89	94
Regular Instruction Teachers	75	74	73	72	70	71	74	85	86	99
Special Instruction Classrooms	8	8	8	8	8	8	8	8	8	6
Special Instruction Teachers	7	7	7	6	8	9	14	21	21	18
Princeton High School										
Constructed in:	1958	1958	1958	1958	1958	1958	1958	1958	1958	1958
Total Building Square Footage	285,657	285,657	285,657	285,657	285,657	285,657	285,657	285,657	285,657	285,657
Enrollment Grades 9 - 12	1947	1870	1863	1902	1906	1967	1894	1941	1883	1834
Student Capacity	2700	2700	2700	2700	2700	2700	2700	2700	2700	2700
Regular Instruction Classrooms	114	114	114	114	114	114	114	114	114	106
Regular Instruction Teachers	123	125	121	119	114	115	126	112	118	108
Special Instruction Classrooms	8	8	8	8	8	8	8	8	8	9
Special Instruction Teachers	7	8	7	7	7	7	16	18	20	26

Information is not available on Regular and Special Instruction Teachers Starting in 2004-2005 6th grade moved to the Princeton Community Middle School. Starting in 2004-2005 Stewart Elementary added 4th grade.

Source: School District Records and Ohio Department of Education



Mary Taylor, CPA
Auditor of State

PRINCETON CITY SCHOOL DISTRICT

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 17, 2008**