

PRINCETON CITY SCHOOL DISTRICT

Single Audit Reports

Year Ended June 30, 2008



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 Auditors' Report* of the Princeton City School District, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2007 through June 30, 2008. 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

February 4, 2009

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TABLE OF CONTENTS

| | |
|---|-------|
| Schedule of Expenditures of Federal Awards..... | 1 |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 2 – 3 |
| Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133..... | 4 – 5 |
| Schedule of Findings and Questioned Costs..... | 6 |
| Schedule of Prior Audit Findings..... | 7 |

PRINCETON CITY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2008

| <u>Federal Grantor/Program Title</u> | <u>Pass-Through Entity Number</u> | <u>Federal CFDA Number</u> | <u>Federal Revenues</u> | <u>Federal Expenditures</u> |
|---|---|------------------------------------|-----------------------------|---------------------------------|
| <u>U.S. Department of Agriculture:</u> | | | | |
| <i>(Passed through Ohio Department of Education)</i> | | | | |
| Food Donation | n/a | 10.550 | \$ 87,402 | 87,402 |
| Fresh Fruit & Vegetable Program | n/a | 10.582 | 32,487 | 32,487 |
| Nutrition Cluster: | | | | |
| School Breakfast Program | 05PU-2008 | 10.553 | 343,061 | 343,061 |
| Summer Food Service Program for Children | LLP4-2008 | 10.559 | 18,875 | 18,875 |
| National School Lunch Program | LLP4-2008 | 10.555 | 1,010,171 | 1,010,171 |
| Nutrition Cluster Total | | | <u>1,372,107</u> | <u>1,372,107</u> |
| Total U.S. Department of Agriculture | | | <u>1,491,996</u> | <u>1,491,996</u> |
| <u>U.S. Department of Education:</u> | | | | |
| <i>(Passed through Ohio Department of Education)</i> | | | | |
| Title I Grants to Local Educational Agencies | C1S1-2007 | 84.010 | 93,899 | 101,493 |
| Title I Grants to Local Educational Agencies | C1S1-2008 | 84.010 | 801,020 | 920,546 |
| | | | <u>894,919</u> | <u>1,022,039</u> |
| Special Education Cluster: | | | | |
| Special Education - Grants to States | 6BSF-2007 | 84.027 | 301,936 | 101,108 |
| Special Education - Grants to States | 6BSF-2008 | 84.027 | 1,305,944 | 1,305,006 |
| Special Education - Preschool Grants | PGS1-2007 | 84.173 | 1,220 | 1,200 |
| Special Education - Preschool Grants | PGS1-2008 | 84.173 | 27,337 | 30,190 |
| Special Education Cluster Total | | | <u>1,636,437</u> | <u>1,437,504</u> |
| Career & Technical Education - Basic Grants to States | 20C1-2007 | 84.048 | 5,125 | 2,519 |
| Career & Technical Education - Basic Grants to States | 20C1-2008 | 84.048 | 7,466 | 813 |
| | | | <u>12,591</u> | <u>3,332</u> |
| Safe and Drug-Free Schools and Communities | DRS1-2007 | 84.186 | 1,358 | 1,358 |
| Safe and Drug-Free Schools and Communities | DRS1-2008 | 84.186 | 2,272 | 17,878 |
| | | | <u>3,630</u> | <u>19,236</u> |
| State Grants for Innovative Programs | C2S1-2007 | 84.298 | 277 | 403 |
| State Grants for Innovative Programs | C2S1-2008 | 84.298 | 8,318 | 7,955 |
| | | | <u>8,595</u> | <u>8,358</u> |
| Education Technology State Grants | TJS1-2007 | 84.318 | 2,353 | 3,193 |
| Education Technology State Grants | TJS1-2008 | 84.318 | 16,702 | 20,888 |
| | | | <u>19,055</u> | <u>24,081</u> |
| Comprehensive School Reform | RFS2-2007 | 84.332 | 7,299 | 8,567 |
| Comprehensive School Reform | RFS2-2008 | 84.332 | 2,633 | 10,755 |
| | | | <u>9,932</u> | <u>19,322</u> |
| English Language Acquisition Grants | T3S1-2007 | 84.365 | 7,778 | 10,375 |
| English Language Acquisition Grants | T3S1-2008 | 84.365 | 51,938 | 52,843 |
| | | | <u>59,716</u> | <u>63,218</u> |
| Improving Teacher Quality State Grants | TRS1-2007 | 84.367 | 154,414 | 30,084 |
| Improving Teacher Quality State Grants | TRS1-2008 | 84.367 | 247,546 | 363,790 |
| | | | <u>401,960</u> | <u>393,874</u> |
| Total U.S. Department of Education | | | <u>3,046,835</u> | <u>2,990,964</u> |
| Total Federal Awards | | | <u>\$ 4,538,831</u> | <u>4,482,960</u> |

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards 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

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

NOTE C - NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

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

To the Board of Education
Princeton City School District:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Princeton City School District (the "School District") as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 29, 2008. 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 opinions 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.

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.

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

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the 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 management of the School District in a separate letter dated December 29, 2008.

This report is intended solely for the information and use of the School District's management, the Board of Education, others within the entity, the Ohio Auditor of State and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 29, 2008

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

To the Board of Education
Princeton City School District:

Compliance

We have audited the compliance of the Princeton City School District (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, 2008. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of 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 on 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, 2008.

Internal Control Over Compliance

The management of the School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with 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 entity'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 Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of and for the year ended June 30, 2008, and have issued our report thereon dated December 29, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the School District's management, the Board of Education, others within the entity, the Ohio Auditor of State and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 29, 2008

PRINCETON CITY SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2008

Section I – Summary of Auditors’ Results

Financial Statements

| | |
|--|-------------|
| Type of auditors’ report issued: | unqualified |
| Internal control over financial reporting: | |
| • Material weakness(es) identified? | none |
| • Significant deficiency(ies) identified not considered to be material weaknesses? | none |
| Noncompliance material to the financial statements noted? | none |

Federal Awards

| | |
|--|-------------|
| Internal control over major programs: | |
| • Material weakness(es) identified? | none |
| • Significant deficiency(ies) identified not considered to be material weaknesses? | none |
| Type of auditors’ report issued on compliance for major programs: | unqualified |
| Any audit findings that are required to be reported in accordance with 510(a) of Circular A-133? | no |

Identification of major programs:

CFDA 84.010 – Title I Grants to Local Educational Agencies

Nutrition Cluster:

- CFDA 10.553 – School Breakfast Program*
- CFDA 10.555 – Nation School Lunch Program*
- CFDA 10.559 – Summer Food Service Program*

CFDA 84.367 – Improving Teacher Quality State Grants

| | |
|---|-----------|
| Dollar threshold to distinguish between Type A and Type B Programs: | \$300,000 |
| Auditee qualified as low-risk auditee? | no |

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.

PRINCETON CITY SCHOOL DISTRICT
Schedule of Prior Audit Findings
Year Ended June 30, 2008

Finding 2007-001 – Audit Adjustment

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.

Status: Corrected.

***Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008***



Inspire to Dream,
Challenge to
Achieve

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

**PRINCETON CITY SCHOOL DISTRICT
CINCINNATI, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

PREPARED BY: OFFICE OF THE TREASURER

TRACY A JARVIS - TREASURER / CFO

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TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| INTRODUCTORY SECTION | |
| Letter of Transmittal | vii |
| List of Principal Officials | xiii |
| Organizational Chart | xiv |
| GFOA Certificate of Achievement for Excellence in Financial Reporting | xv |
| ASBO Certificate of Excellence in Financial Reporting | xvi |
| | |
| FINANCIAL SECTION | |
| Independent Auditors' Report | 1 |
| Management's Discussion and Analysis | 3 |
| | |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Assets | 11 |
| Statement of Activities | 13 |
| Fund Financial Statements: | |
| Balance Sheet - Governmental Funds | 14 |
| Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities | 15 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds | 16 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities | 17 |
| Statement of Fiduciary Net Assets - Fiduciary Funds | 18 |
| Statement of Changes in Fiduciary Net Assets - Fiduciary Fund | 19 |
| Notes to the Basic Financial Statements | 21 |
| | |
| Required Supplementary Information: | |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis): | |
| General Fund | 46 |
| Notes to the Required Supplementary Information | 47 |
| | |
| Combining Statements and Individual Fund Schedules: | |
| Description of Funds - Nonmajor Governmental Funds | 50 |
| Nonmajor Governmental Funds: | |
| Combining Balance Sheet | 53 |
| Nonmajor Special Revenue Funds: | |
| Combining Balance Sheet | 54 |
| Nonmajor Capital Projects Funds: | |
| Combining Balance Sheet | 59 |
| Nonmajor Governmental Funds: | |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balance | 61 |
| Nonmajor Special Revenue Funds: | |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balance | 62 |
| Nonmajor Capital Projects Funds: | |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balance | 67 |

TABLE OF CONTENTS

| | Page |
|---|-------------|
| Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - | |
| Budget and Actual (Non-GAAP Budgetary Basis): | |
| Public School Support | 68 |
| Other Grants | 69 |
| Athletic | 70 |
| Auxiliary Services | 71 |
| Education Management Info Systems | 72 |
| Entry Year Grant | 73 |
| Data Communications | 74 |
| SchoolNet Professional Development | 75 |
| Ohio Reads | 76 |
| Vocational Education Enhancement | 77 |
| Alternative Schools | 78 |
| Poverty Based Assistance | 79 |
| Misc. State Grants | 80 |
| Title VI-B | 81 |
| Vocational Education | 82 |
| Title III | 83 |
| Title I | 84 |
| Title V | 85 |
| Drug Free Schools | 86 |
| Preschool Grant | 87 |
| Reducing Class Size | 88 |
| Miscellaneous Federal Grants | 89 |
| Food Service | 90 |
| Uniform School Supplies | 91 |
| Early Childhood Programs | 92 |
| Public School Preschool | 93 |
| Debt Service | 94 |
| Permanent Improvement | 95 |
| Building | 96 |
| Permanent | 97 |
| Description of Funds - Nonmajor Funds | 98 |
| Agency Fund: | |
| Statement of Changes in Assets and Liabilities | 99 |

TABLE OF CONTENTS

| | <u>Schedule</u> | <u>Page</u> |
|--|-----------------|-------------|
| STATISTICAL SECTION | | |
| Net Assets by Component | 1 | 102 |
| Expenses, Program Revenues and Net (Expense)/Revenue | 2 | 103 |
| General Revenues and Total Change in Net Assets | 3 | 104 |
| Fund Balances, Governmental Funds | 4 | 105 |
| Governmental Funds Revenues | 5 | 106 |
| Governmental Funds Expenditures and Debt Service Ratio | 6 | 107 |
| Other Financing Sources and Uses and Net Change in Fund Balances | 7 | 108 |
| Assessed Value and Actual Value of Taxable Property | 8 | 109 |
| Direct and Overlapping Property Tax Rates | 9 | 110 |
| Principal Property Tax Payers | 10 | 111 |
| Property Tax Levies and Collections | 11 | 112 |
| Outstanding Debt by Type | 12 | 113 |
| Direct and Overlapping Governmental Activities Debt | 13 | 114 |
| Legal Debt Margin Information | 14 | 115 |
| Demographic and Economic Statistics -- Hamilton County | 15 | 116 |
| Demographic and Economic Statistics -- Butler County | 15 | 117 |
| Demographic and Economic Statistics -- Warren County | 15 | 118 |
| Major Employers -- Hamilton County | 16 | 119 |
| Major Employers -- Butler County | 16 | 120 |
| Major Employers -- Warren County | 16 | 121 |
| Full-Time Equivalent District Employees by Type | 17 | 122 |
| Operating Statistics | 18 | 123 |
| School Building Information | 19 | 124 |

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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.



**25 West Sharon Avenue
Cincinnati, Ohio 45246**

Office of the Treasurer

Phone: (513) 864-1040

Fax: (513) 864-1059

December 29, 2008

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, 2008. 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 2007-08 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 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 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 2008, 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 58% of the tax revenue of the District paid by business and industry.

During the 2007-08 school year, the District served 5,485 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 2007-08 school year, approximately 51% of the students were considered low-income and eligible to participate in the free/reduced lunch program; 125 students were enrolled in a full time or part-time trade program, through vocational education; 825 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, 2008, are:

| <u>Board Member</u> | <u>Current Term</u> | <u>Total Years</u> |
|---------------------|-----------------------|--------------------|
| Mrs. Sandy Leach | Jan. 2004 - Dec. 2012 | 4 ½ |
| Ms. Lillian Hawkins | Jan. 2006 - Dec. 2009 | 2 ½ |
| Ms. Tawana Keels | Jan. 2006 - Dec. 2009 | 10 ½ |
| Mr. Robert Maine | Jan. 2008 - Dec. 2012 | ½ |
| Mr. Steve Moore | Jan. 2008 - Dec. 2012 | 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 served as Superintendent August 1, 2004 – July 31, 2008. At its regular meeting in June 2008, the board hired Dr. Gary Pack. He began his role as Superintendent on August 1, 2008. Dr. Pack has 17 years as a school superintendent.

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. Tracy A. Jarvis who began her role as Treasurer began on January 1, 2007. Mrs. Jarvis has 14 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 2008 and the outlook for the future.

EMPLOYEE RELATIONS

As of June 30, 2008, the Board employed 856 full-time employees. Of the Board's current employees, 493 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.

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, 2008, the District and the association completed the first year of a one and a half (1 1/2) year.

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, 2008, the District and the association completed the first year of a three (3) year contract.

MAJOR INITIATIVES FOR THE YEAR

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

The mission: 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.

Relevant Financial Policies

In June of 2006, the State legislature passed House Bill 66. House Bill 66 phases out the tax on tangible personal property of general business, telephone and telecommunications companies, and railroads. The tax on general business and railroad property began being phased out in 2007 and will be eliminated by 2009. The tax on telephone and telecommunication property will begin being phased out in 2009 and will be eliminated by 2011. The tax is being phased out by reducing the assessment rate on the property each year. In the first five years, the District will be reimbursed fully for the lost revenue; in the following seven years, the reimbursements will be phased out.

FINANCIAL INFORMATION

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

Internal 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, 2008, 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 2008 for all District funds was \$1,996,557. A more detailed description of the District's investment functions is provided in Note 2 in the notes to the basic 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. Clark, Schaefer, Hackett and Company 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, 2007. This was the tenth 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.

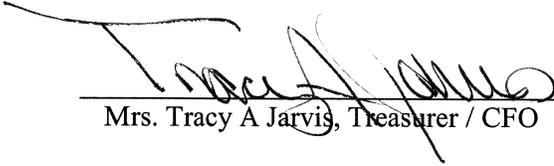
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2007, to the District. The award was the eleventh for the District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007, 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.

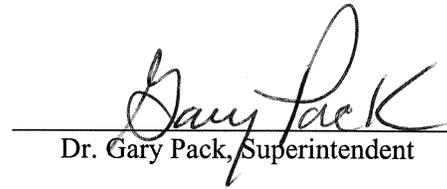
Acknowledgments

The preparation and publication of the 2008 Comprehensive Annual Financial Report of the Princeton City School District was made possible by the combined efforts of the entire Treasurer's office staff. Finally, this report would not have been possible without the support, commitment, and leadership of the Board of Education to continue the pursuit of excellence in financial reporting.

Sincerely,



Mrs. Tracy A Jarvis, Treasurer / CFO



Dr. Gary Pack, Superintendent

PRINCETON CITY SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
June 30, 2008

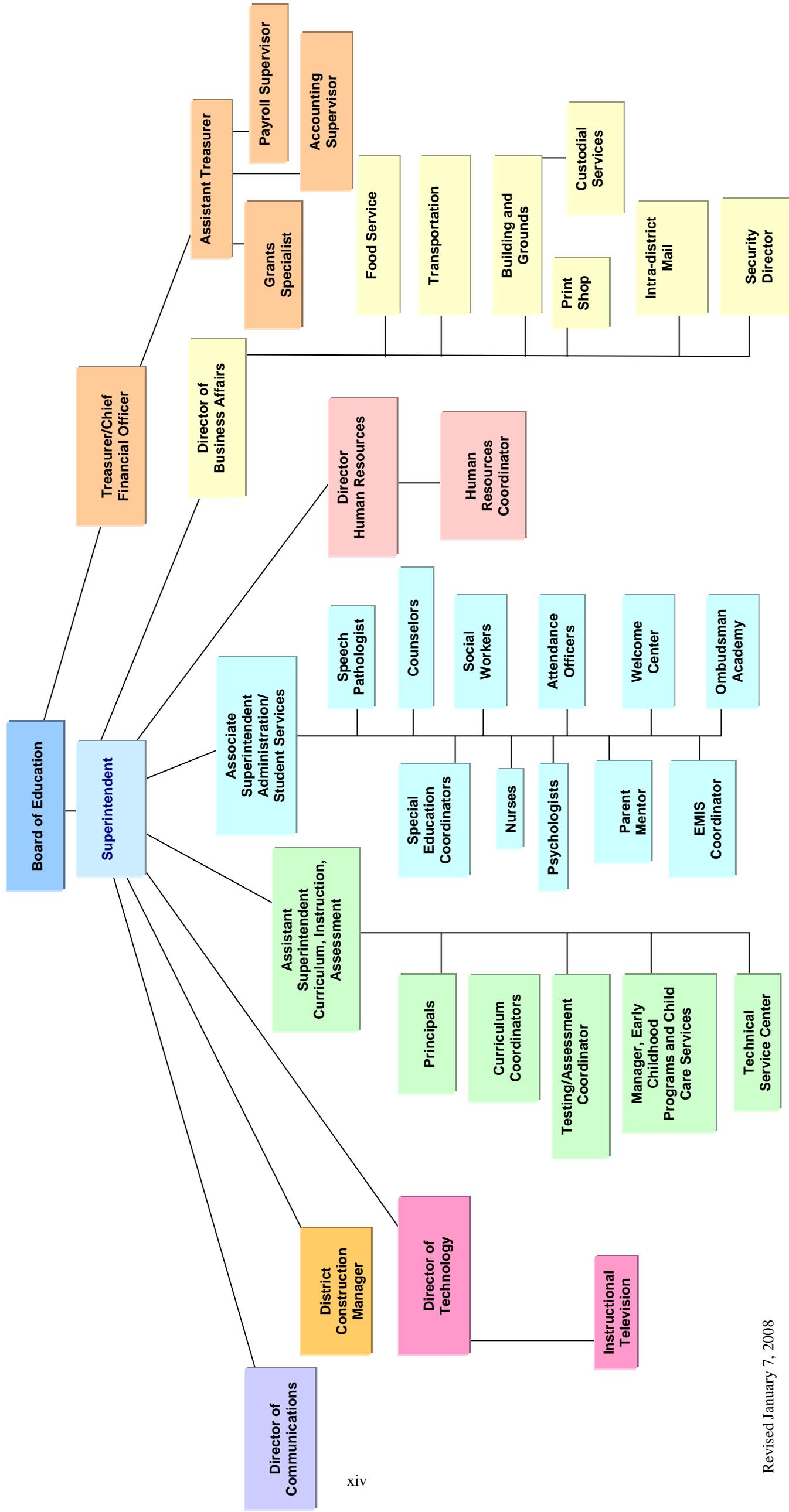
Elected Officials

| | |
|--|---------------------|
| President, Board of Education | Mrs. Sandy Leach |
| Vice-President, Board of Education | Dr. Lillian Hawkins |
| Board Member | Mr. Bob Maine |
| Board Member | Ms. Tawana Keels |
| Board Member | Mr. Steve Moore |

Administrative Officials

| | |
|--|-----------------------------|
| Superintendent..... | Mr. Aaron Mackey |
| Associate Superintendent, Director - Student Services..... | Dr. Mari Phillips |
| Director of Human Resources | Mrs. Vitoria Brian |
| 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, 2007

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.



Chloe S. Cox

President

Jeffrey R. Emery

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, 2007

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

Thome E. Brendel

President

John D. Quasar

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.

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Princeton City School District, Ohio:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Princeton City School District, Ohio (the "School District") as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on the 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 government activities, each major fund, and the aggregate remaining fund information of the Princeton City School District as of June 30, 2008, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2008 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and the budgetary information on pages 3 through 10 and 46 through 48, respectively are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

105 east fourth street, ste. 1500
cincinnati, oh 45202

www.cshco.com
p. 513.241.3111
f. 513.241.1212

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

Clark, Schaefer, Haskett & Co.

Cincinnati, Ohio
December 29, 2008

**PRINCETON CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2008
(Unaudited)**

The discussion and analysis of Princeton City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

- Net assets of governmental activities decreased \$4,355,538 which represents a 7% decrease from 2007.
- General revenues accounted for \$72,186,053 in revenue or 89% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$9,049,627 or 11% of total revenues of \$81,235,680.
- The District had \$85,591,218 in expenses related to governmental activities; \$9,049,627 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$72,186,053 were also used to provide for these programs.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2008?" The Government-wide Financial Statements answers this question. These statements include *all assets* and *liabilities* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

Fund Financial Statements

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

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

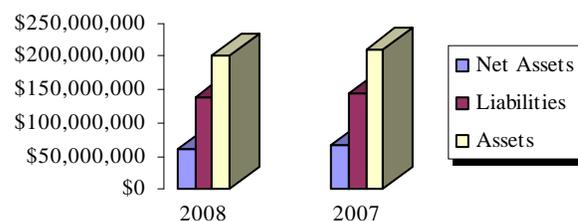
Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District as a Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets for 2008 compared to 2007:

Table 1
Net Assets

| | Governmental Activities | |
|----------------------------|-------------------------|---------------------|
| | 2008 | 2007 Restated |
| Assets | | |
| Current Assets | \$99,585,565 | \$114,579,223 |
| Capital Assets | 100,754,205 | 95,946,134 |
| Total Assets | 200,339,770 | 210,525,357 |
| Liabilities | | |
| Long-Term Liabilities | 83,556,554 | 86,911,540 |
| Other Liabilities | 55,556,655 | 58,031,718 |
| Total Liabilities | 139,113,209 | 144,943,258 |
| Net Assets | | |
| Invested in Capital | | |
| Assets Net of Debt | 18,917,661 | 12,475,055 |
| Restricted | 8,748,433 | 9,790,620 |
| Unrestricted | 33,560,467 | 43,316,424 |
| Total Net Assets | \$61,226,561 | \$65,582,099 |



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2008, the District's assets exceeded liabilities by \$61,226,561.

At year end, capital assets represented 50% of total assets. Capital assets include land, land improvements, buildings and improvements, equipment and furniture, and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2008, totaled \$18,917,661. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$8,748,433, represents resources that are subject to external restriction on how they must be used. The remaining balance of unrestricted net assets of \$33,560,467 may be used to meet the District's ongoing obligations to the students and creditors. The external restriction will not affect the availability of fund resources for future use.

Current assets decreased mainly due to a decrease in tax receivable in 2008 as compared to 2007. Long-term liabilities decreased primarily due to the District making its regularly scheduled debt (principal) payments. Other liabilities decreased mainly due to a decrease in unearned revenue which was due to a corresponding decrease in taxes receivable.

Table 2 shows the change in net assets for fiscal year 2008 with comparisons to fiscal year 2007.

Table 2
Changes in Net Assets

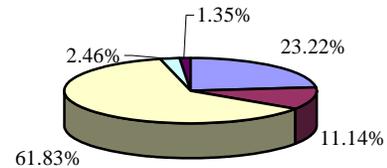
| | <u>Governmental Activities</u> | |
|---|--------------------------------|----------------------|
| | <u>2008</u> | <u>2007 Restated</u> |
| Revenues | | |
| Program Revenues: | | |
| Charges for Services | \$3,013,728 | \$3,369,049 |
| Operating Grants | 6,008,920 | 5,798,481 |
| Capital Grants | 26,979 | 45,197 |
| General Revenue: | | |
| Property Taxes | 50,230,088 | 66,930,812 |
| Grants and Entitlements | 18,864,593 | 14,367,565 |
| Other | 3,091,372 | 4,049,582 |
| Total Revenues | <u>81,235,680</u> | <u>94,560,686</u> |
| Program Expenses: | | |
| Instruction | 41,092,546 | 39,868,642 |
| Support Services: | | |
| Pupil and Instructional Staff | 10,223,721 | 10,957,760 |
| General and School Administrative, Fiscal and Business | 10,286,084 | 9,827,666 |
| Operations and Maintenance | 7,864,438 | 7,940,072 |
| Pupil Transportation | 5,159,594 | 4,996,401 |
| Central | 1,711,621 | 1,751,752 |
| Operation of Non-Instructional Services | 4,063,597 | 4,476,070 |
| Extracurricular Activities | 1,461,925 | 1,431,994 |
| Interest and Fiscal Charges | 3,727,692 | 3,412,151 |
| Total Expenses | <u>85,591,218</u> | <u>84,662,508</u> |
| Change in Net Assets | (4,355,538) | 9,898,178 |
| Beginning Net Assets | <u>65,582,099</u> | <u>55,683,921</u> |
| Ending Net Assets | <u>\$61,226,561</u> | <u>\$65,582,099</u> |

The District revenues are mainly from two sources. Property taxes levied for general, and debt service purposes and grants and entitlements comprised 85% of the District's revenues for governmental activities.

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

Thus Ohio districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 62% of revenue for governmental activities for the District in fiscal year 2008.

| Revenue Sources | 2008 | Percent of Total |
|----------------------|---------------------|---------------------|
| General Grants | \$18,864,593 | 23.22% |
| Program Revenues | 9,049,627 | 11.14% |
| General Tax Revenues | 50,230,088 | 61.83% |
| Investment Earnings | 1,996,557 | 2.46% |
| Other Revenues | 1,094,815 | 1.35% |
| | <u>\$81,235,680</u> | <u>100.00%</u> |



Instruction comprises 48% of governmental program expenses. Support services expenses were 41% of governmental program expenses. All other expenses including interest expense were 11%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Property tax revenue decreased in 2008 compared to 2007 mainly due to a decrease in personal property tax receipts as a result of the phase out of personal property tax due to House Bill 66 (HB66). Intergovernmental revenues increased in 2008 compared to 2007 because of an increase in grant monies received due to the state reimbursing the District for the loss in personal property tax due to HB66. Instruction expenses increased over the prior year due to increases of personnel costs and general inflationary factors.

Governmental Activities

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

Table 3
Governmental Activities

| | Total Cost of Services | | Net Cost of Services | |
|---|-------------------------|-------------------------|---------------------------|---------------------------|
| | 2008 | 2007 Restated | 2008 | 2007 Restated |
| Instruction | \$41,092,546 | \$39,868,642 | (\$39,216,587) | (\$38,089,280) |
| Support Services: | | | | |
| Pupil and Instructional Staff | 10,223,721 | 10,957,760 | (8,295,621) | (9,027,165) |
| General and School Administrative, Fiscal and Business | 10,286,084 | 9,827,666 | (10,108,763) | (9,694,122) |
| Operations and Maintenance | 7,864,438 | 7,940,072 | (7,830,341) | (7,940,072) |
| Pupil Transportation | 5,159,594 | 4,996,401 | (5,042,971) | (4,911,266) |
| Central | 1,711,621 | 1,751,752 | (1,679,159) | (1,709,015) |
| Operation of Non-Instructional Services | 4,063,597 | 4,476,070 | 688,933 | 632,687 |
| Extracurricular Activities | 1,461,925 | 1,431,994 | (1,329,390) | (1,299,397) |
| Interest and Fiscal Charges | 3,727,692 | 3,412,151 | (3,727,692) | (3,412,151) |
| Total Expenses | <u>\$85,591,218</u> | <u>\$84,662,508</u> | <u>(\$76,541,591)</u> | <u>(\$75,449,781)</u> |

The District's Funds

The District has one major governmental fund: the General Fund. Assets of the general fund comprised \$89,057,269 (86%) of the total \$104,105,303 governmental funds assets.

General Fund: Fund balance at June 30, 2008 was \$35,958,389 a decrease in fund balance of \$3,782,324 from 2007. The primary reason for the decrease in fund balance was due to a decrease in taxes revenue.

General Fund Budgeting Highlights

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

During the course of fiscal 2008, the District amended its general fund budget at times. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budgeted revenue was \$73,983,605, compared to original budget estimates of \$66,545,150. Of the \$7,438,455 difference, most was due to a conservative estimate for taxes and intergovernmental revenue.

The District's ending unobligated cash balance for the general fund was \$1,672,323 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2008, the District had \$100,754,205 invested in land, land improvements, buildings and improvements, equipment and furniture and vehicles.

Table 4 shows fiscal 2008 balances compared to fiscal 2007:

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

| | Governmental Activities | |
|----------------------------|-------------------------|---------------------|
| | 2008 | Restated 2007 |
| Land | \$5,382,961 | \$5,226,711 |
| Construction in Progress | 0 | 21,784,906 |
| Land Improvements | 7,225,298 | 7,082,987 |
| Buildings and Improvements | 82,525,565 | 56,234,394 |
| Equipment and Furniture | 4,413,179 | 4,424,847 |
| Vehicles | 1,207,202 | 1,192,289 |
| Total Net Capital Assets | <u>\$100,754,205</u> | <u>\$95,946,134</u> |

The increase in capital assets is due to the District completing its building projects.

See Note 5 in the notes to the basic financial statements for the details on the District's capital assets.

Debt

At June 30, 2008, the District had \$81,836,544 in debt outstanding, \$1,821,000 due within one year. Table 5 summarizes total debt outstanding.

Table 5
Outstanding Debt, at Year End

| | Governmental Activities | |
|---|-------------------------|---------------------|
| | 2008 | Restated 2007 |
| Bonds Payable: | | |
| 2003 School Improvement Bonds | \$8,560,000 | \$10,120,000 |
| 2003 School Improvement Bonds - Premium | 182,603 | 213,037 |
| 2006 Refunding Bonds | 70,510,000 | 70,840,000 |
| 2006 Refunding Bonds - Premium | 5,068,836 | 5,294,118 |
| 2006 Refunding Bonds - Deferred Amount on Refunding | (2,610,895) | (2,726,935) |
| Capital Leases | 126,000 | 595,000 |
| Total Outstanding Debt at Year End | <u>\$81,836,544</u> | <u>\$84,335,220</u> |

See Notes 10-12 in the notes to the basic financial statements for the details on the District's long term obligations.

For the Future

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

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

Contacting the District's Financial Management

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

Princeton City School District
Statement of Net Assets
June 30, 2008

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| Assets: | |
| Equity in Pooled Cash and Investments | \$32,312,879 |
| Restricted Cash and Investments | 536,422 |
| Receivables: | |
| Taxes | 64,700,567 |
| Accounts | 68,564 |
| Interest | 59,411 |
| Intergovernmental | 1,134,248 |
| Deferred Bond Issuance Costs | 740,692 |
| Inventory | 32,782 |
| Nondepreciable Capital Assets | 5,382,961 |
| Depreciable Capital Assets, Net | <u>95,371,244</u> |
| Total Assets | <u>200,339,770</u> |
| Liabilities: | |
| Accounts Payable | 476,759 |
| Accrued Wages and Benefits | 7,456,858 |
| Retainage Payable | 323,515 |
| Accrued Interest Payable | 308,146 |
| Unearned Revenue | 46,952,013 |
| Contracts Payable | 39,364 |
| Long-Term Liabilities: | |
| Due Within One Year | 2,090,772 |
| Due In More Than One Year | <u>81,465,782</u> |
| Total Liabilities | <u>139,113,209</u> |
| Net Assets: | |
| Invested in Capital Assets, Net of Related Debt | 18,917,661 |
| Restricted for: | |
| Special Revenue | 3,028,029 |
| Debt Service | 5,219,303 |
| Set-Aside | 212,907 |
| Endowment : | |
| Nonexpendable | 260,389 |
| Expendable | 27,805 |
| Unrestricted | <u>33,560,467</u> |
| Total Net Assets | <u><u>\$61,226,561</u></u> |

See accompanying notes to the basic financial statements.

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Princeton City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2008

| | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets |
|---|---------------------|-----------------------------------|---------------------------------------|-------------------------------------|--|
| | | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| Governmental Activities: | | | | | |
| Instruction: | | | | | |
| Regular | \$28,240,809 | \$94,677 | \$226,632 | \$0 | (\$27,919,500) |
| Special | 7,146,977 | 459,402 | 956,186 | 0 | (5,731,389) |
| Vocational | 119,187 | 0 | 0 | 0 | (119,187) |
| Other | 5,585,573 | 0 | 139,062 | 0 | (5,446,511) |
| Support Services: | | | | | |
| Pupil | 4,362,878 | 0 | 928,325 | 0 | (3,434,553) |
| Instructional Staff | 5,860,843 | 878 | 998,897 | 0 | (4,861,068) |
| General Administration | 271,234 | 0 | 0 | 0 | (271,234) |
| School Administration | 6,515,014 | 8,618 | 91,849 | 0 | (6,414,547) |
| Fiscal | 2,945,291 | 0 | 76,854 | 0 | (2,868,437) |
| Business | 554,545 | 0 | 0 | 0 | (554,545) |
| Operations and Maintenance | 7,864,438 | 33,063 | 1,034 | 0 | (7,830,341) |
| Pupil Transportation | 5,159,594 | 20,862 | 68,782 | 26,979 | (5,042,971) |
| Central | 1,711,621 | 113 | 32,349 | 0 | (1,679,159) |
| Operation of Non-Instructional Services | 4,063,597 | 2,263,580 | 2,488,950 | 0 | 688,933 |
| Extracurricular Activities | 1,461,925 | 132,535 | 0 | 0 | (1,329,390) |
| Interest and Fiscal Charges | 3,727,692 | 0 | 0 | 0 | (3,727,692) |
| Total Governmental Activities | \$85,591,218 | \$3,013,728 | \$6,008,920 | \$26,979 | (76,541,591) |

General Revenues:

Property Taxes Levied for:

| | |
|---|------------|
| General Purposes | 45,443,218 |
| Debt Service Purposes | 4,786,870 |
| Grants and Entitlements not Restricted to Specific Programs | 18,864,593 |
| Unrestricted Payment in Lieu of Taxes | 556,594 |
| Unrestricted Contributions | 16,050 |
| Investment Earnings | 1,996,557 |
| Other Revenues | 522,171 |

Total General Revenues 72,186,053

Change in Net Assets (4,355,538)

Net Assets Beginning of Year, Restated 65,582,099

Net Assets End of Year \$61,226,561

See accompanying notes to the basic financial statements.

Princeton City School District
Balance Sheet
Governmental Funds
June 30, 2008

| | General | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--------------------------------|--------------------------------|
| Assets: | | | |
| Equity in Pooled Cash and Investments | \$24,514,118 | \$7,798,761 | \$32,312,879 |
| Restricted Cash and Investments | 212,907 | 323,515 | 536,422 |
| Receivables: | | | |
| Taxes | 59,012,464 | 5,688,103 | 64,700,567 |
| Accounts | 52,723 | 15,841 | 68,564 |
| Interest | 59,014 | 397 | 59,411 |
| Intergovernmental | 7,241 | 1,127,007 | 1,134,248 |
| Interfund | 5,198,802 | 61,628 | 5,260,430 |
| Inventory | 0 | 32,782 | 32,782 |
| Total Assets | 89,057,269 | 15,048,034 | 104,105,303 |
| Liabilities and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts Payable | 415,167 | 61,592 | 476,759 |
| Accrued Wages and Benefits | 6,826,029 | 630,829 | 7,456,858 |
| Compensated Absences | 222,597 | 5,237 | 227,834 |
| Retainage Payable | 0 | 323,515 | 323,515 |
| Interfund Payable | 0 | 5,260,430 | 5,260,430 |
| Deferred Revenue | 45,635,087 | 4,896,246 | 50,531,333 |
| Contracts Payable | 0 | 39,364 | 39,364 |
| Total Liabilities | 53,098,880 | 11,217,213 | 64,316,093 |
| Fund Balances: | | | |
| Reserved for Encumbrances | 2,070,482 | 1,448,483 | 3,518,965 |
| Reserved for Inventory | 0 | 32,782 | 32,782 |
| Reserved for Property Tax Advances | 13,377,377 | 1,522,610 | 14,899,987 |
| Reserved for Set-Aside | 212,907 | 0 | 212,907 |
| Reserved for Endowment | 0 | 260,389 | 260,389 |
| Unreserved, Undesignated, Reported in: | | | |
| General Fund | 20,297,623 | 0 | 20,297,623 |
| Special Revenue Funds | 0 | 2,396,335 | 2,396,335 |
| Debt Service Funds | 0 | 2,674,898 | 2,674,898 |
| Capital Projects Funds | 0 | (4,532,481) | (4,532,481) |
| Permanent Fund | 0 | 27,805 | 27,805 |
| Total Fund Balances | 35,958,389 | 3,830,821 | 39,789,210 |
| Total Liabilities and Fund Balances | \$89,057,269 | \$15,048,034 | \$104,105,303 |

See accompanying notes to the basic financial statements.

Princeton City School District
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 June 30, 2008

Total Governmental Fund Balance \$39,789,210

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

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds. 100,754,205

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

| | | |
|---------------------------|----------------|-----------|
| Delinquent Property Taxes | 2,848,567 | |
| Intergovernmental | <u>730,753</u> | |
| | | 3,579,320 |

In the statement of net assets interest payable is accrued when
 incurred, whereas in the governmental funds interest is
 reported as a liability only when it will require the use of
 current financial resources. (308,146)

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

| | | |
|----------------------|--------------------|-------------|
| Compensated Absences | <u>(1,492,176)</u> | |
| | | (1,492,176) |

Deferred bond issuance cost associated with long-term liabilities
 are not reported in the funds. 740,692

Long-term liabilities, are not due and payable in the current
 period and therefore are not reported in the funds. (81,836,544)

Net Assets of Governmental Activities \$61,226,561

See accompanying notes to the basic financial statements.

Princeton City School District
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2008

| | General | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|--------------------------------|--------------------------------|
| Revenues: | | | |
| Taxes | \$47,853,572 | \$4,933,274 | \$52,786,846 |
| Tuition and Fees | 560,792 | 457,876 | 1,018,668 |
| Investment Earnings | 1,979,364 | 41,382 | 2,020,746 |
| Intergovernmental | 18,504,757 | 6,341,770 | 24,846,527 |
| Extracurricular Activities | 9,596 | 122,983 | 132,579 |
| Charges for Services | 0 | 1,815,306 | 1,815,306 |
| Other Revenues | 845,637 | 217,035 | 1,062,672 |
| Total Revenues | 69,753,718 | 13,929,626 | 83,683,344 |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 27,127,944 | 211,844 | 27,339,788 |
| Special | 6,299,513 | 1,017,539 | 7,317,052 |
| Vocational | 128,333 | 0 | 128,333 |
| Other | 5,615,897 | 54,798 | 5,670,695 |
| Support Services: | | | |
| Pupil | 3,576,312 | 874,933 | 4,451,245 |
| Instructional Staff | 4,718,830 | 1,078,794 | 5,797,624 |
| General Administration | 271,234 | 0 | 271,234 |
| School Administration | 6,012,940 | 204,785 | 6,217,725 |
| Fiscal | 2,740,657 | 204,634 | 2,945,291 |
| Business | 528,575 | 36,342 | 564,917 |
| Operations and Maintenance | 7,950,392 | 1,071 | 7,951,463 |
| Pupil Transportation | 4,465,152 | 1,335 | 4,466,487 |
| Central | 1,511,920 | 134,236 | 1,646,156 |
| Operation of Non-Instructional Services | 284,242 | 3,772,164 | 4,056,406 |
| Extracurricular Activities | 261,862 | 1,140,165 | 1,402,027 |
| Capital Outlay | 11,109 | 7,285,040 | 7,296,149 |
| Debt Service: | | | |
| Principal Retirement | 0 | 2,359,000 | 2,359,000 |
| Interest and Fiscal Charges | 0 | 3,737,224 | 3,737,224 |
| Total Expenditures | 71,504,912 | 22,113,904 | 93,618,816 |
| Excess of Revenues Over (Under) Expenditures | (1,751,194) | (8,184,278) | (9,935,472) |
| Other Financing Sources (Uses): | | | |
| Proceeds from Sale of Assets | 49,486 | 5,000 | 54,486 |
| Transfers In | 0 | 2,080,616 | 2,080,616 |
| Transfers (Out) | (2,080,616) | 0 | (2,080,616) |
| Total Other Financing Sources (Uses) | (2,031,130) | 2,085,616 | 54,486 |
| Net Change in Fund Balance | (3,782,324) | (6,098,662) | (9,880,986) |
| Fund Balance Beginning of Year, Restated | 39,740,713 | 9,929,483 | 49,670,196 |
| Fund Balance End of Year | \$35,958,389 | \$3,830,821 | \$39,789,210 |

See accompanying notes to the basic financial statements.

Princeton City School District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2008

Net Change in Fund Balance - Total Governmental Funds (\$9,880,986)

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

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

| | | |
|--|--------------------|-----------|
| Capital assets used in governmental activities | 7,874,375 | |
| Depreciation Expense | <u>(3,066,304)</u> | 4,808,071 |

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

| | | |
|---------------------------|---------------|-------------|
| Delinquent Property Taxes | (2,556,758) | |
| Interest | (24,189) | |
| Intergovernmental | <u>78,797</u> | (2,502,150) |

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 2,359,000

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

| | | |
|------------------|---------|---------|
| Accrued Interest | (6,695) | (6,695) |
|------------------|---------|---------|

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

| | | |
|--|------------------|----------------|
| Compensated Absences | 850,995 | |
| Amortization of Bond Issuance Cost | (123,449) | |
| Amortization of Bond Premium | 255,716 | |
| Amortization of Deferred Charge on Refunding | <u>(116,040)</u> | <u>867,222</u> |

Change in Net Assets of Governmental Activities (\$4,355,538)

See accompanying notes to the basic financial statements.

Princeton City School District
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2008

| | Private Purpose Trust | Agency |
|---------------------------------------|-----------------------------|------------------|
| Assets: | | |
| Equity in Pooled Cash and Investments | \$89,362 | \$116,184 |
| Receivables: | | |
| Accounts | <u>0</u> | <u>297</u> |
| Total Assets | <u>89,362</u> | <u>116,481</u> |
| Liabilities: | | |
| Accounts Payable | 0 | 3,223 |
| Due to Student Groups | <u>0</u> | <u>113,258</u> |
| Total Liabilities | <u>0</u> | <u>\$116,481</u> |
| Net Assets: | | |
| Held in Trust | <u>89,362</u> | |
| Total Net Assets | <u>\$89,362</u> | |

See accompanying notes to the basic financial statements.

Princeton City School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2008

| | Private Purpose Trust |
|--|-----------------------------|
| Additions: | |
| Contributions | <u>\$27,276</u> |
| Total Additions | <u>27,276</u> |
| Deductions: | |
| Community Gifts, Awards and Scholarships | <u>3,515</u> |
| Total Deductions | <u>3,515</u> |
| Change in Net Assets | 23,761 |
| Net Assets Beginning of Year | <u>65,601</u> |
| Net Assets End of Year | <u><u>\$89,362</u></u> |

See accompanying notes to the basic financial statements.

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PRINCETON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
Year Ended June 30, 2008

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. 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.

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 and Great Oaks Institute of Technology and Career Development. The organizations are presented in Note 13 to the basic financial statements.

B. Basis of Presentation

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government except for fiduciary funds.

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

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

Private purpose trust funds are reported using the accrual basis of accounting.

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 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 is the School District's major governmental fund:

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.

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, 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.

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, 2008 which are intended to finance fiscal year 2009 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.

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

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

E. Equity in Pooled Cash and Investments

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

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

During fiscal year 2008, the District's investments were limited to Commercial Paper, US 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, 2008.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2008 amounted to \$2,020,746. Interest revenue credited to the General Fund during fiscal year 2008 amounted to \$1,979,364 and \$41,382 to Other Governmental Funds.

F. Inventory

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

G. Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five thousand dollars (\$5,000) and an estimated useful life in excess of one year. The District does not possess any infrastructure. Improvements that add to the value of an asset or materially extend an asset's life are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

| | |
|----------------------------|---------------|
| Land improvements | 20 years |
| Buildings and Improvements | 20 - 50 years |
| Equipment and furniture | 5-20 years |
| Vehicles | 8 years |

H. Interfund Activity

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

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

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

I. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the expenditures for unpaid compensated absences are recognized when due. The related liability is recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. Compensated absences are reported in governmental funds only if they have matured.

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

L. Restricted Assets

Restricted assets in the general fund represent equity in pooled cash and investments set aside to establish a budget stabilization reserve. A corresponding fund balance reserve has also been established. Restricted assets in the building fund represent equity in pooled cash and investments set aside to establish retainage accounts for the continuing improvements throughout the District.

M. Net Assets

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

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

The government-wide Statement of Net Assets reports \$8,748,433 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. EQUITY IN POOLED CASH AND INVESTMENTS

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

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

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

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

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by the federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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":

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pooled securities. As of June 30, 2008, \$2,747,248 of the District's bank balance of \$2,947,248 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

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

Investments

The School District's investments at June 30, 2008 are as summarized as follows:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Average Maturity (Years)</u> |
|--|---------------------|--|
| STAR Ohio | \$15,595,347 | 0.15 |
| Money Market Funds | 21,294 | 0.00 |
| Federal Home Loan Bank | 8,894,183 | 1.57 |
| Federal Home Loan Mortgage | 3,567,634 | 1.80 |
| Federal Home Loan Mortgage - Discount Note | 490,213 | 0.98 |
| Federal National Mortgage Association | 3,666,608 | 1.78 |
| Commercial Paper | 59,350 | 0.36 |
| Total Fair Value | <u>\$32,294,629</u> | |
| Portfolio Weighted Average Maturity | | 0.92 |

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 Federal Home Loan Bank, Federal Home Loan Mortgage, Federal Home Loan Mortgage - Discount Note and Federal National Mortgage Association were rated AAA by Standard & Poor's and Aaa by Moody's. The School District's investments in the Money Market Funds were rated AAA by Standard & Poor's. The District's investments in Commercial Paper were rated A1+ by Standard & Poor's and P1+ by Moody's Investors Service. 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.

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 has invested less than 1% in Money Market Funds and Commercial Paper, 48% in STAR Ohio, 28% in Federal Home Loan Bank, 11% in Federal Home Loan Mortgage, 2% in Federal Home Loan Mortgage - Discount Note, and 11% in Federal National Mortgage Association.

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, 2008, are available to finance fiscal year 2009 operations. The amount available for advance can vary based on the date the tax bills are sent.

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, 2008. 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, 2008 were \$13,377,377 and \$1,522,610 in the General Fund and Other Governmental Funds, respectively.

The assessed values upon which fiscal year 2008 taxes were collected are:

| | <u>Amount</u> |
|---|-------------------------------|
| Agricultural/Residential and Other Real Estate | \$1,462,981,400 |
| Public Utility | 40,175,460 |
| Tangible Personal Property | <u>101,686,690</u> |
| Total | <u><u>\$1,604,843,550</u></u> |

4. INTERFUND TRANSACTIONS

Interfund transactions at June 30, 2008, consisted of the following interfund receivables, interfund payables, transfers in and transfers out:

| | Interfund | | Transfers | |
|--------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| | <u>Receivable</u> | <u>Payable</u> | <u>In</u> | <u>Out</u> |
| General Fund | \$5,198,802 | \$0 | \$0 | \$2,080,616 |
| Other Governmental Funds | <u>61,628</u> | <u>5,260,430</u> | <u>2,080,616</u> | <u>0</u> |
| Total All Funds | <u><u>\$5,260,430</u></u> | <u><u>\$5,260,430</u></u> | <u><u>\$2,080,616</u></u> | <u><u>\$2,080,616</u></u> |

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

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5. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2008 was as follows:

| | Restated Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------------------|---------------------|---------------------|----------------------|
| Governmental Activities: | | | | |
| Capital Assets, not being depreciated: | | | | |
| Land | \$5,226,711 | \$156,250 | \$0 | \$5,382,961 |
| Construction in Progress | 21,784,906 | 7,440,826 | 29,225,732 | 0 |
| Total capital assets, not being depreciated | <u>27,011,617</u> | <u>7,597,076</u> | <u>29,225,732</u> | <u>5,382,961</u> |
| Capital Assets, being depreciated: | | | | |
| Land Improvements | 10,322,350 | 368,144 | 0 | 10,690,494 |
| Buildings and Improvements | 70,983,270 | 28,135,005 | 0 | 99,118,275 |
| Equipment | 8,455,545 | 720,322 | 0 | 9,175,867 |
| Vehicles | 4,845,599 | 279,560 | 242,698 | 4,882,461 |
| Total capital assets being depreciated | <u>94,606,764</u> | <u>29,503,031</u> | <u>242,698</u> | <u>123,867,097</u> |
| Less Accumulated Depreciation For: | | | | |
| Land Improvements | 3,239,363 | 225,833 | 0 | 3,465,196 |
| Buildings and Improvements | 14,748,876 | 1,843,834 | 0 | 16,592,710 |
| Equipment | 4,030,698 | 731,990 | 0 | 4,762,688 |
| Vehicles | 3,653,310 | 264,647 | 242,698 | 3,675,259 |
| Total Accumulated Depreciation | <u>25,672,247</u> | <u>3,066,304</u> | <u>242,698</u> | <u>28,495,853</u> |
| Total capital assets, being depreciated, net | <u>\$95,946,134</u> | <u>\$34,033,803</u> | <u>\$29,225,732</u> | <u>\$100,754,205</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|---|--------------------|
| Instruction | |
| Regular | \$1,389,167 |
| Support Services | |
| Instructional Staff | 201,067 |
| School Administration | 367,481 |
| Operations and Maintenance | 15,482 |
| Pupil Transportation | 915,336 |
| Central | 80,679 |
| Operation of Non-Instructional Services | 23,274 |
| Extracurricular Activities | <u>\$73,818</u> |
| Total Depreciation Expense | <u>\$3,066,304</u> |

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. PENSION PLANS

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

Plan Description

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Forms and Publications*.

Funding Policy

Plan members are required to contribute 10% of their annual covered salary and District is required to contribute at an actuarially determined rate. The current rate is 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 District's contributions to SERS for the years ended June 30, 2008, 2007, and 2006 were \$2,001,888, \$1,947,000, and \$1,813,000, respectively; 92% has been contributed for fiscal year 2008 and 100% for fiscal years 2007 and 2006.

STATE TEACHERS RETIREMENT SYSTEM OF OHIO

Plan Description

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution, or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. Additional information or copies of STRS Ohio's *Comprehensive Annual Financial Report* can be requested by writing to STRS Ohio, 275 E. Broad Street, Columbus, OH 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio web site at www.strsoh.org.

Plan Options

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of both the DC Plan and DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and Combined Plan are credited members accounts as employers submit their payroll information to STRS Ohio, generally biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits

Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits

Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. 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.

Combined Plan Benefits

Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

Eligible faculty of Ohio's public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalizations, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

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 members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Funding Policy

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2008, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2008, 2007, and 2006 were \$5,278,088, \$4,793,000, and \$4,382,000, respectively; 85% has been contributed for fiscal year 2008 and 100% for fiscal years 2007 and 2006.

8. POST EMPLOYMENT BENEFITS

SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

Plan Description

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans.

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2007 (the latest information available) was \$93.50; SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2007 (the latest information available), the actuarially required allocation was .68%. District contributions for the year ended June 30, 2008 were \$97,235, which equaled the required contributions for the year.

Health Care Plan

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2007, (the latest information available) the health care allocation was 3.32%. The actuarially required contribution (ARC), as of the December 31, 2006 annual valuation, was 11.50% of covered payroll. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities of the plan over a period not to exceed thirty years. The District contributions for the years ended June 30, 2008, 2007, and 2006 were \$474,733, \$477,000, and \$444,000, respectively.

An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2007, (the latest information available), the minimum compensation level was established at \$35,800.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Forms and Publications*.

STATE TEACHERS RETIREMENT SYSTEM OF OHIO

Plan Description

STRS Ohio administers a pension plan that is comprised of: a defined benefit plan; a self-directed defined contribution plan and a combined plan which is a hybrid of the defined benefit and defined contribution plan.

Ohio law authorized STRS Ohio to offer a cost-sharing, multi-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the defined benefit or combined plans. Coverage under the current programs includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

Pursuant to 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care cost in the form of monthly premiums.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting www.strsoh.org or by requesting a copy by calling toll-free 1-888-227-7877.

Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2008, 2007 and 2006. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2008, 2007, and 2006 were \$377,006, \$342,000, and \$313,000, respectively.

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 2008 were as follows:

| | Restated Beginning Balance | Additions | Reductions | Ending Balance | Due in One Year |
|------------------------------------|----------------------------------|-----------|---------------|-------------------|--------------------|
| Governmental Activities: | | | | | |
| General Obligation Bonds | | | | | |
| 2003 School Improvement 2.00-4.75% | \$10,120,000 | \$0 | (\$1,560,000) | \$8,560,000 | \$1,605,000 |
| Issuance Premiums | 213,037 | 0 | (30,434) | 182,603 | 0 |
| 2006 Refunding Bonds 4.00-5.25% | 70,840,000 | 0 | (330,000) | 70,510,000 | 90,000 |
| Issuance Premiums | 5,294,118 | 0 | (225,282) | 5,068,836 | 0 |
| Deferred Amount on Refunding | (2,726,935) | 116,040 | 0 | (2,610,895) | 0 |
| Capital Leases | 595,000 | 0 | (469,000) | 126,000 | 126,000 |
| Total Bonds and Capital Leases | 84,335,220 | 116,040 | (2,614,716) | 81,836,544 | 1,821,000 |
| Compensated Absences | 2,576,320 | 129,716 | (986,026) | 1,720,010 | 269,772 |
| Total Long-Term Debt | \$86,911,540 | \$245,756 | (\$3,600,742) | \$83,556,554 | \$2,090,772 |

Compensated Absences are generally paid through the General Fund and Special Revenue Funds.

2003 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.

2006 School Improvement Refunding Bonds – The School District issued \$70,840,000 in refunding bonds for the partial refunding of \$71,800,000 of school improvement bonds issued in 2003. These bonds mature on December 1, 2030 and pay interest at 4.00% - 5.00%. The bonds will be paid from the Debt Service Fund.

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

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|--------------------------------|---------------------|---------------------|----------------------|
| 2009 | \$1,695,000 | \$3,663,857 | \$5,358,857 |
| 2010 | 1,285,000 | 3,604,257 | 4,889,257 |
| 2011 | 1,360,000 | 3,557,027 | 4,917,027 |
| 2012 | 1,425,000 | 3,511,617 | 4,936,617 |
| 2013 | 1,660,000 | 3,457,637 | 5,117,637 |
| 2014-2018 | 10,355,000 | 16,025,794 | 26,380,794 |
| 2019-2023 | 16,455,000 | 13,018,263 | 29,473,263 |
| 2024-2028 | 24,635,000 | 8,449,238 | 33,084,238 |
| 2029-2031 | 20,200,000 | 1,650,338 | 21,850,338 |
| Total | <u>\$79,070,000</u> | <u>\$56,938,028</u> | <u>\$136,008,028</u> |

11. PRIOR YEAR DEFEASANCE OF DEBT

In prior years, the School District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the School District's financial statements. On June 30, 2008, \$10,120,000 of bonds outstanding are considered defeased.

12. CAPITAL LEASE

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

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

| Fiscal Year Ending June 30 | Long-Term Debt |
|---|-------------------|
| 2009 | <u>\$130,934</u> |
| Total Minimum Lease Payments | \$130,934 |
| Less: Amount Representing Interest | (4,744) |
| Less: Additional Program Cost Component | (190) |
| Present Value of Minimum Lease Payments | <u>\$126,000</u> |

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

| | |
|----------|-----------|
| Vehicles | \$558,000 |
|----------|-----------|

13. JOINTLY GOVERNED ORGANIZATIONS

The Hamilton/Clermont Cooperative Association

The School District is a participant in a consortium of school districts to operate The Hamilton/Clermont Cooperative Association (H/CCA). H/CCA is an association of public districts in a geographic area determined by the Ohio Department of Education formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The Board of H/CCA consists of one representative from each of the participating members. The School District has no ongoing financial interest in or 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 or responsibility for Great Oaks. To obtain financial information, write to Great Oaks at 3254 East Kemper Road, Cincinnati, Ohio 45241.

14. CONTINGENCIES

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2008.

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.

15. REQUIRED SET-ASIDES

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

| | <u>Textbooks</u> | <u>Capital Acquisition</u> | <u>Budget Stabilization</u> |
|---|----------------------|--------------------------------|---------------------------------|
| Set Aside Reserve Balance as of June 30, 2007 | (\$1,435,918) | \$0 | \$212,907 |
| Current Year Set Aside Requirements | 838,005 | 838,005 | 0 |
| Qualified Disbursements | (1,757,092) | (752,093) | 0 |
| Current Year Offsets | <u>0</u> | <u>(85,612)</u> | <u>0</u> |
| Set Aside Reserve Balance as of June 30, 2008 | <u>(\$2,355,005)</u> | <u>\$0</u> | <u>\$212,907</u> |
| Balance carried to FY 2009 | <u>(\$2,355,005)</u> | <u>\$0</u> | <u>\$212,907</u> |
| Cash Balance as of June 30, 2008 | <u>\$0</u> | | <u>\$212,907</u> |

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

16. ACCOUNTABILITY

At June 30, 2008, the following funds had deficit fund balances:

| | |
|-----------------------------------|-----------|
| Other Governmental Funds: | |
| Education Management Info Systems | \$7,661 |
| Alternative Schools | 2,098 |
| Title I | 85,795 |
| Reducing Class Size | 16,663 |
| Public School Preschool | 7,944 |
| Building | 3,335,451 |

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.

17. RESTATEMENT FOR FUND RECLASSIFICATION

During the year ended June 30, 2008, certain funds previously reported as Nonmajor Enterprise Funds have been reclassified as Other Governmental Funds. The reclassification of these funds had the following effect on beginning net assets:

| | Governmental Activities | Business-Type Activities |
|-------------------------------------|----------------------------|-----------------------------|
| Net Assets, June 30, 2007 | \$64,155,909 | \$1,426,190 |
| Reclassification | 1,426,190 | (1,426,190) |
| Net Assets, July 1, 2007 - Restated | <u>\$65,582,099</u> | <u>\$0</u> |

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

| | Other Governmental Funds | Nonmajor Enterprise Funds |
|---------------------------------------|--------------------------------|---------------------------------|
| Fund Balance, June 30, 2007 | \$8,801,327 | \$1,128,156 |
| Reclassification | 1,128,156 | (1,128,156) |
| Fund Balance, July 1, 2007 - Restated | <u>\$9,929,483</u> | <u>\$0</u> |

18. OPERATING LEASES

The School District entered into non-cancelable 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 2008 totaled approximately \$77,000. The following is a schedule of the future minimum lease payments:

| <u>Year Ended</u> | |
|-------------------|------------------|
| 2009 | \$76,890 |
| 2010 | 76,890 |
| Total | <u>\$153,780</u> |

19. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2008, the District has implemented GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions."

Statement No. 45 addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other non-pension benefits. This also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and for certain employers, the extent to which the plan has been funded over time. Collectively, these benefits are commonly referred to as “other postemployment benefits (OPEB).”

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements.

There was no effect on fund balance/net assets as a result of the implementation of these new standards.

REQUIRED SUPPLEMENTARY INFORMATION

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2008

| | General Fund | | | |
|---|---------------------|---------------------|---------------------|-------------------------------|
| | Original Budget | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | | |
| Taxes | \$46,423,133 | \$51,612,337 | \$51,658,695 | \$46,358 |
| Tuition and Fees | 469,928 | 522,457 | 522,926 | 469 |
| Investment Earnings | 1,932,498 | 2,148,514 | 2,150,444 | 1,930 |
| Intergovernmental | 16,622,809 | 18,480,916 | 18,497,516 | 16,600 |
| Extracurricular Activities | 8,614 | 9,577 | 9,586 | 9 |
| Other Revenues | 1,088,168 | 1,209,804 | 1,210,891 | 1,087 |
| Total Revenues | 66,545,150 | 73,983,605 | 74,050,058 | 66,453 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 25,315,479 | 27,394,848 | 26,876,645 | 518,203 |
| Special | 5,853,686 | 6,334,498 | 6,214,674 | 119,824 |
| Vocational | 120,681 | 130,593 | 128,123 | 2,470 |
| Other | 5,184,602 | 5,610,456 | 5,504,328 | 106,128 |
| Support Services: | | | | |
| Pupil | 3,481,535 | 3,767,502 | 3,696,236 | 71,266 |
| Instructional Staff | 4,615,270 | 4,994,361 | 4,899,887 | 94,474 |
| General Administration | 299,152 | 323,724 | 317,600 | 6,124 |
| School Administration | 5,587,049 | 6,045,960 | 5,931,594 | 114,366 |
| Fiscal | 2,641,170 | 2,858,111 | 2,804,047 | 54,064 |
| Business | 549,993 | 595,168 | 583,910 | 11,258 |
| Operations and Maintenance | 8,990,674 | 9,729,153 | 9,545,115 | 184,038 |
| Pupil Transportation | 4,641,437 | 5,022,676 | 4,927,667 | 95,009 |
| Central | 1,515,093 | 1,639,540 | 1,608,526 | 31,014 |
| Operation of Non-Instructional Services | 275,692 | 298,336 | 292,693 | 5,643 |
| Extracurricular Activities | 285,678 | 309,143 | 303,295 | 5,848 |
| Capital Outlay | 13,384 | 14,483 | 14,209 | 274 |
| Total Expenditures | 69,370,575 | 75,068,552 | 73,648,549 | 1,420,003 |
| Excess of Revenues Over (Under) Expenditures | (2,825,425) | (1,084,947) | 401,509 | 1,486,456 |
| Other Financing Sources (Uses): | | | | |
| Proceeds from Sale of Capital Assets | 44,471 | 49,442 | 49,486 | 44 |
| Advances In | 5,334,539 | 5,930,837 | 5,936,164 | 5,327 |
| Advances (Out) | (6,799,135) | (7,357,604) | (7,218,427) | 139,177 |
| Transfers In | 24,499 | 27,238 | 27,262 | 24 |
| Transfers (Out) | (2,017,379) | (2,183,083) | (2,141,788) | 41,295 |
| Total Other Financing Sources (Uses) | (3,413,005) | (3,533,170) | (3,347,303) | 185,867 |
| Net Change in Fund Balance | (6,238,430) | (4,618,117) | (2,945,794) | 1,672,323 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 25,254,369 | 25,254,369 | 25,254,369 | 0 |
| Fund Balance End of Year | \$19,015,939 | \$20,636,252 | \$22,308,575 | \$1,672,323 |

See accompanying notes to the required supplementary information.

PRINCETON CITY SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended June 30, 2008

1. BUDGETARY PROCESS

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2008.

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

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

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

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

Net Change in Fund Balance

| | <u>General</u> |
|---|-----------------------------|
| GAAP Basis | (\$3,782,324) |
| Net Adjustment for Revenue Accruals | 4,296,340 |
| Net Adjustment for Expenditure Accruals | 274,810 |
| Transfers In | 27,262 |
| Transfers Out | (61,172) |
| Advances In | 5,936,164 |
| Advances (Out) | (7,218,427) |
| Encumbrances | <u>(2,418,447)</u> |
| Budget Basis | <u><u>(\$2,945,794)</u></u> |

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

DESCRIPTION OF FUNDS - NONMAJOR GOVERNMENTAL FUNDS

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

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 of the programs. This fund includes athletic programs as well as band, cheerleaders, drama clubs, and other similar types of activities.

Auxiliary Service: To account for state funds that provide services and materials to students attending non-public schools within the boundaries of the District.

Education Management Info Systems: To account for state funds provided to assist the district in implementing a state required staff, student, and financial reporting system.

Entry Year Grant: To account for state funds received for the implementation of entry-year mentoring programs for first year teachers.

Data Communications: To account for state funds appropriated for Ohio Educational Computer Network Connections.

SchoolNet Professional Development: To account for state funds, which provide professional development opportunities and programs for District staff in the area of computers and related technology.

Ohio Reads: To account for state funds received for reading improvement and intervention programs designed to improve elementary student achievement scores in reading and for the establishment of volunteer reading coordinators at each school building.

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

Alternative Schools: To account for state funds which, provide for alternative educational programs for at-risk and delinquent youth. These funds are being used to replace grants formally received for Project Connect.

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.

Misc. State Grants: To account for state funds which are provided for specific purposes. This includes School Security Equipment Grant, ABLE/Jobs Education Program and Ohio Environmental Protection Agency Grant, Project Connect and School Readiness.

Title VI-B: To account for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

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: Federal grant used to account for federal monies provided to support the District's ESL population.

Title I: To account for federal funds for services provided to meet special educational needs of educationally deprived children (formerly called Chapter I).

Title V: To account for federal funds to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; programs to enhance personal excellence of students and student achievement (formerly called Chapter II).

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

Preschool Grant: To account for federal funds received to provide programs to handicapped preschool children.

Reducing Class Size: To account for federal funds received to provide for class size reduction.

Miscellaneous Federal Grants: To account for federal funds received to provide programs to assure that needy families with children obtain the education, training and employment and support services that will help them avoid long-term welfare dependence.

Food Service: To account for all revenues and expenses related to the provision of food services, including breakfast and lunch, for the District students and staff.

Uniform School Supplies: To account for the purchase and sale of school supplies as adopted by the Board of Education for resale to students of the District.

Early Childhood Programs: To account for preschool, extended day, and all day kindergarten operations provided to students and financed primarily through user charges.

Public School Preschool: To account for state funds to assist school districts in paying the cost of pre-school programs.

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

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

Permanent Improvement: To account for all transactions relating to the improvements made to existing District facilities.

Building: A fund provided to account for all transactions relating to the acquisition or construction of new District facilities.

Permanent Fund: The Permanent Fund is used to account for the financial resources that are restricted. Only the income earned can be used for specific purposes.

Princeton City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Nonmajor Permanent Fund | Total Nonmajor Governmental Funds |
|---|---|-------------------------------------|--|-------------------------------|--|
| Assets: | | | | | |
| Equity in Pooled Cash and Investments | \$3,342,619 | \$2,677,298 | \$1,491,043 | \$287,801 | \$7,798,761 |
| Restricted Cash and Investments | 0 | 0 | 323,515 | 0 | 323,515 |
| Receivables: | | | | | |
| Taxes | 0 | 5,688,103 | 0 | 0 | 5,688,103 |
| Accounts | 15,841 | 0 | 0 | 0 | 15,841 |
| Interest | 0 | 0 | 4 | 393 | 397 |
| Intergovernmental | 1,127,007 | 0 | 0 | 0 | 1,127,007 |
| Interfund | 61,628 | 0 | 0 | 0 | 61,628 |
| Inventory | 32,782 | 0 | 0 | 0 | 32,782 |
| Total Assets | 4,579,877 | 8,365,401 | 1,814,562 | 288,194 | 15,048,034 |
| Liabilities and Fund Balances: | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | 49,606 | 0 | 11,986 | 0 | 61,592 |
| Accrued Wages and Benefits | 630,829 | 0 | 0 | 0 | 630,829 |
| Compensated Absences | 5,237 | 0 | 0 | 0 | 5,237 |
| Retainage Payable | 0 | 0 | 323,515 | 0 | 323,515 |
| Interfund Payable | 558,030 | 2,400 | 4,700,000 | 0 | 5,260,430 |
| Deferred Revenue | 730,753 | 4,165,493 | 0 | 0 | 4,896,246 |
| Contracts Payable | 0 | 0 | 39,364 | 0 | 39,364 |
| Total Liabilities | 1,974,455 | 4,167,893 | 5,074,865 | 0 | 11,217,213 |
| Fund Balances: | | | | | |
| Reserved for Encumbrances | 176,305 | 0 | 1,272,178 | 0 | 1,448,483 |
| Reserved for Inventory | 32,782 | 0 | 0 | 0 | 32,782 |
| Reserved for Property Tax Advances | 0 | 1,522,610 | 0 | 0 | 1,522,610 |
| Reserved for Endowment | 0 | 0 | 0 | 260,389 | 260,389 |
| Unreserved, Undesignated, Reported in: | | | | | |
| Special Revenue Funds | 2,396,335 | 0 | 0 | 0 | 2,396,335 |
| Debt Service Funds | 0 | 2,674,898 | 0 | 0 | 2,674,898 |
| Capital Projects Funds | 0 | 0 | (4,532,481) | 0 | (4,532,481) |
| Permanent Fund | 0 | 0 | 0 | 27,805 | 27,805 |
| Total Fund Balances | 2,605,422 | 4,197,508 | (3,260,303) | 288,194 | 3,830,821 |
| Total Liabilities and Fund Balances | \$4,579,877 | \$8,365,401 | \$1,814,562 | \$288,194 | \$15,048,034 |

Princeton City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008

| | Public School Support | Other Grants | Athletic Fund | Auxiliary Service | Education Management Info Systems |
|---|--------------------------|-----------------|------------------|----------------------|---|
| Assets: | | | | | |
| Equity in Pooled Cash and Investments | \$202,010 | \$17,193 | \$34,523 | \$328,258 | \$397 |
| Receivables: | | | | | |
| Accounts | 4,729 | 0 | 185 | 0 | 0 |
| Intergovernmental | 0 | 0 | 0 | 0 | 0 |
| Interfund | 0 | 0 | 0 | 0 | 0 |
| Inventory | 0 | 0 | 0 | 0 | 0 |
| Total Assets | 206,739 | 17,193 | 34,708 | 328,258 | 397 |
| Liabilities and Fund Balances: | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | 4,261 | 148 | 3,426 | 10,660 | 0 |
| Accrued Wages and Benefits | 0 | 0 | 27,274 | 29,960 | 8,058 |
| Compensated Absences | 0 | 0 | 0 | 2,336 | 0 |
| Interfund Payable | 0 | 0 | 0 | 1,710 | 0 |
| Deferred Revenue | 0 | 0 | 0 | 0 | 0 |
| Total Liabilities | 4,261 | 148 | 30,700 | 44,666 | 8,058 |
| Fund Balances: | | | | | |
| Reserved for Encumbrances | 6,080 | 13 | 16,168 | 14,095 | 397 |
| Reserved for Inventory | 0 | 0 | 0 | 0 | 0 |
| Unreserved, Undesignated, Reported in: Special Revenue Funds | 196,398 | 17,032 | (12,160) | 269,497 | (8,058) |
| Total Fund Balances | 202,478 | 17,045 | 4,008 | 283,592 | (7,661) |
| Total Liabilities and Fund Balances | \$206,739 | \$17,193 | \$34,708 | \$328,258 | \$397 |

| Entry Year Grant | Data Communications | SchoolNet Professional Development | Ohio Reads | Vocational Education Enhancement | Alternative Schools | Poverty Based Assistance |
|---------------------|------------------------|--|-----------------|--|------------------------|--------------------------------|
| \$6,853 | \$0 | \$3,944 | \$18,396 | \$9,886 | \$73,427 | \$0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 1,248 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 61,628 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>6,853</u> | <u>0</u> | <u>3,944</u> | <u>18,396</u> | <u>11,134</u> | <u>73,427</u> | <u>61,628</u> |
| 0 | 0 | 0 | 0 | 0 | 1,876 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 73,649 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>75,525</u> | <u>0</u> |
| 0 | 0 | 0 | 3,450 | 49 | 5,993 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>6,853</u> | <u>0</u> | <u>3,944</u> | <u>14,946</u> | <u>11,085</u> | <u>(8,091)</u> | <u>61,628</u> |
| <u>6,853</u> | <u>0</u> | <u>3,944</u> | <u>18,396</u> | <u>11,134</u> | <u>(2,098)</u> | <u>61,628</u> |
| <u>\$6,853</u> | <u>\$0</u> | <u>\$3,944</u> | <u>\$18,396</u> | <u>\$11,134</u> | <u>\$73,427</u> | <u>\$61,628</u> |

Continued

Princeton City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008

| | Misc. State Grants | Title VI-B | Vocational Education | Title III | Title I |
|---|--------------------------|------------------|-------------------------|-----------------|------------------|
| Assets: | | | | | |
| Equity in Pooled Cash and Investments | \$97,766 | \$310,803 | \$27,213 | \$11,850 | \$2,162 |
| Receivables: | | | | | |
| Accounts | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental | 0 | 235,924 | 2,497 | 82,201 | 417,167 |
| Interfund | 0 | 0 | 0 | 0 | 0 |
| Inventory | 0 | 0 | 0 | 0 | 0 |
| Total Assets | 97,766 | 546,727 | 29,710 | 94,051 | 419,329 |
| Liabilities and Fund Balances: | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | 0 | 10,926 | 218 | 4,283 | 380 |
| Accrued Wages and Benefits | 0 | 136,840 | 0 | 0 | 144,794 |
| Compensated Absences | 0 | 2,572 | 0 | 0 | 0 |
| Interfund Payable | 18,123 | 159,429 | 0 | 11,020 | 133,563 |
| Deferred Revenue | 0 | 211,106 | 0 | 77,056 | 226,387 |
| Total Liabilities | 18,123 | 520,873 | 218 | 92,359 | 505,124 |
| Fund Balances: | | | | | |
| Reserved for Encumbrances | 0 | 28,466 | 261 | 6,502 | 1,277 |
| Reserved for Inventory | 0 | 0 | 0 | 0 | 0 |
| Unreserved, Undesignated, Reported in: Special Revenue Funds | 79,643 | (2,612) | 29,231 | (4,810) | (87,072) |
| Total Fund Balances | 79,643 | 25,854 | 29,492 | 1,692 | (85,795) |
| Total Liabilities and Fund Balances | \$97,766 | \$546,727 | \$29,710 | \$94,051 | \$419,329 |

| Title V | Drug Free Schools | Preschool Grant | Reducing Class Size | Miscellaneous Federal Grants | Food Service | Uniform School Supplies |
|-----------------|-------------------|-----------------|---------------------|------------------------------|------------------|-------------------------|
| \$1,760 | \$13,720 | \$11,538 | \$17,412 | \$92,546 | \$145,272 | \$145,294 |
| 0 | 0 | 0 | 0 | 0 | 5,176 | 52 |
| 12,486 | 40,366 | 2,035 | 259,931 | 6,088 | 18,872 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 32,782 | 0 |
| <u>14,246</u> | <u>54,086</u> | <u>13,573</u> | <u>277,343</u> | <u>98,634</u> | <u>202,102</u> | <u>145,346</u> |
| 869 | 1,731 | 0 | 1,246 | 315 | 1,878 | 0 |
| 0 | 1,127 | 4,416 | 35,204 | 0 | 146,881 | 0 |
| 0 | 0 | 0 | 0 | 0 | 329 | 0 |
| 1,396 | 16,914 | 2,808 | 113,507 | 875 | 0 | 0 |
| 11,568 | 29,006 | 0 | 144,049 | 1,903 | 0 | 0 |
| <u>13,833</u> | <u>48,778</u> | <u>7,224</u> | <u>294,006</u> | <u>3,093</u> | <u>149,088</u> | <u>0</u> |
| 892 | 4,688 | 0 | 12,327 | 314 | 67,829 | 3,000 |
| 0 | 0 | 0 | 0 | 0 | 32,782 | 0 |
| (479) | 620 | 6,349 | (28,990) | 95,227 | (47,597) | 142,346 |
| <u>413</u> | <u>5,308</u> | <u>6,349</u> | <u>(16,663)</u> | <u>95,541</u> | <u>53,014</u> | <u>145,346</u> |
| <u>\$14,246</u> | <u>\$54,086</u> | <u>\$13,573</u> | <u>\$277,343</u> | <u>\$98,634</u> | <u>\$202,102</u> | <u>\$145,346</u> |

Continued

Princeton City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008

| | Early Childhood Programs | Public School Preschool | Total Nonmajor Special Revenue Funds |
|---|--------------------------------|-------------------------------|---|
| Assets: | | | |
| Equity in Pooled Cash and Investments | \$1,747,201 | \$23,195 | \$3,342,619 |
| Receivables: | | | |
| Accounts | 5,699 | 0 | 15,841 |
| Intergovernmental | 0 | 48,192 | 1,127,007 |
| Interfund | 0 | 0 | 61,628 |
| Inventory | 0 | 0 | 32,782 |
| Total Assets | 1,752,900 | 71,387 | 4,579,877 |
| Liabilities and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts Payable | 3,359 | 4,030 | 49,606 |
| Accrued Wages and Benefits | 75,688 | 20,587 | 630,829 |
| Compensated Absences | 0 | 0 | 5,237 |
| Interfund Payable | 0 | 25,036 | 558,030 |
| Deferred Revenue | 0 | 29,678 | 730,753 |
| Total Liabilities | 79,047 | 79,331 | 1,974,455 |
| Fund Balances: | | | |
| Reserved for Encumbrances | 2,406 | 2,098 | 176,305 |
| Reserved for Inventory | 0 | 0 | 32,782 |
| Unreserved, Undesignated, Reported in: Special Revenue Funds | 1,671,447 | (10,042) | 2,396,335 |
| Total Fund Balances | 1,673,853 | (7,944) | 2,605,422 |
| Total Liabilities and Fund Balances | \$1,752,900 | \$71,387 | \$4,579,877 |

Princeton City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2008

| | Permanent Improvement | Building | Total Nonmajor Capital Projects Funds |
|--|--------------------------|--------------------|--|
| Assets: | | | |
| Equity in Pooled Cash and Investments | \$75,144 | \$1,415,899 | \$1,491,043 |
| Restricted Cash and Investments | 0 | 323,515 | 323,515 |
| Receivables: | | | |
| Interest | 4 | 0 | 4 |
| Total Assets | <u>75,148</u> | <u>1,739,414</u> | <u>1,814,562</u> |
| Liabilities and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts Payable | 0 | 11,986 | 11,986 |
| Retainage Payable | 0 | 323,515 | 323,515 |
| Interfund Payable | 0 | 4,700,000 | 4,700,000 |
| Contracts Payable | 0 | 39,364 | 39,364 |
| Total Liabilities | <u>0</u> | <u>5,074,865</u> | <u>5,074,865</u> |
| Fund Balances: | | | |
| Reserved for Encumbrances | 67,000 | 1,205,178 | 1,272,178 |
| Unreserved, Undesignated, Reported in: Capital Projects Funds | <u>8,148</u> | <u>(4,540,629)</u> | <u>(4,532,481)</u> |
| Total Fund Balances | <u>75,148</u> | <u>(3,335,451)</u> | <u>(3,260,303)</u> |
| Total Liabilities and Fund Balances | <u>\$75,148</u> | <u>\$1,739,414</u> | <u>\$1,814,562</u> |

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Princeton City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2008

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Nonmajor Permanent Fund | Total Nonmajor Governmental Funds |
|---|---|-------------------------------------|--|-------------------------------|--|
| Revenues: | | | | | |
| Taxes | \$0 | \$4,933,274 | \$0 | \$0 | \$4,933,274 |
| Tuition and Fees | 457,876 | 0 | 0 | 0 | 457,876 |
| Investment Earnings | 22,271 | 0 | 4,699 | 14,412 | 41,382 |
| Intergovernmental | 5,741,500 | 600,270 | 0 | 0 | 6,341,770 |
| Extracurricular Activities | 122,983 | 0 | 0 | 0 | 122,983 |
| Charges for Services | 1,815,306 | 0 | 0 | 0 | 1,815,306 |
| Other Revenues | 148,974 | 0 | 67,761 | 300 | 217,035 |
| Total Revenues | 8,308,910 | 5,533,544 | 72,460 | 14,712 | 13,929,626 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 211,844 | 0 | 0 | 0 | 211,844 |
| Special | 1,017,242 | 0 | 0 | 297 | 1,017,539 |
| Other | 54,798 | 0 | 0 | 0 | 54,798 |
| Support Services: | | | | | |
| Pupil | 874,933 | 0 | 0 | 0 | 874,933 |
| Instructional Staff | 1,078,794 | 0 | 0 | 0 | 1,078,794 |
| School Administration | 204,785 | 0 | 0 | 0 | 204,785 |
| Fiscal | 88,807 | 115,827 | 0 | 0 | 204,634 |
| Business | 0 | 0 | 36,342 | 0 | 36,342 |
| Operations and Maintenance | 1,071 | 0 | 0 | 0 | 1,071 |
| Pupil Transportation | 1,335 | 0 | 0 | 0 | 1,335 |
| Central | 134,236 | 0 | 0 | 0 | 134,236 |
| Operation of Non-Instructional Services | 3,766,064 | 0 | 0 | 6,100 | 3,772,164 |
| Extracurricular Activities | 1,140,165 | 0 | 0 | 0 | 1,140,165 |
| Capital Outlay | 0 | 0 | 7,285,040 | 0 | 7,285,040 |
| Debt Service: | | | | | |
| Principal Retirement | 0 | 2,359,000 | 0 | 0 | 2,359,000 |
| Interest and Fiscal Charges | 0 | 3,737,224 | 0 | 0 | 3,737,224 |
| Total Expenditures | 8,574,074 | 6,212,051 | 7,321,382 | 6,397 | 22,113,904 |
| Excess of Revenues Over (Under) Expenditures | (265,164) | (678,507) | (7,248,922) | 8,315 | (8,184,278) |
| Other Financing Sources (Uses): | | | | | |
| Proceeds from Sale of Assets | 0 | 0 | 5,000 | 0 | 5,000 |
| Transfers In | 1,382,789 | 486,267 | 211,560 | 0 | 2,080,616 |
| Total Other Financing Sources (Uses) | 1,382,789 | 486,267 | 216,560 | 0 | 2,085,616 |
| Net Change in Fund Balance | 1,117,625 | (192,240) | (7,032,362) | 8,315 | (6,098,662) |
| Fund Balance Beginning of Year, Restated | 1,487,797 | 4,389,748 | 3,772,059 | 279,879 | 9,929,483 |
| Fund Balance End of Year | \$2,605,422 | \$4,197,508 | (\$3,260,303) | \$288,194 | \$3,830,821 |

Princeton City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2008

| | Public School Support | Other Grants | Athletic Fund | Auxiliary Service | Education Management Info Systems |
|---|--------------------------|-----------------|--------------------|----------------------|---|
| Revenues: | | | | | |
| Tuition and Fees | \$10,114 | \$0 | \$0 | \$0 | \$0 |
| Investment Earnings | 0 | 0 | 0 | 8,006 | 0 |
| Intergovernmental | 0 | 0 | 0 | 1,079,152 | 18,599 |
| Extracurricular Activities | 0 | 0 | 122,480 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 | 0 |
| Other Revenues | 109,627 | 29,006 | 6,914 | 0 | 0 |
| Total Revenues | 119,741 | 29,006 | 129,394 | 1,087,158 | 18,599 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 0 | 26,962 | 0 | 0 | 0 |
| Special | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 13,619 | 0 |
| Support Services: | | | | | |
| Pupil | 0 | 8,483 | 0 | 0 | 0 |
| Instructional Staff | 11,993 | 8,324 | 0 | 0 | 0 |
| School Administration | 121,968 | 0 | 0 | 0 | 0 |
| Fiscal | 0 | 0 | 0 | 0 | 0 |
| Operations and Maintenance | 0 | 0 | 0 | 0 | 0 |
| Pupil Transportation | 615 | 0 | 0 | 0 | 0 |
| Central | 1,567 | 0 | 0 | 0 | 116,234 |
| Operation of Non-Instructional Services | 128 | 2,500 | 0 | 831,247 | 0 |
| Extracurricular Activities | 6,346 | 0 | 1,133,819 | 0 | 0 |
| Total Expenditures | 142,617 | 46,269 | 1,133,819 | 844,866 | 116,234 |
| Excess of Revenues Over (Under) Expenditures | (22,876) | (17,263) | (1,004,425) | 242,292 | (97,635) |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | 52,265 | 0 | 999,744 | 0 | 88,699 |
| Total Other Financing Sources (Uses) | 52,265 | 0 | 999,744 | 0 | 88,699 |
| Net Change in Fund Balance | 29,389 | (17,263) | (4,681) | 242,292 | (8,936) |
| Fund Balance Beginning of Year, Restated | 173,089 | 34,308 | 8,689 | 41,300 | 1,275 |
| Fund Balance End of Year | \$202,478 | \$17,045 | \$4,008 | \$283,592 | (\$7,661) |

| Entry Year Grant | Data Communications | SchoolNet Professional Development | Ohio Reads | Vocational Education Enhancement | Alternative Schools | Poverty Based Assistance |
|---------------------|------------------------|--|---------------|--|------------------------|--------------------------------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16,800 | 30,000 | 41,428 | 2,054 | 7,733 | 74,674 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 16,800 | 30,000 | 41,428 | 2,054 | 7,733 | 74,674 | 1 |
| 0 | 0 | 35,304 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 6,209 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 4,200 | 43,880 | 0 |
| 10,568 | 25,000 | 2,180 | 100 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 5,000 | 0 | 0 | 0 | 0 | 0 |
| 0 | 1,071 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 3,000 | 0 |
| 0 | 0 | 0 | 198 | 0 | 21,398 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 10,568 | 31,071 | 37,484 | 298 | 4,200 | 74,487 | 0 |
| 6,232 | (1,071) | 3,944 | 1,756 | 3,533 | 187 | 1 |
| 18,966 | 0 | 0 | 14,172 | 0 | 29,772 | 0 |
| 18,966 | 0 | 0 | 14,172 | 0 | 29,772 | 0 |
| 25,198 | (1,071) | 3,944 | 15,928 | 3,533 | 29,959 | 1 |
| (18,345) | 1,071 | 0 | 2,468 | 7,601 | (32,057) | 61,627 |
| \$6,853 | \$0 | \$3,944 | \$18,396 | \$11,134 | (\$2,098) | \$61,628 |

Continued

Princeton City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2008

| | Misc. State Grants | Title VI-B | Vocational Education | Title III | Title I |
|---|--------------------------|------------------|-------------------------|----------------|-------------------|
| Revenues: | | | | | |
| Tuition and Fees | \$0 | \$0 | \$0 | \$0 | \$0 |
| Investment Earnings | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental | 89,870 | 1,312,960 | 15,088 | 64,861 | 1,095,561 |
| Extracurricular Activities | 0 | 0 | 0 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 | 0 |
| Other Revenues | 0 | 0 | 0 | 0 | 0 |
| Total Revenues | 89,870 | 1,312,960 | 15,088 | 64,861 | 1,095,561 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 244 | 0 | 0 | 30,404 | 6,529 |
| Special | 1,554 | 119,692 | 0 | 177 | 889,610 |
| Other | 1,118 | 0 | 0 | 0 | 0 |
| Support Services: | | | | | |
| Pupil | 75,550 | 678,128 | 3,550 | 788 | 10,755 |
| Instructional Staff | 24,881 | 432,622 | 0 | 25,006 | 112,297 |
| School Administration | 0 | 63,557 | 0 | 0 | 0 |
| Fiscal | 0 | 36,740 | 0 | 1,690 | 27,545 |
| Operations and Maintenance | 0 | 0 | 0 | 0 | 0 |
| Pupil Transportation | 0 | 720 | 0 | 0 | 0 |
| Central | 0 | 4,542 | 0 | 0 | 672 |
| Operation of Non-Instructional Services | 0 | 98,617 | 0 | 0 | 9,010 |
| Extracurricular Activities | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 103,347 | 1,434,618 | 3,550 | 58,065 | 1,056,418 |
| Excess of Revenues Over (Under) Expenditures | (13,477) | (121,658) | 11,538 | 6,796 | 39,143 |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | 7,616 | 1,515 | 0 | 0 | 19,687 |
| Total Other Financing Sources (Uses) | 7,616 | 1,515 | 0 | 0 | 19,687 |
| Net Change in Fund Balance | (5,861) | (120,143) | 11,538 | 6,796 | 58,830 |
| Fund Balance Beginning of Year, Restated | 85,504 | 145,997 | 17,954 | (5,104) | (144,625) |
| Fund Balance End of Year | \$79,643 | \$25,854 | \$29,492 | \$1,692 | (\$85,795) |

| Title V | Drug Free Schools | Preschool Grant | Reducing Class Size | Miscellaneous Federal Grants | Food Service | Uniform School Supplies |
|-----------|-------------------|-----------------|---------------------|------------------------------|--------------|-------------------------|
| \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$52 |
| 0 | 0 | 0 | 0 | 0 | 14,265 | 0 |
| 9,513 | 13,632 | 30,592 | 363,428 | 23,240 | 1,282,513 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 503 |
| 0 | 0 | 0 | 0 | 0 | 925,090 | 12,989 |
| 0 | 0 | 0 | 0 | 0 | 3,256 | 0 |
| 9,513 | 13,632 | 30,592 | 363,428 | 23,240 | 2,225,124 | 13,544 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 40,061 | 0 |
| 0 | 14,591 | 35,008 | 0 | 0 | 0 | 0 |
| 7,541 | 2,838 | 0 | 369,815 | 5,519 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 80 | 443 | 797 | 7,447 | 4,278 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 1,381 | 0 | 0 | 6,840 | 0 | 0 |
| 1,269 | 1,176 | 0 | 17,707 | 1,937 | 2,223,235 | 22,263 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8,890 | 20,429 | 35,805 | 394,969 | 18,574 | 2,263,296 | 22,263 |
| 623 | (6,797) | (5,213) | (31,541) | 4,666 | (38,172) | (8,719) |
| 129,496 | 3,336 | 0 | 17,333 | 156 | 0 | 32 |
| 129,496 | 3,336 | 0 | 17,333 | 156 | 0 | 32 |
| 130,119 | (3,461) | (5,213) | (14,208) | 4,822 | (38,172) | (8,687) |
| (129,706) | 8,769 | 11,562 | (2,455) | 90,719 | 91,186 | 154,033 |
| \$413 | \$5,308 | \$6,349 | (\$16,663) | \$95,541 | \$53,014 | \$145,346 |

Continued

Princeton City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2008

| | Early Childhood Programs | Public School Preschool | Total Nonmajor Special Revenue Funds |
|---|--------------------------------|-------------------------------|---|
| Revenues: | | | |
| Tuition and Fees | \$447,710 | \$0 | \$457,876 |
| Investment Earnings | 0 | 0 | 22,271 |
| Intergovernmental | 0 | 169,802 | 5,741,500 |
| Extracurricular Activities | 0 | 0 | 122,983 |
| Charges for Services | 877,227 | 0 | 1,815,306 |
| Other Revenues | 170 | 0 | 148,974 |
| Total Revenues | 1,325,107 | 169,802 | 8,308,910 |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 0 | 112,401 | 211,844 |
| Special | 0 | 0 | 1,017,242 |
| Other | 0 | 0 | 54,798 |
| Support Services: | | | |
| Pupil | 0 | 0 | 874,933 |
| Instructional Staff | 0 | 40,110 | 1,078,794 |
| School Administration | 0 | 19,260 | 204,785 |
| Fiscal | 0 | 4,787 | 88,807 |
| Operations and Maintenance | 0 | 0 | 1,071 |
| Pupil Transportation | 0 | 0 | 1,335 |
| Central | 0 | 0 | 134,236 |
| Operation of Non-Instructional Services | 534,191 | 1,188 | 3,766,064 |
| Extracurricular Activities | 0 | 0 | 1,140,165 |
| Total Expenditures | 534,191 | 177,746 | 8,574,074 |
| Excess of Revenues Over (Under) Expenditures | 790,916 | (7,944) | (265,164) |
| Other Financing Sources (Uses): | | | |
| Transfers In | 0 | 0 | 1,382,789 |
| Total Other Financing Sources (Uses) | 0 | 0 | 1,382,789 |
| Net Change in Fund Balance | 790,916 | (7,944) | 1,117,625 |
| Fund Balance Beginning of Year, Restated | 882,937 | 0 | 1,487,797 |
| Fund Balance End of Year | \$1,673,853 | (\$7,944) | \$2,605,422 |

Princeton City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2008

| | Permanent Improvement | Building | Total Nonmajor Capital Projects Funds |
|---|--------------------------|----------------------|--|
| Revenues: | | | |
| Investment Earnings | \$126 | 4,573 | \$4,699 |
| Other Revenues | 67,000 | 761 | 67,761 |
| Total Revenues | 67,126 | 5,334 | 72,460 |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Business | 0 | 36,342 | 36,342 |
| Capital Outlay | 0 | 7,285,040 | 7,285,040 |
| Total Expenditures | 0 | 7,321,382 | 7,321,382 |
| Excess of Revenues Over (Under) Expenditures | 67,126 | (7,316,048) | (7,248,922) |
| Other Financing Sources (Uses): | | | |
| Proceeds from Sale of Assets | 5,000 | 0 | 5,000 |
| Transfers In | 0 | 211,560 | 211,560 |
| Total Other Financing Sources (Uses) | 5,000 | 211,560 | 216,560 |
| Net Change in Fund Balance | 72,126 | (7,104,488) | (7,032,362) |
| Fund Balance Beginning of Year, Restated | 3,022 | 3,769,037 | 3,772,059 |
| Fund Balance End of Year | \$75,148 | (\$3,335,451) | (\$3,260,303) |

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2008

| | Public School Support Fund | | |
|---|----------------------------------|-----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Tuition and Fees | \$10,035 | \$10,115 | \$80 |
| Other Revenues | 110,035 | 110,913 | 878 |
| Total Revenues | 120,070 | 121,028 | 958 |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Instructional Staff | 12,570 | 12,146 | 424 |
| School Administration | 133,404 | 128,908 | 4,496 |
| Pupil Transportation | 722 | 698 | 24 |
| Central | 1,622 | 1,567 | 55 |
| Operation of Non-Instructional Services | 132 | 128 | 4 |
| Extracurricular Activities | 6,567 | 6,346 | 221 |
| Total Expenditures | 155,017 | 149,793 | 5,224 |
| Excess of Revenues Over (Under) Expenditures | (34,947) | (28,765) | 6,182 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 53,134 | 53,558 | 424 |
| Transfers (Out) | (1,338) | (1,293) | 45 |
| Total Other Financing Sources (Uses) | 51,796 | 52,265 | 469 |
| Net Change in Fund Balance | 16,849 | 23,500 | 6,651 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 168,685 | 168,685 | 0 |
| Fund Balance End of Year | \$185,534 | \$192,185 | \$6,651 |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | Other Grants Fund | | |
|---|----------------------|----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Other Revenues | \$29,006 | \$29,006 | \$0 |
| Total Revenues | 29,006 | 29,006 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 36,882 | 26,961 | 9,921 |
| Support Services: | | | |
| Pupil | 11,622 | 8,496 | 3,126 |
| Instructional Staff | 11,388 | 8,325 | 3,063 |
| Operation of Non-Instructional Services | 3,420 | 2,500 | 920 |
| Total Expenditures | 63,312 | 46,282 | 17,030 |
| Net Change in Fund Balance | (34,306) | (17,276) | 17,030 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 34,308 | 34,308 | 0 |
| Fund Balance End of Year | \$2 | \$17,032 | \$17,030 |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | Athletic Fund | | |
|---|--------------------|--------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Extracurricular Activities | \$122,135 | \$122,296 | \$161 |
| Other Revenues | 6,905 | 6,914 | 9 |
| Total Revenues | <u>129,040</u> | <u>129,210</u> | <u>170</u> |
| Expenditures: | | | |
| Current: | | | |
| Extracurricular Activities | 1,174,056 | 1,166,357 | 7,699 |
| Total Expenditures | <u>1,174,056</u> | <u>1,166,357</u> | <u>7,699</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(1,045,016)</u> | <u>(1,037,147)</u> | <u>7,869</u> |
| Other Financing Sources (Uses): | | | |
| Advances In | 998,684 | 1,000,000 | 1,316 |
| Advances (Out) | (1,006,601) | (1,000,000) | 6,601 |
| Transfers In | 998,429 | 999,744 | 1,315 |
| Total Other Financing Sources (Uses) | <u>990,512</u> | <u>999,744</u> | <u>9,232</u> |
| Net Change in Fund Balance | (54,504) | (37,403) | 17,101 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | <u>54,504</u> | <u>54,504</u> | <u>0</u> |
| Fund Balance End of Year | <u>\$0</u> | <u>\$17,101</u> | <u>\$17,101</u> |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | Auxiliary Services Fund | | |
|---|-------------------------------|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Investment Earnings | \$11,696 | \$11,696 | \$0 |
| Intergovernmental | 1,079,152 | 1,079,152 | 0 |
| Total Revenues | <u>1,090,848</u> | <u>1,090,848</u> | <u>0</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Other | 18,442 | 13,618 | 4,824 |
| Operation of Non-Instructional Services | 1,141,926 | 843,233 | 298,693 |
| Total Expenditures | <u>1,160,368</u> | <u>856,851</u> | <u>303,517</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(69,520)</u> | <u>233,997</u> | <u>303,517</u> |
| Other Financing Sources (Uses): | | | |
| Advances In | 1,710 | 1,710 | 0 |
| Total Other Financing Sources (Uses) | <u>1,710</u> | <u>1,710</u> | <u>0</u> |
| Net Change in Fund Balance | (67,810) | 235,707 | 303,517 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | <u>67,810</u> | <u>67,810</u> | <u>0</u> |
| Fund Balance End of Year | <u>\$0</u> | <u>\$303,517</u> | <u>\$303,517</u> |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | Education Management Info Systems Fund | | |
|---|---|----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$18,599 | \$18,599 | \$0 |
| Total Revenues | 18,599 | 18,599 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Central | 108,673 | 108,673 | 0 |
| Total Expenditures | 108,673 | 108,673 | 0 |
| Excess of Revenues Over (Under) Expenditures | (90,074) | (90,074) | 0 |
| Other Financing Sources (Uses): | | | |
| Advances In | 90,000 | 90,000 | 0 |
| Advances (Out) | (90,000) | (90,000) | 0 |
| Transfers In | 88,700 | 88,700 | 0 |
| Total Other Financing Sources (Uses) | 88,700 | 88,700 | 0 |
| Net Change in Fund Balance | (1,374) | (1,374) | 0 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 1,375 | 1,375 | 0 |
| Fund Balance End of Year | \$1 | \$1 | \$0 |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | Entry Year Grant Fund | | |
|---|-----------------------------|----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$35,900 | \$35,900 | \$0 |
| Total Revenues | 35,900 | 35,900 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Instructional Staff | 34,475 | 32,583 | 1,892 |
| Total Expenditures | 34,475 | 32,583 | 1,892 |
| Excess of Revenues Over (Under) Expenditures | 1,425 | 3,317 | 1,892 |
| Other Financing Sources (Uses): | | | |
| Advances In | 70,000 | 70,000 | 0 |
| Advances (Out) | (90,391) | (85,430) | 4,961 |
| Transfers In | 18,966 | 18,966 | 0 |
| Total Other Financing Sources (Uses) | (1,425) | 3,536 | 4,961 |
| Net Change in Fund Balance | 0 | 6,853 | 6,853 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 0 | 0 | 0 |
| Fund Balance End of Year | \$0 | \$6,853 | \$6,853 |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | Data Communications Fund | | |
|--|--------------------------|----------|----------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$30,000 | \$30,000 | \$0 |
| Total Revenues | 30,000 | 30,000 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Instructional Staff | 25,000 | 25,000 | 0 |
| Fiscal | 5,000 | 5,000 | 0 |
| Operations and Maintenance | 1,071 | 1,071 | 0 |
| Total Expenditures | 31,071 | 31,071 | 0 |
| Net Change in Fund Balance | (1,071) | (1,071) | 0 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 1,071 | 1,071 | 0 |
| Fund Balance End of Year | \$0 | \$0 | \$0 |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | SchoolNet Professional Development Fund | | |
|---|--|----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$41,428 | \$41,428 | \$0 |
| Total Revenues | 41,428 | 41,428 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 39,019 | 35,304 | 3,715 |
| Support Services: | | | |
| Instructional Staff | 2,409 | 2,180 | 229 |
| Total Expenditures | 41,428 | 37,484 | 3,944 |
| Net Change in Fund Balance | 0 | 3,944 | 3,944 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 0 | 0 | 0 |
| Fund Balance End of Year | \$0 | \$3,944 | \$3,944 |

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2008

| | Ohio Reads Fund | | |
|---|-----------------------|----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$2,054 | \$2,054 | \$0 |
| Total Revenues | 2,054 | 2,054 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Instructional Staff | 15,717 | 4,164 | 11,553 |
| Operation of Non-Instructional Services | 747 | 198 | 549 |
| Total Expenditures | 16,464 | 4,362 | 12,102 |
| Excess of Revenues Over (Under) Expenditures | (14,410) | (2,308) | 12,102 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 15,197 | 15,197 | 0 |
| Transfers (Out) | (3,869) | (1,025) | 2,844 |
| Total Other Financing Sources (Uses) | 11,328 | 14,172 | 2,844 |
| Net Change in Fund Balance | (3,082) | 11,864 | 14,946 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 3,082 | 3,082 | 0 |
| Fund Balance End of Year | \$0 | \$14,946 | \$14,946 |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | Vocational Education Enhancement Fund | | |
|---|--|---------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$6,484 | \$6,484 | \$0 |
| Total Revenues | 6,484 | 6,484 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Pupil | 8,814 | 4,249 | 4,565 |
| Total Expenditures | 8,814 | 4,249 | 4,565 |
| Excess of Revenues Over (Under) Expenditures | (2,330) | 2,235 | 4,565 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 4,906 | 4,906 | 0 |
| Transfers (Out) | (10,177) | (4,906) | 5,271 |
| Total Other Financing Sources (Uses) | (5,271) | 0 | 5,271 |
| Net Change in Fund Balance | (7,601) | 2,235 | 9,836 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 7,601 | 7,601 | 0 |
| Fund Balance End of Year | \$0 | \$9,836 | \$9,836 |

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2008

| | Alternative Schools Fund | | |
|--|--------------------------|-----------|----------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$74,674 | \$74,674 | \$0 |
| Total Revenues | 74,674 | 74,674 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Special | 8,370 | 6,209 | 2,161 |
| Support Services: | | | |
| Pupil | 68,633 | 50,913 | 17,720 |
| Central | 4,044 | 3,000 | 1,044 |
| Operation of Non-Instructional Services | 28,845 | 21,398 | 7,447 |
| Total Expenditures | 109,892 | 81,520 | 28,372 |
| Excess of Revenues Over (Under) Expenditures | (35,218) | (6,846) | 28,372 |
| Other Financing Sources (Uses): | | | |
| Advances In | 151,647 | 151,647 | 0 |
| Advances (Out) | (147,518) | (109,432) | 38,086 |
| Transfers In | 29,772 | 29,772 | 0 |
| Total Other Financing Sources (Uses) | 33,901 | 71,987 | 38,086 |
| Net Change in Fund Balance | (1,317) | 65,141 | 66,458 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 1,317 | 1,317 | 0 |
| Fund Balance End of Year | \$0 | \$66,458 | \$66,458 |

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2008

| | Poverty Based Assistance Fund | | |
|---|--|-----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$0 | \$0 | \$0 |
| Total Revenues | 0 | 0 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 0 | 0 | 0 |
| Total Expenditures | 0 | 0 | 0 |
| Excess of Revenues Over (Under) Expenditures | 0 | 0 | 0 |
| Other Financing Sources (Uses): | | | |
| Advances In | 3,401 | 15,000 | 11,599 |
| Advances (Out) | (76,627) | (127,779) | (51,152) |
| Transfers In | 11,599 | 51,152 | 39,553 |
| Total Other Financing Sources (Uses) | (61,627) | (61,627) | 0 |
| Net Change in Fund Balance | (61,627) | (61,627) | 0 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 61,627 | 61,627 | 0 |
| Fund Balance End of Year | \$0 | \$0 | \$0 |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | Final Budget | Actual | Misc. State Grants Fund | Variance from Final Budget |
|---|------------------|-----------------|----------------------------------|-------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$79,086 | \$89,870 | | \$10,784 |
| Total Revenues | <u>79,086</u> | <u>89,870</u> | | <u>10,784</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 401 | 244 | | 157 |
| Special | 2,553 | 1,554 | | 999 |
| Other | 1,836 | 1,118 | | 718 |
| Support Services: | | | | |
| Pupil | 140,663 | 85,634 | | 55,029 |
| Instructional Staff | 40,870 | 24,881 | | 15,989 |
| Total Expenditures | <u>186,323</u> | <u>113,431</u> | | <u>72,892</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(107,237)</u> | <u>(23,561)</u> | | <u>83,676</u> |
| Other Financing Sources (Uses): | | | | |
| Advances In | 15,947 | 18,122 | | 2,175 |
| Transfers In | 6,702 | 7,616 | | 914 |
| Total Other Financing Sources (Uses) | <u>22,649</u> | <u>25,738</u> | | <u>3,089</u> |
| Net Change in Fund Balance | (84,588) | 2,177 | | 86,765 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | <u>95,588</u> | <u>95,588</u> | | <u>0</u> |
| Fund Balance End of Year | <u>\$11,000</u> | <u>\$97,765</u> | | <u>\$86,765</u> |

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2008

| | Title VI-B Fund | | |
|---|--------------------|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$1,607,879 | \$1,607,879 | \$0 |
| Total Revenues | <u>1,607,879</u> | <u>1,607,879</u> | <u>0</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Special | 105,306 | 89,755 | 15,551 |
| Support Services: | | | |
| Pupil | 838,896 | 715,006 | 123,890 |
| Instructional Staff | 510,692 | 435,272 | 75,420 |
| School Administration | 68,429 | 58,323 | 10,106 |
| Fiscal | 43,106 | 36,740 | 6,366 |
| Pupil Transportation | 845 | 720 | 125 |
| Central | 6,020 | 5,131 | 889 |
| Operation of Non-Instructional Services | <u>113,922</u> | <u>97,098</u> | <u>16,824</u> |
| Total Expenditures | <u>1,687,216</u> | <u>1,438,045</u> | <u>249,171</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(79,337)</u> | <u>169,834</u> | <u>249,171</u> |
| Other Financing Sources (Uses): | | | |
| Advances In | 159,429 | 159,429 | 0 |
| Advances (Out) | (113,058) | (96,361) | 16,697 |
| Transfers In | 76,549 | 76,549 | 0 |
| Transfers (Out) | <u>(88,036)</u> | <u>(75,035)</u> | <u>13,001</u> |
| Total Other Financing Sources (Uses) | <u>34,884</u> | <u>64,582</u> | <u>29,698</u> |
| Net Change in Fund Balance | (44,453) | 234,416 | 278,869 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | <u>44,453</u> | <u>44,453</u> | <u>0</u> |
| Fund Balance End of Year | <u>\$0</u> | <u>\$278,869</u> | <u>\$278,869</u> |

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2008

| | Vocational Education Fund | | |
|---|---------------------------------|----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$12,590 | \$12,591 | \$1 |
| Total Revenues | 12,590 | 12,591 | 1 |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Pupil | 11,375 | 3,811 | 7,564 |
| Total Expenditures | 11,375 | 3,811 | 7,564 |
| Excess of Revenues Over (Under) Expenditures | 1,215 | 8,780 | 7,565 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 9,658 | 9,658 | 0 |
| Transfers (Out) | (28,827) | (9,658) | 19,169 |
| Total Other Financing Sources (Uses) | (19,169) | 0 | 19,169 |
| Net Change in Fund Balance | (17,954) | 8,780 | 26,734 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 17,954 | 17,954 | 0 |
| Fund Balance End of Year | \$0 | \$26,734 | \$26,734 |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | Title III Fund | | |
|---|-------------------|----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$59,716 | \$59,716 | \$0 |
| Total Revenues | 59,716 | 59,716 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 39,120 | 38,389 | 731 |
| Special | 180 | 177 | 3 |
| Support Services: | | | |
| Pupil | 5,839 | 5,730 | 109 |
| Instructional Staff | 28,009 | 27,486 | 523 |
| Fiscal | 1,722 | 1,690 | 32 |
| Total Expenditures | 74,870 | 73,472 | 1,398 |
| Excess of Revenues Over (Under) Expenditures | (15,154) | (13,756) | 1,398 |
| Other Financing Sources (Uses): | | | |
| Advances In | 11,020 | 11,020 | 0 |
| Advances (Out) | (10,514) | (10,318) | 196 |
| Total Other Financing Sources (Uses) | 506 | 702 | 196 |
| Net Change in Fund Balance | (14,648) | (13,054) | 1,594 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 14,649 | 14,649 | 0 |
| Fund Balance End of Year | \$1 | \$1,595 | \$1,594 |

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2008

| | Title I Fund | | |
|---|-----------------|-----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$904,781 | \$904,781 | \$0 |
| Total Revenues | 904,781 | 904,781 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 19,586 | 19,577 | 9 |
| Special | 862,183 | 861,797 | 386 |
| Support Services: | | | |
| Pupil | 10,760 | 10,755 | 5 |
| Instructional Staff | 113,714 | 113,663 | 51 |
| Fiscal | 27,557 | 27,545 | 12 |
| Central | 672 | 672 | 0 |
| Operation of Non-Instructional Services | 9,014 | 9,010 | 4 |
| Total Expenditures | 1,043,486 | 1,043,019 | 467 |
| Excess of Revenues Over (Under) Expenditures | (138,705) | (138,238) | 467 |
| Other Financing Sources (Uses): | | | |
| Advances In | 133,562 | 133,562 | 0 |
| Advances (Out) | (49,613) | (49,591) | 22 |
| Transfers In | 50,062 | 50,062 | 0 |
| Transfers (Out) | (30,389) | (30,375) | 14 |
| Total Other Financing Sources (Uses) | 103,622 | 103,658 | 36 |
| Net Change in Fund Balance | (35,083) | (34,580) | 503 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 35,084 | 35,084 | 0 |
| Fund Balance End of Year | \$1 | \$504 | \$503 |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | Title V Fund | | |
|---|-----------------|-----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$8,595 | \$8,595 | \$0 |
| Total Revenues | 8,595 | 8,595 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Instructional Staff | 7,878 | 7,878 | 0 |
| Fiscal | 81 | 81 | 0 |
| Operation of Non-Instructional Services | 2,159 | 2,159 | 0 |
| Total Expenditures | 10,118 | 10,118 | 0 |
| Excess of Revenues Over (Under) Expenditures | (1,523) | (1,523) | 0 |
| Other Financing Sources (Uses): | | | |
| Advances In | 1,396 | 1,396 | 0 |
| Advances (Out) | (129,770) | (129,770) | 0 |
| Transfers In | 129,496 | 129,496 | 0 |
| Total Other Financing Sources (Uses) | 1,122 | 1,122 | 0 |
| Net Change in Fund Balance | (401) | (401) | 0 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 401 | 401 | 0 |
| Fund Balance End of Year | \$0 | \$0 | \$0 |

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2008

| | Drug Free Schools Fund | | |
|---|------------------------------|-----------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$3,630 | \$3,630 | \$0 |
| Total Revenues | <u>3,630</u> | <u>3,630</u> | <u>0</u> |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Pupil | 23,371 | 18,351 | 5,020 |
| Instructional Staff | 4,566 | 3,585 | 981 |
| Fiscal | 564 | 443 | 121 |
| Central | 1,415 | 1,111 | 304 |
| Operation of Non-Instructional Services | <u>1,880</u> | <u>1,476</u> | <u>404</u> |
| Total Expenditures | <u>31,796</u> | <u>24,966</u> | <u>6,830</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(28,166)</u> | <u>(21,336)</u> | <u>6,830</u> |
| Other Financing Sources (Uses): | | | |
| Advances In | 16,914 | 16,914 | 0 |
| Transfers In | 7,583 | 7,583 | 0 |
| Transfers (Out) | <u>(5,409)</u> | <u>(4,247)</u> | <u>1,162</u> |
| Total Other Financing Sources (Uses) | <u>19,088</u> | <u>20,250</u> | <u>1,162</u> |
| Net Change in Fund Balance | (9,078) | (1,086) | 7,992 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | <u>9,077</u> | <u>9,077</u> | <u>0</u> |
| Fund Balance End of Year | <u>(\$1)</u> | <u>\$7,991</u> | <u>\$7,992</u> |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | Preschool Grant Fund | | |
|---|----------------------------|----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$28,556 | \$28,556 | \$0 |
| Total Revenues | 28,556 | 28,556 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Pupil | 41,836 | 30,592 | 11,244 |
| Fiscal | 1,090 | 797 | 293 |
| Total Expenditures | 42,926 | 31,389 | 11,537 |
| Excess of Revenues Over (Under) Expenditures | (14,370) | (2,833) | 11,537 |
| Other Financing Sources (Uses): | | | |
| Advances In | 2,808 | 2,808 | 0 |
| Total Other Financing Sources (Uses) | 2,808 | 2,808 | 0 |
| Net Change in Fund Balance | (11,562) | (25) | 11,537 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 11,562 | 11,562 | 0 |
| Fund Balance End of Year | \$0 | \$11,537 | \$11,537 |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | Final Budget | Actual | Variance from Final Budget |
|---|-----------------|-----------------------------------|-------------------------------|
| | | Reducing Class Size Fund | |
| Revenues: | | | |
| Intergovernmental | \$401,959 | \$401,960 | \$1 |
| Total Revenues | 401,959 | 401,960 | 1 |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Instructional Staff | 379,018 | 376,436 | 2,582 |
| Fiscal | 7,498 | 7,447 | 51 |
| Operation of Non-Instructional Services | 23,726 | 23,564 | 162 |
| Total Expenditures | 410,242 | 407,447 | 2,795 |
| Excess of Revenues Over (Under) Expenditures | (8,283) | (5,487) | 2,796 |
| Other Financing Sources (Uses): | | | |
| Advances In | 113,508 | 113,508 | 0 |
| Advances (Out) | (133,208) | (132,301) | 907 |
| Transfers In | 37,483 | 37,483 | 0 |
| Transfers (Out) | (20,287) | (20,149) | 138 |
| Total Other Financing Sources (Uses) | (2,504) | (1,459) | 1,045 |
| Net Change in Fund Balance | (10,787) | (6,946) | 3,841 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 10,787 | 10,787 | 0 |
| Fund Balance End of Year | \$0 | \$3,841 | \$3,841 |

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2008

| | Miscellaneous Federal Grants Fund | | |
|---|---|----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$19,055 | \$19,055 | \$0 |
| Total Revenues | 19,055 | 19,055 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Instructional Staff | 43,241 | 9,161 | 34,080 |
| Fiscal | 20,188 | 4,277 | 15,911 |
| Central | 44,062 | 9,335 | 34,727 |
| Operation of Non-Instructional Services | 9,138 | 1,936 | 7,202 |
| Total Expenditures | 116,629 | 24,709 | 91,920 |
| Excess of Revenues Over (Under) Expenditures | (97,574) | (5,654) | 91,920 |
| Other Financing Sources (Uses): | | | |
| Advances In | 875 | 875 | 0 |
| Transfers In | 156 | 156 | 0 |
| Total Other Financing Sources (Uses) | 1,031 | 1,031 | 0 |
| Net Change in Fund Balance | (96,543) | (4,623) | 91,920 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 96,543 | 96,543 | 0 |
| Fund Balance End of Year | \$0 | \$91,920 | \$91,920 |

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2008

| | Food Service Fund | | |
|---|-------------------------|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Investment Earnings | \$14,257 | \$14,265 | \$8 |
| Intergovernmental | 1,456,201 | 1,457,025 | 824 |
| Charges for Services | 933,053 | 933,581 | 528 |
| Other Revenues | 1,759 | 1,760 | 1 |
| Total Revenues | 2,405,270 | 2,406,631 | 1,361 |
| Expenditures: | | | |
| Current: | | | |
| Operation of Non-Instructional Services | 2,402,055 | 2,348,592 | 53,463 |
| Total Expenditures | 2,402,055 | 2,348,592 | 53,463 |
| Excess of Revenues Over (Under) Expenditures | 3,215 | 58,039 | 54,824 |
| Other Financing Sources (Uses): | | | |
| Advances In | 704,601 | 705,000 | 399 |
| Advances (Out) | (721,048) | (705,000) | 16,048 |
| Total Other Financing Sources (Uses) | (16,447) | 0 | 16,447 |
| Net Change in Fund Balance | (13,232) | 58,039 | 71,271 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 17,560 | 17,560 | 0 |
| Fund Balance End of Year | \$4,328 | \$75,599 | \$71,271 |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | Uniform School Supplies Fund | | |
|--|---------------------------------------|------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Extracurricular Activities | \$503 | \$503 | \$0 |
| Charges for Services | 13,261 | 13,261 | 0 |
| Total Revenues | 13,764 | 13,764 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Operation of Non-Instructional Services | 28,670 | 25,263 | 3,407 |
| Total Expenditures | 28,670 | 25,263 | 3,407 |
| Excess of Revenues Over (Under) Expenditures | (14,906) | (11,499) | 3,407 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 3,407 | 3,407 | 0 |
| Transfers (Out) | (3,830) | (3,375) | 455 |
| Total Other Financing Sources (Uses) | (423) | 32 | 455 |
| Net Change in Fund Balance | (15,329) | (11,467) | 3,862 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 153,761 | 153,761 | 0 |
| Fund Balance End of Year | \$138,432 | \$142,294 | \$3,862 |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | Early Childhood Programs Fund | | |
|---|--|--------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Tuition and Fees | \$440,144 | \$442,181 | \$2,037 |
| Charges for Services | 878,198 | 882,261 | 4,063 |
| Total Revenues | <u>1,318,342</u> | <u>1,324,442</u> | <u>6,100</u> |
| Expenditures: | | | |
| Current: | | | |
| Operation of Non-Instructional Services | <u>1,000,379</u> | <u>621,021</u> | <u>379,358</u> |
| Total Expenditures | <u>1,000,379</u> | <u>621,021</u> | <u>379,358</u> |
| Net Change in Fund Balance | 317,963 | 703,421 | 385,458 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | <u>1,038,015</u> | <u>1,038,015</u> | <u>0</u> |
| Fund Balance End of Year | <u>\$1,355,978</u> | <u>\$1,741,436</u> | <u>\$385,458</u> |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | Public School Preschool Fund | | |
|---|---------------------------------------|-----------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Intergovernmental | \$151,288 | \$151,288 | \$0 |
| Total Revenues | 151,288 | 151,288 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | 109,233 | 98,600 | 10,633 |
| Support Services: | | | |
| Instructional Staff | 40,517 | 36,573 | 3,944 |
| School Administration | 19,954 | 18,012 | 1,942 |
| Fiscal | 5,303 | 4,787 | 516 |
| Operation of Non-Instructional Services | 1,316 | 1,188 | 128 |
| Total Expenditures | 176,323 | 159,160 | 17,163 |
| Excess of Revenues Over (Under) Expenditures | (25,035) | (7,872) | 17,163 |
| Other Financing Sources (Uses): | | | |
| Advances In | 25,036 | 25,036 | 0 |
| Total Other Financing Sources (Uses) | 25,036 | 25,036 | 0 |
| Net Change in Fund Balance | 1 | 17,164 | 17,163 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 0 | 0 | 0 |
| Fund Balance End of Year | \$1 | \$17,164 | \$17,163 |

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2008

| | Debt Service Fund | | |
|---|-------------------------|--------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Taxes | \$4,966,039 | \$5,157,664 | \$191,625 |
| Intergovernmental | 577,968 | 600,270 | 22,302 |
| Total Revenues | <u>5,544,007</u> | <u>5,757,934</u> | <u>213,927</u> |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Fiscal | 115,827 | 115,827 | 0 |
| Debt Service: | | | |
| Principal Retirement | 2,359,000 | 2,359,000 | 0 |
| Interest and Fiscal Charges | 3,737,223 | 3,737,224 | (1) |
| Total Expenditures | <u>6,212,050</u> | <u>6,212,051</u> | <u>(1)</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(668,043)</u> | <u>(454,117)</u> | <u>213,926</u> |
| Other Financing Sources (Uses): | | | |
| Advances In | 2,311 | 2,400 | 89 |
| Transfers In | 468,200 | 486,266 | 18,066 |
| Total Other Financing Sources (Uses) | <u>470,511</u> | <u>488,666</u> | <u>18,155</u> |
| Net Change in Fund Balance | (197,532) | 34,549 | 232,081 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | <u>2,642,748</u> | <u>2,642,748</u> | <u>0</u> |
| Fund Balance End of Year | <u>\$2,445,216</u> | <u>\$2,677,297</u> | <u>\$232,081</u> |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | Permanent Improvement Fund | | |
|---|----------------------------------|----------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Investment Earnings | \$135 | \$135 | \$0 |
| Total Revenues | 135 | 135 | 0 |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Other | 67,000 | 67,000 | 0 |
| Total Expenditures | 67,000 | 67,000 | 0 |
| Excess of Revenues Over (Under) Expenditures | (66,865) | (66,865) | 0 |
| Other Financing Sources (Uses): | | | |
| Proceeds from Sale of Capital Assets | 4,994 | 5,000 | 6 |
| Total Other Financing Sources (Uses) | 4,994 | 5,000 | 6 |
| Net Change in Fund Balance | (61,871) | (61,865) | 6 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | 70,022 | 70,022 | 0 |
| Fund Balance End of Year | <u>\$8,151</u> | <u>\$8,157</u> | <u>\$6</u> |

Princeton City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2008

| | Building Fund | | |
|---|-------------------------|-------------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Investment Earnings | \$63,831 | \$63,831 | \$0 |
| Other Revenues | 761 | 761 | 0 |
| Total Revenues | <u>64,592</u> | <u>64,592</u> | <u>0</u> |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Business | 83,717 | 83,717 | 0 |
| Capital Outlay | 9,856,849 | 9,856,849 | 0 |
| Total Expenditures | <u>9,940,566</u> | <u>9,940,566</u> | <u>0</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(9,875,974)</u> | <u>(9,875,974)</u> | <u>0</u> |
| Other Financing Sources (Uses): | | | |
| Advances In | 4,700,000 | 4,700,000 | 0 |
| Advances (Out) | (3,451,334) | (3,451,334) | 0 |
| Transfers In | 211,560 | 211,560 | 0 |
| Total Other Financing Sources (Uses) | <u>1,460,226</u> | <u>1,460,226</u> | <u>0</u> |
| Net Change in Fund Balance | <u>(8,415,748)</u> | <u>(8,415,748)</u> | <u>0</u> |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | <u>8,937,998</u> | <u>8,937,998</u> | <u>0</u> |
| Fund Balance End of Year | <u><u>\$522,250</u></u> | <u><u>\$522,250</u></u> | <u><u>\$0</u></u> |

Princeton City School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2008

| | Permanent Fund | | |
|---|-------------------------|-------------------------|-------------------------------|
| | Final Budget | Actual | Variance from Final Budget |
| Revenues: | | | |
| Investment Earnings | \$13,504 | \$14,310 | \$806 |
| Other Revenues | 300 | 300 | 0 |
| Total Revenues | <u>13,804</u> | <u>14,610</u> | <u>806</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Special | 297 | 297 | 0 |
| Operation of Non-Instructional Services | 9,703 | 6,100 | 3,603 |
| Total Expenditures | <u>10,000</u> | <u>6,397</u> | <u>3,603</u> |
| Net Change in Fund Balance | 3,804 | 8,213 | 4,409 |
| Fund Balance Beginning of Year (includes prior year encumbrances appropriated) | <u>279,589</u> | <u>279,589</u> | <u>0</u> |
| Fund Balance End of Year | <u><u>\$283,393</u></u> | <u><u>\$287,802</u></u> | <u><u>\$4,409</u></u> |

DESCRIPTION OF FUNDS - NONMAJOR FUNDS

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

Agency Fund – Student Activities: To account for assets and liabilities generated by student managed activities.

Princeton City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2008

| | Student Activities | | | Ending Balance |
|---------------------------------------|-----------------------|------------------|------------------|-------------------|
| | Beginning Balance | Additions | Deductions | |
| Assets: | | | | |
| Equity in Pooled Cash and Investments | \$102,060 | \$159,120 | \$144,996 | \$116,184 |
| Receivables: | | | | |
| Accounts | 0 | 297 | 0 | 297 |
| Total Assets | <u>102,060</u> | <u>159,417</u> | <u>144,996</u> | <u>116,481</u> |
| Liabilities: | | | | |
| Accounts Payable | 8,818 | 3,223 | 8,818 | 3,223 |
| Due to Student Groups | 93,242 | 156,194 | 136,178 | 113,258 |
| Total Liabilities | <u>\$102,060</u> | <u>\$159,417</u> | <u>\$144,996</u> | <u>\$116,481</u> |

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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 SECTION

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

Contents

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

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

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

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

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The 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 Six Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 1

| | Fiscal Year | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| 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 | \$18,917,661 |
| Restricted | 1,181,331 | 3,927,410 | 5,722,643 | 8,181,478 | 9,790,620 | 8,748,433 |
| Unrestricted | 30,869,065 | 28,453,533 | 34,758,011 | 35,398,152 | 42,188,268 | 33,560,467 |
| Total 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> | <u>\$61,226,561</u> |

Source: District Records

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

Princeton City School District, Ohio
 Expenses, Program Revenues and Net (Expense)/Revenue
 Last Six Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 2

| | Fiscal Year | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Expenses | | | | | | |
| Governmental Activities: | | | | | | |
| Instruction | \$37,739,356 | \$40,341,818 | \$36,756,354 | \$40,212,240 | \$39,868,642 | \$41,092,546 |
| Pupil | 4,855,476 | 5,235,034 | 5,255,056 | 4,742,701 | 4,853,378 | 4,362,878 |
| Instructional Staff | 5,438,025 | 5,115,420 | 5,167,170 | 5,991,323 | 6,104,382 | 5,860,843 |
| General Administration | 346,989 | 390,937 | 392,114 | 382,312 | 356,891 | 271,234 |
| School Administration | 5,013,395 | 5,409,443 | 5,131,871 | 5,961,291 | 6,148,062 | 6,515,014 |
| Fiscal | 1,702,433 | 1,946,483 | 1,739,623 | 2,266,379 | 2,582,803 | 2,945,291 |
| Business | 488,820 | 514,215 | 458,015 | 551,136 | 739,910 | 554,545 |
| Operation and Maintenance | 8,604,249 | 7,539,647 | 7,556,075 | 7,698,335 | 7,940,072 | 7,864,438 |
| Pupil Transportation | 3,782,287 | 4,035,873 | 4,831,948 | 3,795,527 | 4,996,401 | 5,159,594 |
| Central | 1,316,573 | 1,957,176 | 1,856,891 | 1,551,154 | 1,751,752 | 1,711,621 |
| Operation of Non-Instructional Services | 6,173,744 | 6,221,950 | 6,375,627 | 6,575,065 | 5,908,064 | 4,063,597 |
| Extracurricular Activities | 0 | 0 | 0 | 0 | 0 | 1,461,925 |
| Interest and Fiscal Charges | 138,719 | 3,499,610 | 4,070,873 | 4,021,596 | 3,412,151 | 3,727,692 |
| Total Government Expenses | 75,600,066 | 82,207,606 | 79,591,617 | 83,749,059 | 84,662,508 | 85,591,218 |
| Program Revenues | | | | | | |
| Governmental Activities: | | | | | | |
| Charges for Services | | | | | | |
| Instruction | 1,346,780 | 1,775,113 | 1,663,279 | 1,740,329 | 716,783 | 554,079 |
| Pupil | 0 | 0 | 0 | 0 | 0 | 878 |
| School Administration | 0 | 0 | 0 | 0 | 0 | 8,618 |
| Operation and Maintenance | 0 | 0 | 0 | 0 | 0 | 33,063 |
| Pupil Transportation | 0 | 0 | 0 | 0 | 0 | 20,862 |
| Central | 0 | 0 | 0 | 0 | 0 | 113 |
| Operation of Non-Instructional Services | 1,113,085 | 1,083,576 | 1,070,691 | 1,374,455 | 1,525,353 | 2,263,580 |
| Extracurricular Activities | 135,875 | 108,621 | 136,202 | 128,062 | 132,597 | 132,535 |
| Food Service | 1,122,096 | 1,052,424 | 960,987 | 998,984 | 994,316 | 0 |
| Operating Grants and Contributions | 4,979,714 | 6,369,149 | 6,079,032 | 5,669,450 | 5,798,481 | 6,008,920 |
| Capital Grants and Contributions | 102,848 | 0 | 51,345 | 1,634 | 45,197 | 26,979 |
| Total Government Revenues | 8,800,398 | 10,388,883 | 9,961,536 | 9,912,914 | 9,212,727 | 9,049,627 |
| Net (Expense)/Revenue | (\$66,799,668) | (\$71,818,723) | (\$69,630,081) | (\$73,836,145) | (\$75,449,781) | (\$76,541,591) |

Source: District Records

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

Princeton City School District, Ohio
 General Revenues and Total Change in Net Assets
 Last Six Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 3

| | Fiscal Year | | | | | |
|---|-------------------|----------------------|--------------------|--------------------|--------------------|----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Net (Expense)/Revenue | (\$66,799,668) | (\$71,818,723) | (\$69,630,081) | (\$73,836,145) | (\$75,449,781) | (\$76,541,591) |
| General Revenues and Other Changes in Net Assets | | | | | | |
| Governmental Activities: | | | | | | |
| Taxes | | | | | | |
| Property Taxes Levied for General and Debt Service Purposes | 56,692,006 | 57,156,993 | 65,629,652 | 65,600,762 | 66,930,812 | 50,230,088 |
| Grants and Entitlements Not Restricted to Specific Programs | 9,283,088 | 10,257,768 | 10,233,936 | 10,566,991 | 14,367,565 | 18,864,593 |
| Unrestricted Payment in Lieu of Taxes | 0 | 0 | 0 | 0 | 0 | 556,594 |
| Unrestricted Contributions | 0 | 0 | 0 | 0 | 0 | 16,050 |
| Investment Earnings | 729,971 | 1,275,157 | 2,209,135 | 3,321,120 | 2,846,626 | 1,996,557 |
| Gain on Sale of Capital Assets | 39,830 | 10,240 | 0 | 7,667 | 0 | 0 |
| Other Revenues | 430,894 | 1,218,775 | 1,333,139 | 1,478,996 | 1,202,956 | 522,171 |
| Total Governmental Activities | <u>67,175,789</u> | <u>69,918,933</u> | <u>79,405,862</u> | <u>80,975,536</u> | <u>85,347,959</u> | <u>72,186,053</u> |
| Change in Net Assets | <u>\$376,121</u> | <u>(\$1,899,790)</u> | <u>\$9,775,781</u> | <u>\$7,139,391</u> | <u>\$9,898,178</u> | <u>(\$4,355,538)</u> |

Source: District Records

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

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

| | Fiscal Year | | | | | | | | | |
|---|--------------------|--------------------|--------------------|-------------------|-------------------|---------------------|---------------------|---------------------|--------------------|--------------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| General Fund | | | | | | | | | | |
| Reserved | \$14,892,866 | \$14,780,664 | \$16,218,683 | \$18,575,155 | \$16,308,334 | \$14,228,324 | \$18,062,506 | \$20,329,900 | \$22,608,842 | \$15,660,766 |
| Unreserved | 4,651,446 | 9,231,234 | 12,835,978 | 14,567,456 | 17,135,200 | 13,841,444 | 16,935,494 | 12,294,817 | 17,131,871 | 20,297,623 |
| Total General Fund | 19,544,312 | 24,011,898 | 29,054,661 | 33,142,611 | 33,443,534 | 28,069,768 | 34,998,000 | 32,624,717 | 39,740,713 | 35,958,389 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | 401,941 | 723,058 | 912,051 | 71,046 | 977,991 | 11,412,461 | 29,556,294 | 21,325,576 | 10,052,289 | 3,264,264 |
| Unreserved, Reported in: | | | | | | | | | | |
| Capital Project Funds | 2,055,577 | 1,622,411 | 354,754 | 147,591 | (894,207) | 72,749,842 | 46,873,525 | 12,899,423 | (4,162,519) | (4,532,481) |
| Debt Service Funds | 0 | 0 | 0 | 0 | 0 | 227,271 | 1,103,769 | 1,506,864 | 2,642,748 | 2,674,898 |
| Special Revenue Funds | 204,016 | 308,507 | 662,774 | 278,998 | 248,469 | 747,708 | 369,958 | 1,092,426 | 249,319 | 2,396,335 |
| Permanent Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 19,490 | 27,805 |
| Total all Other Governmental Funds | \$2,661,534 | \$2,653,976 | \$1,929,579 | \$497,635 | \$332,253 | \$85,137,282 | \$77,903,546 | \$36,824,289 | \$8,801,327 | \$3,830,821 |

Source: District Records

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

| | Fiscal Year | | | | | | | | | |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Revenues: | | | | | | | | | | |
| Taxes | \$50,185,894 | \$51,180,443 | \$56,161,246 | \$57,668,854 | \$56,692,006 | \$54,034,496 | \$65,740,919 | \$62,512,646 | \$67,624,833 | \$52,786,846 |
| Tuition and Fees | 261,259 | 260,682 | 331,893 | 436,392 | 1,346,780 | 1,775,113 | 1,663,279 | 1,774,304 | 751,060 | 1,018,668 |
| Investment Earnings | 1,332,779 | 1,438,755 | 1,807,603 | 1,006,393 | 709,777 | 1,187,812 | 2,211,600 | 3,448,933 | 2,862,617 | 2,020,746 |
| Intergovernmental | 9,501,014 | 11,221,780 | 12,540,486 | 12,603,097 | 12,755,984 | 15,539,902 | 14,907,680 | 14,864,188 | 18,646,683 | 24,846,527 |
| Extracurricular Activities | 102,266 | 102,940 | 126,236 | 130,931 | 0 | 0 | 0 | 0 | 0 | 132,579 |
| Intermediate Sources | 31,028 | 40,644 | 25,809 | 131,760 | 0 | 0 | 0 | 0 | 0 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,815,306 |
| Claims and Judgments | 0 | 0 | 150,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Revenues | 419,773 | 488,497 | 826,425 | 1,073,962 | 639,654 | 1,321,006 | 1,464,236 | 1,573,083 | 1,437,376 | 1,062,672 |
| Total Revenues | \$61,834,013 | \$64,733,741 | \$71,969,698 | \$73,051,389 | \$72,144,201 | \$73,858,329 | \$85,987,714 | \$84,173,154 | \$91,322,569 | \$83,683,344 |

Source: District Records

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

| | Fiscal Year | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Instruction | \$31,873,657 | \$30,455,919 | \$33,335,819 | \$35,869,602 | \$37,028,254 | \$39,702,168 | \$36,158,006 | \$39,927,716 | \$40,348,425 | \$40,455,868 |
| Pupil | 3,413,685 | 3,328,767 | 3,525,770 | 4,711,618 | 4,842,955 | 5,226,609 | 5,253,048 | 4,883,938 | 4,913,808 | 4,451,245 |
| Instructional Staff | 5,294,185 | 5,367,612 | 6,102,155 | 5,176,201 | 5,380,575 | 5,057,224 | 5,138,665 | 6,172,017 | 6,068,675 | 5,797,624 |
| General Administration | 178,781 | 201,641 | 193,441 | 267,505 | 333,915 | 382,610 | 388,534 | 382,312 | 356,891 | 271,234 |
| School Administration | 4,524,332 | 4,264,966 | 4,779,862 | 5,068,237 | 5,077,614 | 5,366,310 | 5,127,096 | 6,007,403 | 5,990,165 | 6,217,725 |
| Fiscal | 1,406,387 | 1,465,568 | 1,690,826 | 1,684,824 | 1,693,653 | 2,176,777 | 1,836,629 | 2,335,416 | 2,581,376 | 2,945,291 |
| Business | 630,837 | 588,258 | 363,570 | 392,707 | 493,025 | 510,215 | 458,015 | 537,136 | 968,888 | 564,917 |
| Operation and Maintenance | 7,476,800 | 7,356,225 | 8,778,387 | 8,450,757 | 8,103,191 | 7,332,923 | 7,307,221 | 8,004,633 | 7,970,663 | 7,951,463 |
| Pupil Transportation | 2,659,644 | 2,782,569 | 3,108,738 | 3,630,849 | 3,874,063 | 3,844,915 | 4,712,953 | 4,297,383 | 4,237,681 | 4,466,487 |
| Central | 979,095 | 1,087,470 | 1,001,494 | 984,384 | 1,305,628 | 2,165,784 | 1,791,364 | 1,593,224 | 1,689,775 | 1,646,156 |
| Operation of Non-Instructional Services | 1,092,602 | 811,776 | 1,481,055 | 1,141,817 | 1,223,164 | 1,250,924 | 1,258,022 | 1,281,840 | 1,576,233 | 4,056,406 |
| Extracurricular Activities | 1,028,346 | 1,056,977 | 1,296,364 | 1,554,611 | 1,493,467 | 1,492,133 | 1,735,206 | 1,461,272 | 1,356,518 | 1,402,027 |
| Capital Outlay | 137,839 | 1,427,821 | 262,324 | 870,224 | 532,973 | 3,866,575 | 9,705,033 | 44,564,267 | 28,784,849 | 7,296,149 |
| Debt Service: | | | | | | | | | | |
| Principal Retirement | 1,262,402 | 1,193,587 | 1,256,757 | 1,195,809 | 1,276,773 | 682,532 | 1,275,616 | 2,113,811 | 1,963,000 | 2,359,000 |
| Interest and Fiscal Charges | 267,365 | 256,692 | 273,939 | 213,811 | 149,004 | 3,178,622 | 4,137,441 | 4,070,993 | 3,640,237 | 3,737,224 |
| Issuance Costs | 0 | 0 | 0 | 0 | 0 | 918,140 | 0 | 0 | 788,041 | 0 |
| Total Expenditures | \$62,225,957 | \$61,645,848 | \$67,450,501 | \$71,212,956 | \$72,808,254 | \$83,154,461 | \$86,282,849 | \$127,633,361 | \$113,235,225 | \$93,618,816 |

Debt Service as a Percentage of
 Noncapital Expenditures

| | | | | | | | | | |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2.52% | 2.46% | 2.35% | 2.06% | 1.98% | 6.09% | 7.12% | 7.84% | 7.71% | 7.11% |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

Source: District Records

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

| | Fiscal Year | | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|--------------|-------------|----------------|----------------|---------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Payments to Refunded Bond Escrow Agent | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | (\$75,458,718) | \$0 |
| Proceeds of Refunding Bonds | 0 | 0 | 0 | 0 | 0 | 85,000,000 | 0 | 0 | 70,840,000 | 0 |
| Refunding Bond Premium | 0 | 0 | 0 | 0 | 0 | 2,114,155 | 0 | 0 | 5,406,759 | 0 |
| Proceeds of Capital Leases | 57,087 | 1,352,235 | 160,005 | 841,739 | 145,951 | 1,603,000 | 558,000 | 0 | 0 | 0 |
| Sale of Capital Assets | 12,565 | 10,500 | 31,590 | 0 | 0 | 10,240 | 0 | 7,667 | 0 | 54,486 |
| Other Financing Sources | (193,000) | 43,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers In | 1,727,695 | 1,470,099 | 1,457,258 | 1,422,200 | 1,887,970 | 85,622,582 | 1,009,680 | 1,775,110 | 2,644,918 | 2,080,616 |
| Transfers (Out) | (1,772,555) | (1,482,099) | (1,845,178) | (1,422,200) | (1,887,970) | (85,622,582) | (1,009,680) | (1,775,110) | (2,699,794) | (2,080,616) |
| Total Other Financing Sources (Uses) | (168,208) | 1,393,735 | (196,325) | 841,739 | 145,951 | 88,727,395 | 558,000 | 7,667 | 733,165 | 54,486 |
| Net Change in Fund Balances | (\$560,152) | \$4,481,628 | \$4,322,872 | \$2,680,172 | (\$518,102) | \$79,431,263 | \$262,865 | (\$43,452,540) | (\$21,179,491) | (\$9,880,986) |

Source: District Records

Princeton City School District, Ohio
 Assessed Value and Actual Value of Taxable Property
 Last Ten Calendar Years (1)
 Schedule 8

| Calendar Year | Real Property | Tangible Personal Property | Public Utilities Personal | Total Assessed | Total Estimated | Total Direct |
|---------------|--------------------|----------------------------|---------------------------|-----------------|-----------------|--------------|
| | Assessed Value (2) | Assessed Value (2) | Assessed Value (2) | Value | Acual Value | Rate |
| 1998 | \$979,193,070 | \$433,706,660 | \$70,718,000 | \$1,483,617,730 | \$4,238,907,800 | 42.24 |
| 1999 | 1,144,748,820 | 438,526,560 | 68,921,740 | 1,652,197,120 | 4,720,563,200 | 46.19 |
| 2000 | 1,159,115,740 | 452,832,700 | 75,031,110 | 1,686,979,550 | 4,819,941,571 | 46.19 |
| 2001 | 1,182,629,890 | 442,634,670 | 64,083,860 | 1,689,348,420 | 4,826,709,771 | 46.19 |
| 2002 | 1,369,415,290 | 466,102,466 | 65,570,470 | 1,901,088,226 | 5,431,680,646 | 45.79 |
| 2003 | 1,358,732,160 | 404,687,148 | 66,068,790 | 1,829,488,098 | 5,227,108,851 | 49.03 |
| 2004 | 1,367,594,010 | 421,066,962 | 68,900,980 | 1,857,561,952 | 5,307,319,863 | 49.03 |
| 2005 | 1,560,927,220 | 384,837,640 | 68,330,650 | 2,014,095,510 | 5,754,558,600 | 49.03 |
| 2006 | 1,565,323,230 | 208,144,506 | 59,406,820 | 1,832,874,556 | 5,236,784,446 | 49.03 |
| 2007 (3) | 1,462,254,440 | 101,686,690 | 40,902,420 | 1,604,843,550 | 4,585,267,286 | 49.03 |

Source: Hamilton County, Bulter County and Warren County Auditor

(1) - 1999 through 2002 does not include information for Bulter County and 1999 through 2005 does not include information for Warren County.

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

(3) - Information for Warren County not available

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

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

Princeton City School District, Ohio
 Direct and Overlapping Property Tax Rates
 Last Ten Calendar Years
 Schedule 9

| Calendar Year | District Direct Rates | Hamilton County | City of Blue Ash | City of Springdale | Village of Evendale | Village of Glendale | Overlapping Rates | | | | Great Oaks Joint Vocational School |
|---------------|-----------------------|-----------------|------------------|--------------------|---------------------|---------------------|----------------------------|---------------------|----------------------|-------------------|------------------------------------|
| | | | | | | | Village of Lincoln Heights | Village of Woodlawn | Springfield Township | Sycamore Township | |
| 1998 | 42.24 | 19.54 | 3.08 | 3.08 | 3.34 | 19.66 | 20.08 | 5.08 | 14.30 | 7.75 | 2.70 |
| 1999 | 46.19 | 20.83 | 3.08 | 3.08 | 0.00 | 21.93 | 20.08 | 5.08 | 14.30 | 7.75 | 2.70 |
| 2000 | 46.19 | 19.92 | 3.08 | 3.08 | 0.00 | 21.65 | 20.08 | 5.08 | 14.30 | 7.75 | 2.70 |
| 2001 | 46.19 | 21.47 | 3.08 | 3.08 | 0.00 | 21.55 | 24.58 | 5.08 | 20.30 | 7.75 | 2.70 |
| 2002 | 45.79 | 21.87 | 3.08 | 3.08 | 0.00 | 22.61 | 26.33 | 5.08 | 20.30 | 7.75 | 2.70 |
| 2003 | 49.03 | 21.51 | 3.08 | 3.08 | 0.00 | 22.23 | 26.33 | 5.08 | 20.30 | 7.75 | 2.70 |
| 2004 | 49.03 | 21.06 | 3.08 | 3.08 | 0.00 | 21.83 | 26.33 | 5.08 | 20.30 | 7.75 | 2.70 |
| 2005 | 49.03 | 20.81 | 3.08 | 3.08 | 0.00 | 21.39 | 28.33 | 5.08 | 20.30 | 7.75 | 2.70 |
| 2006 | 49.03 | 20.18 | 3.08 | 3.08 | 0.00 | 21.18 | 28.33 | 5.08 | 20.30 | 8.75 | 2.70 |
| 2007 | 49.03 | 20.18 | 3.08 | 3.08 | 0.00 | 21.18 | 28.33 | 5.08 | 20.30 | 8.75 | 2.70 |

Source: Hamilton County Auditor

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

Princeton City School District, Ohio
Principal Property Taxpayers
Current Calendar Year and Two Years Ago (1)
Schedule 10

| 2007 (2) | | |
|----------------------------|----------------------|------------------------------------|
| Taxpayer | Assessed Value | Percentage of Total Assessed Value |
| Thor Gallery At Tri County | \$62,544,550 | 3.90% |
| Duke Energy Ohio | 34,958,630 | 2.18% |
| Ford Motor Company | 19,941,710 | 1.24% |
| MRFC Cinn Investor LLC | 19,600,020 | 1.22% |
| General Electric Company | 16,378,670 | 1.02% |
| Sprintcom Inc | 16,182,780 | 1.01% |
| Cincinnati Bell | 12,393,340 | 0.77% |
| Merchant Street 27 LLC | 11,000,510 | 0.69% |
| Dugan Financial | 10,129,090 | 0.63% |
| Springdale-Kemper Assoc | 7,726,890 | 0.48% |
| | <u>\$210,856,190</u> | <u>13.14%</u> |

| 2005 | | |
|---------------------------|----------------------|------------------------------------|
| Taxpayer | Assessed Value | Percentage of Total Assessed Value |
| General Electric Company | \$78,268,480 | 3.89% |
| Concordia Properties, LLC | 52,585,110 | 2.61% |
| Ford Motor Company | 51,640,040 | 2.56% |
| Cinergy | 48,297,440 | 2.40% |
| Procter & Gamble | 28,265,060 | 1.40% |
| Cincinnati Bell | 18,668,550 | 0.93% |
| Duke Realty | 15,924,870 | 0.79% |
| WHPHC Real Estate | 14,540,210 | 0.72% |
| Quantum Chemical | 12,456,070 | 0.62% |
| Kroger Company | 11,334,250 | 0.56% |
| | <u>\$331,980,080</u> | <u>16.48%</u> |

Source: Hamilton County, Bulter County and Warren County Auditor

(1) - Current year and two years ago information only available

(2) - Information for Warren County not available

Princeton City School District, Ohio
Property Tax Levies and Collections
Last Ten Calendar Years
Schedule 11

| Calendar Year (1) | Taxes Levied for the Calendar Year | Collected within the Calendar Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|----------------------|--|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 1998 | \$29,936,630 | \$27,906,438 | 93.22% | \$694,210 | \$28,600,648 | 95.54% |
| 1999 | 35,750,340 | 33,435,460 | 93.52% | 929,371 | 34,364,831 | 96.12% |
| 2000 | 36,456,290 | 34,200,211 | 93.81% | 1,083,180 | 35,283,391 | 96.78% |
| 2001 | 36,676,496 | 34,248,633 | 93.38% | 812,848 | 35,061,481 | 95.60% |
| 2002 | 40,338,209 | 36,906,936 | 91.49% | 931,035 | 37,837,971 | 93.80% |
| 2003 | 42,955,981 | 41,456,291 | 96.51% | 1,260,498 | 42,716,789 | 99.44% |
| 2004 | 43,363,212 | 41,689,007 | 96.14% | 1,335,719 | 43,024,726 | 99.22% |
| 2005 | 45,038,152 | 42,953,593 | 95.37% | 1,249,715 | 44,203,308 | 98.15% |
| 2006 | 45,856,077 | 43,492,919 | 94.85% | 2,055,694 | 45,548,613 | 99.33% |
| 2007 (2) | 52,390,155 | 49,642,615 | 94.76% | 393,460 | 50,036,075 | 95.51% |

Source: Hamilton County, Butler County and Warren County Auditor

(1) - 1999 through 2002 does not include information for Bulter County and 1999 through 2005 does not include information for Warren County.

(2) - Information for Warren County not available

Princeton City School District, Ohio
 Outstanding Debt by Type
 Last Ten Fiscal Years
 Schedule 12

| Fiscal Year | Governmental Activities | | Total Primary Government | Percentage of Personal Income | Per Capita |
|----------------|--------------------------------|-------------------|--------------------------------|-------------------------------------|---------------|
| | General Obligation Bonds | Capital Leases | | | |
| 1999 | \$3,302,094 | \$260,950 | \$3,563,044 | 0.01% | \$3 |
| 2000 | 3,047,504 | 1,311,662 | 4,359,166 | 0.01% | 3 |
| 2001 | 2,103,059 | 1,159,354 | 3,262,413 | 0.01% | 2 |
| 2002 | 1,228,775 | 1,351,519 | 2,580,294 | 0.01% | 2 |
| 2003 | 303,353 | 1,085,606 | 1,388,959 | 0.00% | 1 |
| 2004 | 87,217,833 | 708,073 | 87,925,906 | 0.18% | 65 |
| 2005 | 86,745,177 | 348,811 | 87,093,988 | 0.17% | 64 |
| 2006 | 85,341,875 | 0 | 85,341,875 | 0.16% | 62 |
| 2007 | 86,467,155 | 0 | 86,467,155 | N/A | 62 |
| 2008 | 84,321,439 | 126,000 | 84,447,439 | N/A | N/A |

Source: District Records

N/A - Information not available

(1) - On the calendar year basis

Princeton City School District, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2008
 Schedule 13

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable (1) | Estimated Share of Direct and Overlapping Debt |
|---|---------------------|---|--|
| Butler County | \$73,477,180 | 1.42% | \$1,043,376 |
| Hamilton County | 109,325,000 | 8.27% | 9,041,178 |
| Warren County | 248,465 | 0.45% | 1,118 |
| City of Sharonville | 24,730,000 | 99.81% | 24,683,013 |
| City of Springdale | 3,900,000 | 99.96% | 3,898,440 |
| Village of Evendale | 1,110,000 | 88.78% | 985,458 |
| Village of Glendale | 110,000 | 100.00% | 110,000 |
| Village of Woodlawn | 5,245,000 | 99.92% | 5,240,804 |
| Deerfield Township | 16,280,000 | 2.33% | 379,324 |
| Springfield Township | 13,235,000 | 1.75% | 231,613 |
| Sycamore Township | 13,170,000 | 25.49% | 3,357,033 |
| West Chester Township | 57,060,000 | 3.48% | 1,985,688 |
| Great Oaks Career Center Joint Vocational School District | 7,965,000 | 9.43% | 751,100 |
| Subtotal, Overlapping Debt | 325,855,645 | | 51,708,144 |
| District Direct Debt | 79,070,000 | 100.00% | 79,070,000 |
| Total Direct and Overlapping Debt | \$404,925,645 | | \$130,778,144 |

Source: Ohio Municipal Advisory Council

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

Princeton City School District, Ohio
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Schedule 14

Legal Debt Margin Calculation for Year 2008

| | | |
|--|-----------------|-----------------|
| Assessed value | \$1,604,843,550 | \$4,585,267,286 |
| Statutory legal debt limitation (1) | 9.0% | 0.1% |
| Total Debt limit | 144,435,920 | 4,585,267 |
| Debt applicable to limit: | | |
| General Obligation Bonds | 84,321,439 | 0 |
| Less: Amount Available in Debt Service (2) | 2,677,298 | 0 |
| Total net debt applicable to limit | 81,644,141 | 0 |
| Legal debt margin | \$62,791,779 | \$4,585,267 |

| | Calendar Year | | | | | | | | | |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Total Debt Limit (1) | | | | | | | | | | |
| Debt Limit (9.0%) | \$133,525,596 | \$148,697,741 | \$151,828,160 | \$152,041,358 | \$171,097,940 | \$164,653,929 | \$167,180,576 | \$181,268,596 | \$164,958,710 | \$144,435,920 |
| Total Net Debt Applicable to Limit | 3,302,094 | 3,047,504 | 2,103,059 | 1,228,775 | 303,353 | 87,445,104 | 87,848,946 | 86,848,739 | 89,109,903 | 81,644,141 |
| Legal Debt Margin | \$130,223,502 | \$145,650,237 | \$149,725,101 | \$150,812,583 | \$170,794,587 | \$77,208,825 | \$79,331,630 | \$94,419,857 | \$75,848,807 | \$62,791,779 |

| | | | | | | | | | | |
|--|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|
| Total Net Debt Applicable to the Limit | | | | | | | | | | |
| as a Percentage of Debt Limit | 2.47% | 2.05% | 1.39% | 0.81% | 0.18% | 53.11% | 52.55% | 47.91% | 54.02% | 56.53% |

| | Calendar Year | | | | | | | | | |
|------------------------------------|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Total Unvoted Debt Limit (1) | | | | | | | | | | |
| Debt Limit (.1%) | \$1,483,618 | \$1,652,197 | \$1,686,980 | \$1,689,348 | \$1,901,088 | \$1,829,488 | \$1,857,562 | \$2,014,096 | \$1,832,875 | \$4,585,267 |
| Total Net Debt Applicable to Limit | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Legal Debt Margin | \$1,483,618 | \$1,652,197 | \$1,686,980 | \$1,689,348 | \$1,901,088 | \$1,829,488 | \$1,857,562 | \$2,014,096 | \$1,832,875 | \$4,585,267 |

| | | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total Net Debt Applicable to the Limit | | | | | | | | | | |
| as a Percentage of Debt Limit | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Source: District Records

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

(2) - Amount is equal to ending cash balance in debt service fund.

Princeton City School District, Ohio
 Demographic and Economic Statistics -- Hamilton County
 Last Ten Calendar Years
 Schedule 15

| Calendar Year | Population (1) | Personal Income (Thousands of Dollars) (2) | Per Capita Personal Income (3) | Unemployment Rate (4) |
|---------------|----------------|--|--------------------------------|-----------------------|
| 1998 | 855,976 | \$27,144,490 | \$31,712 | 3.6% |
| 1999 | 849,917 | 27,420,292 | 32,262 | 3.6% |
| 2000 | 845,303 | 28,329,667 | 33,567 | 3.7% |
| 2001 | 838,887 | 29,136,541 | 34,742 | 4.0% |
| 2002 | 830,349 | 30,010,701 | 36,156 | 5.5% |
| 2003 | 822,610 | 30,636,366 | 37,256 | 5.6% |
| 2004 | 814,611 | 32,111,846 | 39,467 | 5.7% |
| 2005 | 806,652 | 33,087,346 | 39,937 | 5.7% |
| 2006 | 822,596 | 35,146,091 | 41,477 | 5.0% |
| 2007 | 842,369 | N/A | N/A | 5.0% |

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau for all of Hamilton County
 - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Hamilton County
 - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Hamilton County
 - (4) - Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information -- Annual Average

N/A - Information not available

Princeton City School District, Ohio
 Demographic and Economic Statistics -- Butler County
 Last Ten Calendar Years
 Schedule 15

| Calendar Year | Population (1) | Personal Income (Thousands of Dollars) (2) | Per Capita Personal Income (3) | Unemployment Rate (4) |
|---------------|----------------|--|--------------------------------|-----------------------|
| 1998 | 328,265 | \$8,560,958 | \$26,079 | 3.6% |
| 1999 | 330,751 | 9,087,357 | 27,475 | 3.3% |
| 2000 | 333,698 | 9,547,252 | 28,608 | 3.2% |
| 2001 | 336,629 | 9,729,127 | 28,881 | 3.2% |
| 2002 | 339,071 | 9,938,473 | 29,273 | 4.5% |
| 2003 | 341,909 | 10,285,549 | 30,014 | 4.5% |
| 2004 | 345,119 | 10,844,563 | 31,332 | 4.3% |
| 2005 | 348,655 | 11,080,584 | 31,662 | 5.2% |
| 2006 | 353,386 | 11,707,628 | 33,130 | 5.6% |
| 2007 | 357,888 | N/A | N/A | 5.1% |

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau for all of Butler County
 - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Butler County
 - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Butler County
 - (4) - Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information -- Annual Average

N/A - Information not available

Princeton City School District, Ohio
 Demographic and Economic Statistics -- Warren County
 Last Ten Calendar Years
 Schedule 15

| Calendar Year | Population (1) | Personal Income (Thousands of Dollars) (2) | Per Capita Personal Income (3) | Unemployment Rate (4) |
|---------------|----------------|--|--------------------------------|-----------------------|
| 1998 | 145,427 | \$4,113,058 | \$28,283 | 3.0% |
| 1999 | 152,448 | 4,501,708 | 29,529 | 2.9% |
| 2000 | 161,322 | 4,946,103 | 30,660 | 3.3% |
| 2001 | 167,507 | 5,286,564 | 31,512 | 3.6% |
| 2002 | 175,041 | 5,521,565 | 31,522 | 4.5% |
| 2003 | 182,330 | 5,786,295 | 31,699 | 4.7% |
| 2004 | 189,276 | 6,213,055 | 32,745 | 4.5% |
| 2005 | 196,793 | 6,597,227 | 33,524 | 4.4% |
| 2006 | 201,871 | 7,211,608 | 36,134 | 4.9% |
| 2007 | 204,390 | N/A | N/A | 4.6% |

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau for all of Warren County
 - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Warren County
 - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Warren County
 - (4) - Ohio Department of Job and Family Services - Office of Workforce Development - Bureau of Labor Market Information -- Annual Average

N/A - Information not available

Princeton City School District, Ohio
 Major Employers --- Hamilton County
 Current Fiscal Year (1)
 Schedule 16

| <u>Major Employers (2)</u> | <u>Type (3)</u> |
|---------------------------------------|-----------------|
| American Financial Group Inc | Ins |
| Chiquita Brands International Inc | Trade |
| Convergys Corp | Serv |
| Duke Energy Corp | Utility |
| Fifth Third Bancorp | Fin |
| Ford Motor Co | Mfg |
| General Electric Co | Mfg |
| Health Alliance of Greater Cincinnati | Serv |
| Johnson & Johnson/Ethicon | Mfg |
| Kroger Co | Trade |
| Macy's Inc | Trade |
| Mercy Health Partners | Serv |
| Procter & Gamble Co | Mfg |
| TriHealth Inc | Serv |
| University of Cincinnati | Govt |

Source: Ohio Department of Development

- (1) - Only current fiscal year information available
- (2) - In alphabetical order only.
- (3) - Number of employees per employer and total employees for Hamilton County were not available.

Princeton City School District, Ohio
 Major Employers --- Butler County
 Current Fiscal Year (1)
 Schedule 16

| <u>Major Employers (2)</u> | <u>Type (3)</u> |
|-----------------------------------|-----------------|
| AK Steel Holding Corp | Mfg |
| Amylin Pharmaceuticals Inc | Mfg |
| Armor Holdings Inc | Mfg |
| Butler County Government | Govt |
| Cincinnati Financial Corp | Ins |
| Cornerstone Brands Inc | Trade |
| Fairfield City Board of Education | Govt |
| Ft Hamilton Memorial Hospital | Serv |
| Hamilton City Board of Education | Govt |
| Lakota Local Board of Education | Govt |
| Liberty Mutual/Ohio Casualty Corp | Ins |
| Mercy Regional Hospital | Serv |
| Miami University | Govt |
| Middletown Regional Health System | Serv |

Source: Ohio Department of Development

- (1) - Only current fiscal year information available
- (2) - In alphabetical order only.
- (3) - Number of employees per employer and total employees for Butler County were not available.

Princeton City School District, Ohio
 Major Employers --- Warren County
 Current Fiscal Year (1)
 Schedule 16

| <u>Major Employers (2)</u> | <u>Type (3)</u> |
|-----------------------------------|-----------------|
| Aisin Seiki/ADVICS Co Ltd | Mfg |
| Blackhawk Automotive Plastics Inc | Mfg |
| Cedar Fair/Kings Island | Serv |
| Cintas Corp | Mfg |
| HJ Heinz/Portion Pac Inc | Mfg |
| Luxottica Group SpA | Mfg |
| Macy's Inc | Trade |
| Mason Local Board of Education | Govt |
| Proctor & Gamble Co | R&D |
| State of Ohio | Govt |
| Sumco Phoenix | Mfg |
| WellPoint Inc/Anthem | Ins |

Source: Ohio Department of Development

- (1) - Only current fiscal year information available
- (2) - In alphabetical order only.
- (3) - Number of employees per employer and total employees for Warren County were not available.

Princeton City School District, Ohio
 Full-Time - Equivalent District Employees by Type
 Last Four Fiscal Years (1)
 Schedule 17

| Function/Program | 2005 | 2006 | 2007 | 2008 |
|----------------------------------|---------------|---------------|---------------|---------------|
| Regular Instruction | 373.15 | 363.57 | 354.27 | 301.98 |
| Elementary Classroom Teachers | | | | |
| High School Classroom Teachers | | | | |
| Special Instruction | 55.00 | 78.19 | 93.42 | 107.03 |
| Elementary Classroom Teachers | | | | |
| Gifted Education Teachers | | | | |
| High School Classroom Teachers | | | | |
| Vocational Instruction | 3.00 | 1.00 | 1.00 | 1.00 |
| High School Classroom Teachers | | | | |
| Pupil Support Services | | | | |
| Guidance Counselors | 12.00 | 12.00 | 12.00 | 11.00 |
| Librarians | 14.50 | 5.00 | 5.00 | 8.00 |
| Psychologists | 6.00 | 7.00 | 8.60 | 11.00 |
| Speech and Language Pathologists | 4.80 | 4.80 | 4.80 | 4.80 |
| Nurses | 9.00 | 8.00 | 6.76 | 3.00 |
| Other Pupil Support | 99.33 | 123.00 | 113.31 | 154.43 |
| Administrators | 17.00 | 16.00 | 19.00 | 20.00 |
| Elementary | | | | |
| High School | | | | |
| Other Administrators | 27.00 | 30.00 | 22.00 | 11.00 |
| Operation of Plant | | | | |
| Custodians | 47.50 | 48.00 | 45.75 | 47.00 |
| Maintenance | 15.00 | 18.00 | 22.00 | 19.00 |
| Pupil Transportation | | | | |
| Bus Drivers | 62.58 | 66.62 | 55.62 | 49.36 |
| Bus Aides | | | | |
| Van Drivers | 6.00 | 5.00 | 4.29 | 4.29 |
| Other Pupil Transportation | 1.00 | 1.00 | 2.86 | 4.52 |
| Food Service Program | 40.42 | 39.50 | 31.51 | 26.15 |
| Elementary Cooks | | | | |
| High School Cooks | | | | |
| Clerical/Support | | | | |
| Clerical | 76.00 | 69.88 | 71.64 | 66.54 |
| Other Clerical/Support | 23.00 | 28.00 | 12.51 | 8.32 |
| Grand Total | <u>892.28</u> | <u>924.56</u> | <u>886.34</u> | <u>858.42</u> |

Source: State Department of Education

(1) - Only information for last four fiscal years available

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

Princeton City School District, Ohio
 Operating Statistics
 Last Six Fiscal Years (1)
 Schedule 18

| Fiscal Year | Expenses (2) | Enrollment | Cost Per Pupil (3) | Percentage Change | Teaching Staff | Pupil-Teacher Ratio | Percentage of Students Receiving Free or Reduced-Price Meals |
|-------------|--------------|------------|--------------------|-------------------|----------------|---------------------|--|
| 2003 | \$68,442,262 | 6,318 | \$10,833 | N/A | 485 | 13.0 | 37.00% |
| 2004 | 70,959,959 | 6,104 | 11,625 | 7.31% | 497 | 12.3 | 31.19% |
| 2005 | 67,662,885 | 5,934 | 11,403 | (1.91%) | 457 | 13.0 | 30.00% |
| 2006 | 72,099,035 | 5,714 | 12,618 | 10.66% | 486 | 11.8 | 45.93% |
| 2007 | 76,201,338 | 5,645 | 13,499 | 6.98% | 479 | 11.8 | 45.22% |
| 2008 | 85,591,218 | 5,485 | 15,605 | 15.60% | 493 | 11.1 | 51.00% |

Source: District Records

(1) - Only information for last six fiscal years available

(2) - Expenses is Total Expenses from Schedule 2

(3) - Expenses by Enrollment

N/A - Information not available

Princeton City School District, Ohio
 School Building Information
 Last Ten Fiscal Years
 Schedule 19

| | Fiscal Year | | | | | | | | | |
|--|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| <u>School</u> | | | | | | | | | | |
| Elementary: | | | | | | | | | | |
| Evendale (PK-6 / PK-5) | | | | | | | | | | |
| Square feet | 45,254 | 45,254 | 45,254 | 45,254 | 45,254 | 45,254 | 45,254 | 45,254 | 45,254 | 55,040 |
| Capacity | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 364 |
| Enrollment | 291 | 295 | 295 | 274 | 259 | 281 | 297 | 273 | 244 | 250 |
| Glendale (PK-6 / PK-5) | | | | | | | | | | |
| Square feet | 31,676 | 31,676 | 31,676 | 31,676 | 31,676 | 31,676 | 31,676 | 31,676 | 31,676 | 31,676 |
| Capacity | 575 | 575 | 575 | 575 | 575 | 575 | 575 | 575 | 575 | 364 |
| Enrollment | 244 | 204 | 229 | 205 | 218 | 203 | 292 | 264 | 164 | 219 |
| Heritage Hill (PK-6 / PK-5) | | | | | | | | | | |
| Square feet | 64,895 | 64,895 | 64,895 | 64,895 | 64,895 | 64,895 | 64,895 | 64,895 | Demo'd | 63,093 |
| Capacity | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 546 |
| Enrollment | 464 | 506 | 461 | 477 | 521 | 529 | 421 | 447 | | 290 |
| Sharonville (PK-6 / PK-5) | | | | | | | | | | |
| Square feet | 54,437 | 54,437 | 54,437 | 54,437 | 54,437 | 54,437 | Demo'd | Demo'd | 65,526 | 65,526 |
| Capacity | 875 | 875 | 875 | 875 | 875 | 875 | | | 546 | 546 |
| Enrollment | 360 | 338 | 342 | 333 | 364 | 329 | | | 395 | 375 |
| Springdale (K-6) | | | | | | | | | | |
| Square feet | 57,124 | 57,124 | 57,124 | 57,124 | 57,124 | 57,124 | 57,124 | 57,124 | 63,131 | 65,526 |
| Capacity | 523 | 523 | 523 | 523 | 523 | 523 | 523 | 523 | 546 | 546 |
| Enrollment | 494 | 480 | 469 | 490 | 488 | 459 | 409 | 415 | 484 | 375 |
| Stewart (PK-3 / PK-4) | | | | | | | | | | |
| Square feet | 34,150 | 34,150 | 34,150 | 34,150 | 34,150 | 34,150 | 34,150 | 34,150 | 62,420 | 62,240 |
| Capacity | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 500 | 546 | 546 |
| Enrollment | 377 | 344 | 309 | 301 | 350 | 355 | 403 | 412 | 434 | 450 |
| Woodlawn (Grades K-3) | | | | | | | | | | |
| Square feet | 23,051 | 23,051 | 23,051 | 23,051 | 23,051 | 23,051 | Demo'd | Demo'd | 52,711 | 52,711 |
| Capacity | 375 | 375 | 375 | 375 | 375 | 375 | | | 364 | 364 |
| Enrollment | 177 | 167 | 147 | 156 | 182 | 185 | | | 255 | 219 |
| Lincoln Heights (PK-6 / PK-5) | | | | | | | | | | |
| Square feet | 50,908 | 50,908 | 50,908 | 50,908 | 50,908 | 50,908 | 50,908 | 50,908 | 63,301 | 63,301 |
| Capacity | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 950 | 546 | 546 |
| Enrollment | 452 | 478 | 481 | 464 | 474 | 440 | 399 | 398 | 353 | 324 |
| RELIS | | | | | | | | | | |
| Square feet | 74,632 | 74,632 | 74,632 | 74,632 | 74,632 | 74,632 | 74,632 | 74,632 | 74,632 | * |
| Capacity | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | * |
| Enrollment | 603 | 596 | 566 | 532 | 534 | 458 | 424 | 370 | 300 | * |
| Middle School | | | | | | | | | | |
| Princeton Community (Grades 7-8 / 6-8) | | | | | | | | | | |
| Square feet | 154,952 | 154,952 | 154,952 | 154,952 | 154,952 | 154,952 | 154,952 | 154,952 | 154,952 | 176,195 |
| Capacity | 2,650 | 2,650 | 2,650 | 2,650 | 2,650 | 2,650 | 2,650 | 2,650 | 2,650 | 1,500 |
| Enrollment | 978 | 1015 | 1028 | 999 | 961 | 971 | 1349 | 1277 | 1182 | 1114 |
| High School | | | | | | | | | | |
| Princeton HS (Grades 9-12) | | | | | | | | | | |
| Square feet | 347,217 | 347,217 | 347,217 | 347,217 | 347,217 | 347,217 | 347,217 | 347,217 | 347,217 | 347,217 |
| Capacity | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 |
| Enrollment | 1870 | 1863 | 1902 | 1906 | 1967 | 1894 | 1941 | 1883 | 1834 | 1768 |

Source: School District Records and Ohio Department of Education

* - Building was not used in fiscal year 2008

Note:

Starting in 2004-2005 6th grade moved to the Princeton Community Middle School
 Starting in 2004-2005 Stewart Elementary added 4th grade
 Starting in 2007-08 Evendale the existing building was demo'd and a new building was opened



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
FEBRUARY 17, 2009**