

HAMILTON CITY SCHOOL DISTRICT

Single Audit Reports

June 30, 2006



Mary Taylor, CPA
Auditor of State

Board of Education
Hamilton City School District
533 Dayton Street
P. O. Box 627
Hamilton, Ohio 45012

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

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 8, 2007

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HAMILTON CITY SCHOOL DISTRICT

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HAMILTON CITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2006

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture:</u>			
(Passed through Ohio Department of Education)			
Food Distribution Program	10.550	\$ 178,225	178,225
Nutrition Cluster:			
School Breakfast Program	10.553	794,372	794,372
National School Lunch Program	10.555	1,634,703	1,634,703
Summer Lunch Program	10.559	<u>3,770</u>	<u>3,770</u>
Total U.S. Department of Agriculture		<u>2,611,070</u>	<u>2,611,070</u>
<u>U.S. Department of Education:</u>			
(Passed through Ohio Department of Education)			
Special Education Cluster:			
Title VI - B Grant	84.027	2,771,821	2,771,367
Preschool Grant	84.173	<u>115,736</u>	<u>113,447</u>
Total Special Education Cluster		<u>2,887,557</u>	<u>2,884,814</u>
Adult and Basic Education	84.002	413,635	249,591
Grants to Local Education Agencies (ESEA Title I)	84.010	2,539,009	2,780,802
Carl D Perkins	84.048	223,053	221,480
Emergency Response Crisis Management	84.184E	185,380	98,357
Safe and Drug Free Schools and Community	84.186	66,693	72,203
Education for Homeless Children and Youth	84.196	27,427	25,204
Teaching Traditional History	84.215	187,069	179,874
Innovative Education Program Strategy - Title VI	84.298	32,862	33,159
Title III - LEP/Immigration	84.365	115,081	116,358
Improving Teacher Quality State Grant Title IIA	84.367	621,778	666,705
Comprehensive School Reform Demonstration	84.332	21,435	13,175
Hurricane Education Recovery	84.938	13,750	13,750
Technology Literacy Challenge Fund Grant	84.318	<u>68,081</u>	<u>66,376</u>
Total U.S. Department of Education		<u>7,402,810</u>	<u>7,421,848</u>
<u>Corporation for National and Community Service</u>			
(Passed through Ohio Department of Education)			
Learn and Serve America-School and Community Based Programs	94.004	<u>21,316</u>	<u>16,379</u>
Total Federal Awards		\$ <u>10,035,196</u>	<u>10,049,297</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

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

NOTE C - MATCHING REQUIREMENTS

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

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

To the Board of Education
Hamilton City School District:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hamilton City School District as of and for the year ended June 30, 2006, which collectively comprise Hamilton City School District's basic financial statements and have issued our report thereon dated November 16, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

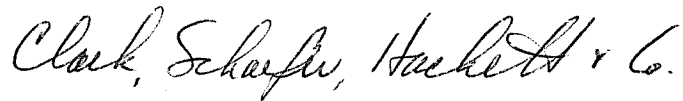
In planning and performing our audit, we considered Hamilton City School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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

We noted certain matters that we reported to the management of Hamilton City School District in a separate letter dated November 16, 2006.

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



Middletown, Ohio
November 16, 2006

**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
Hamilton City School District:

Compliance

We have audited the compliance of Hamilton City School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. Hamilton City School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Hamilton City School District's management. Our responsibility is to express an opinion on Hamilton City School District's compliance based on our audit.

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

In our opinion, Hamilton City School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2006, and have issued our report thereon dated November 16, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Clark, Schaefer, Huckell & Co.

Middletown, Ohio
November 16, 2006

HAMILTON CITY SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2006

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

Internal Control over major programs:	
Material weakness(es) identified?	none
Reportable condition(s) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with Circular A-133, Section .510(a)?	no
Identification of major programs:	
Special Education Cluster:	
Title VI-B Grant CFDA 84.027	
Preschool Grant CFDA 84.173	
Dollar threshold to distinguish between Type A and Type B Programs:	\$301,479
Auditee qualified as low-risk auditee?	yes

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

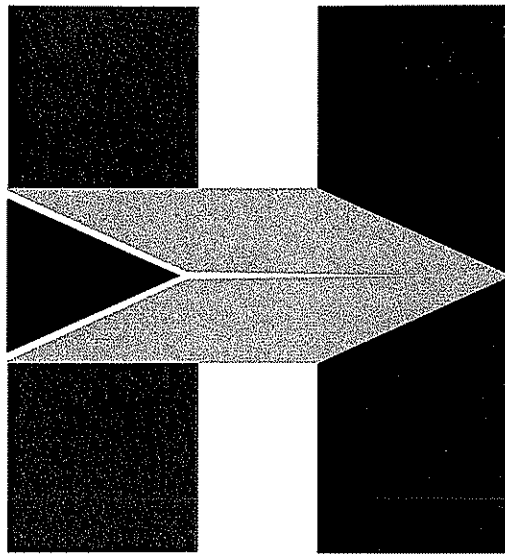
None

HAMILTON CITY SCHOOL DISTRICT

Schedule of Prior Audit Findings

Year Ended June 30, 2006

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



HAMILTON

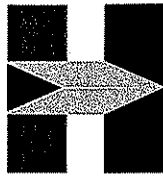
CITY SCHOOL

DISTRICT

Hamilton, Ohio

**Comprehensive
Annual Financial Report**

For the Fiscal Year Ended
June 30, 2006



HAMILTON
CITY SCHOOL
DISTRICT

BOARD OF EDUCATION



Larry Bowling
President



Glenn Stitsinger, D.D.S.
Vice-President



Anna Harvey
Member



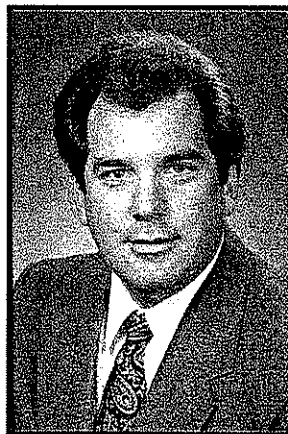
Lori Lewis
Member



George N. Jonson, Esq.
Member



Janet Baker
Superintendent



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

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

HAMILTON CITY SCHOOL DISTRICT

HAMILTON, OHIO

For the Fiscal Year Ended June 30, 2006

BOARD OF EDUCATION

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

SUPERINTENDENT OF SCHOOLS

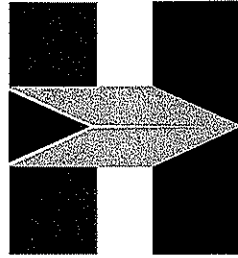
Janet Baker

ISSUED BY

TREASURER'S OFFICE

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

INTRODUCTION



HAMILTON
CITY SCHOOL
DISTRICT

Academic Progress Continues in Hamilton!

Our students are achieving at higher levels than ever before. Over the past five years, our local Report Card reflects significant growth in all areas, with reading scores skyrocketing to beyond proficient levels.

The District is proud of its **EFFECTIVE** rating on the Ohio State Report Card!

Three schools, Fillmore Elementary, Hayes Elementary and Monroe Elementary further distinguished themselves as **EXCELLENT**.

Hayes Elementary School was also named as a School of Promise from Ohio State Superintendent Dr. Susan T. Zelman.

The District is proud of its students, staff, parents and community who worked together to achieve these accolades!

***Rated Effective
in State of Ohio***

**Hamilton City School District
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2006**

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Comprehensive Annual Financial Report
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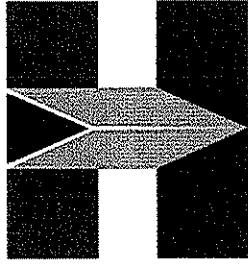
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HAMILTON
CITY SCHOOL
DISTRICT

December 18, 2006

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

The Comprehensive Annual Financial Report (CAFR) of the Hamilton City School District (District) for the fiscal year ended June 30, 2006, is hereby submitted. This report was prepared by the Treasurer's Office, and includes the unqualified opinion of our independent auditors, Clark, Schaefer, Hackett & Co. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The CAFR conforms to generally accepted accounting principles (GAAP) and was prepared in conformance with the standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

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

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

This report includes all funds which the District has fiduciary control. The District provides a full range of traditional and non-traditional educational programs and services. These include elementary and

secondary curriculum offerings at the general, college preparatory, and vocational levels; a broad range of co-curricular and extracurricular activities; adult and community education offerings; special education programs and community recreation facilities.

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

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

Economic Condition and Outlook

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

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

The unemployment rate for the city of Hamilton decreased to 5.2% in June 2006, down 0.9% from 6.1% in June 2005 according to the Ohio Bureau of Employment Services. The nation's unadjusted unemployment rate was 4.6% for June 2006. The unadjusted unemployment rate for the state of Ohio in June 2005 was 5.2%. Employment in the state of Ohio was 5,679,300 in June 2006.

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

The District and Its Facilities

The District's enrollment has been slightly decreasing over the past several years. This year marks the ninth consecutive year that the District's enrollment has decreased. The District had an enrollment of 9,024 students compared to 9,196 students for the fiscal year that ended June 30, 2005.

The District's facilities include 14 neighborhood elementary schools, two junior high schools, one freshman school, one comprehensive high school (grades 10-12), one alternative school, a maintenance

building, a transportation facility, a central food service warehouse, a central office building, and several athletic fields.

Organization of the District

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

The Board members represent a cross section of professions found in Hamilton. The Board members on June 30, 2006 were as follows:

<u>Board Member</u>	<u>Service as a Board Member</u>		<u>Profession</u>
	<u>Began</u>	<u>Expires</u>	
Larry Bowling, President	01/01/88	12/31/07	Insurance Agent
Glenn Stitsinger, D.D.S.	01/01/86	12/31/09	Dentist
Anna Harvey	01/01/02	12/31/09	Customer Service Representative
George N. Jonson, Esq.	01/01/82	12/31/09	Lawyer
Lori Lewis	01/01/04	12/31/07	Bank Teller

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all education and support operations. Mrs. Janet Baker was appointed Superintendent on June 16, 1992. Mrs. Baker has been in the education profession for 36 years; 3 years as a teacher, and 33 years in administration. Mrs. Baker has a BS in Education from Miami University and a ME from Eastern Kentucky University, and has taken several semester hours of education beyond a master's degree.

The Treasurer is the chief financial officer of the District, responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets, and investing idle funds as specified by Ohio Law. Mr. Robert A. Hancock, CPA was appointed Treasurer on October 11, 1993. Mr. Hancock, a Certified Public Accountant, has been in the government finance profession for 22 years; 4 years in the government auditing profession, and 18 years as a school district treasurer. Mr. Hancock has a BA with majors in Accounting and Business from Bluffton College.

Employee Relations

The District currently has approximately 1,328 full-time and part-time employees. There are five organizations representing District employees. As of the date of this letter, the Board successfully concluded negotiations with all five labor organizations on two-year agreements for wages and fringe benefits. Wage agreements reached for the two-year period through June 30, 2007 or July 31, 2007, as applicable, included increases of 3.0%-2.0% per year respectively.

The Hamilton City Organization of School Administrators and Supervisors (HCOSAS) represent the District's administrators. The Hamilton Classroom Teachers Association (HCTA) represents district teachers and educational specialists for collective bargaining purposes. Classified employees are

represented by three bargaining units depending on the position held with the District. They are as follows:

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

Services Provided

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

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

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

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

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

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

Major Initiative and Events – FY 2006

Students Received Needed School Supplies

Thanks to the efforts of the Butler County School Supply Coalition, many of the Hamilton City School District's students who qualify for free or reduced lunch received free school supplies. This organization works diligently throughout the year receiving contributions so that needy students in Butler County start school with the necessary school supplies. The District commends this hard working organization for helping in the worthy cause that enables 1,440 students to receive their supplies.

Merz Named Educator of the Year

Hamilton High School teacher, Molly Merz, won the Harry T. Wilks Educator of the Year Award at the third annual celebration dinner in October 2005. A graduate of Ohio University, Merz's reputation led to 36 students enrolling in the new Teacher Academy class for those students interested in a career in education. The four finalists of this award included Kay Collins, teacher at Badin High School; Dennis Haynes, head custodian at Monroe Elementary; Lori Pierson, teacher of intermediate developmentally handicapped students at Jefferson Elementary; and Carol Wolffer, kindergarten teacher at McKinley Kindergarten Center. In addition, five \$1,000 grants were awarded to schools through the generosity of Mr. Wilks.

Site Selection Committee Formed to Study Future Elementary School Sites

A group of community and business leaders formed a committee to identify potential sites for new elementary schools as the District moves forward with its Master Plan for Facilities. The committee looked at growth patterns in the city, accessibility of District property and other possible sites, and utilities and traffic patterns to decide the best locations. Eight new elementary schools will be constructed as the District passed a bond issue for its local share of the Ohio Schools Facilities Commission Master Plan for Facilities on November 7, 2006. We commend the following members of the Site Selection Committee: Jim Paulus, chair; Mel Baker; Armand Bloch; Joe Belew; John Creech; Ernie Durbin; Angela Howard; Butch Hubble; Gary Rhoads; Bob Rusbosin; Susan Schnell; Dr. Everett Mann; Jim Boerke; Janet Baker; and Board members Larry Bowling and Glenn Stitsinger.

Elementary Sites Identified

The work of the Site Selection Committee identified sites for future elementary schools. The sites are Hayes Elementary School; Fillmore Elementary School; Cleveland Elementary School; Harrison Elementary School; land north of the Hamilton Freshman School; Garfield soccer field; and two other sites to be determined.

Student Artwork Presented at Children's Art Festival in Munich, Germany

Elementary art teacher Marie Huseman and her sixth grade students at Cleveland and Monroe Elementary Schools created a sculpture called "Dreamweavers" which found its way to the International Child Art Foundation's European Children's Art Festival in Munich, Germany. Through the piece, students expressed a hope for world peace. Two students accompanied their teacher to attend the festival where children from 20 European countries constructed a similar sculpture to combine it with theirs.

Chizek Honored with Jim Blount History Educator Award

Andrea Chizek, teacher at Monroe Elementary School, was a recipient of the Second Annual Jim Blount History Educator Award for her exemplary teaching of history. Sponsored by the Michael J. Colligan History Project, in cooperation with the Colligan Fund Committee of the Hamilton Community Foundation, Chizek joins to other Butler County educators for this prestigious award.

School Board Approves Bond Issue for November 2006

The five-member Board of Education approved a 4.91 mill bond issue (with an additional 0.5 mill required by the State to be dedicated to maintaining the buildings) to be placed on the November 2006 ballot. On November 7, 2006 the bond issue passed which means that the District will receive \$72 million to meet its local share and \$120 million of State funding to build eight new elementary schools, finish the renovations to Hamilton High School and Wilson Middle School, and finish minor renovations to Garfield Middle School.

Budget Reduction Total \$1.2 Million

In the District's continuing quest to remain fiscally responsible, the Board of Education approved \$1.2 million in budget reductions for the 2006 school year. By rightsizing and being aggressive in seeking grant funds, the District remains good stewards of the taxpayers' dollars.

Four New Programs Being Created

During the 2005-2006 school year, for new programs were developed to be implemented for the 2006-2007 school year. Committee members who researched and finalized plans for implementation created character Education, Goal Setting, Conflict Resolution, and Community Service programs. The District salutes the hard work of the committees and believes that these programs will help educate the whole world.

Hamilton High School Class of 2006

The Hamilton High School Class of 2006 graduated close to 500 students at Millett Hall on the Miami University campus. The graduated received over 300 scholarships and awards totaling \$3,195,329. Three students had perfect attendance for all three years of high school. The Hamilton City School District salutes these fine graduates.

Financial Information

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

Internal Controls

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

Single Audit Act

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

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

Budgetary Controls

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

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

Other Information

Awards:

GFOA Certificate of Achievement

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

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

ASBO Certificate of Excellence

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence on Financial Reporting for the fiscal year ended June 30, 2005 to the District. This is the 12th consecutive year the District has received this award. This award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005 substantially conforms to the principles and standards financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. Management believes the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006, which will be submitted to ASBO for review, will again conform to ASBO's principles and standards as well.

Independent Audit

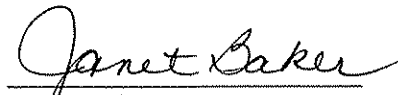
State statutes require an annual audit by independent accountants or the State Auditor's Office. Clark, Schaefer, Hackett & Co. conducted the District's 2006 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act as amended in 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Acknowledgments

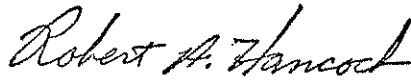
The preparation and publication of this report on a timely basis could not have been possible without the cooperation of the entire Treasurer's Office.

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

Sincerely,



Janet Baker
Superintendent



Robert A. Hancock, CPA
Treasurer

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Hamilton City School District
Ohio**

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

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

HAMILTON CITY SCHOOL DISTRICT

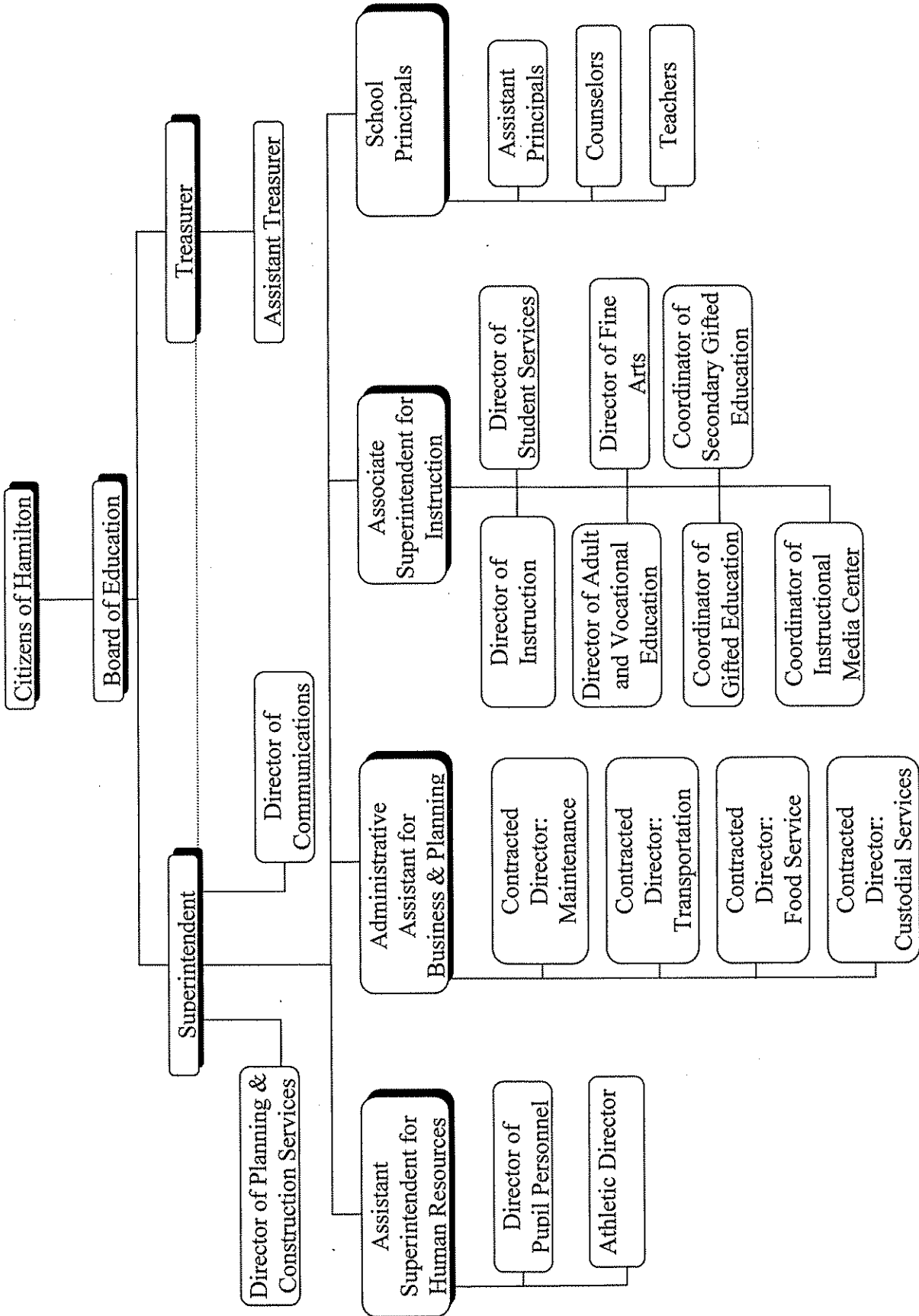
**For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2005**

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

President

Interim Executive Director

Hamilton City School District Organizational Chart



**Hamilton City School District
Appointed Officials**

Official	Title
Mrs. Janet Baker	Superintendent
Mr. Robert A. Hancock, CPA	Treasurer
Mrs. Barbara Fuerbacher	Associate Superintendent of Instruction
Dr. Everett Mann	Administrative Assistant of Business and Planning and State and Federal Programs
Mrs. Kathy Leist	Administrative Assistant for Human Resources
Mr. Jim Boerke	Director of Planning and Construction Services
Mrs. Joni Copas	Director of Communications
Mr. Bill Valerius	Director of Pupil Personnel
Mrs. Joan Avery	Director of Instruction
Mrs. Judy Carnes	Director of Student Services
Mr. Herbert Dietz	Director of Adult and Vocational Education
Mr. Laurin Sprague	Director of Fine Arts
Mr. Mike Burns	Director of Custodial Services
Mr. Lee Wallace	Director of Maintenance
Ms. Becky Goosey	Director of Transportation
Ms. Cinde Gorbandt	Director of Food Service
Mr. Mark Schiel	Assistant Treasurer
Mr. Michael Dellapina	Athletic Director
Mr. Clair Brustkern	Coordinator of Instructional Media Center
Mrs. Sue Clover	Coordinator of Gifted Education
Mrs. Karen Qualls	Coordinator of Secondary Gifted Education

**Hamilton City School District
Consultants and Advisors
For the Fiscal Year Ended June 30, 2006**

Architect

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

Independent Auditor

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

Legal Council

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

Official Depositories

Fifth Third Bank
Third and High Streets
Hamilton, Ohio 45011

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

Health Insurance - 3rd Party Administrator

Principal Financial Group
8909 Purdue Road, Suite 100
Indianapolis, Indiana 46268

Bond Council

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

Investment Counselor

Seasongood & Mayer
414 Walnut Street
Cincinnati, Ohio 45202

Scheper & McGowan
2 South Third Street
Hamilton, Ohio 45011

First Financial Bank
Third and High Streets
Hamilton, Ohio 45011

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

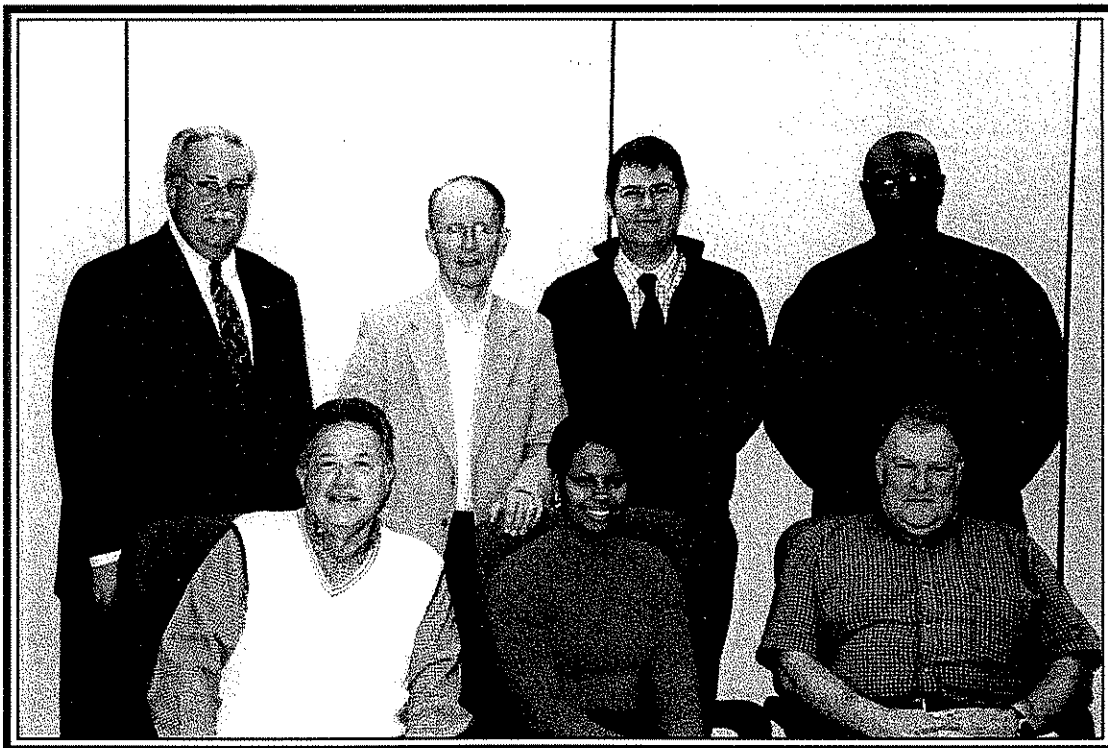
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FINANCIAL

The Hamilton City School District commends the members of the Site Selection Committee who spent valuable time in looking at 38 potential sites to find suitable locations for future elementary schools. Led by chairman Jim Paulus, the committee traveled to various locations throughout the city to evaluate criteria such as size of property, location relative to population and other schools, the terrain, and road and utility access.

The sites selected were:

- Land north of the Hamilton Freshman School
- Fillmore Elementary
- Cleveland Elementary
- Area around Van Buren Elementary
- Hayes Elementary
- Harrison Elementary
- athletic fields on Fair Avenue
- Area around Timberhill Drive



Members of the Site Selection Committee included, seated left to right: Armand Bloch, Angela Howard, Gary "Rocky" Rhoads. Standing: Joe Belew, Chairman Jim Paulus, John Creech, Lester "Butch" Hubble. Missing from picture are Mel "Moody" Baker, Ernie Durbin and Bob Rusbosin.

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

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Hamilton City School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hamilton City School District, as of and for the year ended June 30, 2006, 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 these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hamilton City School District, as of June 30, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2006, on our consideration of Hamilton City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information on pages 3 through 12 and 48 through 52, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Clark, Schaefer, Hackel & Co.

Middletown, Ohio
November 16, 2006

HAMILTON CITY SCHOOL DISTRICT

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2006 Unaudited

Management's discussion and analysis of the Hamilton City School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2006. The purpose of this discussion and analysis is to look at the District's financial performance as a whole. The transmittal letter and notes to the financial statements will also enhance your understanding of the District's financial statements.

Using this Comprehensive Annual Financial Report

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

Financial Highlights

- Total program expenses were \$91.1 million during FY 2006 compared to \$79.0 million in FY 2005, an increase of 15.3%.
- Total non-instructional service expenses were \$4.8 million during FY 2006 (including food service operations) compared to \$4.6 million during FY 2005, an increase of 4.4%.
- Total operating grants and contributions were \$17.0 million during FY 2006 compared to \$14.0 million in FY 2005, an increase of 21.4%.
- The District decreased its outstanding bonded debt \$1,650,000 in FY 2006. Total outstanding bonded debt as of the fiscal year ended June 30, 2006 is \$39,975,000.
- The District continues to monitor its general operating financial condition by making incremental reductions in operating expenses on a yearly basis that are both educationally appropriate and operationally efficient.

Overview of the Financial Statements

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

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

HAMILTON CITY SCHOOL DISTRICT

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2006 Unaudited

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

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

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

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

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

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

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

HAMILTON CITY SCHOOL DISTRICT

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2006 Unaudited

Permanent Improvement Fund, and Building Program Fund. Data for the other governmental funds are combined in a single aggregated column.

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

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

Government-wide Financial Analysis

A. Net Assets at Fiscal Year End

The following table presents a condensed summary of the District's overall financial position at the fiscal year ended June 30, 2005 and June 30, 2006. As stated in the Notes to the Financial Statements, capital assets were restated on July 1, 2005. As a result, the FY 2005 Governmental Activities in the following table were restated.

	FY 2005 Governmental Activities (In Millions)	FY 2006 Governmental Activities (In Millions)
Assets:		
Current and Other Assets	\$47.2	\$47.2
Capital Assets	73.3	72.3
Total Assets	120.5	119.5
Liabilities:		
Long-Term Liabilities	47.4	46.0
Other Liabilities	39.9	41.0
Total Liabilities	87.3	87.0
Net Assets:		
Invested in Capital Assets, Net of Debt	31.3	31.9
Restricted	8.8	8.2
Unrestricted	(7.0)	(7.6)
Total Net Assets	\$33.1	\$32.5

Current and other assets represent \$47.2 million in FY 2006 compared to \$47.2 million in FY 2005. Capital assets represent \$72.3 million in FY 2006 compared to \$73.3 million in FY 2005,

HAMILTON CITY SCHOOL DISTRICT

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2006 Unaudited

a decrease of 1.4%. Total assets decreased to \$119.5 million in FY 2006 from \$120.5 million in FY 2005, a decrease of 0.1%.

The District continues to make progress in reducing its long-term liabilities (a decrease of \$1.4 million, or 3.0%). The District's other liabilities increased during FY 2006 by \$1.1 million (or 2.8%). The District's total liabilities decreased \$300,000 or .34% during FY 2006.

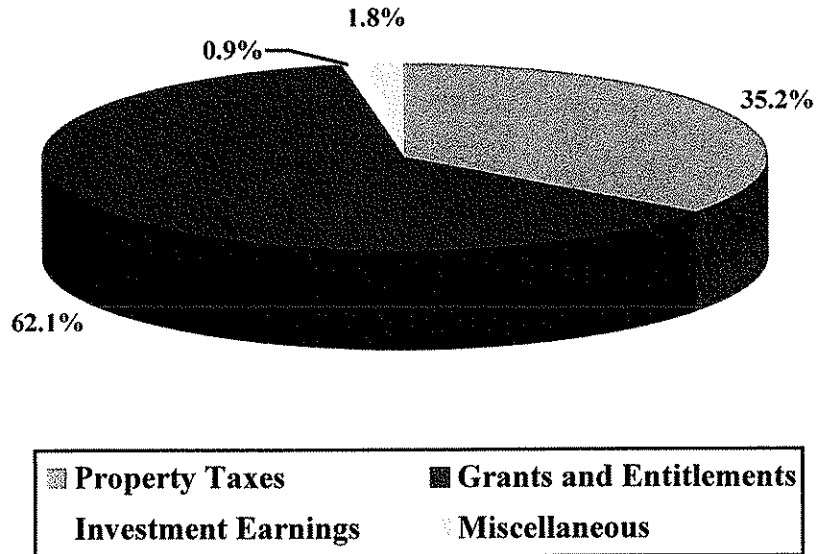
Investments in capital assets represent 98.4% of the District's net assets. Capital assets are used primarily to provide educational services to the community and the value of net capital assets is not available for future spending. The District has \$8.2 million (or 25.0%) of its net assets reserved for specific purposes primarily related to the construction projects in progress as of the fiscal year ended June 30, 2006. Unrestricted net assets could be used for additional educational needs in future periods, but the District currently has (\$7.6) million or (23.4%) of net assets in this category (using the full accrual basis of accounting).

B. Governmental Activities during FY 2006

	FY 2005 Governmental Activities	FY 2006 Governmental Activities
Revenues:		
Program Revenues:		
Charges for Services and Sales	\$1,316,524	\$1,128,566
Operating Grants and Contributions	14,043,897	17,020,499
Capital Grants and Contributions	87,840	89,324
Total Program Revenues	15,448,261	18,238,389
General Revenues:		
Property Taxes	24,327,907	25,486,775
Grants and Entitlements	44,131,385	44,912,583
Investment Earnings	400,617	630,500
Miscellaneous	1,371,264	1,313,688
Total General Revenues	70,231,173	72,343,546
Total Revenues	\$85,679,434	\$90,581,935
Expenses:		
Instruction	42,152,504	48,702,637
Support Services	29,375,660	34,358,299
Food Service Operations	3,498,696	3,749,262
Community Services	1,052,490	1,013,130
Extracurricular Activities	1,067,015	1,175,713
Interest on Long-Term Debt	1,914,919	2,099,345
Total Expenses	79,061,284	91,098,386
Change in Net Assets	\$6,618,150	\$(516,451)

HAMILTON CITY SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

General Revenue Sources



Program revenues account for \$18.2 million or 20.1% of the District's total revenues. This is primarily due to the Districts' aggressive approach to seeking grant funding, which totaled \$17.0 million. This represents an increase of 21.4% when compared to total grant funding in FY 2005. The increase in program revenues was due to Poverty Based Assistance providing \$1.5 million more funding than Disadvantaged Pupil Impact Aid and increased funding from many of the state and federal grants that were also received in FY 2005.

The major components of general revenues are property taxes (\$25.5 million or 35.2%) and grants and entitlements (\$44.9 million or 62.1%). The District's property tax revenue increased \$1.2 million or 4.9% in FY 2006 when compared to total property tax revenues received during FY 2005. Investment earnings were up \$229,883 in FY 2006, primarily due to higher interest rates. Miscellaneous receipts were down \$57,579 or 4.2% due to unforeseen fluctuations. The District's reliance on grants and entitlements funding increased in FY 2006 by \$700,000, an increase of 1.6% when compared to the District total grants and entitlements funding received during FY 2005.

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

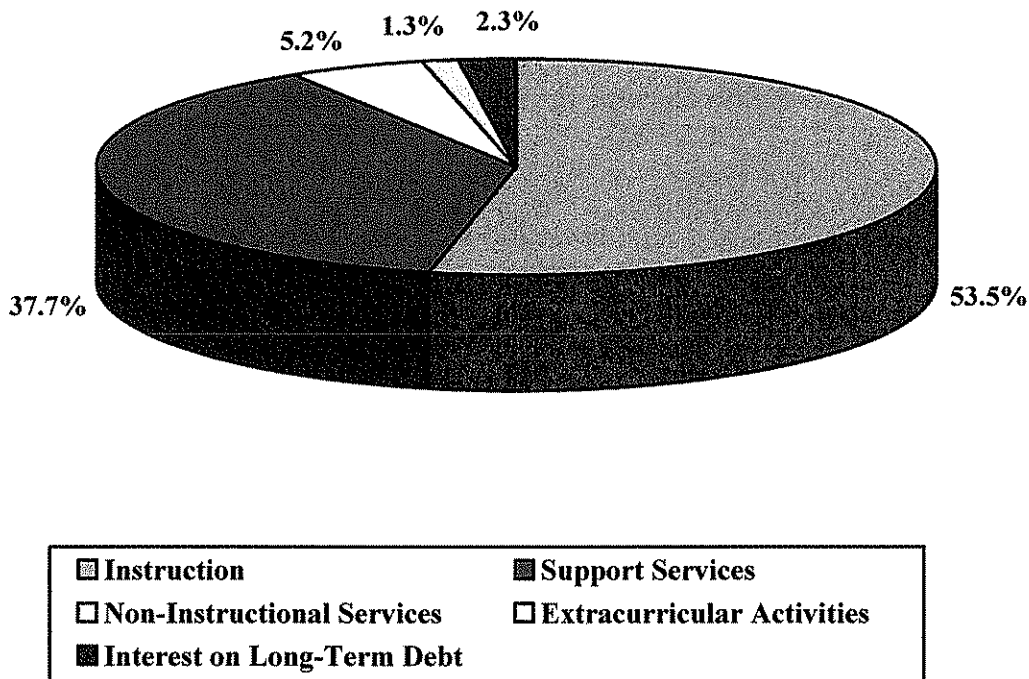
HAMILTON CITY SCHOOL DISTRICT
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2006
Unaudited

Governmental Activities

	Total Cost of Services	Program Revenue	Revenue as a Percent of Total Cost	Net Cost of Service
Instruction	\$48,702,637	\$9,237,860	19.0%	\$39,464,777
Support Services	34,358,299	4,293,765	12.5%	30,064,534
Non-Instructional Services	4,762,392	4,706,764	98.8%	55,628
Extracurricular Activities	1,175,713	0	0.0%	1,175,713
Interest on Long-Term Debt	2,099,345	0	0.0%	2,099,345
Totals	<u>\$91,098,386</u>	<u>\$18,238,389</u>	<u>20.0%</u>	<u>\$72,859,997</u>

Source: Statement of Activities

Cost of Services by Category



Under the full accrual basis of accounting, total instruction costs increased \$6.6 million (or 15.6%) and total support services costs increased \$5.0 million (or 17.0%) during FY 2006. The increases stated under the full accrual basis of accounting are the result, in part, of a restatement of the Capital Assets beginning balance at July 1, 2005. See the Notes to the Basic Financial Statements for further details.

The costs of services increased 12.0% during FY 2006 and program revenue also increased in FY 2006, however, the increase in service costs was greater than the increase in program revenues, resulting in a 8.9% increase in net cost of services.

HAMILTON CITY SCHOOL DISTRICT

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2006 Unaudited

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

Governmental Funds

The District's governmental funds (as presented on the Balance Sheet) reported a combined fund balance of \$3.5 million. The unreserved fund balance can be a useful tool in measuring the District's net resources available for expenditure at the end of the fiscal year. The District has four major governmental funds. Of the \$94,769 of net unreserved fund balance available at fiscal year end, \$2.6 million is in the Permanent Improvement Fund and is associated with the ongoing capital improvement projects for which spending priorities have been established. The remaining net resources are \$1.6 million in the Debt Service Fund and (\$3.5) million in the General Fund and (\$0.8) million in the Special Revenue Fund.

General Fund

Equity in pooled cash and investments stands at \$6.3 million as of the fiscal year ended June 30, 2006 as compared to \$5.8 million as of the fiscal year ended June 30, 2005. Taxes receivable of \$23.3 million represents one year's estimated annual tax receipts due to the fact that the District collects tax revenues one year in arrears. Taxes receivable for FY 2006 represents a \$1.6 million increase (or 7.7%) compared to FY 2005. Taxes receivable are not available to finance current operations.

Accrued wages and benefits quantify the dollar value of wages and benefits earned but not received as of June 30, 2006. This is primarily due to teaching personnel that conclude their contractual obligations in early June but are paid on a 26-pay cycle that does not begin until September. Encumbrances represent orders for goods and services placed on or before June 30, 2006 that were not received and or paid for by June 30, 2006. The General Fund balance (using the modified accrual basis of accounting) for the fiscal year ended June 30, 2006 was (\$2,544,629), a decrease of \$1,147,750 (or 82.2%) compared to the fiscal year ended June 30, 2005.

Debt Service Fund

All bonded debt is required to be retired through the Debt Service Fund. Proceeds from the 4.4-mil bond issued passed in May 1999 are deposited in the Debt Service Fund and payments per the District's amortization schedule are made from the Debt Service Fund, as required. In FY 2006, the District received \$3.9 million of revenue in the Debt Service Fund and expended \$3.8 million, primarily in principal and interest payments on bonded debt.

Permanent Improvement Fund

The Permanent Improvement Fund accounts for interest earnings on bonds issued in May 1999 and the revenue generated from three inside mils. Annual revenue was \$2.4 million in FY 2006 while total expenditures were \$2.8 million. Expenditures in the Permanent Improvement Fund

HAMILTON CITY SCHOOL DISTRICT

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2006 Unaudited

are for items that have a useful life of at least five years. The District anticipates the majority of the remaining fund balance to be used in its current construction projects.

Building Program Fund

The Building Program Fund was created in May 1999 and contained the proceeds of the \$45 million bonded debt issued. The District had expenditures of \$22,621 in the Building Program Fund during FY 2006. As of the fiscal year ending June 30, 2006, the District has approximately \$5,000 remaining from the original \$45 million proceeds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared in accordance to Ohio law and is based on the cash basis of accounting. The most significant budgeted fund is the General Fund. The District's beginning General Fund budgeted expenditures for FY 2006 were \$62.0 million and the final budgeted expenditures for FY 2006 were \$62.5 million. The District's actual General Fund expenditures were \$60.9 million, approximately \$1.6 less than budgeted. The actual expenditures were less than the original budget due to decreased spending on salaries and wages, fringe benefits, purchased services and materials and supplies during FY 2006. The District received revenues of \$65,139 more than the budget anticipated, primarily due to increased grants and entitlements not restricted to specific purposes received during the year.

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

HAMILTON CITY SCHOOL DISTRICT

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2006 Unaudited

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of the fiscal year ended June 30, 2006, the District had \$72.3 million in capital assets, net of depreciation. Acquisitions for governmental activities totaled \$1.9 million, while annual depreciation was \$2.6 million. The majority of the District's acquisitions were the result of the District's continued progress on its facilities master plan. For more detailed information regarding capital assets, please see Note 6 of the notes to the financial statements.

Debt Administration

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

In 1999, the District passed a 4.4-mil bond issue that raised \$45.0 million for additions, renovations, and new construction. During FY 2005, the District issued \$23,215,000 of debt refunding bonds in order to retire an equal amount of principal from the 1999 bond issue. The interest rate on the refunding bonds is lower than the interest on the previously outstanding bonds. As of the fiscal year ended June 30, 2006, the District had \$39,975,000 in outstanding bonds with \$1,425,000 of that amount due in one year. The District's overall legal debt margin is \$39.9 million for the fiscal year ended June 30, 2006.

The projects completed or in process for the fiscal year ended June 30, 2006 includes the following:

- Jefferson Annex Second Floor Renovations Completed.
- Hamilton High School Stadium Visitor-side Bleacher Replacement Completed
- Garfield Stadium Bleachers Demolished and Replaced with Temporary Bleachers

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

HAMILTON CITY SCHOOL DISTRICT

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2006 Unaudited

ECONOMIC FACTORS

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

Other Economic Factors:

- The District is in its 13th year since a new operating levy was passed. While the District administration and the Board of Education are committed to making our financial resources stretch as far as possible, the level of future increases from the State of Ohio will dictate when the District needs the next operating levy.
- The District has experienced a slight yet steady decline in student population for the last ten years, through the fiscal year ended June 30, 2006. Future enrollment estimates have the District maintaining the current enrollment level.
- The primary resources in providing a quality educational program are the people needed to deliver the education.

Contacting the School District's Financial Management

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

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

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**Hamilton City School District
Statement of Net Assets
For the Fiscal Year Ended June 30, 2006**

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$ 14,640,914
Receivables (Net of Allowances for Uncollectibles):	
Taxes	30,180,774
Accounts	47,875
Accrued Interest	88,722
Intergovernmental	2,193,923
Prepayments	658
Materials and Supplies Inventory	27,479
Non-Depreciable Capital Assets	2,257,496
Depreciable Capital Assets (Net)	70,043,034
Total Assets	\$ 119,480,875
Liabilities:	
Accounts Payable	\$ 1,013,802
Contracts Payable	65,189
Accrued Wages and Benefits	12,569,734
Retainage Payable	28,468
Due to Other Governments	581,367
Unearned Revenue	26,518,842
Accrued Interest Payable	174,167
Non-Current Liabilities:	
Due in One Year	1,675,384
Due in More Than One Year	44,333,500
Total Liabilities	\$ 86,960,453
Fund Balances:	
Invested in Capital Assets (Net of Related Debt)	\$ 32,106,740
Restricted For:	
Debt Service	2,135,835
Capital Projects	4,738,020
Other Purposes	1,361,253
Unrestricted	(7,821,423)
Net Assets	\$ 32,520,425

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

Hamilton City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2006

	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$35,005,575	\$ 45,192	\$ 5,128,736	\$ 57,000	\$(29,774,647)
Special	11,281,536	-	3,545,269	-	(7,736,267)
Vocational	1,862,227	4,695	225,330	-	(1,632,202)
Adult/Continuing	231,358	7,490	224,148	-	280
Other	321,941	-	-	-	(321,941)
Support Services:					
Pupils	6,603,613	-	1,447,624	32,324	(5,123,665)
Instructional Staff	6,184,847	-	2,266,072	-	(3,918,775)
Board of Education	681,722	-	-	-	(681,722)
Administration	5,462,835	-	365,666	-	(5,097,169)
Fiscal	1,079,423	-	-	-	(1,079,423)
Business	435,426	-	-	-	(435,426)
Operations and Maintenance	9,705,992	-	63,996	-	(9,641,996)
Pupil Transportation	3,223,447	-	-	-	(3,223,447)
Central	980,994	-	118,083	-	(862,911)
Non-Instructional Services:					
Food Service Operations	3,749,262	1,071,189	2,625,319	-	(52,754)
Community Services	1,013,130	-	1,010,256	-	(2,874)
Extracurricular Activities	1,175,713	-	-	-	(1,175,713)
Interest on Long-Term Debt	2,099,345	-	-	-	(2,099,345)
Total Governmental Activities	\$91,098,386	\$ 1,128,566	\$17,020,499	\$ 89,324	\$(72,859,997)
General Revenues:					
Property Taxes, Levied for General Purposes					19,912,899
Property Taxes, Levied for Debt Services					3,620,713
Property Taxes, Levied for Permanent Improvement					1,953,163
Grants and Entitlements not Restricted to Specific Programs					44,912,583
Investment Earnings					630,500
Miscellaneous					1,313,688
Total General Revenues					72,343,546
Change in Net Assets					(516,451)
Net Assets Beginning of Year (Restated)					33,036,876
Net Assets End of Year					\$ 32,520,425

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

Hamilton City School District
Balance Sheet
Governmental Funds
For the Fiscal Year Ended June 30, 2006

	General	Debt Service	Permanent Improvement	Building Program
Assets:				
Equity in Pooled Cash and Investments	\$ 6,306,567	\$ 1,638,632	\$ 4,031,675	\$ 5,847
Receivables (Net of Allowances for Uncollectibles):				
Taxes	23,335,243	4,268,947	2,576,584	-
Accounts	17,473	-	533	-
Accrued Interest	77,044	-	8,925	-
Intergovernmental	26,932	-	-	-
Interfund Loan Receivable	1,649,734	-	-	-
Due from Other Funds	7,228	-	-	-
Prepayments	658	-	-	-
Materials and Supplies Inventory	-	-	-	-
Total Assets	\$31,420,879	\$ 5,907,579	\$ 6,617,717	\$ 5,847
Liabilities:				
Accounts Payable	\$ 626,036	\$ -	\$ 62,674	\$ -
Contracts Payable	-	-	65,189	-
Accrued Wages and Benefits	10,192,115	-	26,453	-
Retainage Payable	-	-	-	28,468
Interfund Loans Payable	-	-	-	-
Intergovernmental Payable	386,603	-	-	-
Due to Other Funds	5,540	-	-	-
Unearned Revenue	22,755,214	4,144,702	2,487,837	-
Total Liabilities	\$33,965,508	\$ 4,144,702	\$ 2,642,153	\$ 28,468
Fund Balances:				
Reserved for:				
Encumbrances	\$ 297,315	\$ -	\$ 1,164,872	\$ -
Inventory	-	-	-	-
Prepayments	658	-	-	-
Property Taxes Available for Advance	626,565	124,245	231,286	-
Unreserved, Reported In:				
General Fund	(3,469,167)	-	-	-
Debt Service Fund	-	1,638,632	-	-
Special Revenue Fund	-	-	-	-
Capital Projects Fund	-	-	2,579,406	(22,621)
Total Fund Balances	\$ (2,544,629)	\$ 1,762,877	\$ 3,975,564	\$ (22,621)
Total Liabilities and Fund Balances	\$31,420,879	\$ 5,907,579	\$ 6,617,717	\$ 5,847

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

(Continued)

Hamilton City School District
Balance Sheet
Governmental Funds
For the Fiscal Year Ended June 30, 2006

	Other Governmental Funds	Total Governmental Funds
Assets:		
Equity in Pooled Cash and Investments	\$ 2,658,193	\$ 14,640,914
Receivables (Net of Allowances for Uncollectibles):		
Taxes		30,180,774
Accounts	28,977	46,983
Accrued Interest	2,753	88,722
Intergovernmental	2,166,991	2,193,923
Interfund Loan Receivable	-	1,649,734
Due from Other Funds	-	7,228
Prepayments	-	658
Materials and Supplies Inventory	27,479	27,479
Total Assets	\$ 4,884,393	\$ 48,836,415
Liabilities:		
Accounts Payable	\$ 325,092	\$ 1,013,802
Contracts Payable	-	65,189
Accrued Wages and Benefits	2,351,166	12,569,734
Retainage Payable	-	28,468
Interfund Loans Payable	1,648,842	1,648,842
Intergovernmental Payable	194,764	581,367
Due to Other Funds	1,688	7,228
Unearned Revenue	-	29,387,753
Total Liabilities	\$ 4,521,552	\$ 45,302,383
Fund Balances:		
Reserved for:		
Encumbrances	\$ 966,843	\$ 2,429,030
Inventory	27,479	27,479
Prepayments	-	658
Property Taxes Available for Advance	-	982,096
Unreserved, Reported In:		
General Fund	-	(3,469,167)
Debt Service Fund	-	1,638,632
Special Revenue Fund	(837,788)	(837,788)
Capital Projects Fund	206,307	2,763,092
Total Fund Balances	\$ 362,841	\$ 3,534,032
Total Liabilities and Fund Balances	\$ 4,884,393	\$ 48,836,415

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

**Hamilton City School District
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 For the Fiscal Year Ended June 30, 2006**

Total Governmental Fund Balances 3,534,032

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	1,997,121	
Land Improvements	1,015,494	
Buildings and Building Improvements	72,794,925	
Furniture Fixtures and Equipment	13,757,477	
Vehicles	3,767,812	
Construction in Progress	260,375	
Accumulated Depreciation	<u>(21,292,674)</u>	
		72,300,530

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds. 2,868,914

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

General Obligation Notes Payable	(39,975,000)	
Capital Lease Payable	(218,790)	
Compensated Absences	(5,815,094)	
Accrued Interest Payable	<u>(174,167)</u>	
		<u>(46,183,051)</u>

Net Assets of Governmental Activities 32,520,425

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Hamilton City School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2006

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Building Program</u>
Revenues:				
Taxes	\$ 19,279,098	\$ 3,461,615	\$ 2,015,750	\$ -
Tuition	544,036	-	-	-
Charges for Services	144,617	-	-	-
Earnings on Investments	548,776	-	56,151	-
Intergovernmental	43,471,625	414,472	287,210	-
Other Local Revenues	182,744	-	3,777	-
Total Revenues	<u>64,170,896</u>	<u>3,876,087</u>	<u>2,362,888</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	26,326,379	-	596,854	-
Special	7,734,630	-	7,641	-
Vocational	1,788,414	-	12,895	-
Adult/Continuing	-	-	-	-
Other	317,317	-	-	-
Support Services:				
Pupils	4,859,127	-	43,582	-
Instructional Staff	3,696,456	-	149,289	-
Board of Education	755,477	-	551	-
Administration	4,982,616	-	18,051	-
Fiscal	955,631	62,630	44,484	-
Business	424,948	-	10,545	-
Operations and Maintenance	8,570,498	-	865,893	-
Pupil Transportation	2,988,009	-	245,178	-
Central	801,807	-	598	-
Non-Instructional Services:				
Food Service Operations	10	-	9,759	-
Community Services	7,090	-	-	-
Extracurricular Activities	811,716	-	35,980	-
Capital Outlay	-	-	710,464	22,621
Debt Service:				
Principal Retirement	103,858	1,650,000	-	-
Interest and Fiscal Charges	-	2,119,028	-	-
Total Expenditures	<u>65,123,983</u>	<u>3,831,658</u>	<u>2,751,764</u>	<u>22,621</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(953,087)</u>	<u>44,429</u>	<u>(388,876)</u>	<u>(22,621)</u>
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Proceeds from Sale of Capital Assets	5,338	-	18,000	-
Transfers Out	(200,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(194,662)</u>	<u>-</u>	<u>18,000</u>	<u>-</u>
Change in Fund Balance	(1,147,749)	44,429	(370,876)	(22,621)
Fund Balance: July 1, 2005	(1,396,880)	1,718,448	4,346,440	-
Fund Balance: June 30, 2006	<u>\$ (2,544,629)</u>	<u>\$ 1,762,877</u>	<u>\$ 3,975,564</u>	<u>\$ (22,621)</u>

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

Hamilton City School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2006

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ -	\$ 24,756,463
Tuition	118,054	662,090
Charges for Services	1,076,334	1,220,951
Earnings on Investments	25,573	630,500
Intergovernmental	17,239,241	61,412,548
Other Local Revenues	1,065,391	1,251,912
Total Revenues	19,524,593	89,934,464
Expenditures:		
Current:		
Instruction:		
Regular	6,551,990	33,475,223
Special	3,378,233	11,120,504
Vocational	416,312	2,217,621
Adult/Continuing	232,263	232,263
Other	-	317,317
Support Services:		
Pupils	1,606,165	6,508,874
Instructional Staff	2,161,299	6,007,044
Board of Education	-	756,028
Administration	374,633	5,375,300
Fiscal	-	1,062,745
Business	-	435,493
Operations and Maintenance	77,280	9,513,671
Pupil Transportation	-	3,233,187
Central	158,881	961,286
Non-Instructional Services:		
Food Service Operations	3,759,830	3,769,599
Community Services	983,430	990,520
Extracurricular Activities	298,925	1,146,621
Capital Outlay	17,107	750,192
Debt Service:		
Principal Retirement	1,162	1,755,020
Interest and Fiscal Charges	-	2,119,028
Total Expenditures	20,017,510	91,747,536
Excess (Deficiency) of Revenues Over (Under) Expenditures	(492,917)	(1,813,072)
Other Financing Sources (Uses):		
Transfers In	326,186	326,186
Proceeds from Sale of Capital Assets	-	23,338
Transfers Out	(126,186)	(326,186)
Total Other Financing Sources (Uses)	200,000	23,338
Change in Fund Balance	(292,917)	(1,789,734)
Fund Balance: July 1, 2005	655,758	5,323,766
Fund Balance: June 30, 2006	\$ 362,841	\$ 3,534,032

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

**Hamilton City School District
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2006**

Net Change in Fund Balance – Total Governmental Funds (1,789,734)

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

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

Capital Outlay	1,932,524
Depreciation Expense	(2,584,337)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,755,020

In the Statement of Activities, interest is accrued on outstanding debt, however, in governmental funds, an interest expenditure is reported when due. 15,057

Because some property taxes will not be collected for several months after the district's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased by this amount this year. 730,315

Some expenses reported in the Statement of Activities, such as compensated absences and pension obligation do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (188,624)

In the Statement of Activities, only the loss on the sale of capital assets is reported. (386,672)

Change in Net Assets of Governmental Activities (516,451)

Hamilton City School District
Statement of Net Assets
All Fiduciary Fund Types
For the Fiscal Year Ended June 30, 2006

	<u>Private Purpose Trusts</u>	<u>Agency Funds</u>
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 81,543	\$ 61,913
Cash and Cash Equivalents with Fiscal Agents	500	-
Accrued Interest Receivable	265	251
Accounts Receivable	4,000	-
Total Assets	<u>86,308</u>	<u>62,164</u>
Liabilities:		
Accounts Payable	6,295	10,059
Accrued Wages and Benefits	-	45
Intergovernmental Payable	-	19
Due to Students	-	52,041
Total Liabilities	<u>6,295</u>	<u>62,164</u>
Net Assets:		
Held in Trust	<u>\$ 80,013</u>	<u>\$ -</u>

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

Hamilton City School District
Statement of Changes in Net Assets
All Fiduciary Fund Types
For the Fiscal Year Ended June 30, 2006

	<u>Private Purpose Trusts</u>
Additions:	
Gifts and Contributions	\$ 31,197
Interest	2,507
Miscellaneous	5,346
Total Additions	<u>39,050</u>
Deductions:	
Payments in Accordance with Trust Agreements	<u>25,670</u>
Total Deductions	<u>25,670</u>
Changes in Net Assets	13,380
Net Assets, Beginning of the Year	<u>66,633</u>
Net Assets, End of the Year	<u>\$ 80,013</u>

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

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

1. Description of the District

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

The District operates under a locally elected five-member Board (the Board) form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the District's instructional and support facilities staffed by 821 non-certificated personnel and 507 certificated personnel to provide services to students and other community members.

As of June 30, 2006, the District was the 20th largest in the state of Ohio (among 612 districts) in terms of enrollment and the third largest school district in Butler County. It currently operates 14 elementary schools, 3 junior high schools (grades 7-9), and a comprehensive high school (grades 10-12).

2. Summary of Significant Accounting Policies

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

A. The Reporting Entity

A financial reporting entity consists of a primary government and its component units. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

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

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

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

2. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting

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

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

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

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and any related cost for the payment of interest on general obligation notes payable, as required by the laws of Ohio.

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

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

Fiduciary Funds report on net assets and changes in net assets. The District's fiduciary funds consist of a private-purpose trust fund and agency funds. The District's private-purpose trust fund accounts for scholarship programs for students. These assets are not available for the District's use. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Student Activity agency fund is used to account for the resources that belong to the various student groups in the District. The fund accounts for sales and other revenue generating activities by student activity programs. Fiduciary funds are not included in the government-wide financial statements.

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

2. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation

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

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

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

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

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

D. Basis of Accounting

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

The modified accrual basis of accounting is used by the governmental funds. On a modified accrual basis, revenues are recorded when they become both measurable and available.

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

2. Summary of Significant Accounting Policies (Continued)

“Measurable” means the amount of the transaction can be determined; “available” means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the District is sixty days after fiscal year end. Under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, interest, tuition, student fees, and grants.

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

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

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

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

Unearned Revenue – Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes measurable as of June 30, 2006, which are intended to finance fiscal year 2007 operations, have been recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as unearned revenue.

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

2. Summary of Significant Accounting Policies (Continued)

E. Cash and Investments

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

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

The Governmental Accounting Standards Board Statement No. 31 (GASB 31), "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," requires that investments, with certain exceptions, be recorded at their fair value and that changes in the fair value are reported in the operating statements. The District recorded investments held at June 30, 2006 at fair value.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue earned in fiscal year 2006 totaled \$630,500 for all funds.

F. Inventory

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

G. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements but are not reported in the governmental fund financial statements. The District defines capital assets as those with an individual cost of more than \$1,000 and an estimated useful life in excess of one year. All capital assets are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at estimated fair values as of the date received. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

2. Summary of Significant Accounting Policies (Continued)

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

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

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

H. Interfund Balances

On fund financials, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable." These amounts are eliminated in the governmental activities column of the statement of net assets. Interfund services provided and used are not eliminated in the process of consolidation.

On fund financial statements, receivables and payables arising between funds for goods provided or services rendered are classified as "due from other funds" or "due to other funds".

I. Compensated Absences

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

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

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

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

2. Summary of Significant Accounting Policies (Continued)

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

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

L. Net Assets

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

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

M. Estimates

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

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

3. Fund Balance Deficits

Fund balances at June 30, 2006 included the following individual fund deficits (includes accrual entries).

General Fund:	\$(2,544,629)	Building Program Fund:	(22,621)
Special Revenues Funds:			
Ohio Reads Volunteer Grant	(2,930)	Title VI-B Preschool	(5,234)
Summer School Grant	(147,983)	Improving Teacher Quality	(31,101)
Alternative Schools	(13,451)	Miscellaneous Federal Grants	(7,998)
Poverty Based Assistance	(395,012)	Food Service	(158,317)
Uniform School Supplies	(8,286)	Carl D. Perkins	(3,351)
DPIA	(25,775)		

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

4. Deposits and Investments

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

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

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

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

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

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

4. Deposits and Investments (Continued)

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

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

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

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

4. Deposits and Investments (Continued)

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 40, "Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3".

Deposits

At fiscal year end, the bank balance of the District's deposits was \$1,836,237. Of the bank balance:

1. \$171,570 was covered by federal depository insurance; and
2. \$1,664,667 was covered by collateral held by the pledging institution's trust department pursuant to Ohio Revised Code, Section 135.181. The Uniform Depository Act (Section 135.181) authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance. The deposits not covered by federal depository insurance are considered uninsured and uncollateralized under the provisions of GASB Statement No. 40.

Investments

At June 30, 2006, the Board's investment balances were as follows:

Table 1: Summary of Investment Categories

Description	Credit Rating	Maturity	Investment Concentration	Fair Value
Fifth Third Government Money Market	N/A	N/A	0.3%	\$42,506
Federal Home Loan Mortgage Corporation	AAA	October 6, 2006	7.5%	991,780
Federal National Mortgage Association	AAA	January 12, 2007	11.3%	1,493,505
Federal Home Loan Mortgage Notes	AAA	January 22, 2007	7.6%	995,350
Federal Home Loan Mortgage Corporation	AAA	March 29, 2007	7.4%	977,450
Federal Home Loan Banks Bonds Callable	AAA	November 9, 2007	7.5%	993,440
STAR Ohio	AAA	N/A	58.4%	<u>7,692,714</u>
Totals				<u>\$13,186,745</u>

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

4. Deposits and Investments (Continued)

Credit Risk: Standard and Poor's rated The Board's investments AAA. The Fifth Third Investment account is a checking account that pays interest monthly and is protected by pooled collateral. The Board has no policy on credit risk.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a failure of a counter party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments in FHLMC, FNMA, and FHLB securities totaling \$5,451,525 are subject to custodial credit risk because the securities are uninsured, unregistered, and held by the District's brokerage firm.

Interest Rate Risk: The Board of Education's formal investment policy states that "Investments held by the Treasurer must mature within five (5) years, unless they are matched to a specific obligation or debt of the District." This policy is intended to mitigate interest rate risk. STAR Ohio maturity dates are varied and short and are not subject to interest rate risk.

Concentration of Credit Risk: The Board places a twenty-five percent "(25%) limit on the concentration of interim funds invested in commercial paper notes or bankers acceptances provided the Treasurer has completed additional training. At June 30, 2006, the Treasurer did not hold either type of investment. The concentration percentages are shown in Table 1, which illustrates that more than five percent (5%) of the Board's investments are held with each issuer.

5. Property Taxes

Property taxes include amounts levied against real, public utility, and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 2005 were based are as follows.

Real Estate	\$871,846,570
Public Utility Personal	12,342,410
Tangible Personal	<u>67,854,496</u>
Total Assessed Value	<u>\$952,043,476</u>

In 2006, real property taxes were levied in January on the assessed values as of January 1, 2005, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent revaluation was completed in January 2002.

Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 25% of true value (as defined). In 2006, each business was eligible to receive a \$10,000 exemption in assessed value, which is reimbursed by the State. However, in 2004, the State began reducing the reimbursement by 10% until the reimbursement has been eliminated.

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

5. Property Taxes (Continued)

Real property taxes are payable annually or semi-annually. In 2006, if paid annually, payment was due by February 13th. If paid semiannually, the first payment (at least ½ of amount billed) was due February 13th with the remainder due August 4th.

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

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

6. Capital Assets

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

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

6. Capital Assets (Continued)

Table 2: Schedule of Capital Assets

	<i>(Restated)</i> Balance 7/1/05	Additions	Disposals	Transfer In / (Out)	Balance 6/30/06
<i>Non-Depreciable Capital Assets:</i>					
Land	\$1,224,003	\$100,000	-	\$673,118	\$1,997,121
Construction in Progress	19,570,123	144,575	(345,050)	(19,109,273)	260,375
Subtotal	<u>20,794,126</u>	<u>244,575</u>	<u>(345,050)</u>	<u>(18,436,155)</u>	<u>2,257,496</u>
<i>Depreciable Capital Assets:</i>					
Land Improvements	966,821	9,929	-	38,744	1,015,494
Building and Improvements	53,514,040	1,020,179	-	18,260,706	72,794,925
Furniture/ Fixtures/ Equipment	13,734,912	325,913	(440,053)	136,705	13,757,477
Vehicles	3,717,799	331,928	(281,915)	-	3,767,812
Subtotal	<u>71,933,572</u>	<u>1,687,949</u>	<u>(721,968)</u>	<u>18,436,155</u>	<u>91,335,708</u>
Total Capital Assets, Gross	<u>92,727,698</u>	<u>1,932,524</u>	<u>(1,067,018)</u>	<u>-</u>	<u>93,593,204</u>
<i>Less Accumulated Depreciation:</i>					
Land Improvements	328,763	34,137	-	-	362,900
Building and Improvements	9,385,881	1,399,629	(30,210)	-	10,755,300
Furniture/ Fixtures/ Equipment	7,667,643	927,842	(441,947)	-	8,153,538
Vehicles	2,029,734	222,729	(231,527)	-	2,020,936
Total Accumulated Depreciation	<u>19,412,021</u>	<u>2,584,337</u>	<u>(703,684)</u>	<u>-</u>	<u>21,292,674</u>
Total Capital Assets, Net	<u>73,315,677</u>	<u>(651,813)</u>	<u>(363,334)</u>	<u>-</u>	<u>72,300,530</u>

Depreciation expense was charged to functions as follows.

Instruction:	
Regular	\$1,137,556
Special	173,529
Vocational	200,389
Adult/Continuing	2,065
Support Services:	
Pupils	150,729
Instructional Staff	220,298
Board of Education	2,631
Administration	87,402
Fiscal Services	8,047
Business	9,758
Operation & Maintenance	194,183
Pupil Transportation	177,536
Central	19,570
Food Services	71,227
Community Services	30,029
Extra-Curricular Activities	99,388
Total Depreciation Expense	<u>2,584,337</u>

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

7. Long-Term Obligations

A. General Long-Term Bonds

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

Table 3: Summary of District's Bond Issuance

Purpose	Interest Rate	Issuance Date	Delivery Date	Final Maturity Date	Issuance Amount
School Improvement	5.51%	6/1/99	6/22/99	12/1/24	\$4,500,000
School Improvement	5.61%	9/1/99	9/28/99	12/1/24	\$44,500,000
Debt Refunding Bonds	4.74%	3/29/05	6/1/05	12/1/24	\$23,215,000

A summary of the District's bond activity for FY 2006 is contained in Table 4.

Table 4: Summary of District's FY 2006 Bond Activity

Purpose	Balance 7/1/05	FY 2006 Additions	FY 2006 Reductions	Balance 6/30/06
School Improvement	\$500,000	\$0	\$100,000	\$400,000
School Improvement	17,910,000	0	1,060,000	16,850,000
Refunding Bonds	23,215,000	0	490,000	22,725,000
Totals	\$41,625,000	\$0	\$1,650,000	\$39,975,000

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

Table 5: Schedule of Future Debt Obligations Related to Bonds

Fiscal Year Ending June 30	Principal Due	Interest Due	Total FY Payments
FY 2007	1,425,000	2,048,483	3,473,483
FY 2008	1,490,000	1,980,486	3,470,486
FY 2009	1,595,000	1,907,401	3,502,401
FY 2010	1,630,000	1,829,370	3,459,370
FY 2011	1,655,000	1,741,720	3,396,720
FY 2012 to FY 2016	9,625,000	7,120,448	16,745,448
FY 2017 to FY 2021	10,305,000	6,661,928	16,966,928
FY 2022 to FY 2025	12,250,000	1,264,250	13,514,250
Totals	39,975,000	24,554,086	64,529,086

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

7. Long-Term Obligations (Continued)

Table 6: Schedule of Future Debt Obligations Related to Capital Leases

Fiscal Year Ending June 30	Principal Due	Interest Due	Total FY Payments
FY 2007	105,020	\$0	\$105,020
FY 2008	105,020	0	105,020
FY 2009	8,750	0	8,750
Totals	218,790	0	218,790

B. Refunding Bonds

In March 2005, the District issued a \$23,215,000 General Obligation bond for the purpose of refunding \$3,500,000 of May 1999 School Improvement Serial Bonds and \$19,715,000 of May 1999 School Improvement Term Bonds. The bonds were issued for a twenty-year period, with final maturity in December 2024. The refunding resulted in no difference between the net carrying amount of the debt and the acquisition price.

C. Capital Leases

During FY 2004, the District entered into a lease agreement for the acquisition of Canon copiers. The terms of each agreement provide options to purchase the equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one that transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Therefore, these lease agreements have been recorded at the present value of the future minimum lease payments as of the date of inception. During FY 2006, the District made payments of \$105,020 under the Canon copier capital lease. The entire amount paid is attributable to principal payments as the Canon copier capital lease is interest free. The total original Canon copier capital lease was for \$496,018 in services. In FY 2005, the District added an additional copier to the lease increasing the total amount to \$516,944. Payments of principal relating to all District copier leases are recorded primarily as expenditures in the General Fund.

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

7. Long-Term Obligations (Continued)

D. Changes in Long-Term Debt Obligations (Continued)

During FY 2006, the changes presented in Table 7 occurred in relation to the District's long-term debt obligations. As stated previously, the District's long-term debt obligations are presented in the government-wide financial statements in the Statement of Net Assets. Compensated Absences are generally paid from the General Fund.

Table 7: Changes in Long-Term Debt Obligations

	Principal Balance 7/1/05	Additions	Reductions	Principal Balance 6/30/06	Amounts Due in One Year
Governmental Activities:					
General Obligation Bonds	\$41,625,000	\$0	\$1,650,000	\$39,975,000	\$1,425,000
Copier Capital Lease	323,810	0	105,020	218,790	105,020
Compensated Absences	5,499,489	486,605	171,000	5,815,094	145,364
Totals	\$47,448,299	\$486,605	\$1,926,020	\$46,008,884	\$1,675,384

8. Defined Benefit Pension Plans

A. School Employees Retirement System:

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

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute an actuarially determined rate, which is currently 14 percent of approved payroll. The contribution rates are established by SERS' Retirement Board within the rates allowed by State statute. The adequacy of the contribution rate is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2006, 2005, and 2004 were \$2,544,856; \$1,786,727; and \$1,552,765, respectively; 61.3 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. The District's current portion of the contribution for fiscal year 2006 is recorded as a liability within the respective funds.

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

8. Defined Benefit Pension Plans (Continued)

B. State Teachers Retirement System

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

be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4098.

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

In the Combined Plan, the members invest member contributions, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan.

DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Chapter 3307 of the Ohio Revised Code establishes benefits.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the years ended June 30, 2006, 2005, and 2004, were \$5,874,330; \$5,520,225; and \$5,312,451, respectively; 82.62 percent has been contributed for fiscal year 2006 and 100 percent has been contributed for fiscal years 2005 and 2004. The unpaid contribution for fiscal year 2006 is recorded as a liability within the respective funds.

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

8. Defined Benefit Pension Plans (Continued)

C. Social Security System

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

Ohio law permits Board of Education members to be compensated up to \$80 per meeting. As of June 30, 2006, members of the Hamilton City School District Board of Education have chosen to serve without compensation.

D. Other Information

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physician fees, prescription drugs, and reimbursements of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by STRS and SERS based on authority granted by State statute. Both STRS and SERS are on a pay-as-you-go basis. For STRS, all benefit recipients are required to pay a portion of health care costs in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. For the District, the amount to fund health care benefits equaled \$419,595 during FY 2006. The balance in the fund was \$3.3 billion at June 30, 2005. For the year ended June 30, 2005, net health care costs paid by STRS were \$254.8 million and STRS had 115,395 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than 25 years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium. For this fiscal year, employer contributions to fund health care benefits were 3.43 percent of covered payroll.

An additional health care surcharge on employers is collected by SERS for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than two percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2005, the minimum pay was established at \$27,400.

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

8. Defined Benefit Pension Plans (Continued)

The surcharge rate added to the unallocated portion of the 14 percent employer contribution rates provides for maintenance of the asset target level for the health care fund. Expenses for health care for the year ended June 30, 2005 were \$178.2 million. SERS has approximately 62,000 participants currently receiving health care benefits. For the District, the amount to fund health care benefits equaled \$623,490 during FY 2006. The balance available for benefits was approximately \$276.5 million.

9. Other Employee Benefits

A. Compensated Absences

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

B. Insurance Benefits

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

10. Interfund Receivables / Payables

On the fund financial statements, the General Fund has a receivable of \$7,228 that consists of amounts due from other funds. Conversely, the General Fund and the Other Governmental Funds has a payable of \$7,228 that consists of amounts due to other funds. In addition, the General Fund has an interfund loan receivable of \$1,648,842. These interfund loans were made to provide operating capital. The interfund loan receivable will be repaid by the funds included in the Other Governmental Funds group. The District anticipates that all interfund loans will be repaid to the General Fund by the June 30, 2007.

During the year-ended June 30, 2006, the General Fund made transfers of \$200,000 to non-major governmental funds as well as transfers of \$126,186 between non-major governmental funds. Transfers are used to (1) move revenues from the fund that statute or budget requires collect them to the fund that statute or budget requires expend them or (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

11. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2006, commercial insurance carriers provided insurance coverage for property, liability, and vehicles. Settlements have not exceeded insurance coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage from the previous year.

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

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

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

The Employee Benefits Fund receives a significant portion of the insurance premium from the District. This portion of the premium is paid by the fund that pays the salary for the employee. The remainder of the premium is the employee's responsibility, with the amount varying by coverage and bargaining unit.

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

12. Jointly Governed Organizations

Southwestern Ohio Computer Association (SWOCA) is a jointly governed organization among a three county consortium of school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools support SWOCA based upon a per pupil charge dependent upon the software package used. SWOCA is governed by a Board of Directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating school district is limited to its representation on the Board of Directors. The Board of Directors consists of one representative from each of the participating 29 school districts. During FY 2006, the District paid \$169,991 to SWOCA for services.

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

13. Contingent Liabilities

A. Grants

The District receives significant financial assistance from numbers federal, state, and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2006.

B. Litigation

The District was party to legal proceedings as of June 30, 2006. The District is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition of the District.

14. Statutory Reserves

The District is required, by state law, to set aside certain General Fund revenue amounts, as defined, into various reserves. During the fiscal year ending June 30, 2006, the reserve activity (cash-basis) was as follows.

Table 10: Statutory Reserves Summary

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Totals</u>
Set-aside Cash Balance as of June 30, 2005	\$0	\$0	\$0
Current Year Set-aside Requirement	1,423,422	1,423,422	2,846,844
Current Year Offsets	0	0	0
Qualifying Disbursements	<u>1,423,422</u>	<u>1,423,422</u>	<u>2,846,844</u>
Set Aside Cash Balance as of June 30, 2006			0
Amount Restricted for Bus Purchases			<u>0</u>
Total Restricted Assets			<u>\$0</u>

HAMILTON CITY SCHOOL DISTRICT

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2006

14. Statutory Resources (Continued)

Expenditures for textbooks and instructional materials during the fiscal year totaled \$1,834,793, which exceeded the amount required for the set-aside.

Expenditures for the capital acquisition activity during the fiscal year totaled \$1,764,287, which exceeded the amount required for the set-aside.

15. Prior Period Adjustments

Prior Period Corrections

Due to an error in recording Construction in Progress transfers, total Capital Assets were overstated in the prior period by \$6,758,428. The FY 2005 ending balance (which is also the FY 2006 beginning balance) of Capital Assets has been restated from \$99,4865,126 to \$92,727,698 to reflect the correct balances.

Required Supplementary Information

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 18,585,046	\$ 19,540,655	\$ 19,379,055	\$ (161,600)
Tuition and Fees	563,472	567,408	601,103	33,695
Charges for Services	134,125	141,681	144,617	2,936
Earnings on Investments	309,257	564,902	565,016	114
Other Local Revenues:				
Rental of Property	42,369	42,369	52,241	9,872
Miscellaneous Revenue	46,828	46,828	95,739	48,911
Total Other Local Revenues	89,197	89,197	147,980	58,783
Intergovernmental	41,500,409	42,300,409	42,431,620	131,211
Total Revenues	61,181,506	63,204,252	63,269,391	65,139
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	19,211,806	19,561,806	19,080,140	481,666
Fringe Benefits	9,153,369	9,153,369	6,167,942	2,985,427
Purchased Services	174,087	173,644	339,984	(166,340)
Materials and Supplies	605,474	657,874	574,245	83,629
Equipment Purchased	27,378	276,575	(1,723)	278,298
Other Expenditures	10,291	10,291	7,329	2,962
Total Regular Instruction	29,182,405	29,833,559	26,167,917	3,665,642
Special:				
Salaries and Wages	4,821,408	4,821,408	5,103,227	(281,819)
Fringe Benefits	515,871	515,871	602,029	(86,158)
Purchased Services	18,404	19,904	21,928	(2,024)
Materials and Supplies	26,383	34,256	31,584	2,672
Equipment Purchased	7,691	9,691	2,017	7,674
Total Special Instruction	5,389,757	5,401,130	5,760,785	(359,655)
Vocational:				
Salaries and Wages	1,064,060	1,064,060	1,044,585	19,475
Fringe Benefits	103,653	103,653	159,780	(56,127)
Purchased Services	64,619	66,019	93,511	(27,492)
Materials and Supplies	225,756	226,330	290,985	(64,655)
Equipment Purchased	356,589	356,589	336,085	20,504
Other Expenditures	12,403	12,403	9,063	3,340
Total Vocational Instruction	1,827,080	1,829,054	1,934,009	(104,955)
Other:				
Purchased Services	957,751	957,751	1,413,447	(455,696)
Total Other Instruction	957,751	957,751	1,413,447	(455,696)

(continued)

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund
 For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Support Services:				
Pupil:				
Salaries and Wages	3,512,065	3,512,065	3,364,944	147,121
Fringe Benefits	340,135	340,135	504,290	(164,155)
Purchased Services	55,085	57,285	68,698	(11,413)
Materials and Supplies	421,027	430,244	317,586	112,658
Equipment Purchased	11,635	10,135	26,858	(16,723)
Other Expenditures	1,015	1,115	935	180
Total Pupil	4,340,962	4,350,979	4,283,311	67,668
Instructional Staff:				
Salaries and Wages	1,927,039	1,927,039	2,029,129	(102,090)
Fringe Benefits	380,192	385,817	491,111	(105,294)
Purchased Services	312,278	145,228	118,956	26,272
Materials and Supplies	142,415	179,949	136,717	43,232
Equipment Purchased	359,723	62,723	42,394	20,329
Other Expenditures	8,875	11,876	13,417	(1,541)
Total Instructional Staff	3,130,522	2,712,632	2,831,724	(119,092)
Board of Education:				
Purchased Services	140,875	142,175	141,476	699
Materials and Supplies	125	125	255	(130)
Other Expenditures	124,110	310,992	297,213	13,779
Total Board of Education	265,110	453,292	438,944	14,348
Administration:				
Salaries and Wages	3,324,262	3,324,262	3,531,728	(207,466)
Fringe Benefits	467,875	468,040	669,420	(201,380)
Purchased Services	33,600	13,530	22,093	(8,563)
Materials and Supplies	29,162	63,211	76,772	(13,561)
Equipment Purchased	12,661	17,761	2,664	15,097
Other Expenditures	2,549	2,549	13,550	(11,001)
Total Administration	3,870,109	3,889,353	4,316,227	(426,874)
Fiscal:				
Salaries and Wages	452,134	452,134	433,088	19,046
Fringe Benefits	62,300	62,300	90,115	(27,815)
Purchased Services	4,746	9,291	14,621	(5,330)
Materials and Supplies	21,229	27,229	27,684	(455)
Equipment Purchased	7,320	7,320	255	7,065
Other Expenditures	418,595	363,295	369,414	(6,119)
Total Fiscal	966,324	921,569	935,177	(13,608)

(continued)

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 General Fund
 For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Business:				
Salaries and Wages	300,969	300,969	300,428	541
Fringe Benefits	46,292	47,042	51,409	(4,367)
Purchased Services	207,771	193,921	119,968	73,953
Materials and Supplies	4,676	(6,824)	(25,511)	18,687
Equipment Purchased	13,185	3,005	-	3,005
Other Expenditures	125	125	110	15
Total Business	573,018	538,238	446,404	91,834
Operations and Maintenance:				
Salaries and Wages	3,417,212	3,417,212	3,452,332	(35,120)
Fringe Benefits	348,940	348,940	576,473	(227,533)
Purchased Services	3,447,515	3,554,043	3,753,030	(198,987)
Materials and Supplies	407,631	398,193	441,871	(43,678)
Equipment Purchased	64,205	93,299	5,794	87,505
Other Expenditures	285	631	624	7
Total Operations and Maintenance	7,685,788	7,812,318	8,230,124	(417,806)
Pupil Transportation:				
Salaries and Wages	1,447,201	1,447,201	1,668,773	(221,572)
Fringe Benefits	164,011	164,011	271,417	(107,406)
Purchased Services	356,561	296,561	265,074	31,487
Materials and Supplies	199,495	224,495	295,617	(71,122)
Equipment Purchased	7,200	7,200	-	7,200
Total Transportation	2,174,468	2,139,468	2,500,881	(361,413)
Central:				
Salaries and Wages	99,893	99,893	103,113	(3,220)
Fringe Benefits	15,338	15,338	36,840	(21,502)
Purchased Services	284,690	284,690	273,006	11,684
Materials and Supplies	11,650	20,976	61,601	(40,625)
Equipment Purchased	1,000	1,000	0	1,000
Other Expenditures	340,581	340,581	322,236	18,345
Total Central	753,152	762,478	796,796	(34,318)
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	-	-	8,664	(8,664)
Fringe Benefits	-	-	1,406	(1,406)
Total Community Services	-	-	10,070	(10,070)
Other Expenditures:				
Other Expenditures	-	-	461	(461)
Total Other Expenditures	-	-	461	(461)

(continued)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Extracurricular Activities:				
Salaries and Wages	641,802	641,802	626,960	14,842
Fringe Benefits	72,593	72,593	102,379	(29,786)
Other Expenditures			4,300	(4,300)
Total Extracurricular Activities	<u>714,395</u>	<u>714,395</u>	<u>733,639</u>	<u>(19,244)</u>
Capital Outlay:				
Salaries and Wages	84,133	84,133	83,598	535
Fringe Benefits	12,258	12,258	18,228	(5,970)
Purchased Services	43,265	48,265	14,927	33,338
Materials and Supplies	700	1,320	150	1,170
Building Acquisition/Construction	1,200	1,200	-	1,200
Improvements/Renovations	52,528	52,528	63,529	(11,001)
Other Expenditures	800	800	-	800
Total Capital Outlay	<u>194,884</u>	<u>200,504</u>	<u>180,432</u>	<u>20,072</u>
Total Expenditures	<u>62,025,725</u>	<u>62,516,720</u>	<u>60,980,348</u>	<u>1,536,372</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(844,219)</u>	<u>687,532</u>	<u>2,289,043</u>	<u>1,601,511</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	-	-	12,365	12,365
Operating Transfers In (Out)	(139,200)	(139,200)	(150,000)	(10,800)
Advances In	-	1,532,995	1,532,995	-
Advances Out	(50,000)	(2,384,060)	(2,384,060)	-
Refund of Prior Year Expenditures	-	-	9,978	9,978
Refund of Prior Year Receipts	-	-	-	-
Miscellaneous Financing Sources (Uses)	(82,250)	(88,250)	-	88,250
Total Other Financing Sources (Uses)	<u>(271,450)</u>	<u>(1,078,515)</u>	<u>(978,722)</u>	<u>99,793</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,115,669)</u>	<u>(390,983)</u>	<u>1,310,321</u>	<u>1,701,304</u>
Fund Balance July 1, 2005	5,056,821	5,056,821	5,056,821	-
Prior Year Encumbrances Appropriated	<u>771,755</u>	<u>771,755</u>	<u>771,755</u>	-
Fund Balances June 30, 2006	<u>\$ 4,712,907</u>	<u>\$ 5,437,593</u>	<u>\$ 7,138,897</u>	<u>\$ 1,701,304</u>

**Hamilton City School District
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2006**

Note A Budgetary Basis of Accounting

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

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

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

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

	<u>General Fund</u>
Change in Fund Balance (GAAP Basis)	\$(1,147,749)
Increase / (Decrease):	
Due to Revenues	(1,941,428)
Due to Expenditures	4,107,053
Due to Other Sources (Uses)	<u>(795,440)</u>
Change in Fund Balance (Budgetary Basis)	<u>\$1,310,321</u>

Supplemental Section:
Combining Statements and
Individual Fund Schedules

Other Major Governmental Funds

Other Major Governmental Funds

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

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

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

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

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / Negative
	Original	Final		
Revenues:				
Taxes	\$ 3,353,403	\$ 3,482,555	\$ 3,481,939	\$ (616)
Other Local Revenues:				
Gifts and Donations	-	-	-	-
Miscellaneous Revenue	116,806	806	-	(806)
Total Other Local Revenues	116,806	806	-	(806)
Intergovernmental	451,434	413,434	414,472	1,038
Total Revenues	3,921,643	3,896,795	3,896,411	(384)
Expenditures:				
Current:				
Support Services:				
Fiscal:				
Other Expenditures	57,000	65,729	63,630	2,099
Total Fiscal	57,000	65,729	63,630	2,099
Debt Service:				
Principal:				
Principal Retirement	1,650,000	1,650,000	1,650,000	-
Total Principal	1,650,000	1,650,000	1,650,000	-
Interest:				
Interest and Fiscal Charges	2,119,028	2,119,028	2,119,028	-
Total Interest	2,119,028	2,119,028	2,119,028	-
Total Expenditures	3,826,028	3,834,757	3,832,658	2,099
Excess (Deficiency) of Revenues Over (Under) Expenditures	95,615	62,038	63,753	1,715
Fund Balance: July 1, 2005	1,574,879	1,574,879	1,574,879	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance: June 30, 2006	\$ 1,670,494	\$ 1,636,917	\$ 1,638,632	\$ 1,715

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / Negative
	Original	Final		
Revenues:				
Taxes	\$ 2,462,193	\$ 2,032,193	\$ 2,025,573	\$ (6,620)
Earnings on Investments	-	49,833	49,833	-
Intergovernmental	296,189	286,189	287,210	1,021
Other Local Revenue	-	200	125	(75)
Total Revenues	<u>2,758,382</u>	<u>2,368,415</u>	<u>2,362,741</u>	<u>(5,674)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased Services	2,500,000	813,747	-	813,747
Materials and Supplies	603,122	1,298,122	1,061,334	236,788
Equipment Purchased	2,093,490	620,029	177,581	442,448
Total Regular Instruction	<u>5,196,612</u>	<u>2,731,898</u>	<u>1,238,915</u>	<u>1,492,983</u>
Special:				
Equipment Purchased	-	-	7,641	(7,641)
Total Special Instruction	<u>-</u>	<u>-</u>	<u>7,641</u>	<u>(7,641)</u>
Vocational:				
Equipment Purchased	-	-	12,895	(12,895)
Total Vocational Instruction	<u>-</u>	<u>-</u>	<u>12,895</u>	<u>(12,895)</u>
Support Services:				
Pupils:				
Equipment Purchased	-	-	43,582	(43,582)
Total Pupils	<u>-</u>	<u>-</u>	<u>43,582</u>	<u>(43,582)</u>
Instructional Staff:				
Equipment Purchased	297,339	597,339	450,789	146,550
Total Instructional Staff	<u>297,339</u>	<u>597,339</u>	<u>450,789</u>	<u>146,550</u>
Board of Education:				
Purchased Services	-	-	55,551	(55,551)
Total Administration	<u>-</u>	<u>-</u>	<u>55,551</u>	<u>(55,551)</u>
Administration:				
Equipment Purchased	-	2,870	18,051	(15,181)
Total Administration	<u>-</u>	<u>2,870</u>	<u>18,051</u>	<u>(15,181)</u>
Fiscal:				
Equipment Purchased	-	-	2,794	(2,794)
Other Expenditures	-	38,100	41,690	(3,590)
Total Fiscal	<u>-</u>	<u>38,100</u>	<u>44,484</u>	<u>(6,384)</u>
Business:				
Equipment Purchased	-	-	10,545	(10,545)
Total Business	<u>-</u>	<u>-</u>	<u>10,545</u>	<u>(10,545)</u>

(continued)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / Negative
	Original	Final		
Operations and Maintenance:				
Salaries	-	-	272,465	(272,465)
Fringe Benefits	-	-	85,040	(85,040)
Purchased Services	30,836	90,908	95,329	(4,421)
Materials and Supplies	-	-	(337)	337
Equipment Purchased	60,363	95,030	443,879	(348,849)
Total Operations and Maintenance	91,199	185,938	896,376	(710,438)
Pupil Transportation:				
Equipment Purchased	-	238,920	505,978	(267,058)
Total Pupil Transportation	-	238,920	505,978	(267,058)
Central:				
Equipment Purchased	-	-	598	(598)
Total Central	-	-	598	(598)
Operation of Non-Instructional Services:				
Food Service Operations:				
Materials and Supplies	59	59	-	59
Equipment Purchased	-	9,759	9,759	-
Total Operation Food Service Operations	59	9,818	9,759	59
Extracurricular Activities				
Equipment Purchased	-	314,730	338,578	(23,848)
Total Operation Food Service Operations	-	314,730	338,578	(23,848)
Capital Outlay:				
Site Acquisition Services:				
Purchased Services	24,850	24,850	30,983	(6,133)
Equipment Purchased	55,748	155,748	185,748	(30,000)
Total Site Acquisition Services	80,598	180,598	216,731	(36,133)
Site Improvement Services:				
Purchased Services	102,687	102,687	108,199	(5,512)
Equipment Purchased	20,949	20,949	30,878	(9,929)
Total Site Improvement Services	123,636	123,636	139,077	(15,441)
Architecture and Engineering Services:				
Purchased Services	30,756	36,606	119,381	(82,775)
Total Architecture and Engineering Services	30,756	36,606	119,381	(82,775)
Building Acquisition and Construction Services:				
Purchased Services	-	-	119,583	(119,583)
Total Building Acquisition and Construction Se	-	-	119,583	(119,583)

(continued)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / Negative
	Original	Final		
Building Improvement Services:				
Purchased Services	6,549	13,807	13,807	-
Equipment Purchased	403,787	484,410	487,344	(2,934)
Total Building Improvement Services	410,336	498,217	501,151	(2,934)
Total Expenditures	6,230,535	4,958,670	4,729,665	229,005
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,472,153)	(2,590,255)	(2,366,924)	223,331
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	95,000	18,000	18,000	-
Refund of Prior Year Expenditures	-	3,175	3,152	(23)
Total Other Financing Sources (Uses)	95,000	21,175	21,152	(23)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(3,377,153)	(2,569,080)	(2,345,772)	223,308
Fund Balance: July 1, 2005	3,412,846	3,412,846	3,412,846	-
Prior Year Encumbrances Appropriated	1,671,864	1,671,864	1,671,864	-
Fund Balance: June 30, 2006	\$ 1,707,557	\$ 2,515,630	\$ 2,738,938	\$ 223,308

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Building Program Capital Projects Fund
 For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / Negative
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Architecture and Engineering Services:				
Purchased Services	6,594	6,594	-	6,594
Total Architecture and Engineering Services	<u>6,594</u>	<u>6,594</u>	<u>-</u>	<u>6,594</u>
Building Improvement Services:				
Equipment Purchased	33,420	33,420	34,165	(745)
Total Building Improvement Services	<u>33,420</u>	<u>33,420</u>	<u>34,165</u>	<u>(745)</u>
Total Expenditures	<u>40,014</u>	<u>40,014</u>	<u>34,165</u>	<u>5,849</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,014)	(40,014)	(34,165)	5,849
Fund Balance: July 1, 2005				-
Prior Year Encumbrances Appropriated	<u>40,014</u>	<u>40,014</u>	<u>40,014</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,849</u>	<u>\$ 5,849</u>

Non-Major Governmental Funds

Non-Major Special Revenue Funds

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

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

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

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

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

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

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

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

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

Non-Major Governmental Funds (Continued)

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

After School and Summer School Grant – A fund provided to account for After School and Summer Demonstration grant monies. This program operates at the elementary school level, middle school level and high school level.

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

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

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

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

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

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

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

Poverty Based Assistance (PBA) - A fund set up to track the minimum mandated portion of the Poverty Based Assistance from the State Foundation payment. PBA replaced the Disadvantaged Pupil Impact Aid (DPIA) program but contains both continued funding for some programs previously in DPIA and funding for new programs.

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

Non-Major Governmental Funds (Continued)

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

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

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

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

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

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

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

Non-Major Governmental Funds (Continued)

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

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

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

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

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

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

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

Non-Major Governmental Funds (Continued)

Non-Major Capital Projects Funds

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

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

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

Hamilton City School District
 Combining Balance Sheet
 Non-Major Governmental Funds
 For the Fiscal Year Ended June 30, 2006

	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$ 2,444,703	\$ 213,490	\$ 2,658,193
Receivables (Net of Allowances for Uncollectibles):			
Accounts	28,977	-	28,977
Accrued Interest	2,753	-	2,753
Intergovernmental	2,166,991	-	2,166,991
Materials and Supplies Inventory	27,479	-	27,479
Total Assets	<u>\$ 4,670,903</u>	<u>\$ 213,490</u>	<u>\$ 4,884,393</u>
Liabilities:			
Accounts Payable	\$ 325,092	\$ -	325,092
Accrued Wages and Benefits	2,351,166	-	2,351,166
Interfund Loans Payable	1,648,842	-	1,648,842
Intergovernmental Payable	194,764	-	194,764
Due to Other Funds	1,688	-	1,688
Total Liabilities	<u>\$ 4,521,552</u>	<u>\$ -</u>	<u>\$ 4,521,552</u>
Fund Balances:			
Reserved for:			
Encumbrances	\$ 959,660	\$ 7,183	966,843
Inventory	27,479	-	27,479
Unreserved, Reported In:			
Special Revenue Fund	(837,788)	-	(837,788)
Capital Projects Fund	-	206,307	206,307
Total Fund Balances	<u>\$ 149,351</u>	<u>\$ 213,490</u>	<u>\$ 362,841</u>
Total Liabilities and Fund Balances	<u>\$ 4,670,903</u>	<u>\$ 213,490</u>	<u>\$ 4,884,393</u>

Hamilton City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2006

	Non-Major Special Revenue	Non-Major Capital Projects	Total Non-Major Governmental Funds
Revenues:			
Tuition	\$ 118,054	\$ -	\$ 118,054
Charges for Services	1,076,334	-	1,076,334
Earnings on Investments	25,573	-	25,573
Intergovernmental	17,239,241	-	17,239,241
Other Local Revenues	986,789	75,000	1,061,789
Total Revenues	<u>19,445,991</u>	<u>75,000</u>	<u>19,520,991</u>
Expenditures:			
Current:			
Instruction:			
Regular	6,551,990	-	6,551,990
Special	3,378,233	-	3,378,233
Vocational	416,312	-	416,312
Adult/Continuing	232,263	-	232,263
Support Services:			
Pupils	1,606,165	-	1,606,165
Instructional Staff	2,161,299	-	2,161,299
Administration	374,633	-	374,633
Operations and Maintenance	77,280	-	77,280
Central	158,881	-	158,881
Non-Instructional Services:			
Food Service Operations	3,759,830	-	3,759,830
Community Services	983,430	-	983,430
Extracurricular Activities	298,925	-	298,925
Capital Outlay	-	17,107	17,107
Debt Service:			
Principal Retirement	1,162	-	1,162
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>20,000,403</u>	<u>17,107</u>	<u>20,017,510</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(554,412)</u>	<u>57,893</u>	<u>(496,519)</u>
Other Financing Sources (Uses):			
Transfers In	326,186	-	326,186
Refund Prior Year Expenditures	3,602	-	3,602
Transfers Out	(126,186)	-	(126,186)
Total Other Financing Sources (Uses)	<u>203,602</u>	<u>-</u>	<u>203,602</u>
Change in Fund Balance	(350,810)	57,893	(292,917)
Fund Balance: July 1, 2005	500,161	155,597	655,758
Fund Balance: June 30, 2006	<u>\$ 149,351</u>	<u>\$ 213,490</u>	<u>\$ 362,841</u>

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Hamilton City School District
 Combining Balance Sheet
 Non-Major Special Revenue Funds
 For the Fiscal Year Ended June 30, 2006

	<u>Insurance Replacement</u>	<u>TV Hamilton</u>	<u>Public School Support</u>	<u>Other Grants</u>
Assets:				
Cash and Cash Equivalents	\$ 24,654	\$293,887	\$ 241,330	\$32,369
Receivables (Net of Allowance of Uncollectibles):				
Accounts	-	7,576	8,660	4,000
Accrued Interest	-	-	994	-
Intergovernmental	-	-	-	-
Materials and Supplies Inventory	-	-	-	-
Total Assets	<u>\$ 24,654</u>	<u>\$301,463</u>	<u>\$ 250,984</u>	<u>\$36,369</u>
Liabilities:				
Accounts Payable	\$ (240)	\$ 57,595	\$ 27,983	\$ 7,315
Accrued Wages and Benefits	-	13,413	-	-
Interfund Loans Payable	-	-	-	-
Intergovernmental Payable	-	669	-	-
Due to Other Funds	-	94	-	540
Total Liabilities	<u>\$ (240)</u>	<u>\$ 71,771</u>	<u>\$ 27,983</u>	<u>\$ 7,855</u>
Fund Balances:				
Reserved for Encumbrances	\$ -	\$188,324	\$ 18,638	\$ 1,225
Reserved for Inventory	-	-	-	-
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	24,894	41,368	204,363	27,289
Total Fund Balances	<u>\$ 24,894</u>	<u>\$229,692</u>	<u>\$ 223,001</u>	<u>\$28,514</u>
Total Liabilities and Fund Balances	<u>\$ 24,654</u>	<u>\$301,463</u>	<u>\$ 250,984</u>	<u>\$36,369</u>

Athletic Fund	Auxiliary Service	Career Development	Management Information System	Entry Year Grant	Summer School Grant	DPIA	Network Connectivity	School Net Professional Development
\$141,677	\$208,322	\$ 1	\$ 7,734	\$ -	\$ (1)	\$ (7)	\$ -	\$ -
1,208	1,113	-	-	-	-	-	-	-
901	858	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$143,786</u>	<u>\$210,293</u>	<u>\$ 1</u>	<u>\$ 7,734</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (7)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 12,313	\$ 20,583	\$ -	\$ 247	\$ -	\$ -	\$ -	\$ -	\$ -
1,484	124,606	-	5,686	-	3,506	25,627	-	-
8,775	-	-	-	-	144,476	-	-	-
388	337	-	-	-	-	141	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 22,960</u>	<u>\$145,526</u>	<u>\$ -</u>	<u>\$ 5,933</u>	<u>\$ -</u>	<u>\$ 147,982</u>	<u>\$ 25,768</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 21,349	\$ 22,324	\$ -	\$ 159	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
99,477	42,443	1	1,642	-	(147,983)	(25,775)	-	-
<u>\$120,826</u>	<u>\$ 64,767</u>	<u>\$ 1</u>	<u>\$ 1,801</u>	<u>\$ -</u>	<u>\$ (147,983)</u>	<u>\$ (25,775)</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$143,786</u>	<u>\$210,293</u>	<u>\$ 1</u>	<u>\$ 7,734</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (7)</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

Hamilton City School District
Combining Balance Sheet
Non-Major Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2006

	Ohio Reads Volunteer Grant	Summer Intervention	Vocational Education Enhancement	Alternative Schools	Poverty Based Assistance
Assets:					
Cash and Cash Equivalents	\$ 9,441	\$ 1	\$ 2,205	\$ 5,619	\$ 424,174
Receivables (Net of Allowance of Uncollectibles):					
Accounts	-	-	-	-	4,127
Accrued Interest	-	-	-	-	-
Intergovernmental	11,256	-	-	42,207	-
Materials and Supplies Inventory	-	-	-	-	-
Total Assets	<u>\$ 20,697</u>	<u>\$ 1</u>	<u>\$ 2,205</u>	<u>\$ 47,826</u>	<u>\$ 428,301</u>
Liabilities:					
Accounts Payable	\$ 4,346	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Benefits	5,211	(1,065)	-	61,277	817,199
Interfund Loans Payable	11,256	-	2,205	-	-
Intergovernmental Payable	2,814	-	-	-	6,114
Due to Other Funds	-	-	-	-	-
Total Liabilities	<u>\$ 23,627</u>	<u>\$ (1,065)</u>	<u>\$ 2,205</u>	<u>\$ 61,277</u>	<u>\$ 823,313</u>
Fund Balances:					
Reserved for Encumbrances	\$ 5,095	\$ -	\$ 2,205	\$ 5,105	\$ -
Reserved for Inventory	-	-	-	-	-
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	(8,025)	1,066	(2,205)	(18,556)	(395,012)
Total Fund Balances	<u>\$ (2,930)</u>	<u>\$ 1,066</u>	<u>\$ -</u>	<u>\$ (13,451)</u>	<u>\$ (395,012)</u>
Total Liabilities and Fund Balances	<u>\$ 20,697</u>	<u>\$ 1</u>	<u>\$ 2,205</u>	<u>\$ 47,826</u>	<u>\$ 428,301</u>

<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>Title VI-B</u>	<u>Carl D. Perkins</u>	<u>Title III</u>	<u>Title I</u>
\$ 16,930	\$ 9,684	\$ 179,510	\$ 91,252	\$12,310	\$ 65,303
-	-	817	-	-	-
-	29,418	712,372	111,487	14,898	772,920
-	-	-	-	-	-
<u>\$ 16,930</u>	<u>\$ 39,102</u>	<u>\$ 892,699</u>	<u>\$ 202,739</u>	<u>\$27,208</u>	<u>\$838,223</u>
\$ -	\$ 280	\$ 15,277	\$ 81,253	\$ 783	\$ 5,419
12,951	23,663	430,067	26,473	11,282	512,539
-	-	356,513	95,921	8,652	195,344
159	911	13,436	2,443	501	660
-	-	-	-	-	-
<u>\$ 13,110</u>	<u>\$ 24,854</u>	<u>\$ 815,293</u>	<u>\$ 206,090</u>	<u>\$21,218</u>	<u>\$713,962</u>
\$ 2,304	\$ 4,137	\$ 164,269	\$ 10,002	\$11,529	\$ 54,319
-	-	-	-	-	-
1,516	10,111	(86,863)	(13,353)	(5,539)	69,942
<u>\$ 3,820</u>	<u>\$ 14,248</u>	<u>\$ 77,406</u>	<u>\$ (3,351)</u>	<u>\$ 5,990</u>	<u>\$124,261</u>
<u>\$ 16,930</u>	<u>\$ 39,102</u>	<u>\$ 892,699</u>	<u>\$ 202,739</u>	<u>\$27,208</u>	<u>\$838,223</u>

(Continued)

Hamilton City School District
Combining Balance Sheet
Non-Major Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2006

	<u>Title V</u>	<u>Drug Free Schools</u>	<u>Title VI-B Preschool</u>	<u>Improving Teacher Quality</u>
Assets:				
Cash and Cash Equivalents	\$ 7	\$ 5,168	\$ 7,165	\$ 12,470
Receivables (Net of Allowance of Uncollectibles):				
Accounts	-	-	-	-
Accrued Interest	-	-	-	-
Intergovernmental	-	8,976	12,435	100,308
Materials and Supplies Inventory	-	-	-	-
Total Assets	<u>\$ 7</u>	<u>\$ 14,144</u>	<u>\$ 19,600</u>	<u>\$ 112,778</u>
Liabilities:				
Accounts Payable	\$ 5	\$ 195	\$ 145	\$ 770
Accrued Wages and Benefits	-	10,699	22,017	119,246
Interfund Loans Payable	-	2,158	2,663	23,669
Intergovernmental Payable	-	41	9	194
Due to Other Funds	-	-	-	-
Total Liabilities	<u>\$ 5</u>	<u>\$ 13,093</u>	<u>\$ 24,834</u>	<u>\$ 143,879</u>
Fund Balances:				
Reserved for Encumbrances	\$ 302	\$ 5,016	\$ 7,024	\$ 11,704
Reserved for Inventory	-	-	-	-
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	(300)	(3,965)	(12,258)	(42,805)
Total Fund Balances	<u>\$ 2</u>	<u>\$ 1,051</u>	<u>\$ (5,234)</u>	<u>\$ (31,101)</u>
Total Liabilities and Fund Balances	<u>\$ 7</u>	<u>\$ 14,144</u>	<u>\$ 19,600</u>	<u>\$ 112,778</u>

Miscellaneous Federal Grants	Food Service	Uniform School Supplies	Vocational Rotary	Adult Education	Totals
\$ 316,762	\$ 149,783	\$164,567	\$ 15,387	\$ 6,999	\$2,444,703
-	660	816	-	-	28,977
-	-	-	-	-	2,753
143,669	201,524	-	-	5,521	2,166,991
-	27,479	-	-	-	27,479
<u>\$ 460,431</u>	<u>\$ 379,446</u>	<u>\$165,383</u>	<u>\$ 15,387</u>	<u>\$ 12,520</u>	<u>\$4,670,903</u>
\$ 4,146	\$ 70,156	\$ 16,521	\$ -	\$ -	\$ 325,092
16,662	108,229	-	-	394	2,351,166
327,657	312,405	157,148	-	-	1,648,842
119,204	46,679	-	-	64	194,764
760	294	-	-	-	1,688
<u>\$ 468,429</u>	<u>\$ 537,763</u>	<u>\$173,669</u>	<u>\$ -</u>	<u>\$ 458</u>	<u>\$4,521,552</u>
\$ 193,509	\$ 80,265	\$148,046	\$ -	\$ 2,810	\$ 959,660
-	27,479	-	-	-	27,479
(201,507)	(266,061)	(156,332)	15,387	9,252	(837,788)
<u>\$ (7,998)</u>	<u>\$(158,317)</u>	<u>\$ (8,286)</u>	<u>\$ 15,387</u>	<u>\$ 12,062</u>	<u>\$ 149,351</u>
<u>\$ 460,431</u>	<u>\$ 379,446</u>	<u>\$165,383</u>	<u>\$ 15,387</u>	<u>\$ 12,520</u>	<u>\$4,670,903</u>

Hamilton City School District
 Combining Balance Sheet
 Non-Major Capital Project Funds
 For the Fiscal Year Ended June 30, 2006

	<u>Capital Projects</u>	<u>SchoolNet Plus</u>	<u>Totals</u>
Assets:			
Cash and Cash Equivalents	\$ 213,490	\$ -	\$ 213,490
Total Assets	<u>\$ 213,490</u>	<u>\$ -</u>	<u>\$ 213,490</u>
Liabilities:			
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:			
Reserved for Encumbrances	\$ 7,183	\$ -	\$ 7,183
Unreserved, Undesignated	206,307		206,307
Total Fund Balances	<u>\$ 213,490</u>	<u>\$ -</u>	<u>\$ 213,490</u>
Total Liabilities and Fund Balances	<u>\$ 213,490</u>	<u>\$ -</u>	<u>\$ 213,490</u>

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Hamilton City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Special Revenue Funds
For the Fiscal Year Ended June 30, 2006

	<u>Insurance Replacement</u>	<u>TV Hamilton</u>	<u>Public School Support</u>	<u>Other Grants</u>	<u>Athletic Fund</u>
Revenues:					
Tuition	\$ -	\$ -	\$ 65,526	\$ -	\$ 296
Charges for Services	-	-	-	-	-
Earnings on Investments	-	-	9,931	-	6,352
Intergovernmental	-	130,000	-	37,960	-
Other Local Revenues	7,895	299,101	363,688	7,901	305,049
Total Revenues	<u>7,895</u>	<u>429,101</u>	<u>439,145</u>	<u>45,861</u>	<u>311,697</u>
Expenditures:					
Current:					
Instruction:					
Regular	1,976	-	-	13,237	-
Special	-	-	(6)	7,370	-
Vocational	-	260,424	-	-	-
Adult/Continuing	-	-	-	-	-
Support Services:					
Pupils	-	-	419,874	1,000	-
Instructional Staff	1,720	-	1,333	384	-
Administration	-	-	-	-	-
Operations and Maintenance	7,687	-	-	-	3,288
Pupil Transportation	-	-	-	-	-
Central	-	-	-	8,843	-
Non-Instructional Services:					
Food Service Operations	-	-	-	-	-
Community Services	-	9,970	-	11,000	7,564
Extracurricular Activities	-	-	-	-	298,925
Debt Service:					
Principal Retirement	-	-	-	-	-
Total Expenditures	<u>11,383</u>	<u>270,394</u>	<u>421,201</u>	<u>41,834</u>	<u>309,777</u>
Excess (Deficiency) of Revenues Over / (Under) Expenditures	<u>(3,488)</u>	<u>158,707</u>	<u>17,944</u>	<u>4,027</u>	<u>1,920</u>
Other Financing Sources (Uses):					
Transfers In	-	-	-	-	-
Refund of Prior Year Expenditures	-	-	1,000	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>
Change in Fund Balance	(3,488)	158,707	18,944	4,027	1,920
Fund Balance: July 1, 2005	28,382	70,985	204,057	24,487	118,906
Fund Balance: June 30, 2006	<u>\$ 24,894</u>	<u>\$ 229,692</u>	<u>\$ 223,001</u>	<u>\$ 28,514</u>	<u>\$ 120,826</u>

Auxiliary Service	Career Development	Management Information System	Entry Year Programs	Summer School Grant	DPIA	Network Connectivity	School Net Professional Development
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
9,290	-	-	-	-	-	-	-
868,172	-	32,324	19,650	-	-	57,000	6,300
-	-	-	-	-	-	-	-
<u>877,462</u>	<u>-</u>	<u>32,324</u>	<u>19,650</u>	<u>-</u>	<u>-</u>	<u>57,000</u>	<u>6,300</u>
-	-	-	-	147,983	757,722	-	-
-	-	-	-	-	-	-	-
-	(6)	-	-	-	(500)	-	-
-	-	-	-	-	-	-	-
-	-	34,140	-	-	(347,470)	-	-
-	-	-	19,650	-	(6,957)	-	6,889
-	-	-	-	-	4,220	-	-
-	-	-	-	-	5,887	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	57,000	-
-	-	-	-	-	-	-	-
816,973	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>816,973</u>	<u>(6)</u>	<u>34,140</u>	<u>19,650</u>	<u>147,983</u>	<u>412,902</u>	<u>57,000</u>	<u>6,889</u>
60,489	6	(1,816)	-	(147,983)	(412,902)	-	(589)
-	-	-	-	-	-	-	-
1,113	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
61,602	6	(1,816)	-	(147,983)	(412,902)	-	(589)
3,165	(5)	3,617	-	-	387,127	-	589
<u>\$ 64,767</u>	<u>\$ 1</u>	<u>\$ 1,801</u>	<u>\$ -</u>	<u>\$(147,983)</u>	<u>\$ (25,775)</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

Hamilton City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Special Revenue Funds (Continued)
For the Fiscal Year Ended June 30, 2006

	Ohio Reads Volunteer Grant	Summer Intervention	Vocational Education Enhancement	Alternative Schools
Revenues:				
Tuition	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Earnings on Investments	-	-	-	-
Intergovernmental	208,000	-	-	281,654
Other Local Revenues	-	-	-	-
Total Revenues	208,000	-	-	281,654
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	87,229	-	-	271,226
Vocational	-	-	-	-
Adult/Continuing	-	-	-	-
Support Services:				
Pupils	-	-	-	-
Instructional Staff	112,434	(11,829)	-	-
Administration	-	-	-	-
Operations and Maintenance	-	-	-	-
Pupil Transportation	-	-	-	-
Central	-	-	-	-
Non-Instructional Services:				
Food Service Operations	-	-	-	-
Community Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Total Expenditures	199,663	(11,829)	-	271,226
Excess (Deficiency) of Revenues Over / (Under)				
Expenditures	8,337	11,829	-	10,428
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Refund of Prior Year Expenditures	51	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	51	-	-	-
Change in Fund Balance	8,388	11,829	-	10,428
Fund Balance: July 1, 2005	(11,318)	(10,763)	-	(23,879)
Fund Balance: June 30, 2006	\$ (2,930)	\$ 1,066	\$ -	\$ (13,451)

Poverty Based Assistance	Miscellaneous State Grants	Adult Basic Education	Title VI-B	Carl D. Perkins	Title III	Title I
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,972,119	118,598	272,655	2,729,772	256,411	117,485	3,006,727
-	-	-	-	-	-	-
<u>4,972,119</u>	<u>118,598</u>	<u>272,655</u>	<u>2,729,772</u>	<u>256,411</u>	<u>117,485</u>	<u>3,006,727</u>
4,929,933	-	-	-	-	-	181,395
79,119	19,470	-	697,984	-	67,373	2,109,570
-	-	-	-	152,099	-	-
-	-	212,854	-	-	-	-
173,076	110,784	-	961,429	84,321	45,006	-
25,311	2,117	35,615	811,877	-	-	376,307
99,274	-	716	168,813	13,135	-	87,625
60,418	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	73,425	-	-	43,745
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>5,367,131</u>	<u>132,371</u>	<u>249,185</u>	<u>2,713,528</u>	<u>249,555</u>	<u>112,379</u>	<u>2,798,642</u>
(395,012)	(13,773)	23,470	16,244	6,856	5,106	208,085
-	-	20,913	-	-	5,051	12,846
-	-	-	817	-	-	-
-	-	(20,913)	-	-	(5,051)	(12,846)
-	-	-	817	-	-	-
(395,012)	(13,773)	23,470	17,061	6,856	5,106	208,085
-	17,593	(9,222)	60,345	(10,207)	884	(83,824)
<u>\$ (395,012)</u>	<u>\$ 3,820</u>	<u>\$ 14,248</u>	<u>\$ 77,406</u>	<u>\$ (3,351)</u>	<u>\$ 5,990</u>	<u>\$ 124,261</u>

(Continued)

Hamilton City School District
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Non-Major Special Revenue Funds (Continued)
 For the Fiscal Year Ended June 30, 2006

	Title V	Drug Free Schools	Title VI-B Preschool	Improving Teacher Quality
Revenues:				
Tuition	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Earnings on Investments	-	-	-	-
Intergovernmental	32,862	67,013	112,655	629,347
Other Local Revenues	-	-	-	-
Total Revenues	<u>32,862</u>	<u>67,013</u>	<u>112,655</u>	<u>629,347</u>
Expenditures:				
Current:				
Instruction:				
Regular	28,876	-	-	241,065
Special	-	38,898	-	-
Vocational	-	-	-	-
Adult/Continuing	-	-	-	-
Support Services:				
Pupils	-	12,573	114,702	-
Instructional Staff	-	14,472	(6)	394,688
Administration	-	-	850	-
Operations and Maintenance	-	-	-	-
Pupil Transportation	-	-	-	-
Central	-	-	-	-
Non-Instructional Services:				
Food Service Operations	-	-	-	-
Community Services	4,288	5,868	3,757	-
Extracurricular Activities	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Total Expenditures	<u>33,164</u>	<u>71,811</u>	<u>119,303</u>	<u>635,753</u>
Excess (Deficiency) of Revenues Over / (Under) Expenditures	<u>(302)</u>	<u>(4,798)</u>	<u>(6,648)</u>	<u>(6,406)</u>
Other Financing Sources (Uses):				
Transfers In	-	8,792	-	68,498
Refund of Prior Year Expenditures	-	621	-	-
Transfers Out	-	(8,792)	-	(68,498)
Total Other Financing Sources (Uses)	<u>-</u>	<u>621</u>	<u>-</u>	<u>-</u>
Change in Fund Balance	(302)	(4,177)	(6,648)	(6,406)
Fund Balance: July 1, 2005	<u>304</u>	<u>5,228</u>	<u>1,414</u>	<u>(24,695)</u>
Fund Balance: June 30, 2006	<u>\$ 2</u>	<u>\$ 1,051</u>	<u>\$ (5,234)</u>	<u>\$ (31,101)</u>

Miscellaneous Federal Grant	Food Service	Uniform School Supplies	Vocational Rotary	Adult Education	Totals
\$ -	\$ -	\$ 45,192	\$ -	\$ 7,040	\$ 118,054
-	1,071,189	-	4,695	450	1,076,334
-	-	-	-	-	25,573
640,843	2,625,319	-	-	16,375	17,239,241
-	-	-	289	2,866	986,789
<u>640,843</u>	<u>3,696,508</u>	<u>45,192</u>	<u>4,984</u>	<u>26,731</u>	<u>19,445,991</u>
75,303	-	174,500	-	-	6,551,990
-	-	-	-	-	3,378,233
-	-	-	4,295	-	416,312
-	-	-	-	19,409	232,263
(3,271)	-	-	-	1	1,606,165
376,358	-	-	-	936	2,161,299
-	-	-	-	-	374,633
-	-	-	-	-	77,280
-	-	-	-	-	-
93,038	-	-	-	-	158,881
-	3,759,830	-	-	-	3,759,830
6,840	-	-	-	-	983,430
-	-	-	-	-	298,925
-	1,162	-	-	-	1,162
<u>548,268</u>	<u>3,760,992</u>	<u>174,500</u>	<u>4,295</u>	<u>20,346</u>	<u>20,000,403</u>
<u>92,575</u>	<u>(64,484)</u>	<u>(129,308)</u>	<u>689</u>	<u>6,385</u>	<u>(554,412)</u>
10,086	100,000	100,000	-	-	326,186
-	-	-	-	-	3,602
(10,086)	-	-	-	-	(126,186)
-	100,000	100,000	-	-	203,602
92,575	35,516	(29,308)	689	6,385	(350,810)
(100,573)	(193,833)	21,022	14,698	5,677	500,161
<u>\$ (7,998)</u>	<u>\$(158,317)</u>	<u>\$ (8,286)</u>	<u>\$ 15,387</u>	<u>\$ 12,062</u>	<u>\$ 149,351</u>

Hamilton City School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Capital Project Funds
For the Fiscal Year Ended June 30, 2006

	<u>Capital Projects</u>	<u>SchoolNet Plus</u>	<u>Totals</u>
Revenues:			
Other Local Revenues	\$ 75,000	\$ -	\$ 75,000
Total Revenues	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Expenditures:			
Capital Outlay	17,107	-	17,107
Total Expenditures	<u>17,107</u>	<u>-</u>	<u>17,107</u>
Excess (Deficiency) of Revenues Over / (Under) Expenditures	<u>57,893</u>	<u>-</u>	<u>57,893</u>
Fund Balance: July 1, 2005	<u>155,597</u>	<u>-</u>	<u>155,597</u>
Fund Balance: June 30, 2006	<u>\$ 213,490</u>	<u>\$ -</u>	<u>\$ 213,490</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Insurance Replacement Special Revenue Fund
 For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Other Local Revenues:				
Miscellaneous Revenue	\$ 27,977	\$ 7,977	\$ 7,895	\$ (82)
Total Other Local Revenues	<u>27,977</u>	<u>7,977</u>	<u>7,895</u>	<u>(82)</u>
Total Revenues	<u>27,977</u>	<u>7,977</u>	<u>7,895</u>	<u>(82)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased Services	-	-	925	(925)
Materials and Supplies	-	-	1,051	(1,051)
Equipment Purchased	10,555	10,555	130	10,425
Total Regular Instruction	<u>10,555</u>	<u>10,555</u>	<u>2,106</u>	<u>8,449</u>
Support Services:				
Instructional Staff:				
Purchased Services	1,627	1,627	1,720	(93)
Total Pupils	<u>1,627</u>	<u>1,627</u>	<u>1,720</u>	<u>(93)</u>
Operations and Maintenance:				
Purchased Services	-	-	7,927	(7,927)
Total Operations and Maintenance	<u>-</u>	<u>-</u>	<u>7,927</u>	<u>(7,927)</u>
Total Expenditures	<u>12,182</u>	<u>12,182</u>	<u>11,753</u>	<u>429</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,795	(4,205)	(3,858)	347
Fund Balance: July 1, 2005	26,757	26,757	26,757	-
Prior Year Encumbrances Appropriated	<u>1,757</u>	<u>1,757</u>	<u>1,757</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ 44,309</u>	<u>\$ 24,309</u>	<u>\$ 24,656</u>	<u>\$ 347</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
TV Hamilton Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Other Local Revenues:				
Gifts and Donations	-	281,650	\$281,650	-
Total Other Local Revenues	-	281,650	281,650	-
Intergovernmental	100,000	129,983	130,000	17
Total Revenues	<u>100,000</u>	<u>411,633</u>	<u>411,650</u>	<u>17</u>
Expenditures:				
Current:				
Instruction:				
Vocational:				
Salaries and Wages	100,690	100,305	103,933	(3,628)
Fringe Benefits	26,965	34,215	40,116	(5,901)
Purchased Services	17,426	17,426	15,015	2,411
Materials and Supplies	11,492	11,592	11,624	(32)
Equipment Purchased	3,940	303,940	276,412	27,528
Total Vocational Instruction	160,513	467,478	447,100	20,378
Total Expenditures	<u>160,513</u>	<u>467,478</u>	<u>447,100</u>	<u>20,378</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,513)	(55,845)	(35,450)	20,395
Fund Balance: July 1, 2005	74,544	74,544	74,544	-
Prior Year Encumbrances Appropriated	8,819	8,819	8,819	-
Fund Balance: June 30, 2006	<u>\$ 22,850</u>	<u>\$ 27,518</u>	<u>\$ 47,913</u>	<u>\$ 20,395</u>

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

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Tuition and Fees	\$ 1,412	\$ 68,378	\$ 65,606	\$ (2,772)
Earnings on Investments	908	8,909	9,482	573
Other Local Revenues:				
Extracurricular Activities	11,497	234,904	236,504	1,600
Gifts and Donations	23,766	86,562	85,925	(637)
Miscellaneous Revenues	19,592	34,911	35,519	608
Total Other Local Revenues	<u>54,855</u>	<u>356,377</u>	<u>357,948</u>	<u>1,571</u>
Total Revenues	<u>57,175</u>	<u>433,664</u>	<u>433,036</u>	<u>(628)</u>
Expenditures:				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	(15)	(15)	-	(15)
Fringe Benefits	2,836	8,826	6,599	2,227
Purchased Services	83,444	134,306	100,701	33,605
Materials and Supplies	86,863	188,731	210,626	(21,895)
Equipment Purchased	20,620	33,805	39,403	(5,598)
Other Expenditures	<u>22,394</u>	<u>97,362</u>	<u>101,570</u>	<u>(4,208)</u>
Total Pupil	216,142	463,015	458,899	4,116
Operation of Non-Instructional Services:				
Community Services:				
Other Expenditures	130	130	-	130
Total Community Services	<u>130</u>	<u>130</u>	<u>-</u>	<u>130</u>
Total Expenditures	<u>216,272</u>	<u>463,145</u>	<u>458,899</u>	<u>4,246</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(159,097)	(29,481)	(25,863)	3,618
Other Financing Sources (Uses)				
Operating Transfers In	6,304	904	1,000	96
Operating Transfers Out	<u>1,506</u>	<u>1,506</u>	<u>-</u>	<u>(1,506)</u>
Total Other Financing Sources (Uses)	<u>7,810</u>	<u>2,410</u>	<u>1,000</u>	<u>(1,410)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(151,287)	(27,071)	(24,863)	2,208
Fund Balance: July 1, 2005	174,242	174,242	174,242	-
Prior Year Encumbrances Appropriated	<u>45,978</u>	<u>45,978</u>	<u>45,978</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ 68,933</u>	<u>\$193,149</u>	<u>\$195,357</u>	<u>\$ 2,208</u>

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

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Other Local Revenues:				
Miscellaneous Revenues	\$ -	\$ 3,901	\$ 3,901	\$ -
Total Other Local Revenues	-	3,901	3,901	-
Intergovernmental	-	37,960	37,960	-
Total Revenues	-	41,861	41,861	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Purchased Services	150	2,050	2,050	-
Materials and Supplies	1,003	11,227	10,425	802
Equipment Purchased	784	784	768	16
Other Expenditures	-	1,136	1,118	18
Total Regular Instruction	1,937	15,197	14,361	836
Special:				
Salaries and Wages	653	653	40	613
Fringe Benefits	-	-	7	(7)
Purchased Services	347	1,347	2,443	(1,096)
Materials and Supplies	-	5,000	5,000	-
Other Expenditures	-	1,000	511	489
Total Special Instruction	1,000	8,000	8,001	(1)
Support Services:				
Pupils:				
Materials and Supplies	-	1,000	1,000	-
Total Pupils	-	1,000	1,000	-
Instructional Staff:				
Materials and Supplies	384	384	384	-
Total Pupils	384	384	384	-
Central:				
Other	3,800	6,300	6,781	(481)
Total Central	3,800	6,300	6,781	(481)
Operation of Non-Instructional Services:				
Community Services:				
Other Expenditures	-	11,000	11,000	-
Total Community Services	-	11,000	11,000	-
Total Expenditures	7,121	41,881	41,527	354

(continued)

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

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,121)</u>	<u>(20)</u>	<u>334</u>	<u>354</u>
Other Financing Sources (Uses)				
Advances Out	<u>-</u>	<u>(937)</u>	<u>(937)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(937)</u>	<u>(937)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(7,121)</u>	<u>(957)</u>	<u>(603)</u>	<u>354</u>
Fund Balance: July 1, 2005	<u>23,060</u>	<u>23,060</u>	<u>23,060</u>	<u>-</u>
Prior Year Encumbrances Appropriated	<u>7,121</u>	<u>7,121</u>	<u>7,121</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ 23,060</u>	<u>\$ 29,224</u>	<u>\$ 29,578</u>	<u>\$ 354</u>

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

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Tuition and Fees	\$ 216	\$ 796	\$ 296	\$ (500)
Earnings on Investments	2,777	5,305	5,773	468
Other Local Revenues:				
Extracurricular Activities	209,537	242,063	241,249	(814)
Gifts and Donations	43,984	54,936	44,153	(10,783)
Miscellaneous Revenues	21,131	22,831	21,133	(1,698)
Total Other Local Revenues	<u>274,652</u>	<u>319,830</u>	<u>306,535</u>	<u>(13,295)</u>
Total Revenues	<u>277,645</u>	<u>325,931</u>	<u>312,604</u>	<u>(13,327)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Equipment Purchased	630	580	-	580
Total Regular Instruction	<u>630</u>	<u>580</u>	<u>-</u>	<u>580</u>
Support Services:				
Operations and Maintenance:				
Purchased Services	12,018	10,151	2,102	8,049
Materials and Supplies	1,590	1,590	1,186	404
Total Operations and Maintenance	<u>13,608</u>	<u>11,741</u>	<u>3,288</u>	<u>8,453</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	-	-	7,394	(7,394)
Other Expenditures	-	-	170	(170)
Total Community Services	<u>-</u>	<u>-</u>	<u>7,564</u>	<u>(7,564)</u>
Extracurricular Activities:				
Salaries and Wages	21,219	19,219	17,644	1,575
Fringe Benefits	3,208	3,208	2,762	446
Purchased Services	114,584	122,889	149,585	(26,696)
Materials and Supplies	121,208	127,704	112,731	14,973
Equipment Purchased	5,916	7,816	10,071	(2,255)
Other Expenditures	54,629	54,229	39,447	14,782
Total Extracurricular Activities	<u>320,764</u>	<u>335,065</u>	<u>332,240</u>	<u>2,825</u>
Total Expenditures	<u>335,002</u>	<u>347,386</u>	<u>343,092</u>	<u>4,294</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(57,357)</u>	<u>(21,455)</u>	<u>(30,488)</u>	<u>(9,033)</u>

(continued)

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

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Operating Transfers In	865	405	-	(405)
Advances In	-	8,775	8,775	-
Advances Out	-	(235)	(235)	-
Total Other Financing Sources (Uses)	<u>865</u>	<u>8,945</u>	<u>8,540</u>	<u>(405)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(56,492)	(12,510)	(21,948)	(9,438)
Fund Balance: July 1, 2005	108,548	108,548	108,548	-
Prior Year Encumbrances Appropriated	<u>23,941</u>	<u>23,941</u>	<u>23,941</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ 75,997</u>	<u>\$ 119,979</u>	<u>\$ 110,541</u>	<u>\$ (9,438)</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Auxiliary Service Special Revenue Funds
 For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Earnings on Investments	\$ -	\$ 2,476	\$ 8,735	\$ 6,259
Intergovernmental	-	868,172	868,172	-
Total Revenues	<u>-</u>	<u>870,648</u>	<u>876,907</u>	<u>6,259</u>
Expenditures:				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	68,404	568,807	484,884	83,923
Fringe Benefits	16,000	139,973	122,303	17,670
Purchased Services	30	8,042	10,077	(2,035)
Materials and Supplies	35,994	237,518	189,435	48,083
Equipment Purchased	1,973	36,767	27,183	9,584
Total Community Services	<u>122,401</u>	<u>991,107</u>	<u>833,882</u>	<u>157,225</u>
Total Expenditures	<u>122,401</u>	<u>991,107</u>	<u>833,882</u>	<u>157,225</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(122,401)	(120,459)	43,025	163,484
Fund Balance: July 1, 2005	(2)	(2)	(2)	-
Prior Year Encumbrances Appropriated	<u>122,401</u>	<u>122,401</u>	<u>122,401</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ (2)</u>	<u>\$ 1,940</u>	<u>\$ 165,424</u>	<u>\$ 163,484</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Management Information System Special Revenue Fund
 For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 32,324	\$ 32,324	\$ -
Total Revenues	<u>-</u>	<u>32,324</u>	<u>32,324</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	4,480	25,980	25,067	913
Fringe Benefits	520	4,540	4,682	(142)
Total Pupils	<u>5,000</u>	<u>30,520</u>	<u>29,749</u>	<u>771</u>
Total Expenditures	<u>5,000</u>	<u>30,520</u>	<u>29,749</u>	<u>771</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(5,000)	1,804	2,575	771
Fund Balance: July 1, 2005	-	-	-	-
Prior Year Encumbrances Appropriated	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ -</u>	<u>\$ 6,804</u>	<u>\$ 7,575</u>	<u>\$ 771</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Entry Year Program Special Revenue Fund
 For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 19,650	\$ 19,650	\$ -
Total Revenues	-	19,650	19,650	-
Expenditures:				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	-	19,400	19,400	-
Materials and Supplies	-	250	250	-
Total Instructional Staff	-	19,650	19,650	-
Total Expenditures	-	19,650	19,650	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance: July 1, 2005	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance: June 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Summer School Grant
 For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 410,454	\$ -	\$ (410,454)
Total Revenues	<u>-</u>	<u>410,454</u>	<u>-</u>	<u>(410,454)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	-	250,704	123,532	127,172
Fringe Benefits	-	43,214	20,945	22,269
Materials and Supplies	-	13,000	-	13,000
Total Regular Instruction	<u>-</u>	<u>306,918</u>	<u>144,477</u>	<u>162,441</u>
Support Services:				
Administration:				
Salaries and Wages	-	53,536	-	53,536
Total Pupil	<u>-</u>	<u>53,536</u>	<u>-</u>	<u>53,536</u>
Pupil Transportation:				
Salaries and Wages	-	50,000	-	50,000
Total Instructional Staff	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total Expenditures	<u>-</u>	<u>410,454</u>	<u>144,477</u>	<u>265,977</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(144,477)	(144,477)
Other Financing Sources (Uses)				
Advances In	-	-	144,476	144,476
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>144,476</u>	<u>144,476</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-	-	(1)	(1)
Fund Balance: July 1, 2005			-	-
Prior Year Encumbrances Appropriated			-	-
Fund Balance: June 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ (1)</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Disadvantaged Pupil Impact Aid (DPIA) Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	1,123,593	1,123,593	1,081,700	41,893
Fringe Benefits	130,813	130,813	149,378	(18,565)
Total Regular Instruction	1,254,406	1,254,406	1,231,078	23,328
Vocational:				
Salaries and Wages	(500)	(500)	(500)	-
Total Vocational Instruction	(500)	(500)	(500)	-
Support Services:				
Pupils:				
Salaries and Wages	(212,368)	(212,368)	(232,839)	20,471
Fringe Benefits	-	-	1,858	(1,858)
Total Pupil	(212,368)	(212,368)	(230,981)	18,613
Instructional Staff:				
Salaries and Wages	-	-	6,289	(6,289)
Fringe Benefits	-	-	89	(89)
Total Instructional Staff	-	-	6,378	(6,378)
Administration:				
Salaries and Wages	-	-	27,494	(27,494)
Fringe Benefits	-	-	1,508	(1,508)
Total Administration	-	-	29,002	(29,002)
Operations and Maintenance:				
Salaries and Wages	-	-	6,564	(6,564)
Total Operations and Maintenance	-	-	6,564	(6,564)
Total Expenditures	1,041,538	1,041,538	1,041,541	(3)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,041,538)	(1,041,538)	(1,041,541)	(3)
Fund Balance: July 1, 2005	-	-	-	-
Prior Year Encumbrances Appropriated	1,041,538	1,041,538	1,041,538	-
Fund Balance: June 30, 2006	\$ -	\$ -	\$ (3)	\$ (3)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Network Connectivity Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 57,000	\$ 57,000	\$ -
Total Revenues	-	57,000	57,000	-
Expenditures:				
Current:				
Support Services:				
Central:				
Purchased Services	-	57,000	57,000	-
Total Central	-	57,000	57,000	-
Total Expenditures	-	57,000	57,000	-
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	-	-	-	-
Fund Balance: July 1, 2005	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance: June 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 School Net Professional Development Special Revenue Fund
 For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 6,300	\$ 6,300	\$ -
Total Revenues	<u>-</u>	<u>6,300</u>	<u>6,300</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	600	5,600	6,600	(1,000)
Materials and Supplies	300	1,600	600	1,000
Total Instructional Staff	<u>900</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Total Expenditures	<u>900</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(900)	(900)	(900)	-
Fund Balance: July 1, 2005	-	-	-	-
Prior Year Encumbrances Appropriated	<u>900</u>	<u>900</u>	<u>900</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Ohio Reads Volunteer Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 211,665	\$ 200,409	\$ (11,256)
Total Revenues	<u>-</u>	<u>211,665</u>	<u>200,409</u>	<u>(11,256)</u>
Expenditures:				
Current:				
Instruction:				
Special:				
Materials and Supplies	984	101,152	98,890	2,262
Other Expenditures	842	1,809	1,603	206
Total Special Instruction	<u>1,826</u>	<u>102,961</u>	<u>100,493</u>	<u>2,468</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	39	87,823	90,190	(2,367)
Fringe Benefits	-	18,430	18,532	(102)
Purchased Services	-	700	700	-
Total Instructional Staff	<u>39</u>	<u>106,953</u>	<u>109,422</u>	<u>(2,469)</u>
Total Expenditures	<u>1,865</u>	<u>209,914</u>	<u>209,915</u>	<u>(1)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,865)	1,751	(9,506)	(11,257)
Other Financing Sources (Uses)				
Advances In	-	-	11,256	11,256
Refund of Prior Year Expenditures	-	51	51	-
Advances Out	-	(3,665)	(3,665)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(3,614)</u>	<u>7,642</u>	<u>11,256</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,865)	(1,863)	(1,864)	(1)
Fund Balance: July 1, 2005	(1)	(1)	(1)	-
Prior Year Encumbrances Appropriated	<u>1,865</u>	<u>1,865</u>	<u>1,865</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ (1)</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Summer Intervention Special Revenue Fund
 For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 96,694	\$ 96,694	\$ -
Total Revenues	<u>-</u>	<u>96,694</u>	<u>96,694</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	8,543	8,543	8,544	(1)
Fringe Benefits	(4,130)	(4,130)	(4,129)	(1)
Total Instructional Staff	<u>4,413</u>	<u>4,413</u>	<u>4,415</u>	<u>(2)</u>
Total Expenditures	<u>4,413</u>	<u>4,413</u>	<u>4,415</u>	<u>(2)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,413)	92,281	92,279	(2)
Other Financing Sources (Uses)				
Advances Out	-	(96,694)	(96,694)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(96,694)</u>	<u>(96,694)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,413)	(4,413)	(4,415)	(2)
Fund Balance: July 1, 2005	1	1	1	-
Prior Year Encumbrances Appropriated	<u>4,413</u>	<u>4,413</u>	<u>4,413</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ (1)</u>	<u>\$ (2)</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Vocational Education Enhancement Special Revenue Fund
 For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 2,205	\$ -	\$ (2,205)
Total Revenues	<u>-</u>	<u>2,205</u>	<u>-</u>	<u>(2,205)</u>
Expenditures:				
Current:				
Instruction:				
Vocational:				
Equipment Purchased	-	2,205	2,205	-
Total Vocational Instruction	-	2,205	2,205	-
Total Expenditures	<u>-</u>	<u>2,205</u>	<u>2,205</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	-	-	(2,205)	(2,205)
Other Financing Sources (Uses)				
Advances In	-	-	2,205	2,205
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,205</u>	<u>2,205</u>
Excess (Deficiency) of Revenues and Other Financing				
Sources Over (Under) Expenditures and Other				
Financing Uses	-	-	-	-
Fund Balance: July 1, 2005	-	-	-	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 379,484	\$ 292,987	\$ (86,497)
Total Revenues	<u>-</u>	<u>379,484</u>	<u>292,987</u>	<u>(86,497)</u>
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and Wages	37,809	260,216	206,005	54,211
Fringe Benefits	6,481	65,728	64,602	1,126
Total Special Instruction	<u>44,290</u>	<u>325,944</u>	<u>270,607</u>	<u>55,337</u>
Total Expenditures	<u>44,290</u>	<u>325,944</u>	<u>270,607</u>	<u>55,337</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,290)	53,540	22,380	(31,160)
Other Financing Sources (Uses)				
Advances (Out)	-	(66,158)	(66,158)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(66,158)</u>	<u>(66,158)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(44,290)	(12,618)	(43,778)	(31,160)
Fund Balance: July 1, 2005		-	-	-
Prior Year Encumbrances Appropriated	<u>44,290</u>	<u>44,290</u>	<u>44,290</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ -</u>	<u>\$ 31,672</u>	<u>\$ 512</u>	<u>\$ (31,160)</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Poverty Based Assistance
 For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$4,972,119	\$4,972,119	\$ -
Total Revenues	-	4,972,119	4,972,119	-
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	-	4,972,119	3,876,133	1,095,986
Fringe Benefits	-	-	420,007	(420,007)
Total Regular Instruction	-	4,972,119	4,296,140	675,979
Special:				
Salaries and Wages	-	-	79,119	(79,119)
Total Special Instruction	-	-	79,119	(79,119)
Support Services:				
Pupils:				
Salaries and Wages	-	-	32,302	(32,302)
Fringe Benefits	-	-	3,561	(3,561)
Total Pupils	-	-	35,863	(35,863)
Instructional Staff:				
Salaries and Wages	-	-	17,715	(17,715)
Fringe Benefits	-	-	1,990	(1,990)
Total Instructional Staff	-	-	19,705	(19,705)
Administration				
Salaries and Wages	-	-	55,869	(55,869)
Fringe Benefits	-	-	8,655	(8,655)
Total Operations and Maintenance	-	-	64,524	(64,524)
Operations and Maintenance:				
Salaries and Wages	-	-	45,858	(45,858)
Fringe Benefits	-	-	6,736	(6,736)
Total Transportation	-	-	52,594	(52,594)
Total Expenditures	-	4,972,119	4,547,945	424,174
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	424,174	424,174
Fund Balance: July 1, 2005	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance: June 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 424,174</u>	<u>\$ 424,174</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Miscellaneous State Grants Special Revenue Fund
 For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 118,598	\$ 118,598	\$ -
Total Revenues	<u>-</u>	<u>118,598</u>	<u>118,598</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Materials and Supplies	-	178	168	10
Total Regular Instruction	<u>-</u>	<u>178</u>	<u>168</u>	<u>10</u>
Special:				
Materials and Supplies	9,565	9,565	9,576	(11)
Total Special Instruction	<u>9,565</u>	<u>9,565</u>	<u>9,576</u>	<u>(11)</u>
Support Services:				
Pupils:				
Salaries and Wages	8,423	52,223	43,880	8,343
Fringe Benefits	1,470	16,268	19,645	(3,377)
Purchased Services	-	60,000	60,000	-
Total Pupils	<u>9,893</u>	<u>128,491</u>	<u>123,525</u>	<u>4,966</u>
Instructional Staff:				
Salaries and Wages	-	-	3,811	(3,811)
Fringe Benefits	-	-	589	(589)
Purchased Services	107	107	96	11
Total Instructional Staff	<u>107</u>	<u>107</u>	<u>4,496</u>	<u>(4,389)</u>
Total Expenditures	<u>19,565</u>	<u>138,341</u>	<u>137,765</u>	<u>576</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,565)	(19,743)	(19,167)	576
Fund Balance: July 1, 2005	14,229	14,229	14,229	-
Prior Year Encumbrances Appropriated	<u>19,565</u>	<u>19,565</u>	<u>19,565</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ 14,229</u>	<u>\$ 14,051</u>	<u>\$ 14,627</u>	<u>\$ 576</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Adult Basic Education Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 512,531	\$ 413,635	\$ (98,896)
Total Revenues	<u>-</u>	<u>512,531</u>	<u>413,635</u>	<u>(98,896)</u>
Expenditures:				
Current:				
Instruction:				
Adult / Continuing:				
Salaries and Wages	6,905	217,769	161,888	55,881
Fringe Benefits	2,738	52,019	40,069	11,950
Purchased Services	-	5,800	954	4,846
Materials and Supplies	-	22,363	12,411	9,952
Total Adult / Continuing	<u>9,643</u>	<u>297,951</u>	<u>215,322</u>	<u>82,629</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	6,377	34,512	26,653	7,859
Fringe Benefits	1,099	10,694	6,197	4,497
Purchased Services	1,989	4,207	2,224	1,983
Materials and Supplies	125	5,111	1,991	3,120
Equipment Purchased	-	4,000	-	4,000
Other Expenditures	-	700	705	(5)
Total Instructional Staff	<u>9,590</u>	<u>59,224</u>	<u>37,770</u>	<u>21,454</u>
Administration:				
Purchased Services	-	1,000	880	120
Total Administration	<u>-</u>	<u>1,000</u>	<u>880</u>	<u>120</u>
Total Expenditures	<u>19,233</u>	<u>358,175</u>	<u>253,972</u>	<u>104,203</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,233)	154,356	159,663	5,307
Other Financing Sources (Uses)				
Transfers In	-	20,913	20,913	-
Transfers Out	-	(20,913)	(20,913)	-
Advances In	-	(173,590)	(173,590)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(173,590)</u>	<u>(173,590)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(19,233)	(19,234)	(13,927)	5,307
Fund Balance: July 1, 2005	(1)	(1)	(1)	-
Prior Year Encumbrances Appropriated	<u>19,233</u>	<u>19,233</u>	<u>19,233</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ (1)</u>	<u>\$ (2)</u>	<u>\$ 5,305</u>	<u>\$ 5,307</u>

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

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$3,639,083	\$ 2,771,821	\$ (867,262)
Total Revenues	<u>-</u>	<u>3,639,083</u>	<u>2,771,821</u>	<u>(867,262)</u>
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and Wages	250,435	616,174	525,016	91,158
Fringe Benefits	9,361	122,175	123,986	(1,811)
Purchased Services	181,250	306,030	190,858	115,172
Materials and Supplies	-	-	3	(3)
Equipment Purchased	-	3,775	3,675	100
Total Special Instruction	<u>441,046</u>	<u>1,048,154</u>	<u>843,538</u>	<u>204,616</u>
Support Services:				
Pupils:				
Salaries and Wages	75,278	556,792	469,491	87,301
Fringe Benefits	19,631	160,635	148,168	12,467
Purchased Services	-	403,967	416,836	(12,869)
Materials and Supplies	-	8,585	6,277	2,308
Equipment Purchased	-	3,744	2,394	1,350
Other Expenditures	-	775	777	(2)
Total Pupils	<u>94,909</u>	<u>1,134,498</u>	<u>1,043,943</u>	<u>90,555</u>
Instructional Staff:				
Salaries and Wages	77,552	574,594	482,260	92,334
Fringe Benefits	40,280	323,990	336,162	(12,172)
Total Instructional Staff	<u>117,832</u>	<u>898,584</u>	<u>818,422</u>	<u>80,162</u>
Administration:				
Salaries and Wages	23,492	147,918	124,673	23,245
Fringe Benefits	5,803	45,953	46,864	(911)
Total Administration	<u>29,295</u>	<u>193,871</u>	<u>171,537</u>	<u>22,334</u>
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	10,558	70,424	58,708	11,716
Fringe Benefits	2,202	14,867	13,505	1,362
Materials and Supplies	-	1,510	1,234	276
Total Community Services	<u>12,760</u>	<u>86,801</u>	<u>73,447</u>	<u>13,354</u>
Total Expenditures	<u>695,842</u>	<u>3,361,908</u>	<u>2,950,887</u>	<u>411,021</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(695,842)	277,175	(179,066)	(456,241)

(continued)

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

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Advances In	-	-	356,513	356,513
Advances (Out)	-	(873,290)	(873,290)	-
Total Other Financing Sources (Uses)	-	(873,290)	(516,777)	356,513
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(695,842)	(596,115)	(695,843)	(99,728)
Fund Balance: July 1, 2005	(1)	(1)	(1)	-
Prior Year Encumbrances Appropriated	695,842	695,842	695,842	-
Fund Balance: June 30, 2006	\$ (1)	\$ 99,726	\$ (2)	\$ (99,728)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Carl D. Perkins Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 334,540	\$ 223,053	\$ (111,487)
Total Revenues	<u>-</u>	<u>334,540</u>	<u>223,053</u>	<u>(111,487)</u>
Expenditures:				
Current:				
Instruction:				
Vocational:				
Salaries and Wages	19,464	64,177	55,699	8,478
Fringe Benefits	5,283	24,274	25,896	(1,622)
Purchased Services	-	4,110	4,110	-
Equipment Purchased	38,163	124,280	129,088	(4,808)
Total Vocational Instruction	<u>62,910</u>	<u>216,841</u>	<u>214,793</u>	<u>2,048</u>
Support Services:				
Pupils:				
Salaries and Wages	6,956	79,237	66,628	12,609
Fringe Benefits	2,024	20,540	19,130	1,410
Total Pupils	<u>8,980</u>	<u>99,777</u>	<u>85,758</u>	<u>14,019</u>
Administration:				
Salaries and Wages	-	10,050	9,528	522
Fringe Benefits	-	1,635	2,657	(1,022)
Total Administration	<u>-</u>	<u>11,685</u>	<u>12,185</u>	<u>(500)</u>
Total Expenditures	<u>71,890</u>	<u>328,303</u>	<u>312,736</u>	<u>15,567</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(71,890)	6,237	(89,683)	(95,920)
Other Financing Sources (Uses)				
Advances In	-	-	95,921	95,921
Advances (Out)	-	(78,129)	(78,129)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(78,129)</u>	<u>17,792</u>	<u>95,921</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(71,890)	(71,892)	(71,891)	1
Fund Balance: July 1, 2005	1	1	1	-
Prior Year Encumbrances Appropriated	<u>71,890</u>	<u>71,890</u>	<u>71,890</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ 1</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 1</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Bilingual Education Program (Title III) Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 154,830	\$ 115,081	\$ (39,749)
Total Revenues	<u>-</u>	<u>154,830</u>	<u>115,081</u>	<u>(39,749)</u>
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and Wages	-	72,000	54,390	17,610
Fringe Benefits	-	10,177	9,422	755
Materials and Supplies	1,512	9,777	11,649	(1,872)
Total Special Instruction	<u>1,512</u>	<u>91,954</u>	<u>75,461</u>	<u>16,493</u>
Support Services:				
Pupils:				
Salaries and Wages	5,107	36,491	30,452	6,039
Fringe Benefits	1,025	11,527	11,541	(14)
Materials and Supplies	5,484	14,745	11,205	3,540
Equipment Purchased	-	-	13	(13)
Total Pupils	<u>11,616</u>	<u>62,763</u>	<u>53,211</u>	<u>9,552</u>
Total Expenditures	<u>13,128</u>	<u>154,717</u>	<u>128,672</u>	<u>26,045</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,128)	113	(13,591)	(13,704)
Other Financing Sources (Uses)				
Operating Transfers In	-	5,051	5,051	-
Advances In	-	-	8,652	8,652
Operating Transfers (Out)	-	(5,051)	(5,051)	-
Advances (Out)	-	(8,191)	(8,191)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(8,191)</u>	<u>461</u>	<u>8,652</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(13,128)	(8,078)	(13,130)	(5,052)
Fund Balance: July 1, 2005	1	1	1	-
Prior Year Encumbrances Appropriated	<u>13,128</u>	<u>13,128</u>	<u>13,128</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ 1</u>	<u>\$ 5,051</u>	<u>\$ (1)</u>	<u>\$ (5,052)</u>

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

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$3,950,544	\$2,587,871	\$(1,362,673)
Total Revenues	<u>-</u>	<u>3,950,544</u>	<u>2,587,871</u>	<u>(1,362,673)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,890	138,698	130,621	8,077
Fringe Benefits	6,573	36,877	44,324	(7,447)
Purchased Services	-	315	345	(30)
Materials and Supplies	2,314	28,736	9,348	19,388
Total Regular Instruction	<u>12,777</u>	<u>204,626</u>	<u>184,638</u>	<u>19,988</u>
Special:				
Salaries and Wages	298,244	2,216,308	1,676,449	539,859
Fringe Benefits	75,814	563,405	488,372	75,033
Purchased Services	270	2,770	435	2,335
Materials and Supplies	-	18,000	8,043	9,957
Equipment Purchased	-	1,000	163	837
Total Special Instruction	<u>374,328</u>	<u>2,801,483</u>	<u>2,173,462</u>	<u>628,021</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	39,158	303,708	233,314	70,394
Fringe Benefits	13,406	109,797	116,278	(6,481)
Purchased Services	12,817	76,645	22,157	54,488
Materials and Supplies	1,003	35,934	21,531	14,403
Equipment Purchased	-	1,000	142	858
Total Pupils	<u>66,384</u>	<u>527,084</u>	<u>393,422</u>	<u>133,662</u>
Administration:				
Salaries and Wages	13,238	84,654	69,100	15,554
Fringe Benefits	2,989	19,640	13,496	6,144
Purchased Services	-	2,500	75	2,425
Materials and Supplies	-	500	590	(90)
Equipment Purchased	-	500	-	500
Total Administration	<u>16,227</u>	<u>107,794</u>	<u>83,261</u>	<u>24,533</u>

(continued)

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

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	4,323	40,610	35,725	4,885
Fringe Benefits	690	6,929	8,162	(1,233)
Purchased Services	-	242	246	(4)
Total Community Services	<u>5,013</u>	<u>47,781</u>	<u>44,133</u>	<u>3,648</u>
Total Expenditures	<u>474,729</u>	<u>3,688,768</u>	<u>2,878,916</u>	<u>809,852</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(474,729)	261,776	(291,045)	(552,821)
Other Financing Sources (Uses)				
Operating Transfers In	-	12,846	12,846	-
Advances In	-	-	195,342	195,342
Operating Transfers (Out)	-	(12,846)	(12,846)	-
Advances (Out)	-	(375,376)	(375,376)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(375,376)</u>	<u>(180,034)</u>	<u>195,342</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(474,729)	(113,600)	(471,079)	(357,479)
Fund Balance: July 1, 2005	1,925	1,925	1,925	-
Prior Year Encumbrances Appropriated	<u>474,729</u>	<u>474,729</u>	<u>474,729</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ 1,925</u>	<u>\$ 363,054</u>	<u>\$ 5,575</u>	<u>\$ (357,479)</u>

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

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 32,862	\$ 32,862	\$ -
Total Revenues	<u>-</u>	<u>32,862</u>	<u>32,862</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Materials and Supplies	-	28,876	28,876	-
Total Regular Instruction	<u>-</u>	<u>28,876</u>	<u>28,876</u>	<u>-</u>
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	302	2,784	2,784	-
Equipment Purchased	<u>-</u>	<u>1,504</u>	<u>1,504</u>	<u>-</u>
Total Community Services	<u>302</u>	<u>4,288</u>	<u>4,288</u>	<u>-</u>
Total Expenditures	<u>302</u>	<u>33,164</u>	<u>33,164</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(302)	(302)	(302)	-
Fund Balance: July 1, 2005		-	-	-
Prior Year Encumbrances Appropriated	<u>302</u>	<u>302</u>	<u>302</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Drug Free School Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 98,416	\$ 66,692	\$ (31,724)
Total Revenues	<u>-</u>	<u>98,416</u>	<u>66,692</u>	<u>(31,724)</u>
Expenditures:				
Current:				
Instruction:				
Special:				
Salaries and Wages	6,160	39,151	32,772	6,379
Fringe Benefits	1,082	6,776	5,872	904
Total Special Instruction	<u>7,242</u>	<u>45,927</u>	<u>38,644</u>	<u>7,283</u>
Support Services:				
Pupils:				
Purchased Services	-	20,415	7,837	12,578
Materials and Supplies	373	7,380	5,345	2,035
Total Pupils	<u>373</u>	<u>27,795</u>	<u>13,182</u>	<u>14,613</u>
Instructional Staff:				
Salaries and Wages	-	11,560	11,693	(133)
Benefits	-	2,133	2,962	(829)
Total Instructional Staff	<u>-</u>	<u>13,693</u>	<u>14,655</u>	<u>(962)</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	-	4,038	4,554	(516)
Materials and Supplies	306	1,609	1,620	(11)
Equipment Purchased	-	4,100	4,725	(625)
Total Community Services	<u>306</u>	<u>9,747</u>	<u>10,899</u>	<u>(1,152)</u>
Total Expenditures	<u>7,921</u>	<u>97,162</u>	<u>77,380</u>	<u>19,782</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,921)	1,254	(10,688)	(11,942)
Other Financing Sources (Uses)				
Transfers In	-	8,792	8,792	-
Advances In	-	-	2,158	2,158
Refund of Prior Year Expenditures	-	621	621	-
Transfers (Out)	-	(8,792)	(8,792)	-
Advances (Out)	-	(15)	(15)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>606</u>	<u>2,764</u>	<u>2,158</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(7,921)	1,860	(7,924)	(9,784)
Fund Balance: July 1, 2005	(1)	(1)	(1)	-
Prior Year Encumbrances Appropriated	<u>7,921</u>	<u>7,921</u>	<u>7,921</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ (1)</u>	<u>\$ 9,780</u>	<u>\$ (4)</u>	<u>\$ (9,784)</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title VI-B Preschool Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 145,667	\$ 115,736	\$ (29,931)
Total Revenues	<u>-</u>	<u>145,667</u>	<u>115,736</u>	<u>(29,931)</u>
Expenditures:				
Support Services:				
Pupils:				
Salaries and Wages	18,793	107,618	85,306	22,312
Fringe Benefits	3,342	22,687	19,093	3,594
Materials and Supplies	61	2,322	2,243	79
Equipment Purchased	-	9,353	8,839	514
Total Pupils	<u>22,196</u>	<u>141,980</u>	<u>115,481</u>	<u>26,499</u>
Administration:				
Salaries and Wages	-	-	685	(685)
Fringe Benefits	-	-	106	(106)
Total Administration	<u>-</u>	<u>-</u>	<u>791</u>	<u>(791)</u>
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	-	3,246	2,346	900
Fringe Benefits	-	809	680	129
Materials and Supplies	1,344	1,344	1,321	23
Total Community Services	<u>1,344</u>	<u>5,399</u>	<u>4,347</u>	<u>1,052</u>
Total Expenditures	<u>23,540</u>	<u>147,379</u>	<u>120,619</u>	<u>26,760</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,540)	(1,712)	(4,883)	(3,171)
Other Financing Sources (Uses)				
Advances In	-	-	2,663	2,663
Advances (Out)	-	(21,322)	(21,322)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(21,322)</u>	<u>(18,659)</u>	<u>2,663</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(23,540)	(23,034)	(23,542)	(508)
Fund Balance: July 1, 2005	(1)	(1)	(1)	-
Prior Year Encumbrances Appropriated	<u>23,540</u>	<u>23,540</u>	<u>23,540</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ (1)</u>	<u>\$ 505</u>	<u>\$ (3)</u>	<u>\$ (508)</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Improving Teacher Quality Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$1,191,362	\$ 621,779	\$ (569,583)
Total Revenues	<u>-</u>	<u>1,191,362</u>	<u>621,779</u>	<u>(569,583)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	54,065	319,961	198,004	121,957
Fringe Benefits	13,544	96,136	71,028	25,108
Total Regular Instruction	<u>67,609</u>	<u>416,097</u>	<u>269,032</u>	<u>147,065</u>
Support Services:				
Instructional Staff:				
Salaries and Wages	48,033	408,338	280,314	128,024
Fringe Benefits	14,181	101,216	84,518	16,698
Purchased Services	1,816	41,816	33,515	8,301
Materials and Supplies	5,667	52,667	11,803	40,864
Total Instructional Staff	<u>69,697</u>	<u>604,037</u>	<u>410,150</u>	<u>193,887</u>
Non-Instructional Services:				
Community Services:				
Purchased Services	-	400	-	400
Materials and Supplies	-	198	-	198
Total Community Services	<u>-</u>	<u>598</u>	<u>-</u>	<u>598</u>
Total Expenditures	<u>137,306</u>	<u>1,020,732</u>	<u>679,182</u>	<u>341,550</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(137,306)	170,630	(57,403)	(228,033)
Other Financing Sources (Uses)				
Operating Transfers In	-	68,498	68,498	-
Advances In	-	-	23,669	23,669
Operating Transfers (Out)	-	(68,498)	(68,498)	-
Advances (Out)	-	(103,574)	(103,574)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(103,574)</u>	<u>(79,905)</u>	<u>23,669</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(137,306)	67,056	(137,308)	(204,364)
Fund Balance: July 1, 2005	-	-	-	-
Prior Year Encumbrances Appropriated	<u>137,306</u>	<u>137,306</u>	<u>137,306</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ -</u>	<u>\$ 204,362</u>	<u>\$ (2)</u>	<u>\$ (204,364)</u>

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

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 889,321	\$ 541,168	\$ (348,153)
Total Revenues	<u>-</u>	<u>889,321</u>	<u>541,168</u>	<u>(348,153)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Salaries and Wages	-	53,750	54,401	(651)
Fringe Benefits	-	5,000	5,691	(691)
Purchased Services	1,275	7,275	10,348	(3,073)
Materials and Supplies	204	204	991	(787)
Other Expenditures	-	-	354	(354)
Total Regular Instruction	<u>1,479</u>	<u>66,229</u>	<u>71,785</u>	<u>(5,556)</u>
Instructional Staff:				
Salaries and Wages	7,353	122,912	93,735	29,177
Fringe Benefits	3,232	29,733	30,126	(393)
Purchased Services	219,196	430,350	430,255	95
Materials and Supplies	2,548	14,248	14,343	(95)
Equipment Purchased	639	639	639	-
Total Instructional Staff	<u>232,968</u>	<u>597,882</u>	<u>569,098</u>	<u>28,784</u>
Operations and Maintenance:				
Salaries and Wages	-	1,500	1,500	-
Purchased Services	-	1,518	1,518	-
Materials and Supplies	-	2,654	2,654	-
Total Instructional Staff	<u>-</u>	<u>5,672</u>	<u>5,672</u>	<u>-</u>
Central:				
Salaries and Wages	-	71,036	71,036	-
Fringe Benefits	-	12,310	12,454	(144)
Purchased Services	1,839	9,339	9,195	144
Total Central	<u>1,839</u>	<u>92,685</u>	<u>92,685</u>	<u>-</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	-	2,972	2,270	702
Materials and Supplies	-	1,953	2,549	(596)
Equipment Purchased	145	1,943	2,021	(78)
Total Community Services	<u>145</u>	<u>6,868</u>	<u>6,840</u>	<u>28</u>
Total Expenditures	<u>236,431</u>	<u>769,336</u>	<u>746,080</u>	<u>23,256</u>

(continued)

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

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Excess (Deficiency) of Revenues Over (Under) Expenditures	(236,431)	119,985	(204,912)	(324,897)
Other Financing Sources (Uses)				
Operating Transfers In	-	10,086	10,086	-
Advances In	-	21,430	327,658	306,228
Operating Transfers (Out)	-	(10,086)	(10,086)	-
Advances (Out)	-	(364,846)	(364,846)	-
Total Other Financing Sources (Uses)	-	(343,416)	(37,188)	306,228
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(236,431)	(223,431)	(242,100)	(18,669)
Fund Balance: July 1, 2005	5,669	5,669	5,669	-
Prior Year Encumbrances Appropriated	236,431	236,431	236,431	-
Fund Balance: June 30, 2006	\$ 5,669	\$ 18,669	\$ -	\$ (18,669)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Food Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Charges for Services	\$ 1,244,120	\$ 1,203,325	\$ 1,071,189	\$ (132,136)
Intergovernmental	2,138,468	2,404,205	2,504,565	100,360
Total Revenues	<u>3,382,588</u>	<u>3,607,530</u>	<u>3,575,754</u>	<u>(31,776)</u>
Expenditures:				
Current:				
Operation of Non-Instructional Services:				
Food Service:				
Salaries and Wages	3,600,000	3,700,000	1,345,524	2,354,476
Fringe Benefits	-	110,000	543,226	(433,226)
Purchased Services	23,125	23,125	253,920	(230,795)
Materials and Supplies	8,657	8,657	1,641,913	(1,633,256)
Equipment Purchased	-	-	43,951	(43,951)
Other Expenditures	-	-	2,714	(2,714)
Total Food Service	<u>3,631,782</u>	<u>3,841,782</u>	<u>3,831,248</u>	<u>10,534</u>
Total Expenditures	<u>3,631,782</u>	<u>3,841,782</u>	<u>3,831,248</u>	<u>10,534</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(249,194)</u>	<u>(234,252)</u>	<u>(255,494)</u>	<u>(21,242)</u>
Other Financing Sources (Uses)				
Operating Transfers In	50,000	100,000	100,000	-
Advances In	188,682	312,405	312,405	-
Advances (Out)	-	(188,682)	(188,682)	-
Total Other Financing Sources (Uses)	<u>238,682</u>	<u>223,723</u>	<u>223,723</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(10,512)</u>	<u>(10,529)</u>	<u>(31,771)</u>	<u>(21,242)</u>
Fund Balance: July 1, 2005	-	-	-	-
Prior Year Encumbrances Appropriated	<u>31,782</u>	<u>31,782</u>	<u>31,782</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ 21,270</u>	<u>\$ 21,253</u>	<u>\$ 11</u>	<u>\$ (21,242)</u>

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Uniform School Supplies Special Revenue Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Tuition and Fees	\$ 63,503	\$ 45,582	\$ 44,812	\$ (770)
Total Revenues	<u>63,503</u>	<u>45,582</u>	<u>44,812</u>	<u>(770)</u>
Expenditures:				
Current:				
Instruction:				
Regular:				
Materials and Supplies	225,051	346,901	336,321	10,580
Total Regular Instruction	<u>225,051</u>	<u>346,901</u>	<u>336,321</u>	<u>10,580</u>
Total Expenditures	<u>225,051</u>	<u>346,901</u>	<u>336,321</u>	<u>10,580</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(161,548)	(301,319)	(291,509)	9,810
Other Financing Sources (Uses)				
Operating Transfers In	100,000	100,000	100,000	-
Advances In	29,357	157,148	157,148	-
Advances (Out)	-	(29,357)	(29,357)	-
Total Other Financing Sources (Uses)	<u>129,357</u>	<u>227,791</u>	<u>227,791</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(32,191)	(73,528)	(63,718)	9,810
Fund Balance: July 1, 2005	1	1	1	-
Prior Year Encumbrances Appropriated	<u>63,717</u>	<u>63,717</u>	<u>63,717</u>	<u>-</u>
Fund Balance: June 30, 2006	<u>\$ 31,527</u>	<u>\$ (9,810)</u>	<u>\$ -</u>	<u>\$ 9,810</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Vocational Rotary Special Revenue Fund
 For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / (Negative)
	Original	Final		
Revenues:				
Charges for Services	-	4,695	4,695	-
Other Local Revenues:				
Miscellaneous Revenue	-	442	289	(153)
Total Other Local Revenues	-	442	289	(153)
Total Revenues	-	5,137	4,984	(153)
Expenditures:				
Current:				
Instruction:				
Vocational:				
Materials and Supplies	5,400	5,500	5,419	81
Total Vocational Instruction	5,400	5,500	5,419	81
Total Expenditures	5,400	5,500	5,419	81
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(5,400)	(363)	(435)	(72)
Fund Balance: July 1, 2005	14,422	14,422	14,422	-
Prior Year Encumbrances Appropriated	1,400	1,400	1,400	-
Fund Balance: June 30, 2006	\$ 10,422	\$ 15,459	\$ 15,387	\$ (72)

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Adult Education Special Revenue Fund
 For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Favorable (Unfavorable)
	Original	Final		
Revenues:				
Tuition and Fees	\$ -	\$ 7,040	\$ 7,040	\$ -
Charges for Services	-	450	450	-
Total Other Local Revenues	-	7,490	7,490	-
Intergovernmental	-	16,150	16,150	-
Total Revenues	-	23,640	23,640	-
Expenditures:				
Current:				
Instruction:				
Adult / Continuing:				
Salaries and Wages	5,660	14,120	13,745	375
Fringe Benefits	1,039	2,188	2,330	(142)
Materials and Supplies	2,810	5,620	5,620	-
Equipment Purchased	244	384	379	5
Total Adult / Continuing Instruction	9,753	22,312	22,074	238
Support Services:				
Instructional Staff:				
Salaries and Wages	-	600	714	(114)
Benefits	-	10	110	(100)
Total Instructional Staff	-	610	824	(214)
Total Expenditures	9,753	22,922	22,898	24
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,753)	718	742	24
Fund Balance: July 1, 2005	3,202	3,202	3,202	-
Prior Year Encumbrances Appropriated	244	244	244	-
Fund Balance: June 30, 2006	<u>\$ (6,307)</u>	<u>\$ 4,164</u>	<u>\$ 4,188</u>	<u>\$ 24</u>

Hamilton City School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Miscellaneous Capital Project Fund
 For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / Negative
	Original	Final		
Revenues:				
Other Local Revenues:				
Gifts and Donations	\$ -	\$ 75,000	\$ 75,000	\$ -
Total Other Local Revenues	-	75,000	75,000	-
Total Revenues	-	75,000	75,000	-
Expenditures:				
Capital Outlay:				
Architecture and Engineering Services				
Purchased Services	-	19,940	19,941	(1)
Total Operations and Maintenance	-	19,940	19,941	(1)
Capital Outlay:				
Building Improvement Services:				
Equipment Purchased	4,349	4,349	4,349	-
Total Building Improvement Services	4,349	4,349	4,349	-
Total Expenditures	4,349	24,289	24,290	(1)
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	(4,349)	50,711	50,710	(1)
Fund Balance: July 1, 2006	151,248	151,248	151,248	-
Prior Year Encumbrances Appropriated	4,349	4,349	4,349	-
Fund Balance: June 30, 2006	\$ 151,248	\$ 206,308	\$ 206,307	\$ (1)

Hamilton City School District
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
SchoolNet Plus Capital Project Fund
For the Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual	Variance: Positive / Negative
	Original	Final		
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Capital Outlay:				
Building Improvement Services:				
Equipment Purchased	-	-	-	-
Total Building Improvement Services	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance: July 1, 2005				-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance: June 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hamilton City School District
Combining Statements of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2006

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Student-Managed Student Activities				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 60,930	\$ 110,139	\$ 109,156	\$ 61,913
Accrued Interest Receivable	144	251	144	251
Accounts Receivable	235		235	-
Total Assets	<u>\$ 61,309</u>	<u>\$ 110,390</u>	<u>\$ 109,535</u>	<u>\$ 62,164</u>
LIABILITIES:				
Accounts Payable	7,272	4,140	1,353	10,059
Accrued Wages and Benefits		45		45
Intergovernmental Payable		19		19
Due to Students	52,041			52,041
Total Liabilities	<u>\$ 59,313</u>	<u>\$ 4,204</u>	<u>\$ 1,353</u>	<u>\$ 62,164</u>
Totals				
ASSETS:				
Equity in Pooled Cash and Cash Equivalents	\$ 60,930	\$ 110,139	\$ 109,156	\$ 61,913
Accrued Interest Receivable	144	251	144	251
Accounts Receivable	235		235	
Total Assets	<u>\$ 61,309</u>	<u>\$ 110,390</u>	<u>\$ 109,535</u>	<u>\$ 62,164</u>
LIABILITIES:				
Accounts Payable	7,272	4,140	1,353	10,059
Accrued Wages and Benefits		45		45
Intergovernmental Payable		19		19
Due to Students	52,041			52,041
Total Liabilities	<u>\$ 59,313</u>	<u>\$ 4,204</u>	<u>\$ 1,353</u>	<u>\$ 62,164</u>

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

STATISTICAL



Hamilton High School Cadets Kenny Fugate, Jahmar Belle, and Kory Apodaca at the 2005-2006 NJROTC Awards Ceremony, May 2006. These Cadets are holding the Varsity, Junior Varsity, and Rookie trophies, awarded for the Miami Valley Orienteering "Junior-O" Championships.

- School year 2005-2006 was the fifth year for Hamilton High School Navy JROTC.
- Hamilton High School is the only high school in Butler County that offers Navy JROTC.
- Hamilton High School NJROTC drill teams won First Place at three competitions.
- The NJROTC air rifle Marksmanship Team won First Place in regional level competitions held in October 2005 and November 2005.
- Each year since its inception the HHS NJROTC Program has enrolled more than 100 students and endeavored to promote the core values of patriotism, citizenship, and respect for constituted authority.



Eleven Hamilton High School students graduated from the NJROTC Basic Leadership Training Course, held at the Camp Perry National Guard Training site at Port Clinton, Ohio. These Cadets attended the one-week course during June, 2006, after the completion of the school year at HHS.

**Hamilton City School District
Statistical Section Table of Contents
For the Fiscal Year Ended June 30, 2006**

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

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Financial Trends	
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These schedules contain information to help the reader assess the factors affecting the District's ability to generate revenue.	130
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

Hamilton City School District
Schedule 1: Net Assets by Component
Last 4 Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year			
	2003	2004	2005	2006
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$ 24,102,453	\$ 26,176,426	\$ 31,263,225	\$ 32,106,740
Restricted	24,219,648	10,124,590	8,780,582	8,235,108
Unrestricted	(18,927,305)	(2,988,410)	(7,006,931)	(7,821,423)
Total Governmental Activities Net Assets	<u>\$ 29,394,796</u>	<u>\$ 33,312,606</u>	<u>\$ 33,036,876</u>	<u>\$ 32,520,425</u>

Note: The District began reporting accrual information when it implemented GASB Statement 34 in FY 2003.

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Hamilton City School District
Schedule 2: Changes in Net Assets
Last 4 Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year			
	2003	2004	2005	2006
Expenses:				
Governmental Activities:				
Instruction:				
Regular	\$ 30,736,292	\$ 35,284,622	\$ 28,716,502	\$ 35,005,575
Special	9,078,938	8,501,075	9,928,329	11,281,536
Vocational	2,510,625	1,894,796	2,088,288	1,862,227
Adult/Continuing	278,216	260,044	240,132	231,358
Other	759,423	905,821	1,179,253	321,941
Support Services:				
Pupils	6,013,694	5,578,225	6,016,754	6,603,613
Instructional Staff	4,905,303	5,172,126	5,488,135	6,184,847
Board of Education	290,144	252,376	522,438	681,722
Administration	4,486,137	4,172,656	4,682,338	5,462,835
Fiscal	1,144,014	1,003,337	1,028,765	1,079,423
Business	660,154	499,119	383,674	435,426
Operations and Maintenance	7,435,485	8,202,485	7,581,957	9,705,992
Pupil Transportation	2,801,257	2,203,400	2,701,249	3,223,447
Central	1,006,883	1,089,602	970,350	980,994
Non-Instructional Services:				
Food Service Operations	3,141,280	3,571,263	3,498,696	3,749,262
Community Services	1,429,486	965,264	1,030,594	1,013,130
Other	-	-	21,896	-
Extracurricular Activities	1,075,436	1,354,904	1,067,015	1,175,713
Intergovernmental	37,000	-	-	-
Interest on Long-Term Debt	2,533,498	2,427,672	1,914,919	2,099,345
Total Governmental Activities	\$ 80,323,265	\$ 83,338,787	\$ 79,061,284	\$ 91,098,386
Program Revenues (See Schedule 3)				
Governmental Activities:				
Charges for Services and Sales				
Food Services	1,264,349	1,224,471	1,244,119	1,071,189
Other Activities	75,400	84,441	72,405	57,377
Operating Grants and Contributions	13,272,717	16,000,711	14,043,897	17,020,499
Capital Grants and Contributions	247,906	437,951	87,840	89,324
Total Governmental Activities Program Revenues	\$ 14,860,372	\$ 17,747,574	\$ 15,448,261	\$ 18,238,389
Net (Expense)/Revenue	\$ (65,462,893)	\$ (65,591,213)	\$ (63,613,023)	\$ (72,859,997)
Governmental Revenues and Other Changes in Net Assets				
General Revenues:				
Property Taxes, Levied for General Purposes	17,920,246	19,837,824	18,312,496	19,912,899
Property Taxes, Levied for Debt Service	3,067,064	2,737,939	2,435,591	1,953,163
Property Taxes, Levied for Permanent Improvement	2,189,872	4,056,940	3,579,820	3,620,713
Grants and Entitlements not Restricted to Specific Pro	39,133,820	43,009,165	44,131,385	44,912,583
Investment Earnings	737,714	380,186	400,617	630,500
Miscellaneous	1,452,341	1,041,295	1,371,264	1,313,688
Total General Revenues	64,501,057	71,063,349	70,231,173	72,343,546
Change in Net Assets	\$ (961,836)	\$ 5,472,136	\$ 6,618,150	\$ (516,451)

Note: The District began reporting accrual information when it implemented GASB Statement 34 in FY 2003.

Hamilton City School District
Schedule 3: Fund Balances by Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
General Fund:				
Reserved	\$ 526,027	\$ 2,280,130	\$ 6,096,940	\$ 4,082,133
Unreserved	(5,037,621)	(4,594,001)	(3,428,712)	(442,377)
Total General Fund	<u>\$ (4,511,594)</u>	<u>\$ (2,313,871)</u>	<u>\$ 2,668,228</u>	<u>\$ 3,639,756</u>
All Other Governmental Funds:				
Reserved	311,791	1,233,974	1,409,603	8,102,981
Unreserved, reported in:				
Special Revenue Funds	30,120	(432,069)	(203,014)	(217,143)
Capital Projects Funds	281,778	110,542	45,339,142	39,603,981
Debt Service Funds	-	-	295	(975,386)
Total All Other Governmental Funds	<u>\$ 623,689</u>	<u>\$ 912,447</u>	<u>\$ 46,546,026</u>	<u>\$ 46,514,433</u>

<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
\$ 5,255,950	\$ 2,570,220	\$ 2,064,605	\$ 1,011,314	\$ 1,055,545	\$ 924,538
(2,527,300)	(2,599,970)	(1,707,494)	(323,655)	(2,452,424)	(3,469,167)
<u>\$ 2,728,650</u>	<u>\$ (29,750)</u>	<u>\$ 357,111</u>	<u>\$ 687,659</u>	<u>\$ (1,396,879)</u>	<u>\$ (2,544,629)</u>
7,092,707	8,582,477	20,649,011	5,746,077	4,537,936	2,514,725
206,896	(291,403)	(1,333,968)	(1,768,511)	(2,472,987)	(837,788)
37,554,496	29,199,974	4,606,126	3,689,462	3,081,819	2,763,092
(300,016)	520,520	630,337	760,659	1,573,879	1,638,632
<u>\$ 44,554,083</u>	<u>\$ 38,011,568</u>	<u>\$ 24,551,506</u>	<u>\$ 8,427,687</u>	<u>\$ 6,720,647</u>	<u>\$ 6,078,661</u>

Hamilton City School District
Schedule 4: Governmental Fund Revenues, Expenditures, and Changes in Fund Balance
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Revenues:				
Taxes	\$ 17,413,147	\$ 18,176,713	\$ 21,725,163	\$ 18,582,042
Tuition	612,844	603,982	636,267	672,824
Charges for Services	-	-	-	-
Earnings on Investments	300,776	563,035	533,470	3,812,316
Intergovernmental	35,070,360	36,699,959	42,700,295	44,789,133
Other Local Revenues	732,812	842,577	1,298,276	1,276,157
Total Revenues	\$ 54,129,939	\$ 56,886,266	\$ 66,893,471	\$ 69,132,472
Expenses:				
Instruction:				
Regular	24,222,374	22,851,216	25,952,149	26,350,208
Special	6,746,866	7,730,016	7,481,972	8,884,401
Vocational	2,225,326	2,063,825	2,163,663	2,323,204
Adult/Continuing	175,287	134,227	194,353	288,523
Other	605,454	601,182	850,320	574,758
Support Services:				
Pupils	3,689,427	3,889,767	4,197,371	4,995,569
Instructional Staff	2,374,644	2,419,345	2,674,575	3,351,566
Board of Education	118,322	181,143	149,854	143,022
Administration	3,247,705	3,417,895	3,543,939	3,710,515
Fiscal	783,542	746,813	878,025	916,462
Business	520,454	546,686	511,400	523,568
Operations and Maintenance	5,173,177	5,234,735	5,365,569	5,873,799
Pupil Transportation	1,510,129	1,439,211	1,924,739	1,732,379
Central	560,515	676,779	961,705	779,538
Non-Instructional Services	180,966	930,953	983,993	1,070,296
Extracurricular Activities	781,663	734,788	799,305	851,340
Intergovernmental	931,400	-	8,396	-
Capital Outlay	815,345	274,862	2,297,111	2,900,263
Principal Retirement	735,530	739,981	624,545	41,140,927
Interest and Fiscal Charges	212,664	349,704	236,244	2,742,230
Issuance Costs	-	-	-	-
Total Expenditures	\$ 55,610,790	\$ 54,963,128	\$ 61,799,228	\$ 109,152,568
Excess of Revenues Over / (Under)				
Expenditures	(1,480,851)	1,923,138	5,094,243	(40,020,096)
Other Financing Sources (Uses):				
Operating Transfers In	17,700	159,317	800,223	20,700
Operating Transfers Out	(37,700)	(179,317)	(800,223)	(60,700)
Refund of Prior Year Expenditures	-	520,739	-	-
Proceeds From Sale of Capital Assets	-	44,781	65,918	30
Proceeds From Capital Leases	-	-	659,383	500,000
Proceeds From Sale of Long-Term Bonds	-	-	4,513,957	40,500,000
Proceeds From Sale of Long-Term Notes	200,000	-	-	-
Proceeds From Bond Anticipation Notes	-	-	40,500,000	-
Premium on Debt Issuance	-	-	-	-
Payments to Refunded Bond Escrow Agent	-	-	-	-
Total Other Financing Sources (Uses)	\$ 180,000	\$ 545,520	\$ 45,739,258	\$ 40,960,030
Net Change in Fund Balance	\$ (1,300,851)	\$ 2,468,658	\$ 50,833,501	\$ 939,934
Debt Service as a Percentage of Non-Capital Expenditures	1.73%	1.99%	1.45%	41.30%

2001	2002	2003	2004	2005	2006
\$ 23,262,380	\$ 20,473,163	\$ 23,177,182	\$ 24,143,866	\$ 24,678,147	\$ 24,756,463
678,267	683,859	537,816	690,712	736,506	662,090
-	-	1,334,151	1,230,145	1,384,290	1,220,951
3,582,773	1,499,734	740,924	382,323	400,617	630,500
46,987,463	47,467,996	51,818,242	57,758,963	57,639,549	61,412,548
1,342,478	1,488,354	1,573,978	946,210	1,216,930	1,196,696
<u>\$ 75,853,361</u>	<u>\$ 71,613,106</u>	<u>\$ 79,182,293</u>	<u>\$ 85,152,219</u>	<u>\$ 86,056,039</u>	<u>\$ 89,879,248</u>
26,134,318	28,999,808	29,832,088	33,945,090	34,592,581	33,475,223
9,757,778	10,273,811	8,814,972	8,417,594	9,550,172	11,120,504
2,392,550	2,147,418	2,133,163	1,721,661	2,144,517	2,217,621
184,420	227,361	275,303	257,102	237,598	232,263
531,719	757,436	759,423	905,821	1,183,877	317,317
5,216,917	5,605,423	5,865,928	5,567,169	5,890,721	6,508,874
3,653,758	4,591,288	4,702,320	5,061,560	5,404,888	6,007,044
187,736	217,940	264,753	249,873	414,575	756,028
3,917,539	4,094,341	4,426,408	4,109,494	4,644,577	5,375,300
1,022,291	995,880	1,138,944	1,013,460	1,008,682	1,062,745
721,704	590,844	636,253	491,510	369,663	435,493
6,522,198	7,009,854	7,318,350	8,516,520	7,759,074	9,513,671
2,243,760	2,092,499	2,341,848	2,036,449	2,753,463	3,233,187
820,594	685,943	916,731	936,238	924,375	961,286
1,118,034	948,836	4,381,867	4,466,978	4,574,119	4,760,119
985,931	958,782	976,684	1,096,523	1,060,652	1,146,621
-	28,750	37,000	-	-	-
10,348,456	6,950,356	12,990,327	18,418,932	3,130,847	713,610
1,519,540	1,453,767	2,299,756	2,109,551	1,542,141	1,755,020
2,662,656	2,622,695	2,547,253	2,431,903	1,915,196	2,119,028
-	-	-	-	2,222,144	-
<u>\$ 79,941,899</u>	<u>\$ 81,253,032</u>	<u>\$ 92,659,371</u>	<u>\$ 101,753,428</u>	<u>\$ 91,323,862</u>	<u>\$ 91,710,954</u>
(4,088,538)	(9,639,926)	(13,477,078)	(16,601,209)	(5,267,823)	(1,831,706)
3,650,094	814,969	386,210	203,119	235,806	326,186
(3,690,094)	(928,969)	(386,210)	(203,119)	(235,806)	(326,186)
-	-	-	-	-	18,634
2,082	3,011	26,833	5,225	107,365	23,338
-	-	-	496,018	20,627	-
-	-	-	-	23,215,000	-
-	-	375,000	300,000	-	-
1,255,000	450,000	-	-	-	-
-	-	-	-	2,222,144	-
-	-	-	-	(23,215,000)	-
<u>\$ 1,217,082</u>	<u>\$ 339,011</u>	<u>\$ 401,833</u>	<u>\$ 801,243</u>	<u>\$ 2,350,136</u>	<u>\$ 41,972</u>
<u>\$ (2,871,456)</u>	<u>\$ (9,300,915)</u>	<u>\$ (13,075,245)</u>	<u>\$ (15,799,966)</u>	<u>\$ (2,917,687)</u>	<u>\$ (1,789,734)</u>
6.01%	5.49%	6.08%	5.45%	6.44%	4.26%

Hamilton City School District
Schedule 5: Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years (Unaudited)

Tax Year/ Collection Year	Real Property (1)		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2005/06	\$871,846,570	\$2,490,990,200	\$67,854,496	\$271,417,984
2004/05	799,772,110	2,285,063,171	68,433,194	297,535,626
2003/04	801,948,400	2,291,281,143	71,947,749	312,816,300
2002/03	805,594,360	2,301,698,171	73,902,758	321,316,339
2001/02	682,507,170	1,950,020,486	106,392,029	443,300,121
2000/01	666,447,840	1,904,136,686	105,172,192	420,688,768
1999/00	650,927,570	1,859,793,057	102,190,030	408,760,120
1998/99	573,679,770	1,639,085,057	104,649,106	418,596,424
1997/98	560,234,590	1,600,670,257	107,727,106	430,908,424
1996/97	558,252,900	1,595,008,286	99,575,954	398,303,816

Source: Butler County Auditor

- (1) Includes Public Utility Real Property
- (2) Ratio represents Total Assessed Value/Total Estimated Actual Value

Public Utilities Personal		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio (2)
\$12,342,410	\$14,025,466	\$952,043,476	\$2,776,433,650	34.29%
13,687,220	13,687,220	881,892,524	2,596,286,018	33.97%
14,106,620	14,106,620	888,002,769	2,618,204,063	33.92%
14,583,730	14,583,730	894,080,848	2,637,598,241	33.90%
16,859,270	16,859,270	805,758,469	2,410,179,877	33.43%
18,735,220	18,735,220	790,355,252	2,343,560,674	33.72%
22,306,500	22,306,500	775,424,100	2,290,859,677	33.85%
23,519,560	23,519,560	701,848,436	2,081,201,041	33.72%
23,906,010	23,906,010	691,867,706	2,055,484,691	33.66%
25,232,450	25,232,450	683,061,304	2,018,544,552	33.84%

**Hamilton City School District
 Schedule 6: Property Tax Rates
 Last Ten Years (Unaudited)**

Tax Year/ Collection Year	Butler County	Hanover Township	City of Hamilton	Hamilton City School District
2005/2006	8.74	2.72	7.16	48.21
2004/2005	8.74	2.72	7.16	48.21
2003/2004	8.75	2.72	6.80	48.21
2002/2003	8.75	2.72	7.12	48.21
2001/2002	8.75	2.72	5.12	48.21
2000/2001	8.45	2.72	5.06	48.21
1999/2000	8.45	2.72	5.06	48.21
1998/1999	8.45	2.72	5.06	43.81
1997/1998	8.45	2.72	5.06	43.81
1996/1997	7.45	2.72	5.11	43.81

Source: Butler County 2005 CAFR; City of Hamilton 2005 CAFR

Hamilton City School District
 Schedule 7: Principal Property Tax Payers
 Current Year and Nine Years Ago

<i>Principal Taxpayers</i>	Nature of Business	1996 Tax Year			2005 Tax Year		
		Real Estate	Tang. Pers. Property	Total	% of Total Valuation	Real Estate	% of Total Valuation
Cincinnati Gas & Electric	Utility	-	-	-	0.00%	9,556,520	0.99%
Tippman Realty PRT	Real Estate	-	-	-	0.00%	5,052,960	0.52%
Colonial Senior Services	Health Care	-	-	-	0.00%	4,869,130	0.50%
Hamilton Crossing LLC	Retail	-	-	-	0.00%	3,996,560	0.41%
Meijer Stores LTD PRT	Retail	-	-	-	0.00%	3,850,000	0.40%
First National Bank	Financial	-	-	-	0.00%	3,767,500	0.39%
Affordable Housing PRT Inc	Real Estate	-	-	-	0.00%	3,452,880	0.36%
Pinecrest Holdings LLC	Real Estate	-	-	-	0.00%	2,601,340	0.27%
Champion Crossings LLC	Real Estate	-	-	-	0.00%	2,529,220	0.26%
Ohio Casualty Insurance	Insurance	4,545,950	-	4,545,950	0.67%	2,425,810	0.25%
Fort Hamilton Hospital	Health Care	2,313,420	-	2,313,420	0.34%	-	0.00%
Champion International	Manufacturing	10,048,440	27,735,005	37,783,445	5.53%	-	0.00%
International Paper Co.	Manufacturing	-	11,960,500	11,960,500	1.75%	-	0.00%
Hamilton Stevens	Manufacturing	-	6,891,223	6,891,223	1.01%	-	0.00%
Mosler Safe Co.	Manufacturing	2,458,610	2,665,000	5,123,610	0.75%	-	0.00%
First National Bank	Banking	2,458,640	-	2,458,640	0.36%	-	0.00%
Sault Associates	Real Estate	2,077,760	-	2,077,760	0.30%	-	0.00%
Hamilton Development Corp	Land Development	1,911,210	-	1,911,210	0.28%	-	0.00%
Western States	Manufacturing	-	1,876,100	1,876,100	0.27%	-	0.00%
Total Assessed Value of Top Ten Taxpayers		25,814,030	51,127,828	76,941,858	11.26%	42,101,920	4.36%
All Others		532,438,870	73,680,576	606,119,446	88.74%	922,948,923	95.64%
Total Assessed Value		\$558,252,900	\$124,808,404	\$683,061,304		\$965,050,843	

Source: Butler County Auditor

**Hamilton City School District
Schedule 8: Property Tax Levies and Collections
Last Ten Fiscal Years**

<u>Description</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
Current Levy	\$ 16,172,129	\$ 16,310,858	\$ 16,376,169	\$ 19,266,197	\$ 19,580,026
Current Tax Collections (2)	15,558,589	15,543,679	15,999,474	18,826,628	19,073,877
Percent Collected	96.21%	95.30%	97.70%	97.72%	97.41%
Delinquent Tax Collections	360,280	437,960	487,037	482,300	570,194
Total Tax Collections	\$ 15,918,869	\$ 15,981,639	\$ 16,486,511	\$ 19,308,928	\$ 19,644,071
Percent of Total Tax Collections to Current Tax Levy	98.43%	97.98%	100.67%	100.22%	100.33%
Outstanding Delinquent Taxes (3)	561,638	615,779	250,401	52,333	966,859
Percent of Outstanding Delinquent Taxes to Current Tax Levy	3.47%	3.78%	1.53%	0.27%	4.94%

Source: Butler County Auditor

(1) Amounts are presented in conformity with Generally Accepted Accounting Principles (GAAP), on a modified accrual basis.

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

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

<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
\$ 20,913,594	\$ 23,757,745	\$ 23,896,830	\$ 27,365,431	\$ 27,130,156
19,311,203	22,745,476	21,810,030	24,884,976	25,222,250
92.34%	95.74%	91.27%	90.94%	92.97%
802,539	970,631	1,167,323	1,213,114	1,429,976
\$ 20,113,742	\$ 23,716,107	\$ 22,977,353	\$ 26,098,090	\$ 26,652,226
96.18%	99.82%	96.15%	95.37%	98.24%
2,771,696	1,971,844	2,488,818	2,138,597	1,789,990
13.25%	8.30%	10.41%	7.81%	6.60%

Hamilton City School District
 Schedule 9: Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Total Primary Government	Percentage Of Personal Income ^a	Per Capita
	Energy Conservation Bonds	Capital Leases	General Obligation Bonds	Bond Anticipation Notes			
1997	3,595,000	339,169	-	-	3,934,169	0.39%	63
1998	3,080,000	114,188	-	-	3,194,188	0.29%	52
1999	2,560,000	554,838	4,500,000	40,500,000	48,114,838	3.58%	787
2000	2,040,000	933,011	45,000,000	-	47,973,011	3.67%	776
2001	1,520,000	702,507	44,895,000	590,000	47,707,507	3.72%	772
2002	1,000,000	462,707	44,790,000	450,000	46,702,707	3.64%	770
2003	500,000	12,951	43,890,000	375,000	44,777,951	2.57%	738
2004	-	405,324	42,765,000	300,000	43,470,324	2.39%	716
2005	-	323,810	41,625,000	-	41,948,810	2.31%	691
2006	-	218,790	39,975,000	-	40,193,790	N/A	662

Notes: N/A = not available. Details of the District's outstanding debt can be found in Note 8 in the notes to the financial statements.

^a See Schedule 16 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Hamilton City School District
 Schedule 10: Direct and Overlapping Governmental Activities Debt
 As of June 30, 2006

<u>Governmental Unit</u>	<u>Gross General Obligation Debt Outstanding</u>	<u>Percent Applicable To District (1)</u>	<u>Amount Applicable To District</u>
Direct:			
Hamilton City School District			
General Obligation Bonds	\$ 39,975,000	100.00%	\$ 39,975,000
Total Hamilton City School District	<u>\$ 39,975,000</u>		<u>\$ 39,975,000</u>
Overlapping:			
City of Hamilton	9,236,641	96.28%	8,892,656
Butler County	<u>47,410,000</u>	10.98%	<u>5,207,467</u>
Total Overlapping	56,646,641		14,100,124
Total Direct and Overlapping Debt	<u><u>\$ 96,621,641</u></u>		<u><u>\$54,075,124</u></u>

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

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

Overlapping governments with no outstanding debt are not reflected.

Source: Hamilton City School District Records; City of Hamilton 2005 CAFR; Butler County 2005 PAFR; and 2006 Tax Values.

Hamilton City School District
Schedule 11: Legal Debt Margin Information
Last Ten Fiscal Years

	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
Overall Direct Debt Limitation	61,475,517	62,268,094	63,166,359	69,788,169	71,131,973
Total net debt applicable to 9% limit	600,000	200,000	47,560,000	45,000,000	44,895,000
Legal debt margin within 9% Limitation	60,875,517	62,068,094	15,606,359	24,788,169	26,236,973
Total net debt applicable to the 9% limit as a percentage of debt limit	0.98%	0.32%	75.29%	64.48%	63.12%
Unvoted Direct Debt Limitation	683,060	691,867	701,847	775,423	790,354
Total net debt applicable to 0.1% limit	-	-	-	-	-
Legal debt margin within 0.1% Limitation	683,060	691,867	701,847	775,423	790,354
Total net debt applicable to the 0.1% limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%
Energy Conservation Measure Limitation	6,147,552	6,226,809	6,316,636	6,978,817	7,113,197
Total net debt applicable to 0.9% limitation	3,595,000	3,080,000	2,560,000	2,040,000	1,520,000
Legal debt margin within 0.9% Limitation	2,552,552	3,146,809	3,756,636	4,938,817	5,593,197
Total net debt applicable to the 0.9% limit as a percentage of debt limit	58.48%	49.46%	40.53%	29.23%	21.37%

Source: Butler County Auditor and School District financial records

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

Overall Legal Debt Margin Calculation for Fiscal Year 2006

Assessed Value	\$ 952,043,476
Overall Debt Limit (9% of Assessed Value)	85,683,913
Debt Applicable to Limit	<u>39,975,000</u>
Overall Legal Debt Margin	<u>\$ 45,708,913</u>

<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
72,518,262	80,467,276	79,920,249	79,370,327	85,683,913
44,790,000	43,890,000	42,765,000	41,625,000	39,975,000
27,728,262	36,577,276	37,155,249	37,745,327	45,708,913
61.76%	54.54%	53.51%	52.44%	46.65%
805,757	894,080	888,002	881,892	952,043
450,000	375,000	300,000	-	-
355,757	519,080	588,002	881,892	952,043
55.85%	41.94%	33.78%	0.00%	0.00%
7,251,826	8,046,728	7,992,025	7,937,033	8,568,391
1,000,000	500,000	-	-	-
6,251,826	7,546,728	7,992,025	7,937,033	8,568,391
13.79%	6.21%	0.00%	0.00%	0.00%

Hamilton City School District
 Schedule 12: Demographic and Economic Statistics
 Last Ten Calendar Years

<u>Calendar Year</u>	<u>City of Hamilton Population</u>	<u>Personal Income (Butler County Area)</u>	<u>Per Capita Income (Butler County Area)</u>	<u>Unemployment Rate (Butler County Area)</u>
1996	61,833	996,438,795	16,115	4.1%
1997	61,100	1,102,916,100	18,051	3.5%
1998	61,100	1,343,894,500	21,995	3.3%
1999	61,810	1,306,910,640	21,144	3.2%
2000	60,690	1,283,229,360	21,144	3.5%
2001	60,690	1,283,229,360	21,144	3.3%
2002	60,690	1,742,895,420	28,718	4.4%
2003	60,690	1,817,301,360	29,944	4.0%
2004	60,690	1,817,301,360	29,944	3.8%
2005	60,670	1,784,608,050	29,415	4.4%

Source: City of Hamilton CAFR

Hamilton City School District
 Schedule 13: Principal Employers
 Current and 9 Years Ago

Employer	Type of Business	1996			2005		
		Employees	Rank	Percent of Total Employment	Employees	Rank	Percent of Total Employment
Fort Hamilton Hospital	Health Care	750	4	2.53%	1,250	1.00	4.46%
Butler County	Government	900	3	3.04%	900	2.00	3.21%
Smart Paper, LLC	Manufacturing			-	500	3.00	1.79%
Valeo Climate Control	Manufacturing			-	451	4.00	1.61%
Ohio Casualty Group	Insurance	1,350	2	4.56%	400	5.00	1.43%
Meijer, Inc.	Retail	300	10	1.01%	325	6.00	1.16%
The Kroger Co.	Groceries	350	8	1.18%	250	7.00	0.89%
International Paper	Manufacturing			-	250	8.00	0.89%
General Electric	Manufacturing			-	240	9.00	0.86%
First Financial Bank	Financial			-	230	10.00	0.82%
Champion International	Manufacturing	1,900	1	6.42%		0.00	
City of Hamilton	Government	710	5	2.40%		0.00	
Mercy Hospital	Health Care	510	6	1.72%		0.00	
Beckett Paper Co	Manufacturing	425	7	1.44%		0.00	
Hamilton-Stevens Group	Manufacturing	325	9	1.10%		0.00	
		7,520		25.41%	4,796		17.13%

Source: City of Hamilton, Economic Development Department.

Hamilton City School District
Schedule 14: Full-Time Equivalent District Employees by Function
Last Ten Fiscal Years

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Instruction:										
Regular	482	449	465	481	489	490	515	491	477	487
Special	144	153	163	163	174	172	152	148	153	163
Vocational	43	42	40	39	40	29	28	26	26	24
Adult/Continuing	12	9	11	12	13	11	11	12	12	12
Other	-	-	-	-	-	-	-	-	-	-
Total Instruction	681	653	679	695	716	702	706	677	668	686
Support Services:										
Pupils	74	79	83	89	92	92	95	97	99	101
Instructional Staff	88	97	113	120	139	149	143	144	155	152
Board of Education	5	5	5	5	5	5	5	5	5	5
Administration	68	73	70	74	74	75	77	78	81	80
Fiscal	9	9	9	9	9	9	10	9	9	10
Business	20	18	16	19	18	20	17	14	13	13
Operations and Maintenance	99	98	86	95	93	105	117	120	124	111
Pupil Transportation	47	55	52	55	57	69	75	62	74	61
Central	3	4	4	4	4	3	3	2	2	2
Total Support Services	413	438	438	470	491	527	542	531	562	535
Non-Instructional Services										
Food Service Operations	89	90	95	87	95	88	93	93	90	94
Community Services	20	22	17	17	19	19	18	13	14	13
Other	-	-	-	-	-	-	-	-	-	-
Extracurricular Activities	6	17	5	2	6	5	7	12	9	14
Total Non-Instructional Services	115	129	117	106	120	112	118	118	113	121
Total	1,209	1,220	1,234	1,271	1,327	1,341	1,366	1,326	1,343	1,342

Hamilton City School District
 Schedule 15: Operating Statistics
 Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Economically Disadvantaged Percentage
1997	10,152	54,055,361	5,325	9.48%	N/A	N/A	N/A	627	16.19	21.00%
1998	10,199	53,644,888	5,260	-0.77%	N/A	N/A	N/A	616	16.56	19.80%
1999	10,082	58,671,307	5,819	8.57%	N/A	N/A	N/A	579	17.40	17.20%
2000	9,463	62,424,632	6,597	6.01%	N/A	N/A	N/A	588	16.10	44.70%
2001	9,363	65,454,010	6,991	4.63%	N/A	N/A	N/A	554	16.90	44.90%
2002	9,244	70,313,662	7,606	6.91%	N/A	N/A	N/A	615	15.03	45.30%
2003	9,192	74,822,035	8,140	6.03%	80,323,265	8,738	N/A	553	16.62	45.60%
2004	9,297	78,793,042	8,475	5.04%	83,338,787	8,964	3.62%	561	16.57	47.80%
2005	9,196	82,513,534	8,973	4.51%	79,061,284	8,597	-5.41%	513	17.93	50.50%
2006	9,024	87,123,296	9,655	5.29%	72,662,231	8,052	-8.81%	507	17.80	53.60%

Source: Nonfinancial information from district records, Local Report Card

Notes: Operating expenditures are total expenditures less debt service and capital outlays.

N/A = Not available

Hamilton City School District
 Schedule 16: School Building Information
 Last Ten Fiscal Years

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Instructional Buildings:										
Adams Elementary (1953)										
Square Feet	53,602	53,602	53,602	53,602	53,602	53,602	53,602	53,602	53,602	53,602
Acreage	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60
Enrollment	456	447	445	453	478	456	504	520	547	526
Buchanan Elementary (1929)										
Square Feet	36,849	36,849	36,849	36,849	36,849	36,849	36,849	36,849	36,849	36,849
Acreage	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Enrollment	285	274	267	276	280	288	271	290	280	279
Cleveland Elementary (1959)										
Square Feet	38,565	38,565	38,565	38,565	38,565	38,565	38,565	38,565	38,565	38,565
Acreage	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50	9.50
Enrollment	406	410	366	411	380	390	406	422	381	408
Fillmore Elementary (1929)										
Square Feet	49,832	49,832	49,832	49,832	49,832	49,832	49,832	49,832	49,832	49,832
Acreage	9.40	9.40	9.40	9.40	9.40	9.40	9.40	9.40	9.40	9.40
Enrollment	541	552	583	566	641	653	653	615	636	613
Grant Elementary (1954)										
Square Feet	20,861	20,861	20,861	20,861	20,861	20,861	20,861	20,861	20,861	20,861
Acreage	6.20	6.20	6.20	6.20	6.20	6.20	6.20	6.20	6.20	6.20
Enrollment	182	179	172	169	166	168	173	162	156	157
Harrison Elementary (1952)										
Square Feet	53,944	53,944	53,944	53,944	53,944	53,944	53,944	53,944	53,944	53,944
Acreage	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Enrollment	418	433	374	386	378	374	385	389	383	374
Hayes Elementary (1958)										
Square Feet	27,866	27,866	27,866	27,866	27,866	27,866	27,866	27,866	27,866	27,866
Acreage	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00
Enrollment	339	326	331	341	371	347	334	348	343	336
Jefferson Elementary (1951)										
Square Feet	63,918	63,918	63,918	63,918	63,918	63,918	63,918	63,918	63,918	63,918
Acreage	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Enrollment	422	451	403	399	373	360	386	403	370	366
Jefferson Annex (1904)										
Square Feet	18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261	18,261
Acreage	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1	Note 1
Lincoln Elementary (1909)										
Square Feet	65,567	65,567	65,567	65,567	65,567	65,567	65,567	65,567	65,567	65,567
Acreage	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Enrollment	538	532	577	550	558	537	544	556	562	521
Madison Elementary (1955)										
Square Feet	44,729	44,729	44,729	44,729	44,729	44,729	44,729	44,729	44,729	44,729
Acreage	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Enrollment	386	393	340	322	295	298	266	287	268	266
McKinley Kindergarten (1957)										
Square Feet	14,944	14,944	14,944	14,944	14,944	14,944	14,944	14,944	14,944	14,944
Acreage	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70	5.70
Enrollment	193	192	262	224	165	179	181	186	177	169
Monroe Elementary (1959)										
Square Feet	23,976	23,976	23,976	23,976	23,976	23,976	23,976	23,976	23,976	23,976
Acreage	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50
Enrollment	250	235	249	270	254	263	275	260	260	250
Pierce Elementary (1929)										
Square Feet	50,853	50,853	50,853	50,853	50,853	50,853	50,853	50,853	50,853	50,853
Acreage	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70
Enrollment	412	409	406	434	419	402	408	425	434	407
Van Buren Elementary (1955)										
Square Feet	39,617	39,617	39,617	39,617	39,617	39,617	39,617	39,617	39,617	39,617
Acreage	11.70	11.70	11.70	11.70	11.70	11.70	11.70	11.70	11.70	11.70
Enrollment	392	377	372	377	388	362	389	388	370	400
Garfield Middle School (1959) - Note 2										
Square Feet	126,844	126,844	126,844	126,844	126,844	126,844	126,844	126,844	126,844	126,844
Acreage	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00
Enrollment	912	941	916	879	896	825	873	851	791	791
Wilson Middle School (1934)										
Square Feet	98,649	98,649	98,649	98,649	98,649	98,649	98,649	98,649	98,649	98,649
Acreage	26.80	26.80	26.80	26.80	26.80	26.80	26.80	26.80	26.80	26.80
Enrollment	887	849	845	874	824	824	806	790	632	634

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Instructional Buildings (Continued):										
Freshman School (2003)										
Square Feet	-	-	-	-	-	-	-	-	-	121,625
Acreage	-	-	-	-	-	30.00	30.00	30.00	30.00	30.00
Enrollment	-	-	-	-	-	-	-	-	676	660
Hamilton High (1959)										
Square Feet	139,469	139,469	139,469	139,469	139,469	139,469	139,469	139,469	139,469	139,469
Acreage	33.90	33.90	33.90	33.90	33.90	33.90	33.90	33.90	33.90	33.90
Enrollment	2,536	2,553	2,420	2,067	2,030	2,075	1,864	1,955	1,814	1,798
Job Development Center (1985) - Note 3										
Square Feet	62,126	62,126	62,126	62,126	62,126	62,126	62,126	62,126	62,126	62,126
Acreage	Note 4	Note 4	Note 4	Note 4	Note 4	Note 4	Note 4	Note 4	Note 4	Note 4
George Washington Education Center (1955)										
Square Feet	83,777	83,777	83,777	83,777	83,777	83,777	83,777	83,777	83,777	83,777
Acreage	Note 5	Note 5	Note 5	Note 5	Note 5	Note 5	Note 5	Note 5	Note 5	Note 5
Enrollment	597	550	507	465	467	443	474	450	116	69
Other Buildings / Property										
Administration and Training Center (1923)										
Square Feet	-	-	-	-	20,680	20,680	20,680	20,680	20,680	20,680
Acreage	-	-	-	-	1.00	1.00	1.00	1.00	1.00	1.00
Old Administration Building (1889)										
Square Feet	12,250	12,250	12,250	12,250	12,250	12,250	12,250	12,250	12,250	12,250
Acreage	-	-	-	-	-	-	-	-	-	-
Food Service										
Square Feet	7,506	7,506	7,506	7,506	7,506	7,506	7,506	7,506	7,506	7,506
Acreage	-	-	-	-	-	-	-	-	-	-
Maintenance Department (1950)										
Square Feet	14,514	14,514	14,514	14,514	14,514	14,514	14,514	14,514	14,514	14,514
Acreage	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Transportation Department (1950)										
Square Feet	14,436	14,436	14,436	14,436	14,436	14,436	14,436	14,436	14,436	14,436
Acreage	Note 6	Note 6	Note 6	Note 6	Note 6	Note 6	Note 6	Note 6	Note 6	Note 6
Mark Avenue Soccer Field										
Acreage	8.26	8.26	8.26	8.26	8.26	8.26	8.26	8.26	8.26	8.26
Smalley Blvd - Undeveloped										
Acreage	9.13	9.13	9.13	9.13	9.13	9.13	9.13	9.13	9.13	9.13
Timberhill Dr. - Undeveloped										
Acreage	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Washington Blvd. - Undeveloped										
Acreage	-	-	-	-	-	-	-	-	23.00	23.00

Source: School District Records, Ohio Department of Education Reports

Notes:

- 1 Jefferson Elementary School and Jefferson Annex share a common site.
- 2 Garfield Middle School site is leased from Butler County.
- 3 The Job Development Center is leased from Miami University, Oxford, Ohio.
- 4 The Job Development Center and the Hamilton High School share a common site (which is owned by the District).
- 5 The George Washington Education Center and Hayes Elementary share a common site.
- 6 The Maintenance and Transportation Departments share a common site.



HAMILTON
CITY SCHOOL
DISTRICT

533 Dayton Street, P.O. Box 627, Hamilton, Ohio 45012
(513) 887-5000

*Hamilton City Schools offer Equal Educational and Employment Opportunities
without regard to race, color, national origin, age, sex or handicap.*



Mary Taylor, CPA
Auditor of State

HAMILTON CITY SCHOOL DISTRICT
BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 22, 2007