

**LITTLE MIAMI LOCAL SCHOOL DISTRICT**

**Single Audit Report**

**June 30, 2008**





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Little Miami Local School District, Warren County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2007 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

February 24, 2009

**This Page is Intentionally Left Blank.**

**LITTLE MIAMI LOCAL SCHOOL DISTRICT**  
**SCHEDULE OF FEDERAL AWARDS EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
National School Breakfast Program	05PU	10.553	\$76,270	\$0	\$76,270	\$0
National School Lunch Program	LLP4	10.555	198,614	0	198,614	0
Total Nutrition Cluster			<u>274,884</u>	<u>0</u>	<u>274,884</u>	<u>0</u>
Total U.S. Department of Agriculture			<u>274,884</u>	<u>0</u>	<u>274,884</u>	<u>0</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Special Education-Grants to States	6B-SF	84.027	598,147	0	637,262	0
Special Education-Preschool Grants	PGS1	84.173	9,388	0	9,388	0
Total Special Education Cluster			<u>607,535</u>	<u>0</u>	<u>646,650</u>	<u>0</u>
Title I Grants to Local Education Agencies	C1S1	84.010	259,022	0	229,659	0
Safe and Drug Free Schools and Communities	DRS1	84.186	9,634	0	9,634	0
State Grants for Innovative Educations	C2S1	84.298	8,184	0	8,184	0
Education Technology State Grants	TJS1	84.318	2,402	0	2,402	0
Improving Teacher Quality	TRS1	84.367	92,567	0	104,688	0
Total Department of Education			<u>979,344</u>	<u>0</u>	<u>1,001,217</u>	<u>0</u>
Total Federal Assistance			<u>\$1,254,228</u>	<u>\$0</u>	<u>\$1,276,101</u>	<u>\$0</u>

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

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

**This Page is Intentionally Left Blank.**

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

To the Board of Education  
Little Miami Local School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Little Miami Local School District (the District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 1, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

### Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate letter dated December 1, 2008.

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

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
December 1, 2008



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

To the Board of Education  
Little Miami Local School District

Compliance

We have audited the compliance of the Little Miami Local School District (the District), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

## Internal Control Over Compliance

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

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

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

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

## Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2008, and have issued our report thereon dated December 1, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
December 1, 2008

LITTLE MIAMI LOCAL SCHOOL DISTRICT

June 30, 2008

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None Noted

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

None Noted

**LITTLE MIAMI LOCAL SCHOOL DISTRICT  
JUNE 30, 2008**

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

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

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



**COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT**

**FOR FISCAL YEAR ENDED JUNE 30, 2008**





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

---

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

---

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

**TABLE OF CONTENTS**

---

	<b>Page</b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	vii
List of Principal Officials	xv
Organizational Chart	xvi
GFOA Certificate of Achievement for Excellence in Financial Reporting	xvii
ASBO Certificate of Excellence in Financial Reporting	xviii
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	17
Statement of Fiduciary Assets and Liabilities - Fiduciary Fund	18
Notes to the Basic Financial Statements	19
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	48
Notes to the Required Supplementary Information	49
Combining Statements and Individual Fund Schedules:	
Description of Funds - Nonmajor Governmental Funds	52
Nonmajor Governmental Funds:	
Combining Balance Sheet	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	57
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	62
Nonmajor Capital Projects Funds:	
Combining Balance Sheet	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	67

**TABLE OF CONTENTS**

---

	<b>Page</b>
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance -	
Budget and Actual (Non-GAAP Budgetary Basis):	
Public School Fund	68
Other Grants Fund	69
District Managed Activities Fund	70
Management Information System Fund	71
Entry Year Programs Fund	72
Data Communication Fund	73
SchoolNet Professional Development Fund	74
Vocational Education Enhancement Fund	75
Core Implementation Grant FY07 Fund	76
Title VI-B Fund	77
Title I Fund	78
Title V Fund	79
Drug-Free Grant Fund	80
IDEA Preschool Grant Fund	81
Improving Teacher Quality Fund	82
Miscellaneous Federal Grants Fund	83
Food Services Fund	84
Uniform School Supplies Fund	85
Special Trust Fund	86
Special Enterprises Fund	87
Debt Service Fund	88
Building Fund	89
Permanent Improvement Fund	90
SchoolNet Fund	91
Smith Trust Fund	92
Description of Funds - Nonmajor Funds	93
Agency Funds:	
Statement of Changes in Assets and Liabilities	94

Little Miami Local School District  
Comprehensive Annual Financial Report  
For the Year Ended June 30, 2008

**TABLE OF CONTENTS**

---

	<u>Schedule</u>	<u>Page</u>
<b>STATISTICAL SECTION</b>		
Net Assets by Component	1	96
Expenses, Program Revenues and Net (Expense)/Revenue	2	97
General Revenues and Total Change in Net Assets	3	98
Fund Balances, Governmental Funds	4	99
Governmental Funds Revenues	5	100
Governmental Funds Expenditures and Debt Service Ratio	6	101
Other Financing Sources and Uses and Net Change in Fund Balances	7	102
Assessed and Estimated Actual Value of Taxable Property	8	103
Direct and Overlapping Property Tax Rates	9	104
Principal Property Tax Payers	10	105
Property Tax Levies and Collections	11	106
Outstanding Debt by Type	12	107
Direct and Overlapping Governmental Activities Debt	13	108
Legal Debt Margin Information	14	109
Demographic and Economic Statistics	15	110
Major Employers	16	111
Full-Time Equivalent District Employees by Type	17	112
Operating Statistics	18	114
School Building Information	19	115

**THIS PAGE INTENTIONALLY LEFT BLANK**

# INTRODUCTORY SECTION

---



December 1, 2008

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

The Comprehensive Annual Financial Report [CAFR] of the Little Miami Local School District [District] for the fiscal year ended June 30, 2008, is hereby submitted. This report, prepared by the Treasurer's office, includes an unqualified opinion from Plattenburg & Associates, Inc. and conforms to generally accepted accounting principles as applicable to governmental entities. The responsibility for an accurate, complete and fair presentation of the data, including all disclosures, belongs to the District. This report will provide the taxpayers of the Little Miami Local School District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties.

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

### **THE REPORTING ENTITY AND SERVICES PROVIDED**

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

### **ECONOMIC CONDITION AND OUTLOOK**

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

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



## THE DISTRICT AND ITS FACILITIES

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

District school buildings consist of one high school, one junior high school, an intermediate school and three elementary schools.

<u>Constructed</u>	<u>School Address</u>
2000	Little Miami High School 3001 SR 22 & 3 Morrow, Ohio 45152
1956	Little Miami Junior High School 605 Welch Road Morrow, Ohio 45152
1956	Little Miami Intermediate School 605 Welch Road Morrow, Ohio 45152
1937	Hamilton Maineville Elementary 373 E. Foster Maineville Road Maineville, Ohio 45039
1937	Harlan-Butlerville Elementary 8276 SR 132 Blanchester, Ohio 45107
1913	Morrow Elementary 10 Miranda Street Morrow, Ohio 45152

## ORGANIZATION OF THE SCHOOL DISTRICT

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

The Board members represent a cross section of professions in the community. The board members on June 30, 2008, were as follows:

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

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

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

## **EMPLOYEE RELATIONS**

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

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

## **SERVICES PROVIDED**

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

The food service department serves lunches at the District's five kitchens. The District currently offers a breakfast program at four sites.

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

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

## **CURRENT INITIATIVES**

### Curriculum and Instructional Services

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

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

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

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

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

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

## **FINANCIAL INFORMATION**

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

## **INTERNAL ACCOUNTING AND BUDGETARY CONTROL**

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

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

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

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

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

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

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

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

## **CASH MANAGEMENT**

The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently investing available cash in obligations collateralized by the United States Government, or the State of Ohio issued instruments or insured by the Federal Deposit Insurance Corporation [FDIC].

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

## **RISK MANAGEMENT**

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

## **INDEPENDENT AUDIT**

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

## **AWARDS**

### GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada [GFOA] awarded a Certificate of Achievement to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

### ASBO Certificate of Excellence in Financial Reporting

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

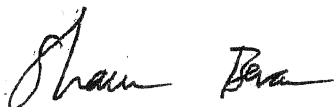
The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2007. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2008, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

## ACKNOWLEDGEMENTS

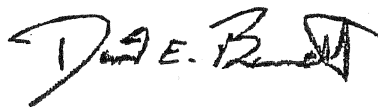
The preparation of the 2008 Comprehensive Annual Financial Report of the Little Miami Local School District was made possible by the dedicated service of Ms. Deborah Harper, Mrs. Karen Bahr, Mrs. Laura Short and Mrs. Dawn Shank. Special recognition is given to Plattenburg and Associates, Inc., Certified Public Accountants for their assistance in the preparation of the CAFR in addition to their work for their audit of the CAFR. Finally, this report would not have been possible without the leadership and support of the District's Board of Education and the Little Miami Local Schools community.

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

Respectfully submitted,



Shaun Bevan,  
Treasurer



Daniel Bennett,  
Superintendent/CEO

**LITTLE MIAMI LOCAL SCHOOL DISTRICT  
LIST OF PRINCIPAL OFFICIALS  
As of June 30, 2008**

**BOARD OF EDUCATION**

Mary Beth Hamburg, President  
Michael Cremeans, Vice President  
Bobbie Grice, Member  
John Stern, Member  
Kym Dunbar, Member

**TREASURER**

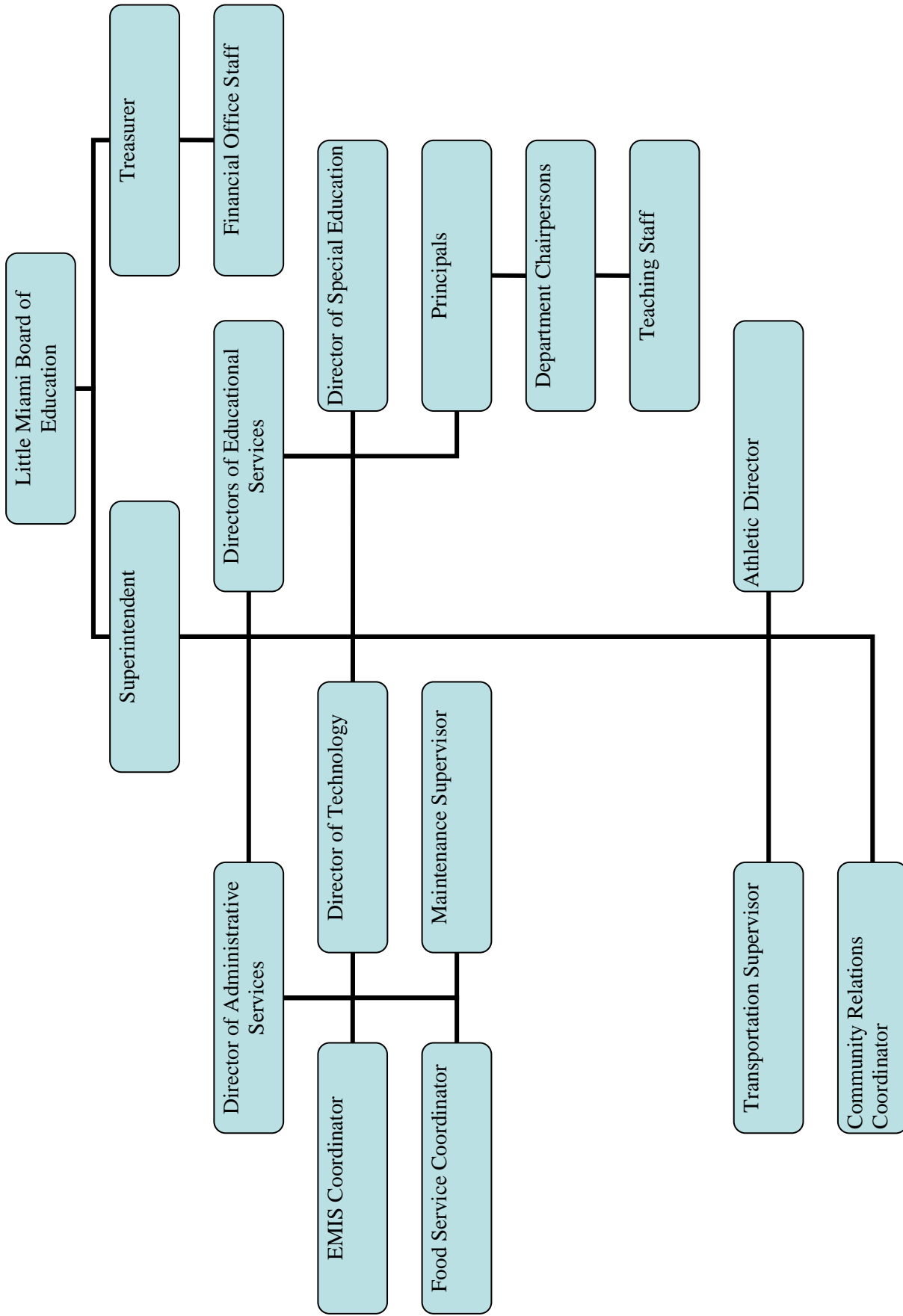
Shaun Bevan

**SUPERINTENDENT OF SCHOOLS**

Daniel Bennett



Organizational Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Little Miami Local School  
District, Ohio

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

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



*Chloe S. Cox*

President

*Jeffrey R. Emery*

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**LITTLE MIAMI LOCAL SCHOOL DISTRICT**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2007

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

President

Executive Director

## **FINANCIAL SECTION**

---

**INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Little Miami Local School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Little Miami Local School District (the District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2008, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

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

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

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
December 1, 2008

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

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

**Financial Highlights**

Key financial highlights for 2008 are as follows:

- Net assets of governmental activities decreased \$5,325,614 from 2007.
- General revenues accounted for \$32,464,659 in revenue or 89.5% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,794,616 or 10.5% of total revenues of \$36,259,275 .
- The District had \$41,584,889 in expenses related to governmental activities; \$3,794,616 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$32,464,659 were also used to provide for these programs.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

## **Government-wide Financial Statements**

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

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

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

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

## **Fund Financial Statements**

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

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

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

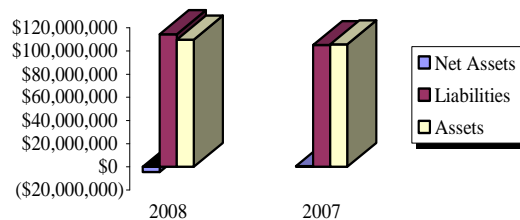


## The District as a Whole

As stated previously, the Statement of Net Assets looks at the District as a whole. Table 1 provides a summary of the District's net assets for 2008 compared to 2007:

Table 1  
Net Assets

	Governmental Activities	
	2008	2007
Assets:		
Current and Other Assets	\$61,638,410	\$83,158,191
Capital Assets	48,219,852	22,585,005
Total Assets	109,858,262	105,743,196
Liabilities:		
Other Liabilities	35,694,675	28,524,968
Long-Term Liabilities	78,776,507	76,505,534
Total Liabilities	114,471,182	105,030,502
Net Assets:		
Invested in Capital Assets, Net of Related Debt	2,293,980	1,399,522
Restricted	396,750	3,960,747
Unrestricted	(7,303,650)	(4,647,575)
Total Net Assets	(\$4,612,920)	\$712,694



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2008, the District's assets exceeded liabilities by (\$4,612,920).

At year-end, capital assets represented 44% of total assets. Capital assets include land, construction in progress, buildings and improvements, equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2008, was \$2,293,980. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets

is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$396,750 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Current assets decreased due to a decrease in the balance of investments as compared to prior year. Capital assets increased due to the construction of new buildings and improvements throughout the District. Other liabilities increased mainly due to an increase in unearned revenue which was due to a corresponding increase in taxes receivable.

Table 2 shows the changes in net assets for fiscal years 2008 and 2007.

Table 2  
Changes in Net Assets

	Governmental Activities	
	2008	2007
Revenues:		
Program Revenues		
Charges for Services	\$1,825,291	\$1,651,229
Operating Grants, Contributions	1,882,104	1,956,685
Capital Grants and Contributions	87,221	82,048
General Revenues:		
Property Taxes	18,425,671	20,881,473
Grants and Entitlements	10,885,644	10,124,545
Other	3,153,344	2,332,765
Total Revenues	<u>36,259,275</u>	<u>37,028,745</u>
Program Expenses:		
Instruction	18,460,280	17,257,215
Support Services:		
Pupil and Instructional Staff	3,074,811	2,796,998
School Administrative, General		
Administration, Fiscal and Business	3,740,425	3,312,256
Operations and Maintenance	5,363,367	2,766,276
Pupil Transportation	3,519,149	2,931,447
Central	1,192,904	1,401,384
Operation of Non-Instructional Services	1,544,087	1,482,976
Extracurricular Activities	1,016,961	987,357
Interest and Fiscal Charges	3,672,905	2,628,957
Total Program Expenses	<u>41,584,889</u>	<u>35,564,866</u>
Change in Net Assets	(5,325,614)	1,463,879
Net Assets Beginning of Year	<u>712,694</u>	<u>(751,185)</u>
Net Assets End of Year	<u><u>(\$4,612,920)</u></u>	<u><u>\$712,694</u></u>

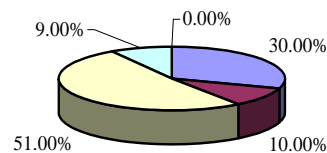
The District revenues came from mainly two sources. Property taxes levied for general, debt service and capital projects purposes, as well as grants and entitlements comprised 81% of the District's revenues for governmental activities.

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

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

Property taxes made up 51% of governmental activities for the District in fiscal year 2008. The District's reliance upon tax revenues is demonstrated in the following graph:

Revenue Sources	2008	Percent of Total
General Grants	\$10,885,644	30.00%
Program Revenues	3,794,616	10.00%
General Tax Revenues	18,425,671	51.00%
Investment Earnings	3,104,294	9.00%
Other Revenues	49,050	0.00%
	<u>\$36,259,275</u>	<u>100.00%</u>



Instruction comprises 44.39% of governmental program expenses. Support services expenses were 40.62% of governmental program expenses. All other expenses including interest expense were 14.99% . Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Property tax revenues decreased from the prior year mainly due to a decrease in property tax receipts. Instruction and related support services increased due to a growing student population.

## Governmental Activities

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

Table 3  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2008	2007	2008	2007
Instruction	\$18,460,280	\$17,257,215	(\$17,412,437)	(\$16,462,517)
Support Services:				
Pupil and Instructional Staff	3,074,811	2,796,998	(2,505,759)	(1,866,983)
School Administrative, General				
Administration, Fiscal and Business	3,740,425	3,312,256	(3,736,574)	(3,284,891)
Operations and Maintenance	5,363,367	2,766,276	(5,326,493)	(2,733,335)
Pupil Transportation	3,519,149	2,931,447	(3,420,583)	(2,836,849)
Central	1,192,904	1,401,384	(1,179,944)	(1,388,566)
Operation of Non-Instructional Services	1,544,087	1,482,976	(78,307)	(162,834)
Extracurricular Activities	1,016,961	987,357	(457,271)	(509,972)
Interest and Fiscal Charges	3,672,905	2,628,957	(3,672,905)	(2,628,957)
Total Expenses	<u>\$41,584,889</u>	<u>\$35,564,866</u>	<u>(\$37,790,273)</u>	<u>(\$31,874,904)</u>

## The District's Funds

The District has three major governmental funds: the General Fund, Debt Service Fund, and the Building Fund. Assets of these funds comprised \$57,314,012 (93%) of the total \$61,335,377 governmental funds assets.

**General Fund:** Fund balance at June 30, 2008 was \$821,042. Fund balance decreased \$301,427 from the prior year. The primary reason for the decrease in fund balance was due to a decrease in taxes revenue.

**Debt Service Fund:** Fund balance at June 30, 2008 was (\$3,928,311). Fund balance decreased \$6,874,616 from 2007. The primary reason for the decrease in fund balance was due to a \$6.25 million in transfers out into the Building Fund.

**Building Fund:** Fund balance at June 30, 2008 was \$27,338,850. Fund balance decreased \$21,862,181 from 2007. The cause of the decrease relates mainly to the construction of new buildings and school improvements throughout the District.

## General Fund Budgeting Highlights

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

During the course of fiscal year 2008, the District amended its general fund budget numerous times, however none were significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis actual revenue was \$27,603,907, compared to original budget estimates of \$25,771,172. Of the \$1,830,735 difference, most was due to a conservative estimate for taxes and intergovernmental revenue.

The District's ending unobligated actual fund balance for the General Fund was \$5,143 below the final budgeted amount.

### **Capital Assets and Debt Administration**

#### *Capital Assets*

At fiscal year end, the District had \$48,219,852 invested in land, construction in progress, buildings and improvements, and equipment. Table 4 shows fiscal year 2008 balances compared to fiscal year 2007:

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

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Land	\$2,538,132	\$2,538,132
Construction in Progress	29,408,321	4,165,530
Buildings and Improvements	13,204,517	13,649,171
Equipment	<u>3,068,882</u>	<u>3,182,172</u>
Total Net Capital Assets	<u><u>\$48,219,852</u></u>	<u><u>\$23,535,005</u></u>

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

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

## Debt

At fiscal year end, the District had \$77,218,607 in bonds and capital leases payable, \$2,650,282 due within one year. Table 5 summarizes bonds and capital leases outstanding at year end.

Table 5  
Outstanding Debt, at Year End

	Governmental Activities	
	2008	2007
Governmental Activities:		
Energy Conservation Notes	\$137,500	\$206,250
2005 Refunded Bonds:		
Current Interest Bonds	10,180,000	11,280,000
Capital Appreciation Bonds	3,280,945	3,080,025
Premium on Bonds	638,615	718,442
2006 School Improvement:		
Current Interest Bonds	1,700,051	2,425,051
Capital Appreciation Bonds	7,241,746	6,755,756
2007 Refunding:		
Current Interest Bonds	44,110,001	45,035,001
Capital Appreciation Bonds	2,447,509	2,216,277
Premium on Bonds	3,266,198	3,389,451
Deferred Amount	(1,809,449)	(1,877,730)
HB264 Bond	3,890,000	0
Total General Obligation Bonds	<u>75,083,116</u>	<u>73,228,523</u>
Capital Leases Payable:		
2006 Ground Lease	859,395	1,121,390
2006 Equipment Lease	471,096	613,846
2008 OASBO Field Turf Lease	805,000	0
Total Bonds, Notes, and Capital Leases	<u>\$77,218,607</u>	<u>\$74,963,759</u>

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

## For the Future

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

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

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

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

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

### **Contacting the District's Financial Management**

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

Little Miami Local School District  
Statement of Net Assets  
June 30, 2008

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Investments	\$34,298,053
Restricted Cash and Investments	558,168
Equity in Pooled Cash and Investments with Fiscal Agent	1,741,000
Receivables:	
Taxes	24,368,218
Accounts	27,532
Intergovernmental	119,101
Deferred Bond Issuance Costs	518,721
Inventory	7,617
Nondepreciable Capital Assets	31,946,453
Depreciable Capital Assets, Net	<u>16,273,399</u>
 Total Assets	 <u>109,858,262</u>
Liabilities:	
Accounts Payable	368,489
Accrued Wages and Benefits	3,486,860
Retainage Payable	330,793
Accrued Interest Payable	264,168
Unearned Revenue	22,341,437
Other Liabilities	950,000
Contracts Payable	1,952,928
Bond Anticipation Notes Payable	6,000,000
Long-Term Liabilities:	
Due Within One Year	2,881,213
Due In More Than One Year	<u>75,895,294</u>
 Total Liabilities	 <u>114,471,182</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	2,293,980
Restricted for:	
Special Revenue	165,898
Set-Aside	209,375
Smith Trust Nonexpendable	18,000
Smith Trust Expendable	3,477
Unrestricted	<u>(7,303,650)</u>
 Total Net Assets	 <u><u>(\$4,612,920)</u></u>

See accompanying notes to the basic financial statements.



Little Miami Local School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2008

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$14,367,667	\$36,968	\$87,564	\$60,054	(\$14,183,081)
Special	3,154,623	0	855,414	0	(2,299,209)
Vocational	639	0	7,843	0	7,204
Other	937,351	0	0	0	(937,351)
Support Services:					
Pupil	1,424,068	0	262,902	0	(1,161,166)
Instructional Staff	1,650,743	0	306,150	0	(1,344,593)
General Administration	43,126	0	0	0	(43,126)
School Administration	2,711,765	0	3,851	0	(2,707,914)
Fiscal	763,727	0	0	0	(763,727)
Business	221,807	0	0	0	(221,807)
Operations and Maintenance	5,363,367	18,874	18,000	0	(5,326,493)
Pupil Transportation	3,519,149	0	71,399	27,167	(3,420,583)
Central	1,192,904	0	12,960	0	(1,179,944)
Operation of Non-Instructional Services	1,544,087	1,209,759	256,021	0	(78,307)
Extracurricular Activities	1,016,961	559,690	0	0	(457,271)
Interest and Fiscal Charges	3,672,905	0	0	0	(3,672,905)
Total Governmental Activities	<u>\$41,584,889</u>	<u>\$1,825,291</u>	<u>\$1,882,104</u>	<u>\$87,221</u>	<u>(37,790,273)</u>

General Revenues:

Property Taxes Levied for:

General Purposes	11,856,898
Debt Service Purposes	4,437,645
Capital Projects Purposes	2,131,128
Grants and Entitlements not Restricted to Specific Programs	10,885,644
Unrestricted Payment in Lieu of Taxes	15,276
Unrestricted Contributions	23,000
Investment Earnings	3,104,294
Other Revenues	10,774

Total General Revenues 32,464,659

Change in Net Assets (5,325,614)

Net Assets Beginning of Year 712,694

Net Assets End of Year (\$4,612,920)

See accompanying notes to the basic financial statements.

Little Miami Local School District  
Balance Sheet  
Governmental Funds  
June 30, 2008

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$3,242,239	\$1,860,457	\$28,588,914	\$606,443	\$34,298,053
Restricted Cash and Investments	209,375	0	330,793	18,000	558,168
Equity in Pooled Cash and Investments with Fiscal Agent	0	0	950,000	791,000	1,741,000
<b>Receivables:</b>					
Taxes	16,765,078	5,138,339	0	2,464,801	24,368,218
Accounts	13,129	0	0	14,403	27,532
Intergovernmental	0	0	0	119,101	119,101
Interfund	215,688	0	0	0	215,688
Inventory	0	0	0	7,617	7,617
<b>Total Assets</b>	<b>20,445,509</b>	<b>6,998,796</b>	<b>29,869,707</b>	<b>4,021,365</b>	<b>61,335,377</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	118,886	0	220,320	29,283	368,489
Accrued Wages and Benefits	3,299,712	0	0	187,148	3,486,860
Compensated Absences	116,732	0	0	1,682	118,414
Retainage Payable	0	0	330,793	0	330,793
Accrued Interest Payable	0	0	13,125	0	13,125
Interfund Payable	0	0	13,691	201,997	215,688
Deferred Revenue	16,089,137	4,927,107	0	2,363,411	23,379,655
Contracts Payable	0	0	1,952,928	0	1,952,928
Bond Anticipation Notes Payable	0	6,000,000	0	0	6,000,000
<b>Total Liabilities</b>	<b>19,624,467</b>	<b>10,927,107</b>	<b>2,530,857</b>	<b>2,783,521</b>	<b>35,865,952</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	0	0	22,269,495	173,843	22,443,338
Reserved for Inventory	0	0	0	7,617	7,617
Reserved for Property Tax Advances	675,941	211,232	0	101,390	988,563
Reserved for Set-Aside	209,375	0	0	0	209,375
Reserved for Smith Trust	0	0	0	18,000	18,000
<b>Unreserved, Undesignated, Reported in:</b>					
General Fund	(64,274)	0	0	0	(64,274)
Special Revenue Funds	0	0	0	179,217	179,217
Debt Service Funds	0	(4,139,543)	0	0	(4,139,543)
Capital Projects Funds	0	0	5,069,355	754,300	5,823,655
Permanent Fund	0	0	0	3,477	3,477
<b>Total Fund Balances</b>	<b>821,042</b>	<b>(3,928,311)</b>	<b>27,338,850</b>	<b>1,237,844</b>	<b>25,469,425</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$20,445,509</b>	<b>\$6,998,796</b>	<b>\$29,869,707</b>	<b>\$4,021,365</b>	<b>\$61,335,377</b>

See accompanying notes to the basic financial statements.

Little Miami Local School District  
 Reconciliation of Total Governmental Fund Balance to  
 Net Assets of Governmental Activities  
 June 30, 2008

---

Total Governmental Fund Balance	\$25,469,425
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	48,219,852
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Delinquent Property Taxes	1,038,218
	<u>1,038,218</u>
In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.	(251,043)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.	
Compensated Absences	(1,439,486)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.	518,721
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.	<u>(78,168,607)</u>
Net Assets of Governmental Activities	<u><u>(\$4,612,920)</u></u>

See accompanying notes to the basic financial statements.

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

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$11,541,831	\$4,312,853	\$0	\$2,069,935	\$17,924,619
Tuition and Fees	37,788	0	0	184,040	221,828
Investment Earnings	3,103,302	0	0	992	3,104,294
Intergovernmental	10,572,944	584,797	0	1,679,012	12,836,753
Extracurricular Activities	77,758	0	0	481,112	558,870
Charges for Services	0	0	0	1,025,719	1,025,719
Other Revenues	66,761	0	20,000	70,994	157,755
<b>Total Revenues</b>	<b>25,400,384</b>	<b>4,897,650</b>	<b>20,000</b>	<b>5,511,804</b>	<b>35,829,838</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	13,458,577	0	0	476,893	13,935,470
Special	2,653,943	0	0	485,458	3,139,401
Vocational	639	0	0	0	639
Other	937,351	0	0	0	937,351
<b>Support Services:</b>					
Pupil	1,153,802	0	0	260,759	1,414,561
Instructional Staff	1,332,128	0	0	309,236	1,641,364
General Administration	43,126	0	0	0	43,126
School Administration	2,689,405	7,181	0	13,741	2,710,327
Fiscal	680,621	60,631	483	29,103	770,838
Business	214,534	0	0	1,290	215,824
Operations and Maintenance	2,588,516	0	2,230,644	522,174	5,341,334
Pupil Transportation	2,889,571	0	0	608,949	3,498,520
Central	239,713	0	284,705	667,596	1,192,014
Operation of Non-Instructional Services	0	0	0	1,557,860	1,557,860
Extracurricular Activities	514,614	0	0	457,303	971,917
Capital Outlay	0	0	25,137,457	105,334	25,242,791
<b>Debt Service:</b>					
Principal Retirement	68,750	2,750,000	404,745	0	3,223,495
Interest and Fiscal Charges	12,853	2,704,454	74,147	58,259	2,849,713
<b>Total Expenditures</b>	<b>29,478,143</b>	<b>5,522,266</b>	<b>28,132,181</b>	<b>5,553,955</b>	<b>68,686,545</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(4,077,759)</b>	<b>(624,616)</b>	<b>(28,112,181)</b>	<b>(42,151)</b>	<b>(32,856,707)</b>
<b>Other Financing Sources (Uses):</b>					
Issuance of Long-Term Capital-Related Debt	3,890,000	0	0	0	3,890,000
Issuance of Capital Leases	0	0	0	805,000	805,000
Transfers In	0	0	6,250,000	113,668	6,363,668
Transfers (Out)	(113,668)	(6,250,000)	0	0	(6,363,668)
<b>Total Other Financing Sources (Uses)</b>	<b>3,776,332</b>	<b>(6,250,000)</b>	<b>6,250,000</b>	<b>918,668</b>	<b>4,695,000</b>
<b>Net Change in Fund Balance</b>	<b>(301,427)</b>	<b>(6,874,616)</b>	<b>(21,862,181)</b>	<b>876,517</b>	<b>(28,161,707)</b>
<b>Fund Balance Beginning of Year (Restated)</b>	<b>1,122,469</b>	<b>2,946,305</b>	<b>49,201,031</b>	<b>361,327</b>	<b>53,631,132</b>
<b>Fund Balance End of Year</b>	<b>\$821,042</b>	<b>(\$3,928,311)</b>	<b>\$27,338,850</b>	<b>\$1,237,844</b>	<b>\$25,469,425</b>

See accompanying notes to the basic financial statements.

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

---

Net Change in Fund Balance - Total Governmental Funds (\$28,161,707)

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

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

Capital assets used in governmental activities	25,617,256	
Depreciation Expense	<u>(862,756)</u>	24,754,500

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss. (69,653)

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

Delinquent Property Taxes	501,052	
Intergovernmental	<u>(1,962)</u>	499,090

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 3,223,495

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

Accrued Interest	<u>(8,299)</u>	(8,299)
------------------	----------------	---------

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

Compensated Absences	(53,147)	
Amortization of Bond Issuance Cost	(31,550)	
Amortization of Bond Premium	203,080	
Amortization of Deferred Charge on Refunding	(68,281)	
Bond Accretion	<u>(918,142)</u>	(868,040)

Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net assets. (4,695,000)

Change in Net Assets of Governmental Activities (\$5,325,614)

See accompanying notes to the basic financial statements.

Little Miami Local School District  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Fund  
June 30, 2008

---

---

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	\$82,790
Receivables:	
Accounts	<u>904</u>
Total Assets	<u><u>83,694</u></u>
Liabilities:	
Accounts Payable	3,176
Other Liabilities	<u>80,518</u>
Total Liabilities	<u><u>\$83,694</u></u>

See accompanying notes to the basic financial statements.

**LITTLE MIAMI LOCAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2008**

**1. DESCRIPTION OF THE DISTRICT**

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

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

**REPORTING ENTITY**

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**MEASUREMENT FOCUS**

**Government-wide Financial Statements**

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

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

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

### **Fund Financial Statements**

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

Fiduciary Funds are reported using the accrual basis of accounting.

### **FUND ACCOUNTING**

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental and fiduciary. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.



## **Governmental Funds**

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

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

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

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

## **Fiduciary Funds**

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

## **BASIS OF ACCOUNTING**

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

## Revenues – Exchange and Non-exchange Transactions

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

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

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

### Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

### Unearned Revenue

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

### Expenses/Expenditures

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

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

### **EQUITY IN POOLED CASH AND INVESTMENTS**

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

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

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2008. STAR Ohio is an investment pool managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule2A7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio’s share price, which is the price the investment could be sold for on June 30, 2008.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2008 amounted to \$3,104,294. Interest revenue credited to the General Fund during fiscal year 2008 amounted to \$3,103,302.

### **INVENTORY**

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

### **CAPITAL ASSETS**

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

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

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

### **RESTRICTED ASSETS**

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

### **COMPENSATED ABSENCES**

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

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

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

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

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

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

## **NET ASSETS**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the District's restricted net assets of \$396,750, none was restricted by enabling legislation.

## **FUND BALANCE RESERVES AND DESIGNATIONS**

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

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

## **INTERFUND ACTIVITY**

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

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

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

## **ESTIMATES**

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

### **3. EQUITY IN POOLED CASH AND INVESTMENTS**

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

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

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

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.

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

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

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

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

## Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by federal depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2008, \$13,331,761 of the District's bank balance of \$13,652,517 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

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

## Investments

As of June 30, 2008, the District had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Star Ohio	\$3,265,643	0.15
Commercial Paper	7,927,520	0.29
Federal Home Loan Bank	2,737,727	0.39
Federal Home Loan Mortgage	3,718,825	0.30
Federal National Mortgage Association	6,846,637	0.11
	<u>\$24,496,352</u>	
Portfolio Weighted Average Maturity		0.23

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

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



Concentration of credit risk – The District’s investment policy allows investments in Federal Agencies or Instrumentalities. 13% of investments at June 30, 2008 were in STAR Ohio, 11% in Federal Home Loan Bank, 15% in Federal Home Loan Mortgage, 28% in Federal National Mortgage Association, and 33% in Commercial Paper.

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

#### **4. PROPERTY TAXES**

Real property taxes collected in 2008 were levied in April on the assessed values as of January 1, 2007, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update every third year.

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

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

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

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2008 and for which there is an enforceable legal claim. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2008. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2008, was \$675,941 for General Fund, \$211,232 for Debt Service Fund and \$101,390 for Other Governmental Funds, and is recognized as revenue, with a corresponding reserve to fund balance since the Board did not appropriate these receivables for fiscal year 2008 operations.

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

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

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$772,136,490
Public Utility	6,488,191
Tangible Personal Property	<u>16,053,500</u>
Total	<u><u>\$794,678,181</u></u>

## 5. RECEIVABLES

Receivables at June 30, 2008, consisted of taxes, accounts (rent and student fees), intergovernmental grants and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

## 6. CAPITAL ASSETS

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

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$2,538,132 **	\$0	\$0	\$2,538,132
Construction in Progress	4,165,530	25,242,791	0	29,408,321
Total Capital Assets, not being depreciated	6,703,662	25,242,791	0	31,946,453
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	19,439,522	0	0	19,439,522
Equipment	7,448,880	374,465	764,202	7,059,143
<i>Total Capital Assets, being depreciated:</i>	26,888,402	374,465	764,202	26,498,665
Totals at Historical Cost	33,592,064	25,617,256	764,202	58,445,118
Less Accumulated Depreciation:				
Buildings and Improvements	5,790,351	444,654	0	6,235,005
Equipment	4,266,708	418,102	694,549	3,990,261
Total Accumulated Depreciation	10,057,059	862,756	694,549	10,225,266
Governmental Activities Capital Assets, Net	<u>\$23,535,005</u>	<u>\$24,754,500</u>	<u>\$69,653</u>	<u>\$48,219,852</u>

\*\* - Certain reclassifications were made to the amount previously reported as land with an offsetting revision to amounts previously reported as liabilities. There was no effect on beginning net assets. Management has concluded that this revision is not material to the financial statements.

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular		\$494,270
Support Services:		
Pupil		706
Instructional Staff		2,011
School Administration		6,260
Fiscal		687
Business		5,983
Operations and Maintenance		22,412
Pupil Transportation		270,000
Central		768
Operation of Non-Instructional Services		17,065
Extracurricular Activities		42,594
Total Depreciation Expense		<u><u>\$862,756</u></u>

## 7. SHORT-TERM LIABILITIES

During the year, the District issued \$950,000 and \$6,000,000 in notes in anticipation of bond and tax revenues. The notes had an interest rate of 2.62% and 3.00% respectively, with an original maturity date of June 5, 2009.

	Rate	Beginning Balance	Issued	Retired	Ending Balance
Bond Anticipation Note	3.75%	\$6,250,000	\$0	(\$6,250,000)	\$0
Tax Anticipation Note	2.62%	0	950,000	(950,000)	0
Bond Anticipation Note	3.00%	0	6,000,000	0	6,000,000
Total Anticipation Notes		<u>\$6,250,000</u>	<u>\$6,950,000</u>	<u>(\$7,200,000)</u>	<u>\$6,000,000</u>

## 8. LONG-TERM LIABILITIES

	Rate	Beginning Balance	Issued	Retired	Ending Balance	Due in One Year
<b>Governmental Activities:</b>						
Energy Conservation Notes	4.85%	\$206,250	\$0	(\$68,750)	\$137,500	\$68,750
2005 Refunded Bonds:						
Current Interest Bonds	3.50%	11,280,000	0	(1,100,000)	10,180,000	1,210,000
Capital Appreciation Bonds						
Principal		2,724,968	0	0	2,724,968	0
Accreted Interest		355,057	200,920	0	555,977	0
Premium on Bonds		718,442	0	(79,827)	638,615	0
2006 School Improvement:						
Current Interest Bonds	5.14%	2,425,051	0	(725,000)	1,700,051	285,000
Capital Appreciation Bonds						
Principal		6,624,938	0	0	6,624,938	0
Accreted Interest		130,818	485,990	0	616,808	0
2007 Refunding:						
Current Interest Bonds	4.64%	45,035,001	0	(925,000)	44,110,001	435,000
Capital Appreciation Bonds						
Principal		2,164,948	0	0	2,164,948	0
Accreted Interest		51,329	231,232	0	282,561	0
Premium on Bonds		3,389,451	0	(123,253)	3,266,198	0
Deferred Amount		(1,877,730)	0	68,281	(1,809,449)	0
HB264 Bond	3.50%	0	3,890,000	0	3,890,000	165,000
Total General Obligation Bonds & Notes		73,228,523	4,808,142	(2,953,549)	75,083,116	2,163,750
<b>Capital Lease:</b>						
2006 Ground Lease	4.50%	1,121,390	0	(261,995)	859,395	273,867
2006 Equipment Lease	4.74%	613,846	0	(142,750)	471,096	149,665
2008 OASBO Field Turf Lease	4.06%	0	805,000	0	805,000	63,000
Total Long Term Debt		74,963,759	5,613,142	(3,358,294)	77,218,607	2,650,282
Compensated Absences		1,541,775	252,398	(236,273)	1,557,900	230,931
Total Governmental Activities		\$76,505,534	\$5,865,540	(\$3,594,567)	\$78,776,507	\$2,881,213

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

### 2007 Advanced Refunding of 2006 School Improvement Bonds

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

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

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

### **2005 Refunded Bonds**

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

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

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

### **2006 School Improvement Bonds**

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

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

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

### Energy Conservation Notes

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

### Prior Year Defeasance of Debt

As a result of the 2005, 2006 and 2007 advance refunding, the \$66,007,962 of the 1998 Series Bonds and 2006 School Improvement Bonds are considered defeased and the liability is therefore not included on the Statement of Net Assets. The remaining balance on the refunded general obligation bonds as of June 30, 2008 was \$63,649,409.

Principal and interest requirements for governmental activities to retire bonds and notes outstanding at June 30, 2008, are as follows:

Fiscal Year Ending June 30	Notes & Current Interest Bonds			Capital Appreciation		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$2,163,750	\$2,544,682	\$4,708,432	\$0	\$0	\$0
2010	2,513,750	2,464,384	4,978,134	0	0	0
2011	3,320,000	2,366,150	5,686,150	0	0	0
2012	2,415,051	2,247,250	4,662,301	0	0	0
2013	2,885,000	2,152,125	5,037,125	315,660	109,340	425,000
2014-2018	7,630,000	9,517,437	17,147,437	6,103,241	4,351,759	10,455,000
2019-2023	1,745,000	5,182,575	6,927,575	4,096,387	6,653,613	10,750,000
2024-2028	9,575,000	4,627,575	14,202,575	999,566	4,525,434	5,525,000
2029-2033	20,905,000	4,497,975	25,402,975	0	0	0
2034-2035	6,865,001	390,825	7,255,826	0	0	0
Total	<u>\$60,017,552</u>	<u>\$35,990,978</u>	<u>\$96,008,530</u>	<u>\$11,514,854</u>	<u>\$15,640,146</u>	<u>\$27,155,000</u>

## 9. LEASES

### CAPITAL LEASES

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

Capital assets acquired by lease in the current year has been capitalized on the statement of net assets in the amount of \$805,000 which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded on the statement of net assets.

In fiscal year 2008, the capital lease proceeds that were recorded in the Permanent Improvement Fund relates to athletic field improvements project for the School District. The School District is leasing the project from the Columbus Regional Airport Authority. Columbus Regional Airport Authority will retain title to the project during the lease term. Columbus Regional Airport Authority assigned U.S. Bank National Association as trustee. U.S. Bank National Association deposited \$805,000 in the School District's name for the improvement of the athletic field. The School District will make an interest payment to U.S. Bank National Association in fiscal year 2009. The lease is renewable annually and expires in 2018. The intention of the School District is to renew the lease annually. The District will be making principal payments in fiscal year 2009. The trustee entered into an Interest Rate Exchange Agreement with respect to the loan, locking in the rate at 4.06% plus an annual administrative fee. The principal amount owed on the field turf improvement lease at year end is \$805,000 and \$1,330,491 for the ground and equipment leases.

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

Fiscal Year Ending June 30,	Long-Term Debt
2009	\$579,502
2010	586,164
2011	586,253
2012	100,918
2013	100,756
2014-2018	500,468
Total Minimum Lease Payments	2,454,061
Less: Amount Representing Interest	(311,550)
Less: Additional Program Cost Component	(7,020)
Present Value of Minimum Lease Payments	<u>\$2,135,491</u>

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

Land	\$1,370,000
Building and Improvements	805,000
Equipment	750,000



## 10. PENSION PLANS

### SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

#### Plan Description

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

#### Funding Policy

Plan members are required to contribute 10% of their annual covered salary and District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The District's contributions to SERS for the years ended June 30, 2008, 2007, and 2006 were \$741,144, \$631,680, and \$616,836, respectively; 45% has been contributed for fiscal year 2008 and 100% for fiscal years 2007 and 2006.

### STATE TEACHERS RETIREMENT SYSTEM OF OHIO

#### Plan Description

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

### Plan Options

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

### DB Plan Benefits

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

### DC Plan Benefits

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

### Combined Plan Benefits

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

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

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

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

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

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

### Funding Policy

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

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2008, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2008, 2007, and 2006 were \$1,919,208, \$1,877,220, and \$1,650,792, respectively; 83% has been contributed for fiscal year 2008 and 100% for fiscal years 2007 and 2006.

## 11. POST EMPLOYMENT BENEFITS

### SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

#### Plan Description

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

#### Medicare Part B Plan

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

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2007 (the latest information available), the actuarially required allocation was .68%. District contributions for the year ended June 30, 2008 were \$35,998, which equaled the required contributions for the year.

#### Health Care Plan

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

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

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2007 (the latest information available), the health care allocation was 3.32%. The actuarially required contribution (ARC), as of the December 31, 2006 annual valuation, was 11.50% of covered payroll. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities of the plan over a period not to exceed thirty years. The District contributions for the years ended June 30, 2008, 2007, and 2006 were \$175,757, \$154,310, and \$56,367, respectively.

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

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

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

## **STATE TEACHERS RETIREMENT SYSTEM OF OHIO**

### Plan Description

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

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

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

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

### Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2008, 2007 and 2006. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2008, 2007, and 2006 were \$137,086, \$134,067, and \$117,944, respectively.

## **12. CONTINGENT LIABILITIES**

### **GRANTS**

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

### **LITIGATION**

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

## **13. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2008, the District contracted with Indiana Insurance, Inc. for property insurance. Professional liability was protected by Selective Insurance Company of South Carolina with a \$3,000,000 aggregate limit under a commercial policy.

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

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

## **14. FUND BALANCE RESERVES FOR SET-ASIDES**

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

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set Aside Reserve Balance as of June 30, 2007	\$331,889	\$0
Current Year Set Aside Requirements	549,555	549,555
Qualified Disbursements	<u>(672,069)</u>	<u>(1,262,617)</u>
Set Aside Reserve Balance as of June 30, 2008	<u>\$209,375</u>	<u>(\$713,062)</u>
Restricted Cash as of June 30, 2008	<u>\$209,375</u>	<u>\$0</u>
Carried Forward to FY 2009	<u>\$209,375</u>	

## 15. JOINTLY GOVERNED ORGANIZATIONS

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

The Warren County Vocational School, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from the participating district's elected board, which possesses its own budgeting and taxing authority. Accordingly, the Warren County Vocational School is not part of the District and its operations are not included as part of the reporting entity. The District did not have any financial obligations to the Warren County Vocational School during fiscal year 2008. Financial information can be obtained from Karen Royer, Treasurer, Warren County Vocational School, 3525 North State Route 48, Lebanon, Ohio 45036.

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

## 16. ACCOUNTABILITY

The following funds had deficit fund balances at June 30, 2008:

Debt Service	\$3,928,311
Title VI-B	14,606
Title I	5,393
Improving Teacher Quality	6,526

These deficits were created by the recognition of accrued liabilities.

## 17. INTERFUND BALANCES/TRANSFERS

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

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$215,688	\$0	\$0	\$113,668
Debt Service Fund	0	0	0	6,250,000
Building Fund	0	13,691	6,250,000	0
Other Governmental Funds	0	201,997	113,668	0
Total All Funds	<u>\$215,688</u>	<u>\$215,688</u>	<u>\$6,363,668</u>	<u>\$6,363,668</u>

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



**18. SIGNIFICANT CONTRACTUAL OBLIGATIONS**

Listed below are the District’s contracts that had outstanding balances at year end:

School Improvements \$24,309,844

**19. CHANGE IN ACCOUNTING PRINCIPLE**

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

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

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

**20. PRIOR PERIOD ADJUSTMENT**

A prior period adjustment was required to reclassify the fund balance from the E-Rate Fund to the General Fund due to the elimination of the E-Rate fund.

These adjustments had the following effect on fund balances at June 30, 2007:

	<u>E-Rate Fund</u>	<u>General Fund</u>
Ending Fund Balances, June 30, 2007	\$43,672	\$1,078,797
Adjustment of fund balances	<u>(43,672)</u>	<u>43,672</u>
Restated Beginning Fund Balance, July 1, 2007	<u>\$0</u>	<u>\$1,122,469</u>

**21. SUBSEQUENT EVENTS**

On August 21, 2008, the District issued a \$612,000 OASBO lease for various summer projects.

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **REQUIRED SUPPLEMENTARY INFORMATION**

---

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

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$13,081,509	\$14,011,810	\$14,012,436	\$626
Tuition and Fees	35,278	37,786	37,788	2
Investment Earnings	2,654,929	2,843,736	2,843,863	127
Intergovernmental	9,870,522	10,572,472	10,572,944	472
Extracurricular Activities	68,268	73,123	73,126	3
Other Revenues	60,666	64,980	64,983	3
Total Revenues	25,771,172	27,603,907	27,605,140	1,233
Expenditures:				
Current:				
Instruction:				
Regular	13,597,960	13,371,274	13,371,274	0
Special	2,705,794	2,660,687	2,660,687	0
Vocational	650	639	639	0
Other	953,242	937,351	937,351	0
Support Services:				
Pupil	1,170,267	1,150,758	1,150,758	0
Instructional Staff	1,310,524	1,288,677	1,288,677	0
General Administration	43,857	43,126	43,126	0
School Administration	2,710,086	2,664,907	2,664,907	0
Fiscal	684,340	672,932	672,932	0
Business	218,171	214,534	214,534	0
Operations and Maintenance	2,641,064	2,597,036	2,597,036	0
Pupil Transportation	2,903,491	2,855,088	2,855,088	0
Central	237,449	233,491	233,491	0
Extracurricular Activities	522,632	513,919	513,919	0
Debt Service:				
Principal Retirement	1,018,750	1,018,750	1,018,750	0
Interest and Fiscal Charges	30,342	12,853	12,853	0
Total Expenditures	30,748,619	30,236,022	30,236,022	0
Excess of Revenues Over (Under) Expenditures	(4,977,447)	(2,632,115)	(2,630,882)	1,233
Other financing sources (uses):				
Issuance of Long-Term Capital-Related Debt	3,631,565	3,889,826	3,890,000	174
Advances In	72,767	77,942	77,945	3
Advances (Out)	(148,798)	(146,317)	(146,317)	0
Issuance of Short-Term Notes	886,886	956,553	950,000	(6,553)
Transfers (Out)	(115,595)	(113,668)	(113,668)	0
Total Other Financing Sources (Uses)	4,326,825	4,664,336	4,657,960	(6,376)
Net Change in Fund Balance	(650,622)	2,032,221	2,027,078	(5,143)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,113,012	1,113,012	1,113,012	0
Fund Balance End of Year	\$462,390	\$3,145,233	\$3,140,090	(\$5,143)

See accompanying notes to the required supplementary information.

**LITTLE MIAMI LOCAL SCHOOL DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For The Fiscal Year Ended June 30, 2008**

**1. BUDGETARY PROCESS**

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

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

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

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

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

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

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	(\$301,427)
Net Adjustment for Revenue Accruals	2,204,756
Net Adjustment for Expenditure Accruals	(662,120)
Issuance of Debt	950,000
Advances In	77,945
Advances (Out)	(146,317)
Encumbrances	<u>(95,759)</u>
Budget Basis	<u><u>\$2,027,078</u></u>

**COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES**

---

## **DESCRIPTION OF FUNDS**

### **NONMAJOR GOVERNMENTAL FUNDS**

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

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

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

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

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

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

**DATA COMMUNICATION:** To account for money appropriated for Ohio Educational Computer Network Connections.

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

**SCHOOLNET**: To account for programs designed to help school districts obtain computers, related technology equipment and/or the necessary infrastructure for educational technology.

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

Little Miami Local School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>				
Equity in Pooled Cash and Investments	\$385,189	\$217,777	\$3,477	\$606,443
Restricted Cash and Investments	0	0	18,000	18,000
Equity in Pooled Cash and Investments with	0	791,000	0	791,000
<b>Receivables:</b>				
Taxes	0	2,464,801	0	2,464,801
Accounts	14,403	0	0	14,403
Intergovernmental	119,101	0	0	119,101
Inventory	7,617	0	0	7,617
<b>Total Assets</b>	<b>526,310</b>	<b>3,473,578</b>	<b>21,477</b>	<b>4,021,365</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts Payable	3,451	25,832	0	29,283
Accrued Wages and Benefits	167,569	19,579	0	187,148
Compensated Absences	1,682	0	0	1,682
Interfund Payable	148,397	53,600	0	201,997
Deferred Revenue	0	2,363,411	0	2,363,411
<b>Total Liabilities</b>	<b>321,099</b>	<b>2,462,422</b>	<b>0</b>	<b>2,783,521</b>
<b>Fund Balances:</b>				
Reserved for Encumbrances	18,377	155,466	0	173,843
Reserved for Inventory	7,617	0	0	7,617
Reserved for Property Tax Advances	0	101,390	0	101,390
Reserved for Smith Trust	0	0	18,000	18,000
<b>Unreserved, Undesignated, Reported in:</b>				
Special Revenue Funds	179,217	0	0	179,217
Capital Projects Funds	0	754,300	0	754,300
Permanent Fund	0	0	3,477	3,477
<b>Total Fund Balances</b>	<b>205,211</b>	<b>1,011,156</b>	<b>21,477</b>	<b>1,237,844</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$526,310</b>	<b>\$3,473,578</b>	<b>\$21,477</b>	<b>\$4,021,365</b>

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Taxes	\$0	\$2,069,935	\$0	\$2,069,935
Tuition and Fees	184,040	0	0	184,040
Investment Earnings	333	0	659	992
Intergovernmental	1,355,038	323,974	0	1,679,012
Extracurricular Activities	481,112	0	0	481,112
Charges for Services	1,025,719	0	0	1,025,719
Other Revenues	37,040	33,954	0	70,994
<b>Total Revenues</b>	<b>3,083,282</b>	<b>2,427,863</b>	<b>659</b>	<b>5,511,804</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	45,420	431,473	0	476,893
Special	485,458	0	0	485,458
<b>Support Services:</b>				
Pupil	260,759	0	0	260,759
Instructional Staff	309,236	0	0	309,236
School Administration	3,794	9,947	0	13,741
Fiscal	0	29,103	0	29,103
Business	0	1,290	0	1,290
Operations and Maintenance	18,000	504,174	0	522,174
Pupil Transportation	0	608,949	0	608,949
Central	109,716	557,880	0	667,596
Operation of Non-Instructional Services	1,546,135	10,725	1,000	1,557,860
Extracurricular Activities	455,053	2,250	0	457,303
Capital Outlay	0	105,334	0	105,334
<b>Debt Service:</b>				
Interest and Fiscal Charges	0	58,259	0	58,259
<b>Total Expenditures</b>	<b>3,233,571</b>	<b>2,319,384</b>	<b>1,000</b>	<b>5,553,955</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(150,289)</b>	<b>108,479</b>	<b>(341)</b>	<b>(42,151)</b>
<b>Other Financing Sources (Uses):</b>				
Issuance of Capital Leases	0	805,000	0	805,000
Transfers In	113,668	0	0	113,668
<b>Total Other Financing Sources (Uses)</b>	<b>113,668</b>	<b>805,000</b>	<b>0</b>	<b>918,668</b>
<b>Net Change in Fund Balance</b>	<b>(36,621)</b>	<b>913,479</b>	<b>(341)</b>	<b>876,517</b>
<b>Fund Balance Beginning of Year (Restated)</b>	<b>241,832</b>	<b>97,677</b>	<b>21,818</b>	<b>361,327</b>
<b>Fund Balance End of Year</b>	<b>\$205,211</b>	<b>\$1,011,156</b>	<b>\$21,477</b>	<b>\$1,237,844</b>

Little Miami Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2008

	Public School	Other Grants	District Managed Activities	Management Information System	Entry Year Programs
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$77,277	\$14,020	\$79,854	\$16,315	\$1,265
<b>Receivables:</b>					
Accounts	7,028	0	127	0	0
Intergovernmental	0	0	0	0	0
Inventory	0	0	0	0	0
<b>Total Assets</b>	<b>84,305</b>	<b>14,020</b>	<b>79,981</b>	<b>16,315</b>	<b>1,265</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	3,156	295	0	0	0
Accrued Wages and Benefits	0	0	0	3,915	0
Compensated Absences	0	0	0	0	0
Interfund Payable	0	0	0	0	0
<b>Total Liabilities</b>	<b>3,156</b>	<b>295</b>	<b>0</b>	<b>3,915</b>	<b>0</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	13,176	900	2,680	0	0
Reserved for Inventory	0	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	67,973	12,825	77,301	12,400	1,265
<b>Total Fund Balances</b>	<b>81,149</b>	<b>13,725</b>	<b>79,981</b>	<b>12,400</b>	<b>1,265</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$84,305</b>	<b>\$14,020</b>	<b>\$79,981</b>	<b>\$16,315</b>	<b>\$1,265</b>

<u>Data Communication</u>	<u>SchoolNet Professional Development</u>	<u>Vocational Education Enhancement</u>	<u>Core Implementation Grant FY07</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>Title V</u>
\$0	\$2,005	\$0	\$0	\$54,182	\$34,080	\$0
0	0	0	0	0	0	0
0	0	0	0	69,646	30,454	0
0	0	0	0	0	0	0
0	2,005	0	0	123,828	64,534	0
0	0	0	0	0	0	0
0	0	0	0	68,789	39,473	0
0	0	0	0	0	0	0
0	0	0	0	69,645	30,454	0
0	0	0	0	138,434	69,927	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	2,005	0	0	(14,606)	(5,393)	0
0	2,005	0	0	(14,606)	(5,393)	0
\$0	\$2,005	\$0	\$0	\$123,828	\$64,534	\$0

Continued

Little Miami Local School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2008

	Drug-Free Grant	IDEA PreSchool Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Food Services
Assets:					
Equity in Pooled Cash and Investments	\$0	\$0	\$14,867	\$0	\$52,693
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	0	0	19,001	0	0
Inventory	0	0	0	0	7,617
<b>Total Assets</b>	<b>0</b>	<b>0</b>	<b>33,868</b>	<b>0</b>	<b>60,310</b>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	0	0	0	0	0
Accrued Wages and Benefits	0	0	21,392	0	34,000
Compensated Absences	0	0	0	0	1,682
Interfund Payable	0	0	19,002	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>40,394</b>	<b>0</b>	<b>35,682</b>
Fund Balances:					
Reserved for Encumbrances	0	0	0	0	0
Reserved for Inventory	0	0	0	0	7,617
Unreserved, Undesignated, Reported in: Special Revenue Funds	0	0	(6,526)	0	17,011
<b>Total Fund Balances</b>	<b>0</b>	<b>0</b>	<b>(6,526)</b>	<b>0</b>	<b>24,628</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$0</b>	<b>\$0</b>	<b>\$33,868</b>	<b>\$0</b>	<b>\$60,310</b>



Uniform School Supplies	Special Trust	Special Enterprises Fund	Total Nonmajor Special Revenue Funds
\$29,380	\$3,494	\$5,757	\$385,189
2,618	0	4,630	14,403
0	0	0	119,101
0	0	0	7,617
<u>31,998</u>	<u>3,494</u>	<u>10,387</u>	<u>526,310</u>
0	0	0	3,451
0	0	0	167,569
0	0	0	1,682
<u>29,296</u>	<u>0</u>	<u>0</u>	<u>148,397</u>
<u>29,296</u>	<u>0</u>	<u>0</u>	<u>321,099</u>
0	1,621	0	18,377
0	0	0	7,617
<u>2,702</u>	<u>1,873</u>	<u>10,387</u>	<u>179,217</u>
<u>2,702</u>	<u>3,494</u>	<u>10,387</u>	<u>205,211</u>
<u>\$31,998</u>	<u>\$3,494</u>	<u>\$10,387</u>	<u>\$526,310</u>

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

	Public School	Other Grants	District Managed Activities	Management Information System	Entry Year Programs
Revenues:					
Tuition and Fees	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	0	0
Intergovernmental	0	13,950	0	12,960	15,200
Extracurricular Activities	237,360	0	243,752	0	0
Charges for Services	0	0	0	0	0
Other Revenues	313	0	329	0	0
<b>Total Revenues</b>	<b>237,673</b>	<b>13,950</b>	<b>244,081</b>	<b>12,960</b>	<b>15,200</b>
Expenditures:					
Current:					
Instruction:					
Regular	0	35,690	0	0	0
Special	0	0	0	0	0
Support Services:					
Pupil	0	2,371	0	0	0
Instructional Staff	0	6,800	0	0	14,813
School Administration	0	0	0	0	0
Operations and Maintenance	0	0	0	0	0
Central	0	0	0	109,716	0
Operation of Non-Instructional Services	0	0	0	0	0
Extracurricular Activities	223,832	0	231,221	0	0
<b>Total Expenditures</b>	<b>223,832</b>	<b>44,861</b>	<b>231,221</b>	<b>109,716</b>	<b>14,813</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>13,841</b>	<b>(30,911)</b>	<b>12,860</b>	<b>(96,756)</b>	<b>387</b>
Other Financing Sources (Uses):					
Transfers In	0	0	0	110,000	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>110,000</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>13,841</b>	<b>(30,911)</b>	<b>12,860</b>	<b>13,244</b>	<b>387</b>
<b>Fund Balance Beginning of Year (Restated)</b>	<b>67,308</b>	<b>44,636</b>	<b>67,121</b>	<b>(844)</b>	<b>878</b>
<b>Fund Balance End of Year</b>	<b>\$81,149</b>	<b>\$13,725</b>	<b>\$79,981</b>	<b>\$12,400</b>	<b>\$1,265</b>

Data Communication	SchoolNet Professional Development	Vocational Education Enhancement	Core Implementation Grant FY07	Title VI-B	Title I	Title V
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
18,000	2,970	8,000	11,692	646,846	237,416	8,184
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
18,000	2,970	8,000	11,692	646,846	237,416	8,184
0	0	0	9,730	0	0	0
0	0	0	0	384,184	0	0
0	0	0	0	250,000	0	0
0	965	8,000	3,962	14,332	237,487	8,184
0	0	0	0	3,794	0	0
18,000	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	442	0
0	0	0	0	0	0	0
18,000	965	8,000	13,692	652,310	237,929	8,184
0	2,005	0	(2,000)	(5,464)	(513)	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	2,005	0	(2,000)	(5,464)	(513)	0
0	0	0	2,000	(9,142)	(4,880)	0
\$0	\$2,005	\$0	\$0	(\$14,606)	(\$5,393)	\$0

Continued

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

	Drug-Free Grant	IDEA PreSchool Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Food Services
Revenues:					
Tuition and Fees	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	0	333
Intergovernmental	9,634	9,388	106,632	2,402	251,764
Extracurricular Activities	0	0	0	0	0
Charges for Services	0	0	0	0	1,025,719
Other Revenues	0	0	0	0	14,357
<b>Total Revenues</b>	<b>9,634</b>	<b>9,388</b>	<b>106,632</b>	<b>2,402</b>	<b>1,292,173</b>
Expenditures:					
Current:					
Instruction:					
Regular	0	0	0	0	0
Special	0	0	101,274	0	0
Support Services:					
Pupil	0	8,388	0	0	0
Instructional Staff	5,834	1,000	5,457	2,402	0
School Administration	0	0	0	0	0
Operations and Maintenance	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	3,800	0	0	0	1,301,038
Extracurricular Activities	0	0	0	0	0
<b>Total Expenditures</b>	<b>9,634</b>	<b>9,388</b>	<b>106,731</b>	<b>2,402</b>	<b>1,301,038</b>
Excess of Revenues Over (Under) Expenditures	0	0	(99)	0	(8,865)
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Change in Fund Balance	0	0	(99)	0	(8,865)
Fund Balance Beginning of Year (Restated)	0	0	(6,427)	0	33,493
<b>Fund Balance End of Year</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$6,526)</b>	<b>\$0</b>	<b>\$24,628</b>

Uniform School Supplies	Special Trust	Special Enterprises Fund	Total Nonmajor Special Revenue Funds
\$184,040	\$0	\$0	\$184,040
0	0	0	333
0	0	0	1,355,038
0	0	0	481,112
0	0	0	1,025,719
0	6,171	15,870	37,040
184,040	6,171	15,870	3,083,282
0	0	0	45,420
0	0	0	485,458
0	0	0	260,759
0	0	0	309,236
0	0	0	3,794
0	0	0	18,000
0	0	0	109,716
215,154	4,272	21,429	1,546,135
0	0	0	455,053
215,154	4,272	21,429	3,233,571
(31,114)	1,899	(5,559)	(150,289)
0	0	3,668	113,668
0	0	3,668	113,668
(31,114)	1,899	(1,891)	(36,621)
33,816	1,595	12,278	241,832
\$2,702	\$3,494	\$10,387	\$205,211

Little Miami Local School District  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2008

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$193,177	\$24,600	\$217,777
Equity in Pooled Cash and Investments with Fisc:	791,000	0	791,000
Receivables:			
Taxes	2,464,801	0	2,464,801
Total Assets	<u>3,448,978</u>	<u>24,600</u>	<u>3,473,578</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	1,232	24,600	25,832
Accrued Wages and Benefits	19,579	0	19,579
Interfund Payable	53,600	0	53,600
Deferred Revenue	2,363,411	0	2,363,411
Total Liabilities	<u>2,437,822</u>	<u>24,600</u>	<u>2,462,422</u>
Fund Balances:			
Reserved for Encumbrances	155,466	0	155,466
Reserved for Property Tax Advances	101,390	0	101,390
Unreserved, Undesignated, Reported in:			
Capital Projects Funds	754,300	0	754,300
Total Fund Balances	<u>1,011,156</u>	<u>0</u>	<u>1,011,156</u>
Total Liabilities and Fund Balances	<u>\$3,448,978</u>	<u>\$24,600</u>	<u>\$3,473,578</u>

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

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>			
Taxes	\$2,069,935	\$0	\$2,069,935
Intergovernmental	299,374	24,600	323,974
Other Revenues	33,954	0	33,954
<b>Total Revenues</b>	<b>2,403,263</b>	<b>24,600</b>	<b>2,427,863</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	406,873	24,600	431,473
<b>Support Services:</b>			
School Administration	9,947	0	9,947
Fiscal	29,103	0	29,103
Business	1,290	0	1,290
Operations and Maintenance	504,174	0	504,174
Pupil Transportation	608,949	0	608,949
Central	557,880	0	557,880
Operation of Non-Instructional Services	10,725	0	10,725
Extracurricular Activities	2,250	0	2,250
Capital Outlay	105,334	0	105,334
<b>Debt Service:</b>			
Interest and Fiscal Charges	58,259	0	58,259
<b>Total Expenditures</b>	<b>2,294,784</b>	<b>24,600</b>	<b>2,319,384</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>108,479</b>	<b>0</b>	<b>108,479</b>
<b>Other Financing Sources (Uses):</b>			
Issuance of Capital Leases	805,000	0	805,000
<b>Total Other Financing Sources (Uses)</b>	<b>805,000</b>	<b>0</b>	<b>805,000</b>
<b>Net Change in Fund Balance</b>	<b>913,479</b>	<b>0</b>	<b>913,479</b>
<b>Fund Balance Beginning of Year</b>	<b>97,677</b>	<b>0</b>	<b>97,677</b>
<b>Fund Balance End of Year</b>	<b>\$1,011,156</b>	<b>\$0</b>	<b>\$1,011,156</b>

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

	Public School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$237,426	\$237,426	\$0
Other Revenues	313	313	0
Total Revenues	<u>237,739</u>	<u>237,739</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Extracurricular Activities	240,524	240,524	0
Total Expenditures	<u>240,524</u>	<u>240,524</u>	<u>0</u>
Net Change in Fund Balance	(2,785)	(2,785)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>63,730</u>	<u>63,730</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$60,945</u></u>	<u><u>\$60,945</u></u>	<u><u>\$0</u></u>



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

	Other Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$28,550	\$28,550	\$0
Total Revenues	28,550	28,550	0
Expenditures:			
Current:			
Instruction:			
Regular	36,885	36,885	0
Support Services:			
Pupil	2,428	2,428	0
Instructional Staff	6,800	6,800	0
Total Expenditures	46,113	46,113	0
Net Change in Fund Balance	(17,563)	(17,563)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	30,388	30,388	0
Fund Balance End of Year	\$12,825	\$12,825	\$0

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

	District Managed Activities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$244,198	\$244,198	\$0
Other Revenues	329	329	0
Total Revenues	<u>244,527</u>	<u>244,527</u>	<u>0</u>
Expenditures:			
Current:			
Extracurricular Activities	<u>235,686</u>	<u>235,686</u>	<u>0</u>
Total Expenditures	<u>235,686</u>	<u>235,686</u>	<u>0</u>
Net Change in Fund Balance	8,841	8,841	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>68,334</u>	<u>68,334</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$77,175</u></u>	<u><u>\$77,175</u></u>	<u><u>\$0</u></u>

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

	Management Information System Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$12,960	\$12,960	\$0
Total Revenues	12,960	12,960	0
Expenditures:			
Current:			
Support Services:			
Central	112,278	112,278	0
Total Expenditures	112,278	112,278	0
Excess of Revenues Over (Under) Expenditures	(99,318)	(99,318)	0
Other financing sources (uses):			
Transfers In	110,000	110,000	0
Total Other Financing Sources (Uses)	110,000	110,000	0
Net Change in Fund Balance	10,682	10,682	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,633	5,633	0
Fund Balance End of Year	<u>\$16,315</u>	<u>\$16,315</u>	<u>\$0</u>

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

	Entry Year Programs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$15,200	\$15,200	\$0
Total Revenues	15,200	15,200	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	14,813	14,813	0
Total Expenditures	14,813	14,813	0
Net Change in Fund Balance	387	387	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	878	878	0
Fund Balance End of Year	\$1,265	\$1,265	\$0

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

	Data Communication Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$18,000	\$18,000	\$0
Total Revenues	18,000	18,000	0
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	18,000	18,000	0
Total Expenditures	18,000	18,000	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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

	SchoolNet Professional Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,970	\$2,970	\$0
Total Revenues	2,970	2,970	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	965	965	0
Total Expenditures	965	965	0
Net Change in Fund Balance	2,005	2,005	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$2,005	\$2,005	\$0

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

	Vocational Education Enhancement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$8,000	\$8,000	\$0
Total Revenues	8,000	8,000	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	8,000	8,000	0
Total Expenditures	8,000	8,000	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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

	Core Implementation Grant FY07 Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$11,692	\$11,692	\$0
Total Revenues	11,692	11,692	0
Expenditures:			
Current:			
Instruction:			
Regular	9,730	9,730	0
Support Services:			
Instructional Staff	3,962	3,962	0
Total Expenditures	13,692	13,692	0
Net Change in Fund Balance	(2,000)	(2,000)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,000	2,000	0
Fund Balance End of Year	\$0	\$0	\$0



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

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$598,147	\$598,147	\$0
Total Revenues	598,147	598,147	0
Expenditures:			
Current:			
Instruction:			
Special	369,136	369,136	0
Support Services:			
Pupil	250,000	250,000	0
Instructional Staff	14,332	14,332	0
School Administration	3,794	3,794	0
Total Expenditures	637,262	637,262	0
Excess of Revenues Over (Under) Expenditures	(39,115)	(39,115)	0
Other financing sources (uses):			
Advances In	69,646	69,646	0
Advances (Out)	(20,949)	(20,949)	0
Total Other Financing Sources (Uses)	48,697	48,697	0
Net Change in Fund Balance	9,582	9,582	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	44,599	44,599	0
Fund Balance End of Year	\$54,181	\$54,181	\$0

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

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$259,022	\$259,022	\$0
Total Revenues	259,022	259,022	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	229,216	229,216	0
Operation of Non-Instructional Services	442	442	0
Total Expenditures	229,658	229,658	0
Excess of Revenues Over (Under) Expenditures	29,364	29,364	0
Other financing sources (uses):			
Advances In	30,454	30,454	0
Advances (Out)	(52,060)	(52,060)	0
Total Other Financing Sources (Uses)	(21,606)	(21,606)	0
Net Change in Fund Balance	7,758	7,758	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	26,323	26,323	0
Fund Balance End of Year	\$34,081	\$34,081	\$0

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

	Title V Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$8,184	\$8,184	\$0
Total Revenues	8,184	8,184	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	8,184	8,184	0
Total Expenditures	8,184	8,184	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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

	Drug-Free Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$9,634	\$9,634	\$0
Total Revenues	9,634	9,634	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	5,834	5,834	0
Operation of Non-Instructional Services	3,800	3,800	0
Total Expenditures	9,634	9,634	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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

	IDEA Preschool Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$9,388	\$9,388	\$0
Total Revenues	9,388	9,388	0
Expenditures:			
Support Services:			
Pupil	8,388	8,388	0
Instructional Staff	1,000	1,000	0
Total Expenditures	9,388	9,388	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$92,568	\$92,568	\$0
Total Revenues	92,568	92,568	0
Expenditures:			
Current:			
Instruction:			
Special	99,231	99,231	0
Support Services:			
Instructional Staff	5,457	5,457	0
Total Expenditures	104,688	104,688	0
Excess of Revenues Over (Under) Expenditures	(12,120)	(12,120)	0
Other financing sources (uses):			
Advances In	19,002	19,002	0
Advances (Out)	(4,936)	(4,936)	0
Total Other Financing Sources (Uses)	14,066	14,066	0
Net Change in Fund Balance	1,946	1,946	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	12,922	12,922	0
Fund Balance End of Year	<u>\$14,868</u>	<u>\$14,868</u>	<u>\$0</u>

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

	Miscellaneous Federal Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,402	\$2,402	\$0
Total Revenues	2,402	2,402	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	2,402	2,402	0
Total Expenditures	2,402	2,402	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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

	Food Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$333	\$333	\$0
Intergovernmental	281,849	281,612	(237)
Charges for Services	1,026,633	1,025,770	(863)
Other Revenues	17,039	17,025	(14)
<b>Total Revenues</b>	<b>1,325,854</b>	<b>1,324,740</b>	<b>(1,114)</b>
Expenditures:			
Current:			
Operation of Non-Instructional Services	1,297,302	1,297,302	0
<b>Total Expenditures</b>	<b>1,297,302</b>	<b>1,297,302</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>28,552</b>	<b>27,438</b>	<b>(1,114)</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	25,256	25,256	0
<b>Fund Balance End of Year</b>	<b>\$53,808</b>	<b>\$52,694</b>	<b>(\$1,114)</b>



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

	Uniform School Supplies Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$181,422	\$181,422	\$0
Total Revenues	181,422	181,422	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	215,411	215,411	0
Total Expenditures	215,411	215,411	0
Excess of Revenues Over (Under) Expenditures	(33,989)	(33,989)	0
Other financing sources (uses):			
Advances In	27,216	27,216	0
Total Other Financing Sources (Uses)	27,216	27,216	0
Net Change in Fund Balance	(6,773)	(6,773)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	36,153	36,153	0
Fund Balance End of Year	<u>\$29,380</u>	<u>\$29,380</u>	<u>\$0</u>

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

	Special Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$6,171	\$6,171	\$0
Total Revenues	6,171	6,171	0
Expenditures:			
Current:			
Instruction:			
Operation of Non-Instructional Services	5,892	5,892	0
Total Expenditures	5,892	5,892	0
Net Change in Fund Balance	279	279	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,595	1,595	0
Fund Balance End of Year	\$1,874	\$1,874	\$0

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

	Special Enterprises Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$14,065	\$14,065	\$0
Total Revenues	14,065	14,065	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	21,429	21,429	0
Total Expenditures	21,429	21,429	0
Excess of Revenues Over (Under) Expenditures	(7,364)	(7,364)	0
Other financing sources (uses):			
Transfers In	3,668	3,668	0
Total Other Financing Sources (Uses)	3,668	3,668	0
Net Change in Fund Balance	(3,696)	(3,696)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	9,453	9,453	0
Fund Balance End of Year	<u>\$5,757</u>	<u>\$5,757</u>	<u>\$0</u>

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

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$4,256,796	\$4,254,407	(\$2,389)
Intergovernmental	585,125	584,797	(328)
Total Revenues	<u>4,841,921</u>	<u>4,839,204</u>	<u>(2,717)</u>
Expenditures:			
Current:			
Support Services:			
School Administration	7,765	7,181	584
Fiscal	65,558	60,631	4,927
Debt Service:			
Principal Retirement	9,731,344	9,000,000	731,344
Interest and Fiscal Charges	2,924,219	2,704,454	219,765
Total Expenditures	<u>12,728,886</u>	<u>11,772,266</u>	<u>956,620</u>
Excess of Revenues Over (Under) Expenditures	<u>(7,886,965)</u>	<u>(6,933,062)</u>	<u>953,903</u>
Other financing sources (uses):			
Issuance of Short-Term Notes	6,003,369	6,000,000	(3,369)
Issuance of Short-Term Notes	950,533	950,000	(533)
Total Other Financing Sources (Uses)	<u>6,953,902</u>	<u>6,950,000</u>	<u>(3,902)</u>
Net Change in Fund Balance	(933,063)	16,938	950,001
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>2,793,519</u>	<u>2,793,519</u>	<u>0</u>
Fund Balance End of Year	<u>\$1,860,456</u>	<u>\$2,810,457</u>	<u>\$950,001</u>

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

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$20,000	\$20,000	\$0
Total Revenues	20,000	20,000	0
Expenditures:			
Current:			
Support Services:			
Fiscal	483	483	0
Operations and Maintenance	2,451,950	2,451,950	0
Central	479,930	479,930	0
Capital Outlay	47,178,900	47,178,900	0
Debt Service:			
Principal Retirement	404,745	404,745	0
Interest and Fiscal Charges	80,553	80,553	0
Total Expenditures	50,596,561	50,596,561	0
Net Change in Fund Balance	(50,576,561)	(50,576,561)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	56,136,425	56,136,425	0
Fund Balance End of Year	\$5,559,864	\$5,559,864	\$0

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

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$2,060,274	\$2,042,115	(\$18,159)
Intergovernmental	302,036	299,374	(2,662)
Other Revenues	35,769	35,454	(315)
Total Revenues	<u>2,398,079</u>	<u>2,376,943</u>	<u>(21,136)</u>
Expenditures:			
Current:			
Instruction:			
Regular	548,338	543,737	4,601
Support Services:			
School Administration	15,293	15,165	128
Fiscal	29,349	29,103	246
Business	1,301	1,290	11
Operations and Maintenance	561,904	557,189	4,715
Pupil Transportation	614,102	608,949	5,153
Central	584,724	579,818	4,906
Operation of Non-Instructional Services	10,816	10,725	91
Extracurricular Activities	2,269	2,250	19
Capital Outlay	106,225	105,334	891
Debt Service:			
Interest and Fiscal Charges	44,633	44,259	374
Total Expenditures	<u>2,518,954</u>	<u>2,497,819</u>	<u>21,135</u>
Net Change in Fund Balance	(120,875)	(120,876)	(1)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>157,355</u>	<u>157,355</u>	<u>0</u>
Fund Balance End of Year	<u>\$36,480</u>	<u>\$36,479</u>	<u>(\$1)</u>

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

	SchoolNet Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$24,600	\$24,600	\$0
Total Revenues	24,600	24,600	0
Expenditures:			
Current:			
Instruction:			
Regular	24,600	24,600	0
Total Expenditures	24,600	24,600	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

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

	Smith Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$594	\$913	\$319
Other Revenues	65	100	35
Total Revenues	659	1,013	354
Expenditures:			
Current:			
Instruction:			
Regular	1,000	0	1,000
Total Expenditures	1,000	0	1,000
Net Change in Fund Balance	(341)	1,013	1,354
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	21,818	21,818	0
Fund Balance End of Year	\$21,477	\$22,831	\$1,354



## **DESCRIPTION OF FUNDS**

### **NONMAJOR FUNDS**

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

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

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

Little Miami Local School District  
Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2008

	Student Managed Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$108,211	\$208,239	\$242,477	\$73,973
Receivables:				
Accounts	130	904	130	904
Interest	0	0	0	0
<b>Total Assets</b>	<b>108,341</b>	<b>209,143</b>	<b>242,607</b>	<b>74,877</b>
Liabilities:				
Accounts Payable	8,614	3,176	8,614	3,176
Other Liabilities	99,727	205,967	233,993	71,701
<b>Total Liabilities</b>	<b>\$108,341</b>	<b>\$209,143</b>	<b>\$242,607</b>	<b>\$74,877</b>

	District Agency			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$7,012	\$1,805	\$0	\$8,817
Receivables:				
Accounts	0	0	0	0
Interest	0	0	0	0
<b>Total Assets</b>	<b>7,012</b>	<b>1,805</b>	<b>0</b>	<b>8,817</b>
Liabilities:				
Accounts Payable	0	0	0	0
Other Liabilities	7,012	1,805	0	8,817
<b>Total Liabilities</b>	<b>\$7,012</b>	<b>\$1,805</b>	<b>\$0</b>	<b>\$8,817</b>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$115,223	\$210,044	\$242,477	\$82,790
Receivables:				
Accounts	130	904	130	904
<b>Total Assets</b>	<b>115,353</b>	<b>210,948</b>	<b>242,607</b>	<b>83,694</b>
Liabilities:				
Accounts Payable	8,614	3,176	8,614	3,176
Other Liabilities	106,739	207,772	233,993	80,518
<b>Total Liabilities</b>	<b>\$115,353</b>	<b>\$210,948</b>	<b>\$242,607</b>	<b>\$83,694</b>

# STATISTICAL SECTION

---

## **STATISTICAL SECTION**

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

### **CONTENTS**

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

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

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

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

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

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

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental Activities						
Invested in Capital Assets, Net of Related Debt	\$1,277,044	\$795,236	\$191,020	\$592,319	\$1,399,522	\$2,293,980
Restricted	3,093,862	2,282,023	2,223,498	2,841,287	3,960,747	396,750
Unrestricted	4,788	(1,512,671)	(781,402)	(4,184,791)	(4,647,575)	(7,303,650)
Total Government Net Assets	\$4,375,694	\$1,564,588	\$1,633,116	(\$751,185)	\$712,694	(\$4,612,920)

Source: District Records

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

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental Activities:						
Instruction	\$11,780,507	\$13,599,683	\$14,349,816	\$15,833,099	\$17,257,215	\$18,460,280
Pupil	899,948	1,158,455	1,145,688	1,232,600	1,388,588	1,424,068
Instructional Staff	746,716	1,142,780	1,136,140	1,582,484	1,408,410	1,650,743
General Administration	73,382	62,821	68,822	32,196	37,589	43,126
School Administration	1,652,114	1,878,415	2,107,196	2,210,188	2,366,571	2,711,765
Fiscal	496,759	629,455	636,128	663,479	724,189	763,727
Business	146,093	207,103	228,368	267,958	183,907	221,807
Operation and Maintenance	1,968,841	2,817,573	2,407,568	2,960,510	2,766,276	5,363,367
Pupil Transportation	1,546,957	2,253,641	1,932,505	2,370,086	2,931,447	3,519,149
Central	126,643	419,066	464,521	472,297	1,401,384	1,192,904
Operation of Non-Instructional Services	758,335	1,095,840	1,190,263	1,331,283	1,482,976	1,544,087
Extracurricular Activities	811,335	921,143	887,070	909,095	987,357	1,016,961
Interest and Fiscal Charges	1,067,788	843,087	1,685,420	654,223	2,628,957	3,672,905
Total Government Expenses	22,075,418	27,029,062	28,239,505	30,519,498	35,564,866	41,584,889
Program Revenues						
Governmental Activities:						
Charges for Services						
Instruction	25,730	33,929	30,834	6,449	53,279	36,968
Operation and Maintenance	0	13,980	10,735	13,770	5,863	18,874
Pupil Transportation	14,186	0	0	0	1,114,702	0
Operation of Non-Instructional Services	145,943	861,192	759,873	876,282	0	1,209,759
Food Service	652,423	0	0	0	0	0
Extracurricular Activities	436,744	457,096	668,695	697,253	477,385	559,690
Operating Grants and Contributions	916,264	1,067,550	1,277,137	1,250,619	1,956,685	1,882,104
Capital Grants and Contributions	0	95,474	106,397	87,645	82,048	87,221
Total Government Revenues	2,191,290	2,529,221	2,853,671	2,932,018	3,689,962	3,794,616
Net (Expense)/Revenue	(\$19,884,128)	(\$24,499,841)	(\$25,385,834)	(\$27,587,480)	(\$31,874,904)	(\$37,790,273)

Source: District Records

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

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Net (Expense)/Revenue	(\$19,884,128)	(\$24,499,841)	(\$25,385,834)	(\$27,587,480)	(\$31,874,904)	(\$37,790,273)
General Revenues and Other Changes in Net Assets						
Governmental Activities:						
Property Taxes						
Property Taxes Levied for General Purposes	12,438,072	11,070,886	13,403,044	13,071,053	16,839,680	11,856,898
Property Taxes Levied for Debt Service Purposes	0	1,060,906	1,243,866	1,067,470	2,886,432	4,437,645
Property Taxes Levied for Capital Projects	0	396,709	328,061	153,097	1,155,361	2,131,128
Grants and Entitlements not Restricted to Specific Programs	8,884,773	9,303,972	10,050,141	10,234,854	10,124,545	10,885,644
Unrestricted Payment in Lieu of Taxes	58,759	42,981	38,199	65,033	19,096	15,276
Investment Earnings	0	14,700	10,000	0	5,000	23,000
Refunds and Reimbursements	74,202	47,466	102,363	208,506	2,164,835	3,104,294
Other Revenues	242,221	75,031	278,689	302,707	143,834	10,774
Total Government	21,698,027	22,012,651	25,454,363	25,203,179	33,338,783	32,464,659
Change in Net Assets	\$1,813,899	(\$2,487,190)	\$68,529	(\$2,384,301)	\$1,463,879	(\$5,325,614)

Source: District Records

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

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$621,993	\$1,033,526	\$866,251	\$852,685	\$2,000,693	\$688,444	\$1,357,848	\$626,342	\$3,557,738	\$885,316
Unreserved	231,045	638,856	(296,159)	(1,194,623)	(540,475)	(1,402,039)	(1,325,425)	(2,042,639)	(2,478,941)	(64,274)
Total General Fund	853,038	1,672,382	570,092	(341,938)	1,460,218	(713,595)	32,423	(1,416,297)	1,078,797	821,042
All Other Governmental Funds										
Reserved	12,136,302	3,075,948	238,362	164,100	521,066	206,505	155,592	716,774	6,336,530	22,781,577
Unreserved, Reported in:										
Special Revenue Funds	162,125	182,996	217,220	216,642	329,249	294,607	350,659	225,400	245,040	179,217
Debt Service Funds	794,068	1,097,590	1,217,444	1,303,310	1,390,628	1,444,698	1,590,041	2,619,194	2,793,519	(4,139,543)
Capital Project Funds	1,692,609	(433,790)	637,062	771,034	1,011,919	284,937	(35,288)	55,669,140	43,173,428	5,823,655
Permanent Fund	0	0	0	0	18,287	19,120	19,949	2,805	3,818	3,477
	\$14,785,104	\$3,922,744	\$2,310,088	\$2,455,086	\$3,271,149	\$2,249,867	\$2,080,953	\$59,233,313	\$52,552,335	\$24,648,383

Source: District Records



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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues:										
Taxes	\$7,109,125	\$8,823,152	\$9,054,975	\$9,659,675	\$12,438,072	\$11,853,723	\$14,993,132	\$14,684,590	\$20,607,952	\$17,924,619
Tuition and Fees	15,666	10,413	13,690	14,424	185,860	191,770	210,184	180,719	54,409	221,828
Investment Earnings	1,081,641	783,195	314,576	120,154	74,201	48,324	102,363	208,506	2,164,835	3,104,294
Intergovernmental	6,746,947	7,440,381	8,243,604	9,347,370	9,785,737	10,443,074	11,466,826	11,554,587	12,144,572	12,836,753
Extracurricular Activities	275,319	348,013	423,409	417,918	436,647	456,702	489,345	522,981	476,255	558,870
Charges for Services	0	0	0	0	652,423	703,746	759,873	876,282	1,114,702	1,025,719
Other Revenues	88,179	31,878	24,018	90,109	277,996	197,153	302,935	492,121	186,318	157,755
Total Revenues	\$15,316,877	\$17,437,032	\$18,074,272	\$19,649,650	\$23,850,936	\$23,894,492	\$28,324,658	\$28,519,786	\$36,749,043	\$35,829,838

Source: District Records

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Instruction:</b>										
Regular	\$6,707,929	\$7,097,989	\$8,192,838	\$8,708,042	\$8,930,866	\$10,654,458	\$11,376,311	\$12,298,815	\$13,157,586	\$13,935,470
Special	806,852	1,034,115	1,421,453	1,696,548	1,922,036	2,066,960	2,096,148	2,448,767	2,815,148	3,139,401
Vocational	0	0	0	0	0	1,658	8,125	211	3,458	639
Other	76,168	41,713	153,052	135,038	233,666	280,621	391,490	623,408	811,924	937,351
<b>Support Services:</b>										
Pupil	571,150	540,760	712,197	843,462	892,837	1,138,182	1,150,192	1,333,412	1,382,891	1,414,561
Instructional Staff	456,687	561,577	778,420	923,166	696,824	1,111,930	1,136,939	1,553,647	1,401,895	1,641,364
General Administration	36,562	53,968	46,014	36,591	73,329	62,821	68,822	32,196	37,589	43,126
School Administration	1,195,391	1,267,056	1,501,263	1,669,095	1,638,439	1,898,415	2,010,100	2,242,948	2,350,443	2,710,327
Fiscal	321,130	376,880	399,864	414,497	490,954	601,913	625,173	679,537	722,701	770,838
Business	171,143	200,142	203,915	200,175	144,645	201,328	222,385	261,975	177,924	215,824
Operations and Maintenance	1,122,436	1,288,585	1,970,093	2,395,212	1,952,749	2,574,704	2,432,198	2,976,513	2,746,461	5,341,334
Pupil Transportation	808,419	1,119,786	1,292,120	1,499,112	1,415,004	1,786,671	2,234,910	2,201,705	3,786,978	3,498,520
Central	32,156	24,383	46,856	113,644	125,968	397,262	466,403	471,123	1,397,072	1,192,014
Operation of Non-Instructional Services	16,693	21,110	24,578	25,495	715,673	1,068,988	1,174,414	1,330,060	1,460,834	1,557,860
Extracurricular Activities	389,490	534,000	692,512	717,193	764,839	867,533	841,420	865,877	943,335	971,917
Capital Outlay	5,476,403	12,185,917	2,255,690	381,451	0	1,031,986	28,478	1,508,690	4,289,606	25,242,791
<b>Debt Service:</b>										
Principal Retirement	353,104	284,607	347,142	418,017	542,184	222,801	197,191	1,003,299	1,288,514	3,223,495
Interest and Fiscal Charges	828,993	811,627	798,780	790,183	798,049	1,122,530	1,141,820	1,183,051	2,174,707	2,849,713
<b>Total Expenditures</b>	<b>\$19,370,706</b>	<b>\$27,444,215</b>	<b>\$20,836,787</b>	<b>\$20,966,921</b>	<b>\$21,338,062</b>	<b>\$27,090,761</b>	<b>\$27,602,519</b>	<b>\$33,015,234</b>	<b>\$40,949,066</b>	<b>\$68,686,545</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>8.00%</b>	<b>6.74%</b>	<b>5.52%</b>	<b>5.86%</b>	<b>6.31%</b>	<b>5.04%</b>	<b>4.95%</b>	<b>6.99%</b>	<b>9.77%</b>	<b>14.10%</b>

Source: District Records

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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Other Financing Sources (Uses):										
Proceeds of Refunding Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$15,759,968	\$0	\$0	\$0
Refunding Bond Issuance Cost	0	0	0	0	0	0	0	0	(403,082)	0
Payments to Refunded Bond Escrow Agent	0	0	0	0	0	0	(16,638,064)	0	(50,247,945)	0
Sale of Refunding Bonds	0	0	0	0	0	0	0	0	47,199,949	0
Issuance of Long-Term Capital-Related Deb	0	0	0	0	0	0	0	56,249,938	0	3,890,000
Premium on Sale of Refunded Bonds	0	0	0	0	0	0	0	0	3,451,078	0
Bond Premium	0	0	0	0	0	0	878,096	1,828,979	0	0
Issuance of Capital Leases	0	0	77,269	0	0	0	0	2,120,000	0	805,000
Proceeds from Sale of Assets	281	167	1,650	239	4,219	1,174	1,550	171	14,139	0
Transfers In	73,374	5,127	37,050	43,000	50,000	75,000	50,000	81,672	98,315	6,363,668
Transfers (Out)	(98,374)	(41,127)	(62,050)	(43,000)	(50,000)	(75,000)	(50,000)	(81,672)	(98,315)	(6,363,668)
Proceeds from Sale of Notes	0	0	0	550,000	0	0	0	0	0	0
Total Other Financing Sources (Uses)	(24,719)	(35,833)	53,919	550,239	4,219	1,174	1,550	60,199,088	14,139	4,695,000
Net Change in Fund Balances	(\$4,078,548)	(\$10,043,016)	(\$2,708,596)	(\$767,032)	\$2,517,093	(\$3,195,095)	\$723,689	\$55,703,640	(\$4,185,884)	(\$28,161,707)

Source: District Records

N/A - Information not available

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

Collection Year	Real Property Assessed Value (1)	Tangible Personal Property Assessed Value (1)	Public Utilities Personal Assessed Value (1)	Total Assessed Value (1)	Total Estimated Actual Value	Total Direct Rate
1998	\$202,690,950	\$18,491,925	\$17,890,710	\$239,073,585	\$703,513,911	48.36
1999	219,225,770	19,980,737	18,744,170	257,950,677	758,423,843	47.59
2000	243,960,620	25,742,334	18,447,255	288,150,209	844,368,889	46.05
2001	313,645,380	27,333,305	19,187,510	360,166,195	1,050,974,854	44.34
2002	352,989,300	25,584,850	12,537,430	391,111,580	1,131,790,148	43.89
2003	398,482,930	25,176,710	15,927,780	439,587,420	1,274,167,234	47.44
2004	483,344,110	21,573,050	17,083,150	522,000,310	1,486,688,041	45.94
2005	538,958,250	17,533,100	17,720,840	574,212,190	1,630,150,432	45.39
2006	592,076,770	15,454,360	17,618,400	625,149,530	1,771,083,754	42.59
2007	728,562,760	12,464,370	17,675,510	758,702,640	2,149,140,876	42.59

Source: Warren County Auditor

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

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

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

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

Fiscal Year	District Direct Rates	Overlapping Rates						
		Warren County	Hamilton Township Exc	Warren/Clinnton Mental Health	Warren County JVS	Hamilton Township	Warren County Health District	Hamilton Township Fire
1998	48.36	5.00	4.30	1.00	4.50	1.00	0.50	5.00
1999	47.59	4.75	4.30	1.00	4.50	1.00	0.50	5.00
2000	46.05	4.00	4.30	1.00	4.50	1.00	0.50	5.00
2001	44.34	4.00	4.30	1.00	4.50	1.00	0.50	5.00
2002	43.89	4.00	4.30	1.00	4.50	1.00	0.50	5.00
2003	47.44	4.96	4.30	1.00	4.50	1.00	0.50	5.00
2004	45.94	6.53	4.30	1.00	4.50	1.00	0.50	5.00
2005	45.39	6.46	4.30	1.00	4.50	1.00	0.50	5.00
2006	42.59	6.71	5.00	1.00	4.50	1.00	0.50	5.00
2007	42.59	6.71	5.30	1.00	4.50	1.00	0.50	5.00

Source: Warren County Auditor

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

Taxpayer	2008	
	Tangible Personal and Real Property	Percentage of Total Assessed Value
Duke Energy Ohio	\$11,400,420	1.50%
Sumco Phoenix	7,217,810	0.95%
HCDC Real Estate Holding	3,577,809	0.47%
DP & L	3,571,560	0.47%
Dixon Eagles Pointe Inc	2,133,200	0.28%
Tournament Players Club	2,055,071	0.27%
Fith Third Bank	1,232,031	0.16%
Belwood Co	1,135,631	0.15%
United Telephone	856,250	0.11%
Columbus Southern Power	700,180	0.09%
Total Principal Property Tax Payers	33,879,962	4.47%
All Others	724,822,678	95.53%
Total Assessed Value	\$758,702,640	100.00%

Taxpayer	1999	
	Tangible Personal and Real Property	Percentage of Total Taxable Value
Mitsubishi Electric	\$17,091,230	5.93%
Cincinnati Gas & Electric	16,996,680	5.90%
Procter & Gamble	9,542,400	3.31%
Facs Group Inc	3,651,810	1.27%
Portion Pac Inc	3,385,070	1.17%
Buckeye Steel Castings Inc	3,355,140	1.16%
Hartz Mountain Group	2,799,000	0.97%
Deerfield MFG	2,774,440	0.96%
Leggett Partners LP	2,514,560	0.87%
United Telephone	766,360	0.27%
Total Principal Property Tax Payers	62,876,690	21.82%
All Others	225,273,519	78.18%
Total Assessed Value	\$288,150,209	100.00%

Source: Warren County Auditor

(1) - 1999 is the latest available year

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

Calendar Year	Taxes Levied for the Calendar Year (1)	Collected within the Calendar Year of the Levy		Delinquent Collections in Subsequent Years	Total Collections to Date	
		Amount (2)	Percentage of Levy		Amount	Percentage of Levy
1998	\$5,975,796	\$5,887,601	98.52%	\$167,655	\$6,055,256	101.33%
1999	9,029,342	8,775,617	97.19%	247,204	9,022,821	99.93%
2000	10,520,823	10,236,144	97.29%	271,497	10,507,641	99.87%
2001	11,007,571	10,735,264	97.53%	339,702	11,074,966	100.61%
2002	13,917,067	13,439,835	96.57%	350,072	13,789,907	99.09%
2003	15,522,050	15,309,366	98.63%	287,830	15,597,196	100.48%
2004	16,217,033	13,814,272	85.18%	501,572	14,315,844	88.28%
2005	15,522,050	15,309,366	98.63%	287,830	15,597,196	100.48%
2006	16,899,437	16,412,829	97.12%	630,763	17,043,592	100.85%
2007	21,661,098	20,914,159	96.55%	546,909	21,461,068	99.08%

Source: Warren County Auditor

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

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

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

Fiscal Year	Governmental Activities			Total Primary Government	Ratio of General Bonded Debt to Estimated Actual Value (1)	Percentage of Personal Income (2)	General Bonded Debt Per Capita (3)
	General Obligation Bonds	Energy Conservation Notes	Capital Leases				
1999	\$17,434,810	\$0	\$71,969	\$17,506,779	2.49%	0.39%	\$115
2000	17,169,810	0	52,362	17,222,172	2.27%	0.35%	107
2001	16,844,810	0	103,650	16,948,460	2.01%	0.32%	101
2002	16,459,910	550,000	70,633	17,080,543	1.63%	0.31%	98
2003	16,009,810	481,250	47,199	16,538,259	1.46%	0.29%	91
2004	15,871,639	412,500	31,319	16,315,458	1.28%	0.26%	86
2005	15,759,968	343,750	14,549	16,118,267	1.08%	0.24%	82
2006	71,089,906	275,000	2,120,000	73,484,906	4.51%	1.02%	364
2007	70,254,906	206,250	1,735,236	72,196,392	4.08%	N/A	353
2008	71,394,906	137,500	2,135,491	73,667,897	3.43%	N/A	N/A

Sources: District Records, Warren County Auditor and Bureau of Economic Analysis

N/A - Information not available

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2008 is calendar year 2007)  
 Assessed values are obtained from the Warren County Auditor

(2) - Personal Income information provided by Bureau of Economic Analysis:  
 Regional Economic Accounts for Warren County

(3) - Per Capita Personal Income information provided by Bureau of Economic  
 Analysis: Regional Economic Accounts for Warren County



Little Miami Local School District  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2008  
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Clermont County	\$11,760,528	0.02%	\$2,352
Warren County	248,465	12.35%	30,685
City of Loveland	7,280,000	6.91%	503,048
Village of Maineville	65,049	100.00%	65,049
Village of South Lebanon	267,500	7.66%	20,491
Goshen Township	2,575,000	0.41%	10,558
Hamilton Township	4,422,975	75.34%	3,332,269
Harlan Township	2,181,170	76.36%	1,665,541
Salem Township	427,000	97.90%	418,033
Turtle Creek Township	2,475,000	0.02%	495
Union Township	118,800	4.18%	4,966
Subtotal Overlapping Debt	31,821,487		6,053,487
District Direct Debt	77,394,855	98.61%	76,319,067
Total Direct and Overlapping Debt	\$109,216,342		\$82,372,554

Source: Ohio Municipal Advisory Council

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

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value (1)	\$758,702,640
Debt limit (9% of assessed value)	68,283,238
Debt applicable to limit	77,394,855
Legal debt margin (2)	<u><u>(\$9,111,617)</u></u>

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit	N/A	N/A	N/A	N/A	\$39,562,868	\$46,980,028	\$51,679,097	\$51,679,097	\$56,263,458	\$68,283,238
Total Net Debt Applicable to Limit	N/A	N/A	N/A	N/A	16,009,810	15,871,639	15,759,968	71,166,515	76,504,855	77,394,855
Legal Debt Margin	N/A	N/A	N/A	N/A	<u><u>\$23,553,058</u></u>	<u><u>\$31,108,389</u></u>	<u><u>\$35,919,129</u></u>	<u><u>(\$19,487,418)</u></u>	<u><u>(\$20,241,397)</u></u>	<u><u>(\$9,111,617)</u></u>

Total Net Debt Applicable to the Limit  
 as a Percentage of Debt Limit

N/A	N/A	N/A	N/A	40.47%	33.78%	30.50%	137.71%	135.98%	113.34%
-----	-----	-----	-----	--------	--------	--------	---------	---------	---------

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2008 is calendar year 2007)

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

N/A - Information not available

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
1998	145,427	4,113,058	28,283	3.0%
1999	152,448	4,501,708	29,529	2.6%
2000	161,322	4,946,103	30,660	2.5%
2001	167,507	5,286,564	31,512	3.4%
2002	175,041	5,521,565	31,522	3.6%
2003	182,330	5,786,295	31,699	3.9%
2004	189,276	6,213,055	32,745	4.0%
2005	196,793	6,597,227	33,524	4.0%
2006	201,871	7,211,608	36,134	4.9%
2007	204,390	N/A	N/A	4.6%

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

N/A - Information not available

Little Miami Local School District  
Major Employers (1)  
Current Fiscal Year (2)  
Schedule 16

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

Source: Ohio Department of Development

(1) - For all of Warren County

(2) - Only current fiscal year information available

(3) - In alphabetical order only

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

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Official/Administrative							
Administrative Assistant	0.00	0.00	1.00	2.00	1.00	1.00	1.00
Assistant Principal	3.00	1.00	1.00	2.00	3.00	3.00	4.00
Principals	6.00	6.00	6.00	7.00	6.00	7.00	7.00
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Supervising/Managing/Directing	6.00	4.00	5.50	3.50	1.12	1.00	1.00
Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Coordinator	2.00	2.00	3.00	4.00	4.28	4.30	5.41
Education Administrative Specialist	0.00	0.00	0.00	1.50	2.00	1.00	1.00
Director	0.00	0.00	0.00	0.00	0.13	0.00	0.00
Total Official/Administrative	<u>19.00</u>	<u>15.00</u>	<u>18.50</u>	<u>22.00</u>	<u>19.53</u>	<u>19.30</u>	<u>22.41</u>
Professional - Educational							
Curriculum Specialist	0.00	0.00	0.00	0.00	0.75	0.81	0.40
Counseling	5.00	5.00	7.00	5.00	5.37	5.37	5.00
Librarian/Media	2.00	1.00	2.00	1.50	1.00	1.00	1.00
Remedial Specialist	7.00	7.50	8.00	8.50	7.10	7.60	11.70
Regular Teaching	146.50	138.80	138.90	149.00	151.64	157.50	161.42
Special Education Teaching	17.30	16.00	20.30	20.20	16.17	22.50	13.79
Vocational Education Teaching	0.00	0.00	1.00	1.00	1.00	1.00	1.00
Educ. Service Personnel Teacher	13.00	10.80	16.60	17.47	18.30	18.03	18.11
Supplemental Service Teacher (Special Education)	0.00	0.00	0.00	0.00	6.00	2.00	13.50
Teacher Mentor/Evaluator	1.00	0.00	1.00	1.50	0.43	0.00	0.00
Total Professional - Education	<u>191.80</u>	<u>179.10</u>	<u>194.80</u>	<u>204.17</u>	<u>207.76</u>	<u>215.81</u>	<u>225.92</u>
Professional - Other							
Dietitian/Nutritionist	0.00	0.00	0.00	0.00	0.50	1.00	1.00
Psychologist	1.00	0.00	0.00	0.00	2.00	0.00	0.00
Publicity Relations	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Registered Nursing	2.00	2.00	3.00	3.00	3.00	3.50	3.50
Physical Therapist	0.00	0.00	0.00	0.00	0.20	0.00	0.00
Speech and Language Therapist	2.60	2.60	2.50	2.70	3.00	3.00	3.35
Occupational Therapist	0.00	0.00	0.00	0.00	0.20	0.00	0.00
Physical Therapy Assistant	0.00	0.00	0.00	0.00	0.27	0.00	0.00
Total Professional - Other	<u>5.60</u>	<u>4.60</u>	<u>5.50</u>	<u>5.70</u>	<u>10.17</u>	<u>8.50</u>	<u>8.85</u>
Technical							
Practical Nursing	0.00	0.00	0.00	0.00	0.50	1.00	1.00
Library Aide	3.50	0.00	3.50	3.50	3.50	4.50	5.50
Other Technical	0.00	2.00	2.00	1.00	1.00	1.00	1.00
Total Technical	<u>3.50</u>	<u>2.00</u>	<u>5.50</u>	<u>4.50</u>	<u>5.00</u>	<u>6.50</u>	<u>7.50</u>

Source: State Department of Education

(1) - Only last seven fiscal years available

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

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Office/Clerical							
Records Managing	0.00	0.00	0.00	0.00	0.00	0.00	1.00
Bookkeeping	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Clerical	14.50	10.00	13.50	14.20	14.20	14.70	17.70
Teaching Aide	10.46	0.00	8.53	8.24	13.13	11.74	16.46
Other Office/Clerical	1.00	0.00	0.50	0.50	0.50	0.50	1.50
Total Office/Clerical	<u>28.96</u>	<u>13.00</u>	<u>25.53</u>	<u>25.94</u>	<u>30.83</u>	<u>29.94</u>	<u>39.66</u>
Crafts and Trades							
General Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	1.00
Mechanic	2.00	2.00	3.00	2.00	2.00	3.00	5.00
Foreman	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Total Crafts and Trades	<u>4.00</u>	<u>4.00</u>	<u>5.00</u>	<u>4.00</u>	<u>5.00</u>	<u>6.00</u>	<u>7.00</u>
Operative							
Dispatching	0.00	0.00	0.00	0.00	1.00	2.00	2.00
Vehicle Operator (Buses)	25.51	24.23	25.27	30.11	37.11	44.23	53.23
Vehicle Operator (Other than Buses)	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Total Operative	<u>25.51</u>	<u>24.23</u>	<u>25.27</u>	<u>30.11</u>	<u>38.11</u>	<u>46.23</u>	<u>57.23</u>
Service Work/Laborer							
Attendance Officer	0.00	0.00	0.00	0.00	0.20	0.00	0.00
Custodian	19.56	13.12	17.56	20.81	21.31	21.19	22.19
Food Service	16.61	17.75	16.29	16.99	18.99	16.99	20.39
Groundskeeping	1.00	0.00	2.00	2.00	2.00	2.00	2.00
Attendant	8.72	7.73	8.66	14.08	17.15	18.22	23.72
Total Service Work/Laborer	<u>45.89</u>	<u>38.60</u>	<u>44.51</u>	<u>53.88</u>	<u>59.65</u>	<u>58.40</u>	<u>68.30</u>
Total Employees	<u>324.26</u>	<u>280.53</u>	<u>324.61</u>	<u>350.30</u>	<u>376.05</u>	<u>390.68</u>	<u>436.87</u>

Source: State Department of Education

(1) - Only last seven fiscal years available

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

Fiscal Year	Enrollment	Operating Expenditure	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
1999	2,557	\$13,894,303	\$5,434	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2000	2,521	15,258,298	6,052	11.39%	N/A	N/A	N/A	N/A	N/A	N/A
2001	2,610	18,581,097	7,119	17.62%	N/A	N/A	N/A	164	15.9	N/A
2002	2,814	20,585,470	7,315	2.76%	N/A	N/A	N/A	179	15.7	N/A
2003	2,936	21,338,062	7,268	(0.65%)	\$22,075,418	\$7,519	N/A	167	17.6	9.30%
2004	3,200	26,058,775	8,143	12.05%	27,029,062	8,447	12.34%	186	17.2	8.80%
2005	3,413	27,574,041	8,079	(0.79%)	28,239,505	8,274	(2.04%)	192	17.8	9.80%
2006	3,623	31,506,544	8,696	7.64%	30,519,498	8,424	1.81%	194	18.7	11.10%
2007	3,754	36,659,460	9,765	12.29%	35,564,866	9,474	12.47%	202	18.6	11.60%
2008	3,978	43,443,754	10,921	11.83%	41,584,889	10,454	10.34%	209	19.0	12.00%

Source: District Records

N/A - Information not available

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

School	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Little Miami High School (2000)										
Square Feet		140,090	140,090	140,090	140,090	140,090	140,090	140,090	140,090	140,090
Capacity	(2)	905	905	905	905	905	905	905	905	905
Enrollment	(2)	N/A	N/A	N/A	N/A	812	853	1,014	1,023	1,054
Little Miami Intermediate (1975)										
Square Feet	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	N/A	N/A	N/A	N/A	N/A	489	508	548	563	612
Little Miami Junior High (1956)										
Square Feet	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	N/A	N/A	N/A	N/A	N/A	519	560	531	549	584
Harlan-Butlerville Elementary School (1979)										
Square Feet	40,140	40,140	40,140	40,140	40,140	40,140	40,140	40,140	40,140	40,140
Capacity	300	300	300	300	300	300	300	300	300	300
Enrollment (1)	N/A	N/A	N/A	N/A	N/A	1,265	1,330	1,530	1,619	251
Hamilton-Maineville Elementary School (1975)										
Square Feet	56,385	56,385	56,385	56,385	56,385	56,385	56,385	56,385	56,385	56,385
Capacity	515	515	515	515	515	515	515	515	515	515
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	940
Morrow Elementary School (1975)										
Square Feet	92,664	92,664	92,664	92,664	92,664	92,664	92,664	92,664	92,664	92,664
Capacity	750	750	750	750	750	750	750	750	750	750
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	537

Source: District Records

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

(2) - High school opened in 2000

N/A - Information not available



**THIS PAGE INTENTIONALLY LEFT BLANK**





Mary Taylor, CPA  
Auditor of State

LITTLE MIAMI LOCAL SCHOOL DISTRICT  
WARREN COUNTY

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
MARCH 10, 2009