

LITTLE MIAMI LOCAL SCHOOL DISTRICT

Single Audit Report

June 30, 2009



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Little Miami Local School District, Warren County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2008 through June 30, 2009. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

February 2, 2011

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LITTLE MIAMI LOCAL SCHOOL DISTRICT
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Disbursements
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education:				
Nutrition Cluster:				
School Breakfast Program	3L70	10.553	\$42,254	\$42,254
National School Lunch Program	3L60	10.555	270,368	270,368
Total Nutrition Cluster			<u>312,622</u>	<u>312,622</u>
Total U.S. Department of Agriculture			<u>312,622</u>	<u>312,622</u>
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education:				
Special Education Cluster:				
Special Education-Grants to States	3M20	84.027	493,882	523,445
Special Education-Preschool Grants	3C50	84.173	10,133	9,937
Total Special Education Cluster			<u>504,015</u>	<u>533,382</u>
Title I Grants to Local Educational Agencies	3M00	84.010	138,365	154,837
Safe and Drug Free Schools and Communities	3D10	84.186	8,573	8,573
State Grants for Innovative Educations	3M10	84.298	2,625	2,625
Education Technology State Grants	3S20	84.318	1,343	1,343
Improving Teacher Quality	3Y60	84.367	99,429	101,040
Total Department of Education			<u>754,350</u>	<u>801,800</u>
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed Through Ohio Emergency Management Agency				
Public Assistance Program	N/A	97.036	7,009	7,009
Total Department of Homeland Security			<u>7,009</u>	<u>7,009</u>
Total Federal Assistance			<u>\$1,073,981</u>	<u>\$1,121,431</u>

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

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

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

To the Board of Education
Little Miami Local School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Little Miami Local School District (the District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 28, 2010 except for Notes 19 and 20 as to which the date is January 14, 2011. 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.

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

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. The items are identified in the accompanying schedule of findings and questioned costs as items 2009-1 and 2009-2.

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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiency described as item 2009-002 to be a material weakness.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2009-3 and 2009-4.

We noted certain matters that we reported to management of the District in a separate letter dated January 28, 2010.

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

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.

January 28, 2010 except for financial statement Notes 19 & 20 as to which the date is January 14, 2011

**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, 2009. 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, 2009.

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, 2009, and have issued our report thereon dated January 28, 2010 except for financial statement Notes 19 and 20 as to which the date is January 14, 2011. 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.

Our previous report dated January 28, 2010 is being re-issued since the schedule of findings has been updated to include a material weakness and material compliance citations.

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.

January 28, 2010 except for financial statement Notes 19 & 20 as to which the date is January 14, 2011

**LITTLE MIAMI LOCAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009**

Section I – Summary of Auditor’s Results

<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unqualified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(ii)</i>	<i>Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iii)</i>	<i>Was there any material reported non-compliance at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any other significant control deficiencies reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under Section .510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (list):</i>	CFDA #s 10.553 & 10.555 Child Nutrition Cluster
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

Section II – Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS

2009-1 - Significant Deficiency:

Effective operation of internal controls over financial reporting includes documentation of the performance of control procedures. During the course of the audit, we noted instances where the District, due to incomplete performance, did not maintain documentation indicating approval of disbursements transactions. Failure to document approvals increases the risk of unauthorized transactions.

Management Response:

The District concurs with the above comment and will document all approvals.

2009-2 – Material Weakness:

A prior period restatement of the District's financial statements was required to correct a material misstatement related to fund classification of certain transactions. The misstatement occurred as a result of a material weakness related to the financial accounting and reporting system in place at the School District.

Effective design of internal control over financial reporting allows management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements.

Management Response:

The District concurs with the above comment and will correct the design of controls related to the financial accounting and reporting system.

2009-3 – Negative Cash Compliance

Receipts paid into a fund must be used only for the purposes for which such fund was established (Ohio Revised Code 5705.10). As a result, a negative cash balance indicates that money from one fund was used to cover the expenses of another fund. At June 30, 2009 the General Fund had negative cash balance.

Management Response:

The District concurs with the above comment; however the current cash flow problems hinder the effort to eliminate this negative cash problem.

2009-4 – Appropriations in Excess of Estimated Resources Compliance

Ohio Revised Code Section 5705.39 requires appropriations to be limited by estimated resources. Upon review of appropriations and estimated resources, it was noted that appropriations exceeded estimated resources for the General Fund.

Management Response:

The District concurs with the above comment; however the current cash flow problems contribute to this hinder this area as well.

Section III – Federal Award Findings and Questioned Costs

None Noted

**LITTLE MIAMI LOCAL SCHOOL DISTRICT
SUMMARY OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2009**

N/A -no prior audit findings.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Education
Little Miami Local School District

Ohio Rev. Code Section 117.53 states “the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school.”

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Little Miami Local School District (the District) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on November 29, 2007.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (5) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;

- (6) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.
3. After reading the policy, we noted it did not include the following requirements from Ohio Rev. Code Section 3313.666(B):
 - (1) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
 - (2) A procedure for documenting any prohibited incident that is reported;
 - (3) A procedure for responding to and investigating any reported incident;
 - (4) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
January 28, 2010

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



**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

FOR FISCAL YEAR ENDED JUNE 30, 2009

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

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2009**

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

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INTRODUCTORY SECTION



January 28, 2010

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, 2009, 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.

As of June 30, 2009, 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, 2009, were as follows:

<u>Board Member</u>	<u>Began Service</u>	<u>Term Expires</u>	<u>Profession</u>
Kym Dunbar	January 1, 2008	December 31, 2011	Volunteer
Bobbie Grice	June 30, 1997	December 31, 2009	Education
Michael Cremeans	January 1, 2000	December 31, 2011	Steel
Mary Beth Hamburg	January 1, 2000	December 31, 2011	Technical Writing
John Stern	January 1, 2006	December 31, 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 are currently working toward a new collective bargaining agreement, as the current agreement expired December 31, 2009.

Classified employees are represented by the Ohio Association of Public School Employees (OAPSE). The District and OAPSE entered into a three-year collective bargaining agreement that expires June 30, 2011.

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 288 high school diplomas in June, 2009.

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 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.

RELEVANT FINANCIAL INFORMATION

In July, 2009, the Ohio's Governor signed HB 1, the state biennium budget bill. Included in this bill was a complete overhaul of the school funding model for all Districts in Ohio. The new Ohio Evidence-Based Model (OEBM) replaces the long-standing foundation formula that was declared unconstitutional by the Ohio Supreme Court. If ever fully-funded, the new model has the potential to drive funding based on student needs and could result in additional revenue. However, the current economic crisis has reduced revenue at the state level prompting budget reduction measures across the State. As such, the OEBM model is being phased in with FY 10 and FY 11 funding being allocated based on 99% of FY 09 funding and 98% of FY 10 funding, respectively. Federal stimulus funds are being used in Ohio to balance the education budget and as such, funding for public education at the current level is not secure beyond FY 11. This uncertainty could have a major impact on our instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be monitored closely.

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, 2008. 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 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, 2008. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2009, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

Making Your Tax Dollars Count Award

The Ohio Auditor of State's Office presents the Making Your Tax Dollars Count Award to fewer than five percent of governmental agencies in Ohio each year. Little Miami Schools received this award for fiscal year ended June 30, 2008.

In order to receive this award, the entity must complete a CAFR, there must be no findings or issues present in their most recent audit report, and there must be no other financial concerns involving the entity.

ACKNOWLEDGEMENTS

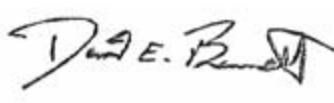
The preparation of the fiscal year ended June 30, 2009 Comprehensive Annual Financial Report of the Little Miami Local School District was made possible by the dedicated service of Ms. Deborah Harper, Mrs. Karen Bahr, Mrs. Laura Short, Mrs. Dawn Shank, Mr. Terry Gonda, and Mrs. Kelley Campbell. Special 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, 2009**

BOARD OF EDUCATION

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

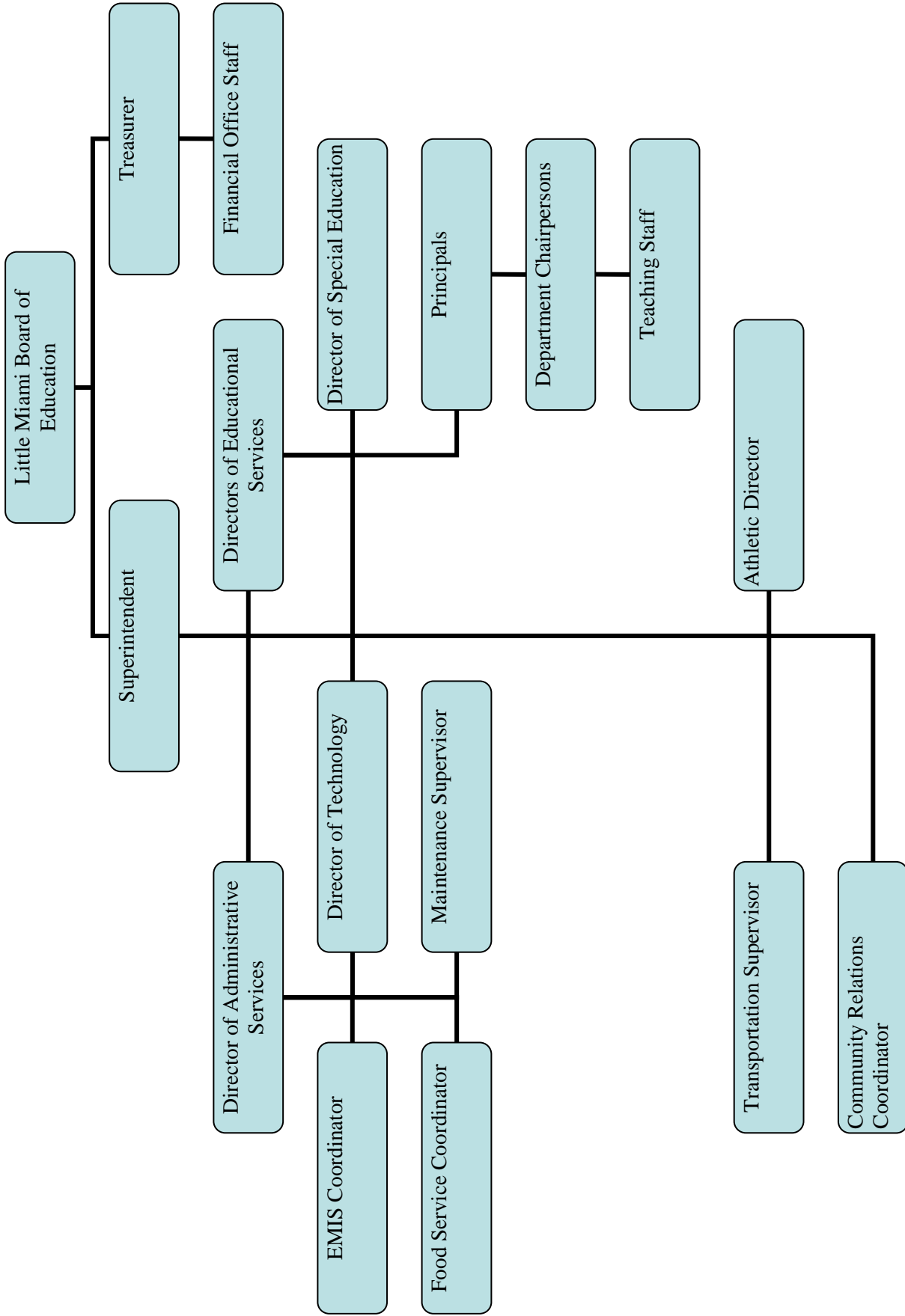
TREASURER

Shaun Bevan

SUPERINTENDENT OF SCHOOLS

Daniel Bennett

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Little Miami Local School
District, Ohio

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

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.



A handwritten signature in black ink, appearing to read "M. L. Post".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

LITTLE MIAMI LOCAL SCHOOL DISTRICT, OHIO

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2008

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

Angela Letuman

President

John D. Mueser

Executive Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Little Miami Local School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Little Miami Local School District (the District), as of and for the year ended June 30, 2009, 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, 2009, 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.

The financial statements referred to above were previously issued and have been restated. The previously issued auditor's report dated January 28, 2010 is not to be relied on because the financial statements were materially misstated and the previously issued auditor's report is replaced by this report on the restated financial statements. Note 19 to the financial statements discusses the restatement and reissuance.

In accordance with *Government Auditing Standards*, we have also reissued our report dated January 28, 2010, except for Notes 19 and 20 as to which the date is January 14, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

The accompanying financial statements have been prepared assuming that the District will continue as a going concern. As discussed in Note 20 to the financial statements, the District is experiencing difficulty in meeting its obligations as they become due and therefore the state of Ohio has classified the District as being in *fiscal emergency*. These conditions raise substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note 20. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

January 28, 2010 except for Notes 19 and 20 as to which the date is January 14, 2011

**Little Miami Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2009
(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, 2009. 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 2009 are as follows:

- Net assets of governmental activities decreased \$837,415 from 2008.
- General revenues accounted for \$35,764,246 in revenue or 90.3% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,855,570 or 9.7% of total revenues of \$39,619,816 .
- The District had \$40,457,231 in expenses related to governmental activities; \$3,855,570 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$35,764,246 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 2009?” 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.

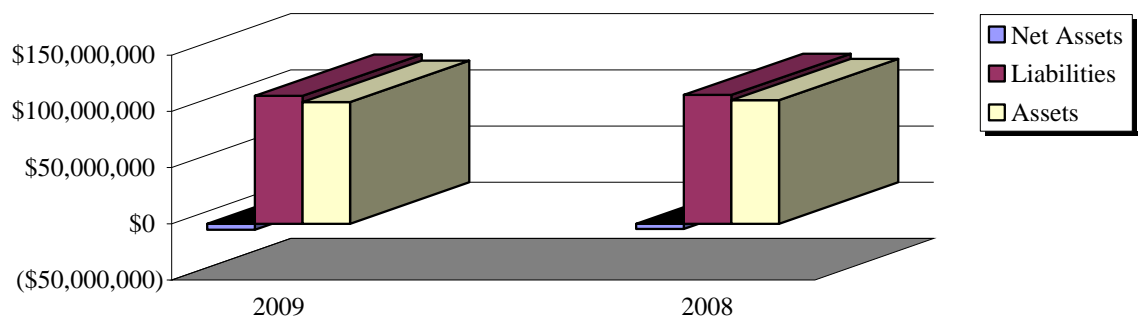
Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District’s own programs.

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 2009 compared to 2008:

Table 1
Net Assets

	Governmental Activities	
	2009	2008
Assets:		
Current and Other Assets	\$35,978,956	\$61,638,410
Capital Assets	72,218,379	48,219,852
Total Assets	108,197,335	109,858,262
Liabilities:		
Other Liabilities	36,224,846	35,694,675
Long-Term Liabilities	77,422,824	78,776,507
Total Liabilities	113,647,670	114,471,182
Net Assets:		
Invested in Capital Assets, Net of Related Debt	(2,597,257)	2,293,980
Restricted	2,734,037	396,750
Unrestricted	(5,587,115)	(7,303,650)
Total Net Assets	(\$5,450,335)	(\$4,612,920)



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2009, the District's assets exceeded liabilities by (\$5,450,335).

At year-end, capital assets represented 67% 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, 2009, was \$(2,597,257). 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, \$2,734,037 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. Long term liabilities decreased mainly due to principal and interest payments being made on long term debt during the fiscal year.

Table 2 shows the changes in net assets for fiscal years 2009 and 2008.

Table 2
Changes in Net Assets

	Governmental Activities	
	2009	2008
Revenues:		
Program Revenues		
Charges for Services	\$1,927,683	\$1,825,291
Operating Grants, Contributions	1,861,606	1,882,104
Capital Grants and Contributions	66,281	87,221
General Revenues:		
Property Taxes	21,827,267	18,425,671
Grants and Entitlements	13,194,622	10,885,644
Other	742,357	3,153,344
Total Revenues	<u>39,619,816</u>	<u>36,259,275</u>
Program Expenses:		
Instruction	20,662,054	18,460,280
Support Services:		
Pupil and Instructional Staff	2,905,753	3,074,811
School Administrative, General		
Administration, Fiscal and Business	3,734,049	3,740,425
Operations and Maintenance	2,947,680	5,363,367
Pupil Transportation	3,112,253	3,519,149
Central	1,098,148	1,192,904
Operation of Non-Instructional Services	1,472,423	1,544,087
Extracurricular Activities	1,037,574	1,016,961
Interest and Fiscal Charges	3,487,297	3,672,905
Total Program Expenses	<u>40,457,231</u>	<u>41,584,889</u>
Change in Net Assets	(837,415)	(5,325,614)
Net Assets Beginning of Year	<u>(4,612,920)</u>	<u>712,694</u>
Net Assets End of Year	<u><u>(\$5,450,335)</u></u>	<u><u>(\$4,612,920)</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 88% of the District's revenues for governmental activities.

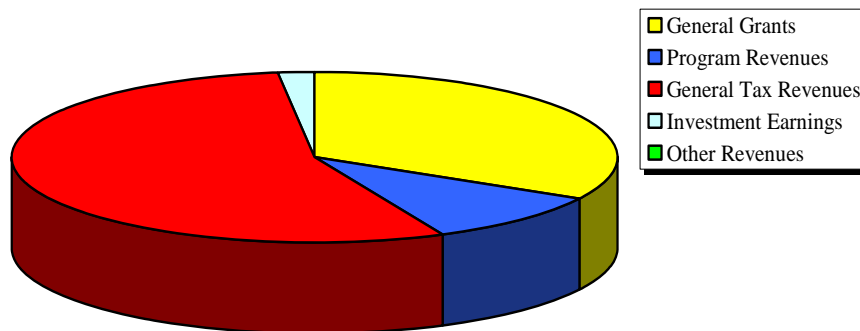
The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner 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 55% of governmental activities for the District in fiscal year 2009. The District's reliance upon tax revenues is demonstrated in the following graph:

**Governmental Activities
Revenue Sources**

		<u>Percentage</u>
General Grants	\$13,194,622	33.00%
Program Revenues	3,855,570	10.00%
General Tax Revenues	21,827,267	55.00%
Investment Earnings	647,119	2.00%
Other Revenues	<u>95,238</u>	<u>0.00%</u>
Total Revenue Sources	<u><u>\$39,619,816</u></u>	<u><u>100.00%</u></u>



Instruction comprises 51.07% of governmental program expenses. Support services expenses were 34.10% of governmental program expenses. All other expenses including interest expense were 14.82% . Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Property tax revenues increased from the prior year mainly due to an increase 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	
	2009	2008	2009	2008
Instruction	\$20,662,054	\$18,460,280	(\$19,497,192)	(\$17,412,437)
Support Services:				
Pupil and Instructional Staff	2,905,753	3,074,811	(2,578,333)	(2,505,759)
School Administrative, General				
Administration, Fiscal and Business	3,734,049	3,740,425	(3,734,049)	(3,736,574)
Operations and Maintenance	2,947,680	5,363,367	(2,904,143)	(5,326,493)
Pupil Transportation	3,112,253	3,519,149	(2,975,200)	(3,420,583)
Central	1,098,148	1,192,904	(1,086,250)	(1,179,944)
Operation of Non-Instructional Services	1,472,423	1,544,087	199,694	(78,307)
Extracurricular Activities	1,037,574	1,016,961	(538,891)	(457,271)
Interest and Fiscal Charges	3,487,297	3,672,905	(3,487,297)	(3,672,905)
Total Expenses	\$40,457,231	\$41,584,889	(\$36,601,661)	(\$37,790,273)

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 \$32,549,359 (90%) of the total \$36,050,578 governmental funds assets.

General Fund: Fund balance at June 30, 2009 was (\$3,132,839). Fund balance decreased \$1,735,214 from the prior year. The primary reason for the decrease in fund balance was due to a decrease in investment earnings.

Debt Service Fund: Fund balance at June 30, 2009 was (\$3,129,775). Fund balance increased \$798,536 from 2008. The primary reason for the increase in fund balance was due to an increase in taxes revenue.

Building Fund: Fund balance at June 30, 2009 was \$5,270,953. Fund balance decreased \$24,286,564 from 2008. 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 2009, 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 \$28,632,718, compared to original budget estimates of \$34,669,118. Of the \$6,036,400 difference, most was due to a overestimate for taxes and intergovernmental revenue.

The District's ending unobligated actual fund deficit for the General Fund was (\$755,871).

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$72,218,379 invested in land, construction in progress, buildings and improvements, and equipment. Table 4 shows fiscal year 2009 balances compared to fiscal year 2008:

Table 4
Capital Assets at Year End
(Net of Depreciation)

	Governmental Activities	
	2009	2008
Land	\$2,538,132	\$2,538,132
Construction in Progress	52,617,314	29,408,321
Buildings and Improvements	14,122,355	13,204,517
Equipment	2,940,578	3,068,882
Total Net Capital Assets	<u>\$72,218,379</u>	<u>\$48,219,852</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 \$75,825,002 in bonds and capital leases payable, \$3,065,943 due within one year. Table 5 summarizes bonds and capital leases outstanding at year end.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2009	2008
Governmental Activities:		
Energy Conservation Notes	\$68,750	\$137,500
2005 Refunded Bonds:		
Current Interest Bonds	8,970,000	10,180,000
Capital Appreciation Bonds	3,494,798	3,280,945
Premium on Bonds	558,788	638,615
2006 School Improvement:		
Current Interest Bonds	1,415,051	1,700,051
Capital Appreciation Bonds	7,585,011	7,241,746
2007 Refunding:		
Current Interest Bonds	43,675,001	44,110,001
Capital Appreciation Bonds	2,702,867	2,447,509
Premium on Bonds	3,142,945	3,266,198
Deferred Amount	(1,741,168)	(1,809,449)
HB264 Bond	3,725,000	3,890,000
Total General Obligation Bonds	<u>73,597,043</u>	<u>75,083,116</u>
Capital Leases Payable:		
2006 Ground Lease	585,528	859,395
2006 Equipment Lease	321,431	471,096
2008 OASBO Field Turf Lease	767,000	805,000
2009 Welsh Road Lease	<u>554,000</u>	<u>0</u>
Total Bonds, Notes, and Capital Leases	<u>\$75,825,002</u>	<u>\$77,218,607</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.

In July, 2009, the Ohio's Governor signed HB 1, the state biennium budget bill. Included in this bill was a complete overhaul of the school funding model for all school districts in Ohio. The new Ohio Evidence-Based Model (OEBM) replaces the long-standing foundation formula that was declared unconstitutional by the Ohio Supreme Court. If ever fully-funded, the new model has the potential to drive funding based on student needs and could result in additional revenue. However, the current economic crisis has reduced revenue at the state level prompting budget reduction measures across the State. As such, the OEBM model is being phased in with FY 10 and FY 11 funding being allocated based on 99% of FY 09 funding and 98% of FY 10 funding, respectively. Federal stimulus funds are being used in Ohio to balance the education budget and as such, funding for public education at the current level is not secure beyond FY 11. This uncertainty could have a major impact on our instructional and operational programs. The need for additional revenue and or expenditure reductions will need to be monitored closely.

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, 2009

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Investments	\$10,007,017
Restricted Cash and Investments	600,352
Receivables:	
Taxes	24,689,820
Accounts	17,117
Interest	28
Intergovernmental	172,705
Deferred Bond Issuance Costs	487,171
Inventory	4,746
Nondepreciable Capital Assets	55,155,446
Depreciable Capital Assets, Net	<u>17,062,933</u>
 Total Assets	 <u>108,197,335</u>
Liabilities:	
Accounts Payable	158,611
Accrued Wages and Benefits	4,141,707
Retainage Payable	537,197
Accrued Interest Payable	258,340
Unearned Revenue	22,309,970
Other Liabilities	950,000
Contracts Payable	1,879,021
Bond Anticipation Notes Payable	5,990,000
Long-Term Liabilities:	
Due Within One Year	3,280,122
Due In More Than One Year	<u>74,142,702</u>
 Total Liabilities	 <u>113,647,670</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	(2,597,257)
Restricted for:	
Other Purposes	459,162
Capital Projects	2,207,540
Set-Aside	45,155
Smith Trust Nonexpendable	11,090
Smith Trust Expendable	11,090
Unrestricted	<u>(5,587,115)</u>
 Total Net Assets	 <u><u>(\$5,450,335)</u></u>

See accompanying notes to the basic financial statements.

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Little Miami Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2009

	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	\$15,890,989	\$52,985	\$157,954	\$13,706	(\$15,666,344)
Special	3,826,621	0	938,736	0	(2,887,885)
Vocational	0	0	1,481	0	1,481
Other	944,444	0	0	0	(944,444)
Support Services:					
Pupil	1,375,146	0	119,840	0	(1,255,306)
Instructional Staff	1,530,607	0	207,580	0	(1,323,027)
General Administration	38,425	0	0	0	(38,425)
School Administration	2,643,136	0	0	0	(2,643,136)
Fiscal	788,970	0	0	0	(788,970)
Business	263,518	0	0	0	(263,518)
Operations and Maintenance	2,947,680	22,537	21,000	0	(2,904,143)
Pupil Transportation	3,112,253	0	84,478	52,575	(2,975,200)
Central	1,098,148	0	11,898	0	(1,086,250)
Operation of Non-Instructional Services	1,472,423	1,353,478	318,639	0	199,694
Extracurricular Activities	1,037,574	498,683	0	0	(538,891)
Interest and Fiscal Charges	3,487,297	0	0	0	(3,487,297)
Totals	<u>\$40,457,231</u>	<u>\$1,927,683</u>	<u>\$1,861,606</u>	<u>\$66,281</u>	<u>(36,601,661)</u>

General Revenues:

Property Taxes Levied for:

General Purposes	15,101,156
Debt Service Purposes	4,544,726
Capital Projects Purposes	2,181,385
Grants and Entitlements not Restricted to Specific Programs	13,194,622
Unrestricted Payment in Lieu of Taxes	7,638
Unrestricted Contributions	38,153
Investment Earnings	647,119
Other Revenues	49,447

Total General Revenues 35,764,246

Change in Net Assets (837,415)

Net Assets Beginning of Year (4,612,920)

Net Assets End of Year (\$5,450,335)

See accompanying notes to the basic financial statements.

Little Miami Local School District
Balance Sheet
Governmental Funds
June 30, 2009

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$0	\$2,445,665	\$6,756,206	\$805,146	\$10,007,017
Restricted Cash and Investments	45,155	0	537,197	18,000	600,352
Receivables:					
Taxes	17,000,890	5,193,870	0	2,495,060	24,689,820
Accounts	11,555	0	0	5,562	17,117
Interest	28	0	0	0	28
Intergovernmental	0	0	0	172,705	172,705
Interfund (See Note 19)	137,897	0	420,896	0	558,793
Inventory	0	0	0	4,746	4,746
Total Assets	17,195,525	7,639,535	7,714,299	3,501,219	36,050,578
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	157,568	0	0	1,043	158,611
Accrued Wages and Benefits	3,930,593	0	0	211,114	4,141,707
Compensated Absences	144,987	0	0	0	144,987
Retainage Payable	0	0	537,197	0	537,197
Accrued Interest Payable	0	0	13,727	0	13,727
Interfund Payable (See Note 19)	420,896	0	13,691	124,206	558,793
Deferred Revenue	15,674,320	4,779,310	0	2,296,160	22,749,790
Contracts Payable	0	0	1,878,731	290	1,879,021
Bond Anticipation Notes Payable	0	5,990,000	0	0	5,990,000
Total Liabilities	20,328,364	10,769,310	2,443,346	2,632,813	36,173,833
Fund Balances:					
Reserved for Encumbrances	224,845	0	3,851,799	28,064	4,104,708
Reserved for Inventory	0	0	0	4,746	4,746
Reserved for Property Tax Advances	1,326,570	414,560	0	198,900	1,940,030
Reserved for Set-Aside	45,155	0	0	0	45,155
Reserved for Interfund Receivable (See Note 19)	0	0	420,896	0	420,896
Reserved for Smith Trust	0	0	0	18,000	18,000
Unreserved, Undesignated, Reported in:					
General Fund (See Note 19)	(4,729,409)	0	0	0	(4,729,409)
Special Revenue Funds	0	0	0	451,700	451,700
Debt Service Funds	0	(3,544,335)	0	0	(3,544,335)
Capital Projects Funds	0	0	998,258	162,816	1,161,074
Permanent Fund	0	0	0	4,180	4,180
Total Fund Balances	(3,132,839)	(3,129,775)	5,270,953	868,406	(123,255)
Total Liabilities and Fund Balances	\$17,195,525	\$7,639,535	\$7,714,299	\$3,501,219	\$36,050,578

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, 2009

Total Governmental Fund Balance	(\$123,255)
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.	72,218,379
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Delinquent Property Taxes	439,820
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.	(244,613)
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	(1,452,835)
Deferred bond issuance cost associated with long-term liabilities are not reported in the funds.	487,171
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.	<u>(76,775,002)</u>
Net Assets of Governmental Activities	<u><u>(\$5,450,335)</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, 2009

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$15,515,345	\$4,669,195	\$0	\$2,241,126	\$22,425,666
Tuition and Fees	54,509	0	0	206,539	261,048
Investment Earnings	645,904	0	176	1,039	647,119
Intergovernmental	12,918,781	647,835	0	1,549,824	15,116,440
Extracurricular Activities	76,474	0	12,000	408,685	497,159
Charges for Services	0	0	0	1,146,939	1,146,939
Other Revenues	41,326	0	38,393	44,124	123,843
Total Revenues	29,252,339	5,317,030	50,569	5,598,276	40,218,214
Expenditures:					
Current:					
Instruction:					
Regular	14,589,174	0	429,370	489,669	15,508,213
Special	3,300,046	0	0	513,914	3,813,960
Other	944,444	0	0	0	944,444
Support Services:					
Pupil	1,250,696	0	0	116,279	1,366,975
Instructional Staff	1,335,314	0	0	183,962	1,519,276
General Administration	38,425	0	0	0	38,425
School Administration	2,631,809	7,711	0	11,445	2,650,965
Fiscal	687,637	64,620	1,166	31,829	785,252
Business	259,827	0	0	0	259,827
Operations and Maintenance	2,307,276	0	17,108	593,405	2,917,789
Pupil Transportation	2,503,736	0	0	505,408	3,009,144
Central	263,938	0	371,433	468,205	1,103,576
Operation of Non-Instructional Services	0	0	0	1,453,829	1,453,829
Extracurricular Activities	541,599	0	0	415,845	957,444
Capital Outlay	226,891	0	23,927,922	471,180	24,625,993
Debt Service:					
Principal Retirement	0	1,930,000	311,867	441,415	2,683,282
Interest and Fiscal Charges	0	2,516,163	73,017	195,320	2,784,500
Total Expenditures	30,880,812	4,518,494	25,131,883	5,891,705	66,422,894
Excess of Revenues Over (Under) Expenditures	(1,628,473)	798,536	(25,081,314)	(293,429)	(26,204,680)
Other Financing Sources (Uses):					
Issuance of Capital Leases	0	0	0	612,000	612,000
Transfers In	3,259	0	794,750	110,000	908,009
Transfers (Out)	(110,000)	0	0	(798,009)	(908,009)
Total Other Financing Sources (Uses)	(106,741)	0	794,750	(76,009)	612,000
Net Change in Fund Balance	(1,735,214)	798,536	(24,286,564)	(369,438)	(25,592,680)
Fund Balance Beginning of Year, Restated	(1,397,625)	(3,928,311)	29,557,517	1,237,844	25,469,425
Fund Balance End of Year	(\$3,132,839)	(\$3,129,775)	\$5,270,953	\$868,406	(\$123,255)

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, 2009

Net Change in Fund Balance - Total Governmental Funds (\$25,592,680)

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	\$24,914,036	
Depreciation Expense	<u>(915,509)</u>	
		23,998,527

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

Delinquent Property Taxes	(598,398)
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Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

2,683,282

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	6,430
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(\$13,349)	
Amortization of Bond Issuance Cost	(31,550)	
Amortization of Bond Premium	203,080	
Amortization of Deferred Charge on Refunding	(68,281)	
Bond Accretion	<u>(812,476)</u>	
		(722,576)

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.

(612,000)

Change in Net Assets of Governmental Activities

(\$837,415)

See accompanying notes to the basic financial statements.

Little Miami Local School District
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
June 30, 2009

	<u>Agency</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$58,460</u>
Total Assets	<u>58,460</u>
Liabilities:	
Accounts Payable	756
Other Liabilities	<u>57,704</u>
Total Liabilities	<u>\$58,460</u>
Net Assets:	
Held in Trust	
Total Net Assets	

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, 2009**

NOTE 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 Career Center and the Jewell Education Foundation.

NOTE 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, 2009, but which were levied to finance fiscal year 2010 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 2009. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2A7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2009.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2009 amounted to \$647,119. Interest revenue credited to the General Fund during fiscal year 2009 amounted to \$645,904.

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 \$2,734,037, 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.

NOTE 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, 2009, \$8,597,651 of the District's bank balance of \$9,368,515 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, 2009, the District had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Star Ohio	<u>\$2,742,099</u>	0.16
	<u>\$2,742,099</u>	
Portfolio Weighted Average Maturity		0.16

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 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. 100% of investments at June 30, 2009 were in STAR Ohio.

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.

NOTE 4 - PROPERTY TAXES

Real property taxes collected in 2009 were levied in April on the assessed values as of January 1, 2008, 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, 2009 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, 2009. 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, 2009, was \$1,326,570 for General Fund, \$414,560 for Debt Service Fund and \$198,900 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 2009 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 2009 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$803,331,660
Public Utility	17,352,520
Tangible Personal Property	<u>1,997,050</u>
Total	<u><u>\$822,681,230</u></u>

NOTE 5 – RECEIVABLES

Receivables at June 30, 2009, consisted of taxes, accounts (rent and student fees), interest, 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.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$2,538,132	\$0	\$0	\$2,538,132
Construction in Progress	<u>29,408,321</u>	<u>23,208,993</u>	<u>0</u>	<u>52,617,314</u>
Total Capital Assets, not being depreciated	31,946,453	23,208,993	0	55,155,446
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	19,439,522	1,417,000	0	20,856,522
Equipment	<u>7,059,143</u>	<u>288,043</u>	<u>0</u>	<u>7,347,186</u>
<i>Total Capital Assets, being depreciated:</i>	<u>26,498,665</u>	<u>1,705,043</u>	<u>0</u>	<u>28,203,708</u>
Totals at Historical Cost	<u>58,445,118</u>	<u>24,914,036</u>	<u>0</u>	<u>83,359,154</u>
Less Accumulated Depreciation:				
Buildings and Improvements	6,235,005	499,162	0	6,734,167
Equipment	<u>3,990,261</u>	<u>416,347</u>	<u>0</u>	<u>4,406,608</u>
Total Accumulated Depreciation	<u>10,225,266</u>	<u>915,509</u>	<u>0</u>	<u>11,140,775</u>
Governmental Activities Capital Assets, Net	<u><u>\$48,219,852</u></u>	<u><u>\$23,998,527</u></u>	<u><u>\$0</u></u>	<u><u>\$72,218,379</u></u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$509,624
Support Services:	
Pupil	706
Instructional Staff	2,011
School Administration	7,093
Fiscal	687
Business	3,691
Operations and Maintenance	20,304
Pupil Transportation	270,921
Central	64
Operation of Non-Instructional Services	17,300
Extracurricular Activities	83,108
Total Depreciation Expense	<u><u>\$915,509</u></u>

NOTE 7 - SHORT-TERM LIABILITIES

During the year, the District issued \$5,990,000 in notes in anticipation of bond revenues. The notes had an interest rate of 2.75% with an original maturity date of June 3, 2010.

	Rate	Beginning Balance	Issued	Retired	Ending Balance
Bond Anticipation Note	3.00%	\$6,000,000	\$0	(\$6,000,000)	\$0
Bond Anticipation Note	2.75%	0	5,990,000	0	5,990,000
Total Anticipation Notes		<u><u>\$6,000,000</u></u>	<u><u>\$5,990,000</u></u>	<u><u>(\$6,000,000)</u></u>	<u><u>\$5,990,000</u></u>

The \$5,990,000 in School Improvement Bond Anticipation Notes will be issued to finance various school improvements (projects) throughout the District.

NOTE 8 - LONG-TERM LIABILITIES

	Rate	Beginning Balance	Issued	Retired	Ending Balance	Due in One Year
Governmental Activities:						
Energy Conservation Notes	4.85%	\$137,500	\$0	(\$68,750)	\$68,750	\$68,750
2005 Refunded Bonds:						
Current Interest Bonds	3.50%	10,180,000	0	(1,210,000)	8,970,000	1,335,000
Capital Appreciation Bonds						
Principal		2,724,968	0	0	2,724,968	0
Accreted Interest		555,977	213,853	0	769,830	0
Premium on Bonds		638,615	0	(79,827)	558,788	0
2006 School Improvement:						
Current Interest Bonds	5.14%	1,700,051	0	(285,000)	1,415,051	455,000
Capital Appreciation Bonds						
Principal		6,624,938	0	0	6,624,938	0
Accreted Interest		616,808	343,265	0	960,073	0
2007 Refunding:						
Current Interest Bonds	4.64%	44,110,001	0	(435,000)	43,675,001	475,000
Capital Appreciation Bonds						
Principal		2,164,948	0	0	2,164,948	0
Accreted Interest		282,561	255,358	0	537,919	0
Premium on Bonds		3,266,198	0	(123,253)	3,142,945	0
Deferred Amount		(1,809,449)	0	68,281	(1,741,168)	0
HB264 Bond	3.50%	3,890,000	0	(165,000)	3,725,000	180,000
Total General Obligation Bonds & Notes		75,083,116	812,476	(2,298,549)	73,597,043	2,513,750
Capital Lease:						
2006 Ground Lease	4.50%	859,395	0	(273,867)	585,528	286,278
2006 Equipment Lease	4.74%	471,096	0	(149,665)	321,431	156,915
2008 OASBO Field Turf Lease	4.06%	805,000	0	(38,000)	767,000	38,000
2009 Welsh Road Lease	3.99%	0	612,000	(58,000)	554,000	71,000
Total Long Term Debt		77,218,607	1,424,476	(2,818,081)	75,825,002	3,065,943
Compensated Absences		1,557,900	270,853	(230,931)	1,597,822	214,179
Total Governmental Activities		\$78,776,507	\$1,695,329	(\$3,049,012)	\$77,422,824	\$3,280,122

The long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds for the reconciliation (\$76,775,002) on page 17 is calculated by taking total long term debt of \$75,825,002 and including the other liabilities amount of \$950,000.

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, 2009 was \$63,649,409.

Principal and interest requirements for governmental activities to retire bonds and notes outstanding at June 30, 2009, are as follows:

Fiscal Year Ending June 30	Notes & Current Interest Bonds			Capital Appreciation		
	Principal	Interest	Total	Principal	Interest	Total
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	3,065,000	2,048,475	5,113,475	386,470	158,530	545,000
2015-2019	5,130,000	9,219,287	14,349,287	6,656,213	4,923,787	11,580,000
2020-2024	1,180,000	3,432,250	4,612,250	3,677,435	8,142,565	11,820,000
2025-2029	13,225,000	5,877,225	19,102,225	479,076	2,305,924	2,785,000
2030-2034	22,300,000	3,557,250	25,857,250	0	0	0
2035	1,820,001	81,900	1,901,901	0	0	0
Total	<u>\$57,853,802</u>	<u>\$33,446,296</u>	<u>\$91,300,098</u>	<u>\$11,514,854</u>	<u>\$15,640,146</u>	<u>\$27,155,000</u>

NOTE 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.

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
2010	\$649,523
2011	687,984
2012	202,339
2013	202,739
2014	166,847
2015-2018	665,083
Total Minimum Lease Payments	2,574,515
Less: Amount Representing Interest	(336,413)
Less: Additional Program Cost Component	(10,143)
Present Value of Minimum Lease Payments	<u>\$2,227,959</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

NOTE 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 under *Employers/Audit Resources*.

Funding Policy

Plan members are required to contribute 10% of their annual covered salary and District is required to contribute 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 Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care fund) of the System. For fiscal year ending June 30, 2009, the allocation to pension and death benefits is 9.09%. The remaining 4.91% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's contributions to SERS for the years ended June 30, 2009, 2008, and 2007 were \$822,108, \$741,144 and \$631,680 respectively; 45% has been contributed for fiscal year 2009 and 100% for fiscal years 2008 and 2007.

STATE TEACHERS RETIREMENT SYSTEM OF OHIO

Plan Description

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

Plan Options

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

DB Plan Benefits

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

DC Plan Benefits

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

Combined Plan Benefits

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

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

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

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

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

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

Funding Policy

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

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2009, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2009, 2008, and 2007 were \$2,138,796, \$1,919,208 and \$1,877,220, respectively; 83% has been contributed for fiscal year 2009 and 100% for fiscal years 2008 and 2007.

NOTE 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 2009 was \$96.40; 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 2009, the actuarially required allocation was .75%. District contributions for the year ended June 30, 2009, 2008 and 2007 were \$44,042, \$35,998 and \$33,840, respectively, which equaled the required contributions each 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, Medicare Advantage 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 105(e). 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, 2009, the health care allocation was 4.16%. 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 2009, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District contributions assigned to health care for the years ended June 30, 2009, 2008, and 2007 were \$244,284, \$175,757, and \$154,310, respectively. Actual contributions for fiscal year 2009 were 61% of required contributions and 100% for fiscal years 2008 and 2007.

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

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

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 that is a hybrid of the Defined Benefit and the Defined Contribution Plan.

Ohio law authorized STRS Ohio to offer a cost-sharing, multiple-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 program 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 costs in the form of a monthly premium.

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

Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2009, 2008 and 2007. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2009, 2008, and 2007 were \$152,771, \$137,086, and \$134,067, respectively. Actual contributions for fiscal year 2009 were 77% of required contributions and 100% for fiscal years 2008 and 2007.

NOTE 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.

NOTE 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 2009, the District contracted with Ohio Casualty Group for property insurance. Professional liability was protected by Ohio Casualty Group with a \$3,000,000 aggregate limit under a commercial policy.

The District's vehicles are also covered by Ohio Casualty Group and hold a \$500 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 \$50,000 public official bond for the Treasurer and a \$50,000 blanket bond for all employees with Ohio Casualty Group. 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.

NOTE 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, 2008	\$209,375	\$0
Current Year Set Aside Requirements	593,220	593,220
Qualified Disbursements	<u>(757,440)</u>	<u>(1,196,516)</u>
Set Aside Reserve Balance as of June 30, 2009	<u>\$45,155</u>	<u>(\$603,296)</u>
Restricted Cash as of June 30, 2009	<u>\$45,155</u>	<u>\$0</u>
Carried Forward to FY 2010	<u>\$45,155</u>	

NOTE 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 Career Center, 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 Career Center, 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 Career Center superintendent, one member of the 1999 Warren County Career Center 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.

NOTE 16 - ACCOUNTABILITY

The following funds had deficit fund balances at June 30, 2009:

General Fund	\$3,132,839
Debt Service	3,129,775
Title VI-B	10,325
Improving Teacher Quality	6,278

The General Fund deficit is an operating deficit. The remaining deficits were created by the recognition of accrued liabilities.

NOTE 17 - INTERFUND BALANCES/TRANSFERS

Interfund transactions at June 30, 2009, consisted of the following individual interfund receivables, interfund payables, transfers in and transfers out:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$137,897	\$420,896	\$3,259	\$110,000
Building Fund*	420,896	13,691	794,750	0
Other Governmental Funds*	0	124,206	110,000	798,009
Total All Funds	<u>\$558,793</u>	<u>\$558,793</u>	<u>\$908,009</u>	<u>\$908,009</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.

*- Transfers from the permanent improvement fund to the building fund were used for construction projects in accordance with ORC requirements. Advances from the building fund to the general fund relate to reclassifications made for reporting purposes to eliminate negative cash (See Note 19).

NOTE 18 - SIGNIFICANT CONTRACTUAL OBLIGATIONS

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

School Improvements \$1,100,851

NOTE 19 – RESTATEMENT OF FUND BALANCES AND REISSUANCE OF 2009 FINANCIAL STATEMENTS

For the year ended June 30, 2008, certain transactions related to the Building Fund were recorded in the General Fund requiring restatement. The previously issued June 30, 2009 financial statements have been restated and reissued. The resulting restatement to reclassify these transactions had the following effect on beginning fund balances:

	General Fund	Building Fund
Fund Balance, June 30, 2008	\$821,042	\$27,338,850
Correction of fund classification	(2,218,667)	2,218,667
Fund Balance, July 1, 2008 - Restated	<u>(\$1,397,625)</u>	<u>\$29,557,517</u>

The effects of the restatement on the previously issued financial statements were limited to the years ended June 30, 2008 and 2009. Items requiring restatement included cash, interfund assets/liabilities and fund balance on the balance sheet. Capital outlay was restated on the Statement of Revenues, Expenditures and Changes in Fund Balance. The previously issued *Management's Discussion & Analysis* as well as all disclosures have been revised for the effects of the restatement. The District's management has notified all known users of the previously issued financial statements regarding the restatement and reissuance of those financial statements.

Additional effects of the restatement resulted in compliance violations as follows:

Ohio Revised Code 5705.10 requires receipts paid into a fund to be used only for the purposes for which such fund was established. A negative cash balance indicates that money from one fund was used to cover the expenses of another fund. At June 30, 2009 the General Fund had negative cash balance.

Ohio Revised Code Section 5705.39 requires appropriations to be limited by estimated resources. Upon review of appropriations and estimated resources, it was noted that appropriations exceeded estimated resources for the General Fund.

NOTE 19 – ABILITY TO CONTINUE AS A GOING CONCERN

In light of seven straight tax levy defeats, questions have arisen regarding the District's ability to continue as a going concern. The District has been classified by the state of Ohio as in *fiscal emergency* and a state-appointed committee supervises District operations. As one of the largest rural/suburban school districts with growing enrollment management expects little or no improvement without a tax increase.

Current District plans to deal with this situation include additional attempts to pass a tax levy and additional borrowing from the state of Ohio. Management does not anticipate the recoverability of assets as being a problem. The problem is a shortage of revenues in relation to increasing enrollment and associated costs. Without improvement in its finances, it is possible that the District could be dissolved into adjacent districts. Management is unable to determine the likelihood of such dissolution.

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, 2009

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$17,996,597	\$14,863,125	\$14,864,716	\$1,591
Tuition and Fees	65,951	54,468	54,474	6
Investment Earnings	1,096,058	905,218	905,315	97
Intergovernmental	15,640,668	12,917,398	12,918,781	1,383
Extracurricular Activities	90,368	74,634	74,642	8
Other Revenues	50,607	41,796	41,800	4
Total Revenues	34,940,249	28,856,639	28,859,728	3,089
Expenditures:				
Current:				
Instruction:				
Regular	15,247,946	14,395,534	14,099,288	296,246
Special	3,669,690	3,464,542	3,393,245	71,297
Other	1,021,387	964,288	944,444	19,844
Support Services:				
Pupil	1,328,372	1,254,111	1,228,303	25,808
Instructional Staff	1,414,331	1,335,265	1,307,787	27,478
General Administration	41,555	39,232	38,425	807
School Administration	2,876,717	2,715,898	2,660,008	55,890
Fiscal	734,510	693,448	679,178	14,270
Business	280,009	264,355	258,915	5,440
Operations and Maintenance	2,619,661	2,473,213	2,422,317	50,896
Pupil Transportation	2,716,004	2,564,170	2,511,402	52,768
Central	270,124	255,023	249,775	5,248
Extracurricular Activities	587,396	554,558	543,146	11,412
Capital Outlay	245,376	231,658	226,891	4,767
Total Expenditures	33,053,078	31,205,295	30,563,124	642,171
Excess of Revenues Over (Under) Expenditures	1,887,171	(2,348,656)	(1,703,396)	645,260
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	3,592	2,967	2,967	0
Advances In	177,145	146,301	146,317	16
Advances (Out)	(74,109)	(69,966)	(68,526)	1,440
Transfers In	3,946	3,259	3,259	0
Transfers (Out)	(118,962)	(112,311)	(110,000)	2,311
Total Other Financing Sources (Uses)	(8,388)	(29,750)	(25,983)	3,767
Net Change in Fund Balance	1,878,783	(2,378,406)	(1,729,379)	649,027
Fund Balance Beginning of Year (includes prior year encumbrances appropriated) Restated	973,508	973,508	973,508	0
Fund Balance End of Year	\$2,852,291	(\$1,404,898)	(\$755,871)	\$649,027

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, 2009

NOTE 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 2009.

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

	General
GAAP Basis	(\$1,735,214)
Net Adjustment for Revenue Accruals	(392,611)
Net Adjustment for Expenditure Accruals	697,817
Proceeds of Capital Assets	2,967
Advances In	146,317
Advances (Out)	(68,526)
Encumbrances	(380,129)
Budget Basis	(\$1,729,379)

**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.

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.

Little Miami Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$526,360	\$274,606	\$4,180	\$805,146
Restricted Cash and Investments	0	0	18,000	18,000
Receivables:				
Taxes	0	2,495,060	0	2,495,060
Accounts	5,562	0	0	5,562
Intergovernmental	172,705	0	0	172,705
Inventory	4,746	0	0	4,746
Total Assets	709,373	2,769,666	22,180	3,501,219
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	1,043	0	0	1,043
Accrued Wages and Benefits	161,248	49,866	0	211,114
Interfund Payable	70,606	53,600	0	124,206
Deferred Revenue	0	2,296,160	0	2,296,160
Contracts Payable	0	290	0	290
Total Liabilities	232,897	2,399,916	0	2,632,813
Fund Balances:				
Reserved for Encumbrances	20,030	8,034	0	28,064
Reserved for Inventory	4,746	0	0	4,746
Reserved for Property Tax Advances	0	198,900	0	198,900
Reserved for Smith Trust	0	0	18,000	18,000
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	451,700	0	0	451,700
Capital Projects Funds	0	162,816	0	162,816
Permanent Fund	0	0	4,180	4,180
Total Fund Balances	476,476	369,750	22,180	868,406
Total Liabilities and Fund Balances	\$709,373	\$2,769,666	\$22,180	\$3,501,219

Little Miami Local School District
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2009

	Public School	Other Grants	District Managed Activities	Management Information System	Entry Year Programs
Assets:					
Equity in Pooled Cash and Investments	\$89,527	\$14,130	\$68,435	\$26,618	\$465
Receivables:					
Accounts	3,764	0	267	0	0
Intergovernmental	0	0	0	0	0
Inventory	0	0	0	0	0
Total Assets	93,291	14,130	68,702	26,618	465
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	1,043	0	0	0	0
Accrued Wages and Benefits	0	0	0	11,988	0
Interfund Payable	0	0	0	0	0
Total Liabilities	1,043	0	0	11,988	0
Fund Balances:					
Reserved for Encumbrances	18,098	0	0	0	0
Reserved for Inventory	0	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	74,150	14,130	68,702	14,630	465
Total Fund Balances	92,248	14,130	68,702	14,630	465
Total Liabilities and Fund Balances	\$93,291	\$14,130	\$68,702	\$26,618	\$465

Data Communication	SchoolNet Professional Development	Vocational Education Enhancement	Core Implementation Grant FY07	Title VI-B	Title I	Title V
\$0	\$0	\$0	\$2,606	\$1	\$654	\$0
0	0	0	0	0	0	0
0	0	0	0	115,240	35,434	0
0	0	0	0	0	0	0
0	0	0	2,606	115,241	36,088	0
0	0	0	0	0	0	0
0	0	0	0	80,540	8,833	0
0	0	0	0	45,026	13,500	0
0	0	0	0	125,566	22,333	0
0	0	0	932	0	0	0
0	0	0	0	0	0	0
0	0	0	1,674	(10,325)	13,755	0
0	0	0	2,606	(10,325)	13,755	0
\$0	\$0	\$0	\$2,606	\$115,241	\$36,088	\$0

Continued

Little Miami Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2009

	Drug-Free Grant	IDEA PreSchool Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Food Services
Assets:					
Equity in Pooled Cash and Investments	\$0	\$0	\$4,254	\$0	\$262,248
Receivables:					
Accounts	0	0	0	0	1,344
Intergovernmental	0	0	22,031	0	0
Inventory	0	0	0	0	4,746
Total Assets	0	0	26,285	0	268,338
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	0	0	0	0	0
Accrued Wages and Benefits	0	0	22,563	0	37,324
Interfund Payable	0	0	10,000	0	0
Total Liabilities	0	0	32,563	0	37,324
Fund Balances:					
Reserved for Encumbrances	0	0	0	0	0
Reserved for Inventory	0	0	0	0	4,746
Unreserved, Undesignated, Reported in: Special Revenue Funds	0	0	(6,278)	0	226,268
Total Fund Balances	0	0	(6,278)	0	231,014
Total Liabilities and Fund Balances	\$0	\$0	\$26,285	\$0	\$268,338

Uniform School Supplies	Special Trust	Special Enterprises Fund	Total Nonmajor Special Revenue Funds
\$44,333	\$3,224	\$9,865	\$526,360
187	0	0	5,562
0	0	0	172,705
0	0	0	4,746
<u>44,520</u>	<u>3,224</u>	<u>9,865</u>	<u>709,373</u>
0	0	0	1,043
0	0	0	161,248
2,080	0	0	70,606
<u>2,080</u>	<u>0</u>	<u>0</u>	<u>232,897</u>
0	1,000	0	20,030
0	0	0	4,746
<u>42,440</u>	<u>2,224</u>	<u>9,865</u>	<u>451,700</u>
<u>42,440</u>	<u>3,224</u>	<u>9,865</u>	<u>476,476</u>
<u>\$44,520</u>	<u>\$3,224</u>	<u>\$9,865</u>	<u>\$709,373</u>

Little Miami Local School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2009

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$274,606	\$0	\$274,606
Receivables:			
Taxes	2,495,060	0	2,495,060
Total Assets	<u>2,769,666</u>	<u>0</u>	<u>2,769,666</u>
Liabilities and Fund Balances:			
Liabilities:			
Accrued Wages and Benefits	49,866	0	49,866
Interfund Payable	53,600	0	53,600
Deferred Revenue	2,296,160	0	2,296,160
Contracts Payable	290	0	290
Total Liabilities	<u>2,399,916</u>	<u>0</u>	<u>2,399,916</u>
Fund Balances:			
Reserved for Encumbrances	8,034	0	8,034
Reserved for Property Tax Advances	198,900	0	198,900
Unreserved, Undesignated, Reported in: Capital Projects Funds	162,816	0	162,816
Total Fund Balances	<u>369,750</u>	<u>0</u>	<u>369,750</u>
Total Liabilities and Fund Balances	<u>\$2,769,666</u>	<u>\$0</u>	<u>\$2,769,666</u>

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, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$0	\$2,241,126	\$0	\$2,241,126
Tuition and Fees	206,539	0	0	206,539
Investment Earnings	336	0	703	1,039
Intergovernmental	1,213,712	336,112	0	1,549,824
Extracurricular Activities	408,685	0	0	408,685
Charges for Services	1,146,939	0	0	1,146,939
Other Revenues	30,168	13,956	0	44,124
Total Revenues	3,006,379	2,591,194	703	5,598,276
Expenditures:				
Current:				
Instruction:				
Regular	17,193	472,476	0	489,669
Special	513,914	0	0	513,914
Support Services:				
Pupil	116,279	0	0	116,279
Instructional Staff	183,962	0	0	183,962
School Administration	0	11,445	0	11,445
Fiscal	0	31,829	0	31,829
Operations and Maintenance	21,000	572,405	0	593,405
Pupil Transportation	0	505,408	0	505,408
Central	119,668	348,537	0	468,205
Operation of Non-Instructional Services	1,453,829	0	0	1,453,829
Extracurricular Activities	412,260	3,585	0	415,845
Capital Outlay	0	471,180	0	471,180
Debt Service:				
Principal Retirement	0	441,415	0	441,415
Interest and Fiscal Charges	0	195,320	0	195,320
Total Expenditures	2,838,105	3,053,600	0	5,891,705
Excess of Revenues Over (Under) Expenditures	168,274	(462,406)	703	(293,429)
Other Financing Sources (Uses):				
Issuance of Capital Leases	0	612,000	0	612,000
Transfers In	110,000	0	0	110,000
Transfers (Out)	(7,009)	(791,000)	0	(798,009)
Total Other Financing Sources (Uses)	102,991	(179,000)	0	(76,009)
Net Change in Fund Balance	271,265	(641,406)	703	(369,438)
Fund Balance Beginning of Year	205,211	1,011,156	21,477	1,237,844
Fund Balance End of Year	\$476,476	\$369,750	\$22,180	\$868,406

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, 2009

	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	14,925	0	11,898	9,100
Extracurricular Activities	210,094	0	198,591	0	0
Charges for Services	0	0	0	0	0
Other Revenues	19	65	3,376	0	0
Total Revenues	210,113	14,990	201,967	11,898	9,100
Expenditures:					
Current:					
Instruction:					
Regular	0	6,583	0	0	0
Special	0	2,625	0	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	0	5,377	0	0	9,900
Operations and Maintenance	0	0	0	0	0
Central	0	0	0	119,668	0
Operation of Non-Instructional Services	0	0	0	0	0
Extracurricular Activities	199,014	0	213,246	0	0
Total Expenditures	199,014	14,585	213,246	119,668	9,900
Excess of Revenues Over (Under) Expenditures	11,099	405	(11,279)	(107,770)	(800)
Other Financing Sources (Uses):					
Transfers In	0	0	0	110,000	0
Transfers (Out)	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	110,000	0
Net Change in Fund Balance	11,099	405	(11,279)	2,230	(800)
Fund Balance Beginning of Year	81,149	13,725	79,981	12,400	1,265
Fund Balance End of Year	\$92,248	\$14,130	\$68,702	\$14,630	\$465

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
21,000	2,970	10,000	10,412	539,477	143,345	2,625
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
21,000	2,970	10,000	10,412	539,477	143,345	2,625
0	0	0	7,806	0	0	0
0	0	0	0	412,209	0	0
0	0	0	0	116,279	0	0
0	4,975	10,000	0	6,708	124,197	2,625
21,000	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
21,000	4,975	10,000	7,806	535,196	124,197	2,625
0	(2,005)	0	2,606	4,281	19,148	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	(2,005)	0	2,606	4,281	19,148	0
0	2,005	0	0	(14,606)	(5,393)	0
\$0	\$0	\$0	\$2,606	(\$10,325)	\$13,755	\$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, 2009

	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	336
Intergovernmental	8,573	9,937	102,459	8,352	318,639
Extracurricular Activities	0	0	0	0	0
Charges for Services	0	0	0	0	1,146,939
Other Revenues	0	0	0	0	8,300
Total Revenues	8,573	9,937	102,459	8,352	1,474,214
Expenditures:					
Current:					
Instruction:					
Regular	0	2,804	0	0	0
Special	0	0	99,080	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	8,573	7,133	3,131	1,343	0
Operations and Maintenance	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0	1,267,828
Extracurricular Activities	0	0	0	0	0
Total Expenditures	8,573	9,937	102,211	1,343	1,267,828
Excess of Revenues Over (Under) Expenditures	0	0	248	7,009	206,386
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Transfers (Out)	0	0	0	(7,009)	0
Total Other Financing Sources (Uses)	0	0	0	(7,009)	0
Net Change in Fund Balance	0	0	248	0	206,386
Fund Balance Beginning of Year	0	0	(6,526)	0	24,628
Fund Balance End of Year	\$0	\$0	(\$6,278)	\$0	\$231,014

Uniform School Supplies	Special Trust	Special Enterprises Fund	Total Nonmajor Special Revenue Funds
\$206,539	\$0	\$0	\$206,539
0	0	0	336
0	0	0	1,213,712
0	0	0	408,685
0	0	0	1,146,939
0	5,633	12,775	30,168
<u>206,539</u>	<u>5,633</u>	<u>12,775</u>	<u>3,006,379</u>
0	0	0	17,193
0	0	0	513,914
0	0	0	116,279
0	0	0	183,962
0	0	0	21,000
0	0	0	119,668
166,801	5,903	13,297	1,453,829
0	0	0	412,260
<u>166,801</u>	<u>5,903</u>	<u>13,297</u>	<u>2,838,105</u>
<u>39,738</u>	<u>(270)</u>	<u>(522)</u>	<u>168,274</u>
0	0	0	110,000
0	0	0	(7,009)
<u>0</u>	<u>0</u>	<u>0</u>	<u>102,991</u>
39,738	(270)	(522)	271,265
2,702	3,494	10,387	205,211
<u>\$42,440</u>	<u>\$3,224</u>	<u>\$9,865</u>	<u>\$476,476</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, 2009

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues:			
Taxes	\$2,241,126	\$0	\$2,241,126
Intergovernmental	336,112	0	336,112
Other Revenues	13,956	0	13,956
Total Revenues	2,591,194	0	2,591,194
Expenditures:			
Current:			
Instruction:			
Regular	472,476	0	472,476
Support Services:			
School Administration	11,445	0	11,445
Fiscal	31,829	0	31,829
Operations and Maintenance	572,405	0	572,405
Pupil Transportation	505,408	0	505,408
Central	348,537	0	348,537
Extracurricular Activities	3,585	0	3,585
Capital Outlay	471,180	0	471,180
Debt Service:			
Principal Retirement	441,415	0	441,415
Interest and Fiscal Charges	195,320	0	195,320
Total Expenditures	3,053,600	0	3,053,600
Excess of Revenues Over (Under) Expenditures	(462,406)	0	(462,406)
Other Financing Sources (Uses):			
Issuance of Capital Leases	612,000	0	612,000
Transfers (Out)	(791,000)	0	(791,000)
Total Other Financing Sources (Uses)	(179,000)	0	(179,000)
Net Change in Fund Balance	(641,406)	0	(641,406)
Fund Balance Beginning of Year	1,011,156	0	1,011,156
Fund Balance End of Year	\$369,750	\$0	\$369,750

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, 2009

	Public School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$213,358	\$213,360	\$2
Other Revenues	19	19	0
Total Revenues	<u>213,377</u>	<u>213,379</u>	<u>2</u>
Expenditures:			
Current:			
Instruction:			
Extracurricular Activities	<u>211,190</u>	<u>220,268</u>	<u>(9,078)</u>
Total Expenditures	<u>211,190</u>	<u>220,268</u>	<u>(9,078)</u>
Net Change in Fund Balance	2,187	(6,889)	(9,076)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>77,280</u>	<u>77,280</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$79,467</u></u>	<u><u>\$70,391</u></u>	<u><u>(\$9,076)</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, 2009

	Other Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$15,110	\$14,990	(\$120)
Total Revenues	15,110	14,990	(120)
Expenditures:			
Current:			
Instruction:			
Regular	6,878	6,878	0
Special	2,625	2,625	0
Support Services:			
Instructional Staff	5,377	5,377	0
Total Expenditures	14,880	14,880	0
Net Change in Fund Balance	230	110	(120)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	14,020	14,020	0
Fund Balance End of Year	\$14,250	\$14,130	(\$120)

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, 2009

	District Managed Activities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$198,451	\$198,451	\$0
Other Revenues	3,376	3,376	0
Total Revenues	<u>201,827</u>	<u>201,827</u>	<u>0</u>
Expenditures:			
Current:			
Extracurricular Activities	218,987	213,245	5,742
Total Expenditures	<u>218,987</u>	<u>213,245</u>	<u>5,742</u>
Net Change in Fund Balance	(17,160)	(11,418)	5,742
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>79,853</u>	<u>79,853</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$62,693</u></u>	<u><u>\$68,435</u></u>	<u><u>\$5,742</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, 2009

	Management Information System Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$11,898	\$11,898	\$0
Total Revenues	11,898	11,898	0
Expenditures:			
Current:			
Support Services:			
Central	112,335	111,595	740
Total Expenditures	112,335	111,595	740
Excess of Revenues Over (Under) Expenditures	(100,437)	(99,697)	740
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	9,563	10,303	740
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	16,317	16,317	0
Fund Balance End of Year	<u>\$25,880</u>	<u>\$26,620</u>	<u>\$740</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, 2009

	Entry Year Programs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$9,100	\$9,100	\$0
Total Revenues	9,100	9,100	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	9,900	9,900	0
Total Expenditures	9,900	9,900	0
Net Change in Fund Balance	(800)	(800)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,265	1,265	0
Fund Balance End of Year	\$465	\$465	\$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, 2009

	Data Communication Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$21,000	\$21,000	\$0
Total Revenues	21,000	21,000	0
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	21,000	21,000	0
Total Expenditures	21,000	21,000	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, 2009

	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	4,975	4,975	0
Total Expenditures	4,975	4,975	0
Net Change in Fund Balance	(2,005)	(2,005)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,005	2,005	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, 2009

	Vocational Education Enhancement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$10,000	\$10,000	\$0
Total Revenues	10,000	10,000	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	10,000	10,000	0
Total Expenditures	10,000	10,000	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, 2009

	Core Implementation Grant FY07 Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$10,412	\$10,412	\$0
Total Revenues	10,412	10,412	0
Expenditures:			
Current:			
Instruction:			
Regular	8,737	8,737	0
Total Expenditures	8,737	8,737	0
Net Change in Fund Balance	1,675	1,675	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$1,675	\$1,675	\$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, 2009

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$492,943	\$493,883	\$940
Total Revenues	492,943	493,883	940
Expenditures:			
Current:			
Instruction:			
Special	400,458	400,458	0
Support Services:			
Pupil	116,279	116,279	0
Instructional Staff	6,708	6,708	0
Total Expenditures	523,445	523,445	0
Excess of Revenues Over (Under) Expenditures	(30,502)	(29,562)	940
Other financing sources (uses):			
Advances In	44,940	45,026	86
Advances (Out)	(69,646)	(69,646)	0
Total Other Financing Sources (Uses)	(24,706)	(24,620)	86
Net Change in Fund Balance	(55,208)	(54,182)	1,026
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	54,182	54,182	0
Fund Balance End of Year	(\$1,026)	\$0	\$1,026

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, 2009

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$142,192	\$138,365	(\$3,827)
Total Revenues	142,192	138,365	(3,827)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	158,840	154,837	4,003
Total Expenditures	158,840	154,837	4,003
Excess of Revenues Over (Under) Expenditures	(16,648)	(16,472)	176
Other financing sources (uses):			
Advances In	13,873	13,500	(373)
Advances (Out)	(31,241)	(30,454)	787
Total Other Financing Sources (Uses)	(17,368)	(16,954)	414
Net Change in Fund Balance	(34,016)	(33,426)	590
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	34,081	34,081	0
Fund Balance End of Year	\$65	\$655	\$590

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, 2009

	Title V Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,625	\$2,625	\$0
Total Revenues	2,625	2,625	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	2,625	2,625	0
Total Expenditures	2,625	2,625	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, 2009

	Drug-Free Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$8,573	\$8,573	\$0
Total Revenues	8,573	8,573	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	8,573	8,573	0
Total Expenditures	8,573	8,573	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, 2009

	IDEA Preschool Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$9,937	\$9,937	\$0
Total Revenues	9,937	9,937	0
Expenditures:			
Current:			
Instruction:			
Regular	2,804	2,804	0
Support Services:			
Instructional Staff	7,133	7,133	0
Total Expenditures	9,937	9,937	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, 2009

	Improving Teacher Quality Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$99,429	\$99,429	\$0
Total Revenues	99,429	99,429	0
Expenditures:			
Current:			
Instruction:			
Special	99,328	97,909	1,419
Support Services:			
Instructional Staff	3,176	3,131	45
Total Expenditures	102,504	101,040	1,464
Excess of Revenues Over (Under) Expenditures	(3,075)	(1,611)	1,464
Other financing sources (uses):			
Advances In	10,000	10,000	0
Advances (Out)	(19,277)	(19,002)	275
Total Other Financing Sources (Uses)	(9,277)	(9,002)	275
Net Change in Fund Balance	(12,352)	(10,613)	1,739
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	14,866	14,866	0
Fund Balance End of Year	\$2,514	\$4,253	\$1,739

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, 2009

	Miscellaneous Federal Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$8,352	\$8,352	\$0
Total Revenues	8,352	8,352	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	1,343	1,343	0
Total Expenditures	1,343	1,343	0
Excess of Revenues Over (Under) Expenditures	7,009	7,009	0
Other financing sources (uses):			
Transfers (Out)	(7,009)	(7,009)	0
Total Other Financing Sources (Uses)	(7,009)	(7,009)	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, 2009

	Food Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$336	\$336	\$0
Intergovernmental	318,639	318,639	0
Charges for Services	1,146,939	1,146,939	0
Other Revenues	6,956	6,956	0
Total Revenues	1,472,870	1,472,870	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	1,392,914	1,263,315	129,599
Total Expenditures	1,392,914	1,263,315	129,599
Net Change in Fund Balance	79,956	209,555	129,599
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	52,691	52,691	0
Fund Balance End of Year	\$132,647	\$262,246	\$129,599

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, 2009

	Uniform School Supplies Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$208,970	\$208,970	\$0
Total Revenues	208,970	208,970	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	170,434	166,800	3,634
Total Expenditures	170,434	166,800	3,634
Excess of Revenues Over (Under) Expenditures	38,536	42,170	3,634
Other financing sources (uses):			
Advances (Out)	(27,809)	(27,216)	593
Total Other Financing Sources (Uses)	(27,809)	(27,216)	593
Net Change in Fund Balance	10,727	14,954	4,227
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	29,378	29,378	0
Fund Balance End of Year	\$40,105	\$44,332	\$4,227

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, 2009

	Special Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$5,633	\$5,633	\$0
Total Revenues	5,633	5,633	0
Expenditures:			
Current:			
Instruction:			
Operation of Non-Instructional Services	6,903	6,903	0
Total Expenditures	6,903	6,903	0
Net Change in Fund Balance	(1,270)	(1,270)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,493	3,493	0
Fund Balance End of Year	\$2,223	\$2,223	\$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, 2009

	Special Enterprises Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$17,405	\$17,405	\$0
Total Revenues	17,405	17,405	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	13,195	13,297	(102)
Total Expenditures	13,195	13,297	(102)
Net Change in Fund Balance	4,210	4,108	(102)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,757	5,757	0
Fund Balance End of Year	\$9,967	\$9,865	(\$102)

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, 2009

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$4,465,867	\$4,465,867	\$0
Intergovernmental	647,031	647,031	0
Total Revenues	<u>5,112,898</u>	<u>5,112,898</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
School Administration	7,711	7,711	0
Fiscal	64,620	64,620	0
Debt Service:			
Principal Retirement	7,930,000	7,930,000	0
Interest and Fiscal Charges	2,516,163	2,516,163	0
Total Expenditures	<u>10,518,494</u>	<u>10,518,494</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,405,596)</u>	<u>(5,405,596)</u>	<u>0</u>
Other financing sources (uses):			
Issuance of Short-Term Notes	5,990,804	5,990,804	0
Total Other Financing Sources (Uses)	<u>5,990,804</u>	<u>5,990,804</u>	<u>0</u>
Net Change in Fund Balance	585,208	585,208	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,860,457</u>	<u>1,860,457</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$2,445,665</u></u>	<u><u>\$2,445,665</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, 2009

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$406	\$176	(\$230)
Extracurricular Activities	27,675	12,000	(15,675)
Other Revenues	88,545	38,393	(50,152)
Total Revenues	<u>116,626</u>	<u>50,569</u>	<u>(66,057)</u>
Expenditures:			
Current:			
Instruction:			
Regular	435,758	430,188	5,570
Support Services:			
Fiscal	1,181	1,166	15
Operations and Maintenance	17,330	17,108	222
Central	650,164	641,854	8,310
Capital Outlay	29,388,191	29,012,554	375,637
Debt Service:			
Principal Retirement	311,867	311,867	0
Interest and Fiscal Charges	74,118	69,184	4,934
Total Expenditures	<u>30,878,609</u>	<u>30,483,921</u>	<u>394,688</u>
Excess of Revenues Over (Under) Expenditures	<u>(30,761,983)</u>	<u>(30,433,352)</u>	<u>328,631</u>
Other financing sources (uses):			
Issuance of Short-Term Notes	1,816,813	787,769	(1,029,044)
Transfers In	8,649	3,750	(4,899)
Total Other Financing Sources (Uses)	<u>1,825,462</u>	<u>791,519</u>	<u>(1,033,943)</u>
Net Change in Fund Balance	(28,936,521)	(29,641,833)	(705,312)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated) Restated	<u>32,088,374</u>	<u>32,088,374</u>	<u>0</u>
Fund Balance End of Year	<u>\$3,151,853</u>	<u>\$2,446,541</u>	<u>(\$705,312)</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, 2009

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$2,143,616	\$2,143,616	\$0
Intergovernmental	336,112	336,112	0
Other Revenues	13,956	13,956	0
Total Revenues	<u>2,493,684</u>	<u>2,493,684</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	512,514	473,672	38,842
Support Services:			
School Administration	12,384	11,445	939
Fiscal	34,439	31,829	2,610
Operations and Maintenance	551,748	509,933	41,815
Pupil Transportation	546,852	505,408	41,444
Central	355,637	328,685	26,952
Extracurricular Activities	3,879	3,585	294
Capital Outlay	517,279	478,076	39,203
Debt Service:			
Principal Retirement	441,415	441,415	0
Interest and Fiscal Charges	247,533	195,320	52,213
Total Expenditures	<u>3,223,680</u>	<u>2,979,368</u>	<u>244,312</u>
Excess of Revenues Over (Under) Expenditures	<u>(729,996)</u>	<u>(485,684)</u>	<u>244,312</u>
Other financing sources (uses):			
Proceeds of Capital Leases	558,788	558,788	0
Total Other Financing Sources (Uses)	<u>558,788</u>	<u>558,788</u>	<u>0</u>
Net Change in Fund Balance	(171,208)	73,104	244,312
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>193,180</u>	<u>193,180</u>	<u>0</u>
Fund Balance End of Year	<u>\$21,972</u>	<u>\$266,284</u>	<u>\$244,312</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, 2009

	SchoolNet Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	24,600	24,600	0
Total Expenditures	24,600	24,600	0
Net Change in Fund Balance	(24,600)	(24,600)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	24,600	24,600	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, 2009

	Smith Trust Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$703	\$703	\$0
Total Revenues	703	703	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	703	703	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	21,477	21,477	0
Fund Balance End of Year	\$22,180	\$22,180	\$0

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DESCRIPTION OF FUNDS

NONMAJOR FUNDS

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

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

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

Little Miami Local School District
Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2009

	Student Managed Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$74,877	\$183,351	\$208,194	\$50,034
Receivables:				
Accounts	904	0	904	0
Total Assets	75,781	183,351	209,098	50,034
Liabilities:				
Accounts Payable	3,176	756	3,176	756
Other Liabilities	72,605	182,595	205,922	49,278
Total Liabilities	\$75,781	\$183,351	\$209,098	\$50,034

	District Agency			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$8,817	\$0	\$391	\$8,426
Total Assets	8,817	0	391	8,426
Liabilities:				
Accounts Payable	0	5,000	5,000	0
Other Liabilities	8,817	5,000	5,391	8,426
Total Liabilities	\$8,817	\$10,000	\$10,391	\$8,426

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$83,694	\$183,351	\$208,585	\$58,460
Receivables:				
Accounts	904	0	904	0
Total Assets	84,598	183,351	209,489	58,460
Liabilities:				
Accounts Payable	3,176	5,756	8,176	756
Other Liabilities	81,422	187,595	211,313	57,704
Total Liabilities	\$84,598	\$193,351	\$219,489	\$58,460

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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 Seven Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 1

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
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	(\$2,597,257)
Restricted	3,093,862	2,282,023	2,223,498	2,841,287	3,960,747	396,750	2,734,037
Unrestricted	4,788	(1,512,671)	(781,402)	(4,184,791)	(4,647,575)	(7,303,650)	(5,587,115)
Total Government Net Assets	\$4,375,694	\$1,564,588	\$1,633,116	(\$751,185)	\$712,694	(\$4,612,920)	(\$5,450,335)

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 Seven Fiscal Years (1)
(accural basis of accounting)
Schedule 2

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental Activities:							
Instruction	\$11,780,507	\$13,599,683	\$14,349,816	\$15,833,099	\$17,257,215	\$18,460,280	\$20,662,054
Pupil	899,948	1,158,455	1,145,688	1,232,600	1,388,588	1,424,068	1,375,146
Instructional Staff	746,716	1,142,780	1,136,140	1,582,484	1,408,410	1,650,743	1,530,607
General Administration	73,382	62,821	68,822	32,196	37,589	43,126	38,425
School Administration	1,652,114	1,878,415	2,107,196	2,210,188	2,366,571	2,711,765	2,643,136
Fiscal	496,759	629,455	636,128	663,479	724,189	763,727	788,970
Business	146,093	207,103	228,368	267,958	183,907	221,807	263,518
Operation and Maintenance	1,968,841	2,817,573	2,407,568	2,960,510	2,766,276	5,363,367	2,947,680
Pupil Transportation	1,546,957	2,253,641	1,932,505	2,370,086	2,931,447	3,519,149	3,112,253
Central	126,643	419,066	464,521	472,297	1,401,384	1,192,904	1,098,148
Operation of Non-Instructional Services	758,335	1,095,840	1,190,263	1,331,283	1,482,976	1,544,087	1,472,423
Extracurricular Activities	811,335	921,143	887,070	909,095	987,357	1,016,961	1,037,574
Interest and Fiscal Charges	1,067,788	843,087	1,685,420	654,223	2,628,957	3,672,905	3,487,297
Total Government Expenses	22,075,418	27,029,062	28,239,505	30,519,498	35,564,866	41,584,889	40,457,231
Program Revenues							
Governmental Activities:							
Charges for Services							
Instruction	25,730	33,929	30,834	6,449	53,279	36,968	52,985
Operation and Maintenance	0	13,980	10,735	13,770	5,863	18,874	22,537
Pupil Transportation	14,186	0	0	0	1,114,702	0	0
Operation of Non-Instructional Services	145,943	861,192	759,873	876,282	0	1,209,759	1,353,478
Food Service	652,423	0	0	0	0	0	0
Extracurricular Activities	436,744	457,096	668,695	697,253	477,385	559,690	498,683
Operating Grants and Contributions	916,264	1,067,550	1,277,137	1,250,619	1,956,685	1,882,104	1,861,606
Capital Grants and Contributions	0	95,474	106,397	87,645	82,048	87,221	66,281
Total Government Revenues	2,191,290	2,529,221	2,853,671	2,932,018	3,689,962	3,794,616	3,855,570
Net (Expense)/Revenue	(\$19,884,128)	(\$24,499,841)	(\$25,385,834)	(\$27,587,480)	(\$31,874,904)	(\$37,790,273)	(\$36,601,661)

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 Seven Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 3

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Net (Expense)/Revenue	(\$19,884,128)	(\$24,499,841)	(\$25,385,834)	(\$27,587,480)	(\$31,874,904)	(\$37,790,273)	(\$36,601,661)
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	15,101,156
Property Taxes Levied for Debt Service Purposes	0	1,060,906	1,243,866	1,067,470	2,886,432	4,437,645	4,544,726
Property Taxes Levied for Capital Projects	0	396,709	328,061	153,097	1,155,361	2,131,128	2,181,385
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	13,194,622
Unrestricted Payment in Lieu of Taxes	58,759	42,981	38,199	65,033	19,096	15,276	7,638
Unrestricted Contributions	0	14,700	10,000	0	5,000	23,000	38,153
Investment Earnings	74,202	47,466	102,363	208,506	2,164,835	3,104,294	647,119
Other Revenues	242,221	75,031	278,689	403,166	143,834	10,774	49,447
Total Government	21,698,027	22,012,651	25,454,363	25,203,179	33,338,783	32,464,659	35,764,246
Change in Net Assets	\$1,813,899	(\$2,487,190)	\$68,529	(\$2,384,301)	\$1,463,879	(\$5,325,614)	(\$837,415)

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008 *	2009 *
General Fund										
Reserved	\$1,033,526	\$866,251	\$852,685	\$2,000,693	\$688,444	\$1,357,848	\$626,342	\$3,557,738	\$885,316	\$1,596,570
Unreserved	638,856	(296,159)	(1,194,623)	(540,475)	(1,402,039)	(1,325,425)	(2,042,639)	(2,478,941)	(2,282,941)	(4,729,409)
Total General Fund	1,672,382	570,092	(341,938)	1,460,218	(713,595)	32,423	(1,416,297)	1,078,797	(1,397,625)	(3,132,839)
All Other Governmental Funds										
Reserved	3,075,948	238,362	164,100	521,066	206,505	155,592	716,774	6,336,530	22,781,577	4,936,965
Unreserved, Reported in:										
Special Revenue Funds	182,996	217,220	216,642	329,249	294,607	350,659	225,400	245,040	179,217	451,700
Debt Service Funds	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)	(3,544,335)
Capital Project Funds	(433,790)	637,062	771,034	1,011,919	284,937	(35,288)	55,669,140	43,173,428	8,042,322	1,161,074
Permanent Fund	0	0	0	18,287	19,120	19,949	2,805	3,818	3,477	4,180
Total	\$3,922,744	\$2,310,088	\$2,455,086	\$3,271,149	\$2,249,867	\$2,080,953	\$59,233,313	\$52,552,335	\$26,867,050	\$3,009,584

Source: District Records
* - Restated

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues:										
Taxes	\$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	\$22,425,666
Tuition and Fees	10,413	13,690	14,424	185,860	191,770	210,184	180,719	54,409	221,828	261,048
Investment Earnings	783,195	314,576	120,154	74,201	48,324	102,363	208,506	2,164,835	3,104,294	647,119
Intergovernmental	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	15,116,440
Extracurricular Activities	348,013	423,409	417,918	436,647	456,702	489,345	522,981	476,255	558,870	497,159
Charges for Services	0	0	0	652,423	703,746	759,873	876,282	1,114,702	1,025,719	1,146,939
Other Revenues	31,878	24,018	90,109	277,996	197,153	302,935	492,121	186,318	157,755	123,843
Total Revenues	\$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	\$40,218,214

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Instruction:										
Regular	\$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	\$15,508,213
Special	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	3,813,960
Vocational	0	0	0	0	1,658	8,125	211	3,458	639	0
Other	41,713	153,052	135,038	233,666	280,621	391,490	623,408	811,924	937,351	944,444
Support Services:										
Pupil	540,760	712,197	843,462	892,837	1,138,182	1,150,192	1,333,412	1,382,891	1,414,561	1,366,975
Instructional Staff	561,577	778,420	923,166	696,824	1,111,930	1,136,939	1,553,647	1,401,895	1,641,364	1,519,276
General Administration	53,968	46,014	36,591	73,329	62,821	68,822	32,196	37,589	43,126	38,425
School Administration	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	2,650,965
Fiscal	376,880	399,864	414,497	490,954	601,913	625,173	679,537	722,701	770,838	785,252
Business	200,142	203,915	200,175	144,645	201,328	222,385	261,975	177,924	215,824	259,827
Operations and Maintenance	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	2,917,789
Pupil Transportation	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	3,009,144
Central	24,383	46,856	113,644	125,968	397,262	466,403	471,123	1,397,072	1,192,014	1,103,576
Operation of Non-Instructional Services	21,110	24,578	25,495	715,673	1,068,988	1,174,414	1,330,060	1,460,834	1,557,860	1,453,829
Extracurricular Activities	534,000	692,512	717,193	764,839	867,533	841,420	865,877	943,335	971,917	957,444
Capital Outlay	12,185,917	2,255,690	381,451	0	1,031,986	28,478	1,508,690	4,289,606	25,242,791	24,625,993
Debt Service:										
Principal Retirement	284,607	347,142	418,017	542,184	222,801	197,191	1,003,299	1,288,514	3,223,495	2,683,282
Interest and Fiscal Charges	811,627	798,780	790,183	798,049	1,122,530	1,141,820	1,183,051	2,174,707	2,849,713	2,784,500
Total Expenditures	\$27,444,215	\$20,836,787	\$20,966,921	\$21,338,062	\$27,090,761	\$27,602,519	\$33,015,234	\$40,949,066	\$68,686,545	\$66,422,894
Debt Service as a Percentage of Noncapital Expenditures	6.74%	5.52%	5.86%	6.31%	5.04%	4.95%	6.99%	9.77%	14.10%	13.17%

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Other Financing Sources (Uses):										
Proceeds of Refunding Bonds	\$0	\$0	\$0	\$0	\$0	\$15,759,968	\$0	\$0	\$0	\$0
Refunding Bond Issuance Cost	0	0	0	0	0	0	0	(403,082)	0	0
Payments to Refunded Bond Escrow Agent	0	0	0	0	0	(16,638,064)	0	(50,247,945)	0	0
Sale of Refunding Bonds	0	0	0	0	0	0	0	47,199,949	0	0
Issuance of Long-Term Capital-Related Deb	0	0	0	0	0	0	56,249,938	0	3,890,000	0
Premium on Sale of Refunded Bonds	0	0	0	0	0	0	0	3,451,078	0	0
Bond Premium	0	0	0	0	0	0	1,828,979	0	0	0
Issuance of Capital Leases	0	77,269	0	0	0	0	2,120,000	0	805,000	612,000
Proceeds from Sale of Assets	167	1,650	239	4,219	1,174	1,550	171	14,139	0	0
Transfers In	5,127	37,050	43,000	50,000	75,000	50,000	81,672	98,315	6,363,668	908,009
Transfers (Out)	(41,127)	(62,050)	(43,000)	(50,000)	(75,000)	(50,000)	(81,672)	(98,315)	(6,363,668)	(908,009)
Proceeds from Sale of Notes	0	0	550,000	0	0	0	0	0	0	0
Total Other Financing Sources (Uses)	(35,833)	53,919	550,239	4,219	1,174	1,550	60,199,088	14,139	4,695,000	612,000
Net Change in Fund Balances	(\$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)	(\$25,592,680)

Source: District Records

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
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
2008	772,340,910	6,483,090	16,055,240	794,879,240	2,248,675,914	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 (1)	Overlapping Rates						
		Warren County	Hamilton Township Exc	Warren/Clinton Mental Health	Warren County JVS	Hamilton Township	Warren County Health District	Hamilton Township Fire
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
2008	42.59	6.71	5.30	1.00	4.50	1.00	0.50	5.00

Source: Warren County Auditor

(1) - The components that make up the District Direct Rates were not available from the County Auditor.

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

Taxpayer	2009	
	Tangible Personal and Real Property	Percentage of Total Assessed Value
Duke Energy Ohio	\$15,878,004	2.00%
DP & L	4,605,639	0.58%
HCDC Real Estate Holding	3,588,624	0.45%
Sumco Phoenix	3,252,060	0.41%
Tournament Players Club	2,055,071	0.26%
Dixon Eagles	1,877,299	0.24%
Schoellman Family Trust Farm	1,693,668	0.21%
Nisbet Farm	1,459,241	0.18%
Fifth Third Bank	1,231,398	0.15%
Christams Ranch	1,085,179	0.14%
Total Principal Property Tax Payers	36,726,183	4.62%
All Others	758,153,057	95.38%
Total Assessed Value	\$794,879,240	100.00%

Taxpayer	2003	
	Tangible Personal and Real Property	Percentage of Total Taxable Value
Sumco Phoenix Corporation	\$13,230,930	3.01%
Cincinnati Gas & Electric	7,462,590	1.70%
Miami Striker, LLC	4,154,980	0.95%
Cincinnati Semiconductor	3,872,040	0.88%
Dayton Power and Light	3,286,450	0.75%
M/I Schottenstein Homes	2,410,590	0.55%
Tournament Players Club	1,874,480	0.43%
Crossman Communities	1,650,810	0.38%
Elanie B. Rippe	1,357,800	0.31%
Rolls Royce Energy Systems, Inc.	1,306,930	0.30%
Total Principal Property Tax Payers	40,607,600	9.24%
All Others	398,979,820	90.76%
Total Assessed Value	\$439,587,420	100.00%

Source: Warren County Auditor

(1) - 2003 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
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%
2008	23,104,411	22,246,531	96.29%	797,816	23,044,347	99.74%

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				
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%	0.94%	353
2008	71,394,906	137,500	2,135,491	73,667,897	3.43%	N/A	355
2009	69,299,906	68,750	2,227,959	71,596,615	3.18%	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 2009 is calendar year 2008)
 Assessed values are obtained from the Warrant 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, 2009
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Clermont County	\$9,039,830	0.02%	\$1,808
Warren County	1,151,500	12.62%	145,319
City of Loveland	7,880,000	7.02%	553,176
Village of Maineville	62,431	100.00%	62,431
Village of South Lebanon	214,000	10.39%	22,235
Goshen Township	2,500,000	0.43%	10,750
Hamilton Township	4,003,000	75.37%	3,017,061
Harlan Township	1,989,300	76.37%	1,519,228
Salem Township	363,000	97.97%	355,631
Turtle Creek Township	2,325,000	0.02%	465
Union Township	105,600	4.21%	4,446
Subtotal Overlapping Debt	29,633,661		5,692,550
District Direct Debt	75,289,855	98.30%	74,009,927
Total Direct and Overlapping Debt	\$104,923,516		\$79,702,478

Source: Ohio Municipal Advisory Council

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

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

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value (1)	\$794,879,240
Debt limit (9% of assessed value)	71,539,132
Debt applicable to limit	75,289,855
Legal debt margin (2)	<u>(\$3,750,723)</u>

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt Limit	N/A	N/A	N/A	\$39,562,868	\$46,980,028	\$51,679,097	\$51,679,097	\$56,263,458	\$68,283,238	\$71,539,132
Total Net Debt Applicable to Limit	N/A	N/A	N/A	16,009,810	15,871,639	15,759,968	71,166,515	76,504,855	77,394,855	75,289,855
Legal Debt Margin	N/A	N/A	N/A	\$23,553,058	\$31,108,389	\$35,919,129	(\$19,487,418)	(\$20,241,397)	(\$9,111,617)	(\$3,750,723)
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	N/A	N/A	N/A	40.47%	33.78%	30.50%	137.71%	135.98%	113.34%	105.24%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2009 is calendar year 2008)

(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)
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	7,709,497	37,865	4.6%
2008	207,353	N/A	N/A	5.5%

- 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 and Fiscal Period One Year Ago (2)
Schedule 16

2009

Major Employers (3)	Type (4)	Number of Employees	Employer's Percentage of Total Employment
Aisin Seiki/ADVICS Co Ltd	Manufacturing	(4)	(5)
Cedar Fair/Kings Island	Amusement Service	(4)	(5)
Cintas Corp	Manufacturing	(4)	(5)
HJ Heinz/Portion Pac Inc	Manufacturing	(4)	(5)
Luxottica Group SpA	Manufacturing	(4)	(5)
Macy's Inc	Retail Trade	(4)	(5)
Mason Local Bd of Ed	Government	(4)	(5)
Procter & Gamble Co	Research and Development	(4)	(5)
State of Ohio	Government	(4)	(5)
Sumco Phoenix	Manufacturing	(4)	(5)
WellPoint Inc/Anthem	Insurance	(4)	(5)

2008

Major Employers (3)	Type (4)	Number of Employees	Employer's Percentage of Total Employment
Aisin Seiki/ADVICS Co Ltd	Manufacturing	(4)	(5)
Blackhawk Automotive Plastics Inc	Manufacturing	(4)	(5)
Cedar Fair/Kings Island	Amusement Service	(4)	(5)
Cintas Corp	Manufacturing	(4)	(5)
HJ Heinz/Portion Pac Inc	Manufacturing	(4)	(5)
Luxottica Group SpA	Manufacturing	(4)	(5)
Macy's Inc	Retail Trade	(4)	(5)
Mason Local Bd of Ed	Government	(4)	(5)
Procter & Gamble Co	Research and Development	(4)	(5)
State of Ohio	Government	(4)	(5)
Sumco Phoenix	Manufacturing	(4)	(5)
WellPoint Inc/Anthem	Insurance	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Warren County

(2) - Only current fiscal year and fiscal period one year ago information available. Information for fiscal period nine years ago not available.

(3) - Includes at minimum the ten largest employers for the county. In alphabetical order only.

(4) - The number of employees of each listed major employer was not available.

(5) - The employer's percentage of total employment for each major employer was not available.

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

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Official/Administrative								
Administrative Assistant	0.00	0.00	1.00	2.00	1.00	1.00	1.00	1.00
Assistant Principal	3.00	1.00	1.00	2.00	3.00	3.00	4.00	3.00
Principals	6.00	6.00	6.00	7.00	6.00	7.00	7.00	6.00
Superintendent	1.00	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	0.00
Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.00
Coordinator	2.00	2.00	3.00	4.00	4.28	4.30	5.41	5.00
Education Administrative Specialist	0.00	0.00	0.00	1.50	2.00	1.00	1.00	0.00
Director	0.00	0.00	0.00	0.00	0.13	0.00	0.00	4.00
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>	<u>21.00</u>
Professional - Educational								
Curriculum Specialist	0.00	0.00	0.00	0.00	0.75	0.81	0.40	1.00
Counseling	5.00	5.00	7.00	5.00	5.37	5.37	5.00	5.00
Librarian/Media	2.00	1.00	2.00	1.50	1.00	1.00	1.00	1.00
Remedial Specialist	7.00	7.50	8.00	8.50	7.10	7.60	11.70	9.00
Regular Teaching	146.50	138.80	138.90	149.00	151.64	157.50	161.42	166.47
Special Education Teaching	17.30	16.00	20.30	20.20	16.17	22.50	13.79	14.74
Vocational Education Teaching	0.00	0.00	1.00	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	19.22
Supplemental Service Teacher (Special Education)	0.00	0.00	0.00	0.00	6.00	2.00	13.50	14.00
Teacher Mentor/Evaluator	1.00	0.00	1.00	1.50	0.43	0.00	0.00	1.00
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>	<u>232.43</u>
Professional - Other								
Dietitian/Nutritionist	0.00	0.00	0.00	0.00	0.50	1.00	1.00	1.00
Psychologist	1.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00
Publicity Relations	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
Registered Nursing	2.00	2.00	3.00	3.00	3.00	3.50	3.50	3.50
Physical Therapist	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00
Speech and Language Therapist	2.60	2.60	2.50	2.70	3.00	3.00	3.35	2.80
Occupational Therapist	0.00	0.00	0.00	0.00	0.20	0.00	0.00	0.00
Physical Therapy Assistant	0.00	0.00	0.00	0.00	0.27	0.00	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>	<u>8.30</u>
Technical								
Practical Nursing	0.00	0.00	0.00	0.00	0.50	1.00	1.00	2.00
Library Aide	3.50	0.00	3.50	3.50	3.50	4.50	5.50	6.00
Other Technical	0.00	2.00	2.00	1.00	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>	<u>9.00</u>

Source: State Department of Education

(1) - Only last eight fiscal years available

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

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Office/Clerical								
Records Managing	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Bookkeeping	3.00	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	18.70
Teaching Aide	10.46	0.00	8.53	8.24	13.13	11.74	16.46	11.71
Other Office/Clerical	1.00	0.00	0.50	0.50	0.50	0.50	1.50	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>	<u>35.91</u>
Crafts and Trades								
General Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
Mechanic	2.00	2.00	3.00	2.00	2.00	3.00	5.00	3.00
Foreman	0.00	0.00	0.00	0.00	1.00	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>	<u>5.00</u>
Operative								
Dispatching	0.00	0.00	0.00	0.00	1.00	2.00	2.00	2.00
Vehicle Operator (Buses)	25.51	24.23	25.27	30.11	37.11	44.23	53.23	53.43
Vehicle Operator (Other than Buses)	0.00	0.00	0.00	0.00	0.00	0.00	2.00	0.00
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>	<u>55.43</u>
Service Work/Laborer								
Attendance Officer	0.00	0.00	0.00	0.00	0.20	0.00	0.00	1.00
Custodian	19.56	13.12	17.56	20.81	21.31	21.19	22.19	21.19
Food Service	16.61	17.75	16.29	16.99	18.99	16.99	20.39	22.58
Groundskeeping	1.00	0.00	2.00	2.00	2.00	2.00	2.00	1.00
Attendant	8.72	7.73	8.66	14.08	17.15	18.22	23.72	33.65
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>	<u>79.42</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>	<u>446.49</u>

Source: State Department of Education

(1) - Only last eight fiscal years available

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

Fiscal Year	Enrollment	Operating Expenditure	Cost Per Pupil		Expenses	Percentage Change		Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
			Cost Per Pupil	Percentage Change		Cost Per Pupil	Percentage Change			
2000	2,521	\$15,258,298	\$6,052	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2001	2,610	18,581,097	7,119	17.62%	N/A	164	N/A	15.9	N/A	N/A
2002	2,814	20,585,470	7,315	2.76%	N/A	179	N/A	15.7	N/A	N/A
2003	2,936	21,338,062	7,268	(0.65%)	\$22,075,418	167	N/A	17.6	9.30%	9.30%
2004	3,200	26,058,775	8,143	12.05%	27,029,062	186	12.34%	17.2	8.80%	8.80%
2005	3,413	27,574,041	8,079	(0.79%)	28,239,505	192	(2.04%)	17.8	9.80%	9.80%
2006	3,623	31,506,544	8,696	7.64%	30,519,498	194	1.81%	18.7	11.10%	11.10%
2007	3,754	36,659,460	9,765	12.29%	35,564,866	202	12.47%	18.6	11.60%	11.60%
2008	3,978	43,443,754	10,921	11.83%	41,584,889	209	10.34%	19.0	12.00%	12.00%
2009	4,313	41,796,901	9,691	(11.26%)	40,457,231	214.4	(10.27%)	20.1	15.30%	15.30%

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Little Miami High School (2000)	140,090	140,090	140,090	140,090	140,090	140,090	140,090	140,090	140,090	204,589
Square Feet	905	905	905	905	905	905	905	905	905	1,500
Capacity	N/A	N/A	N/A	N/A	N/A	853	1,014	1,023	1,054	1,435
Enrollment	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560	40,560
Little Miami Intermediate (1975)	450	450	450	450	450	450	450	450	450	450
Square Feet	N/A	N/A	N/A	N/A	489	508	548	563	612	830
Capacity	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000
Enrollment	675	675	675	675	675	675	675	675	675	675
Little Miami Junior High (1956)	N/A	N/A	N/A	N/A	519	560	531	549	584	619
Enrollment	40,140	40,140	40,140	40,140	40,140	40,140	40,140	40,140	40,140	40,140
Harlan-Butler Elementary School (1979)	300	300	300	300	300	300	300	300	300	300
Square Feet	N/A	N/A	N/A	N/A	1,265	1,330	1,530	1,619	251	219
Capacity	56,385	56,385	56,385	56,385	56,385	56,385	56,385	56,385	56,385	56,385
Enrollment (1)	515	515	515	515	515	515	515	515	515	515
Hamilton-Maineville Elementary School (1975)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	940	625
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
Morrow Elementary School (1975)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	585

Source: District Records

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

N/A - Information not available

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Dave Yost • 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
FEBRUARY 15, 2011**