

Princeton City School District



Single Audit Reports

June 30, 2012

**PLATTENBURG**  
Certified Public Accountants





# Dave Yost • Auditor of State

Board of Education  
Princeton City School District  
3900 Cottingham Drive  
Cincinnati, Ohio 45241

We have reviewed the *Independent Auditors' Report* of the Princeton City School District, Hamilton County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2011 through June 30, 2012. 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

## **Finding for Recovery Repaid Under Audit**

Per the District's Administrative Employee Handbook: "Each employee will earn three (3) personal leave days per year (August – July). If you do not use the personal leave days during the year you will be paid for the unused personal leave days at the end of the work year. If you are not employed for the full year of August 1-July 31, the number of personal leave days will be prorated based on your months of employment with the Board." In accordance with the Administrative Employee Handbook the District should have paid Jim Rowan for 1.75 days of personal leave. However, the District actually paid him for 3 days of personal leave. The District overpaid Jim Rowan's personal leave by 1.25 days (total overpayment of \$552).

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Jim Rowan, in the amount of \$552, and in favor of the District's General Fund, in the amount of \$552.

Jim Rowan paid \$552 on January 3, 2013 to the District's General Fund.

## **Officials Response:**

The District was unaware of the overpayment and immediately upon notification by the Auditor of State, contacted Jim Rowan for which the amount was repaid immediately.

Board of Education  
Princeton City School District  
Page -2-

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D" and a long, sweeping tail on the "y".

Dave Yost  
Auditor of State

March 25, 2013

**PRINCETON CITY SCHOOL DISTRICT  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2012**

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
School Breakfast Program	3L70	10.553	\$479,232	\$0	\$479,232	\$0
National School Lunch Program	3L60	10.555	1,256,302	226,352	1,256,302	226,352
Summer Food Program	3L60	10.559	10,030	0	10,030	0
Total Nutrition Cluster			<u>1,745,564</u>	<u>226,352</u>	<u>1,745,564</u>	<u>226,352</u>
Farm to School Initiative	3670	10.575	2,000	0	2,000	0
Fresh Fruit and Vegetable Program	3L60	10.582	32,346	0	32,346	0
Total U.S. Department of Agriculture			<u>1,779,910</u>	<u>226,352</u>	<u>1,779,910</u>	<u>226,352</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
Teaching American History Grant	N/A	84.215X	608,826	0	316,059	0
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Special Education-Grants to States	3M20	84.027	1,046,456	0	1,235,519	0
Special Education-Grants to States - ARRA	3DJ0	84.391	116,054	0	106,385	0
Special Education-Preschool Grants	3C50	84.173	13,573	0	13,387	0
Special Education-Preschool Grants - ARRA	3DL0	84.392	3,213	0	3,728	0
Total Special Education Cluster			<u>1,179,296</u>	<u>0</u>	<u>1,359,019</u>	<u>0</u>
Title I Cluster:						
Title I Grants to Local Educational Agencies	3M00	84.010	1,234,771	0	1,530,148	0
Title I Grants to Local Educational Agencies - ARRA	3DK0	84.389	281,974	0	286,044	0
Total Title I Cluster			<u>1,516,745</u>	<u>0</u>	<u>1,816,192</u>	<u>0</u>
Career & Technical Education Basic Grants to States	N/A	84.048	14,587	0	40,691	0
Readiness and Emergency Management for Schools	N/A	84.184	49,758	0	23,511	0
Safe and Drug Free Schools and Communities	3D10	84.186	0	0	130	0
Education Technology State Grants	3S20	84.318	2,410	0	3,295	0
English Language Acquisition Grants	3Y70	84.365	101,355	0	111,992	0
Improving Teacher Quality	3Y60	84.367	229,858	0	261,362	0
Race to the Top Fund - ARRA	3FD0	84.395	197,616	0	219,135	0
Education Jobs Fund	3ET0	84.410	139,695	0	140,577	0
Total Department of Education			<u>4,040,146</u>	<u>0</u>	<u>4,291,963</u>	<u>0</u>
Total Federal Assistance			<u>\$5,820,056</u>	<u>\$226,352</u>	<u>\$6,071,873</u>	<u>\$226,352</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.

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**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**

Board of Education  
Princeton City School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Princeton City School District (the District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 28, 2012. 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

Management of the District is responsible for establishing and maintaining effective 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as Findings 2012-1 and 2012-2 to be material weaknesses.

## Compliance and Other Matters

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

We noted certain other matters that we reported to management of the District in a separate letter dated December 28, 2012.

The District's response to the findings 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, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
December 28, 2012



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

Board of Education  
Princeton City School District

Compliance

We have audited Princeton City School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. 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 of the District's compliance with those requirements.

As described in item 2012-3 in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding allowable costs and cash management that are applicable to its Teaching American History Grant. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program

In our opinion, except for the noncompliance described in the preceding paragraph, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

## Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2012-3 to be a material weakness.

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

## Schedule of Expenditures of Federal Awards

We have also audited and issued our unqualified opinion on the financial statements of the District as of and for the year ended June 30, 2012, and have issued our report thereon dated December 28, 2012. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
December 28, 2012

**PRINCETON CITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2012**

**Section I – Summary of Auditor’s Results**

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified	
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	Yes	
(d)(1)(ii)	Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	No	
(d)(1)(iii)	Was there any material reported non-compliance at the financial statement level (GAGAS)?	No	
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	Yes	
(d)(1)(iv)	Were the any other significant control deficiencies reported for major federal programs?	No	
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified	
(d)(1)(vi)	Are there any reportable findings under Section .510?	Yes	
(d)(1)(vii)	Major Programs (list):	Child Nutrition Cluster:	
		School Breakfast Program	CFDA #10.553
		National School Lunch Program	CFDA #10.555
		Summer Food Service Program for Children	CFDA #10.559
		Teaching American History Grant	CFDA #84.215X
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others	
(d)(1)(ix)	Low Risk Auditee?	Yes	

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

**2012-1 Finding Type —Material Weakness—Controls Related to Financial Reporting**

During the course of our audit we identified a control deficiency that related to cash reconciliations. Although no material misstatements were noted as a result of this deficiency, such deficiencies represent a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented, or detected and corrected on a timely basis.

This deficiency was the result of improper operation of controls and related to:

- Cash was not reconciled for several months during the year and remained unreconciled until well after fiscal year end. Although the amount of the unidentified variance does not represent a material misstatement, failure to reconcile cash increases the likelihood of unrecorded transactions as well as material misstatements due to fraud or error.

The effect of the above issue is the existence of a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented, or detected and corrected on a timely basis.

### *Recommendation*

Consider reviewing and updating the design and operation of the District's controls over financial reporting related to detail accounting records.

### *Management Comments/Response*

The District was without a permanent Treasurer for a portion of the year and the entire Treasurer's department staff turned over during this period resulting in significant problems related to the reconciliation. Improvements in the design and operation of controls related to the reconciliation are being implemented during fiscal year 2013 that are expected to effectively prevent, detect and correct future variances.

### **Finding 2012-2 Material Weakness –Controls Related to Financial Reporting**

Sound financial reporting is the responsibility of the Treasurer and the Board of Education and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The results of our audit procedures revealed the existence of deficiencies in the design and operation of the District's controls over financial reporting. The following conditions were among the issues identified:

- District reported payments for Hillcrest School as reduction in revenue resulting in Tuition and Fees revenue and Regular Instruction expenditures being materially misstated.

Generally these conditions are caused by a failure to review and update controls on a regular basis, poor communication of control requirements, and inadequate training of personnel. The effect of the above issues is the existence of a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

### *Recommendation*

Consider reviewing and updating the design and operation of the District's controls over financial reporting, not only related to detail accounting records, but also identify other areas that could be improved as well.

### *Management Comments/Response*

The District plans additional upgrades to the design and operation of the District's controls over financial reporting.

## **Section III – Federal Award Findings and Questioned Costs**

### **Finding 2012-3 – Teaching American History Grant - CFDA# 84.215X**

#### *Finding Type*

Material Weakness / Material Noncompliance – Allowable Cost / Cash Management

#### *Criteria*

The District receives funds for their Teaching American History grant on a reimbursement basis and funds must be spent consistent with applicable Federal requirements. Reimbursement requests submitted should be supported by allowable expenditures charged to the grant fund.

#### *Condition*

The District was unable to provide proof of expenditures or supporting documentation for a reimbursement request submitted.

#### *Questioned Costs*

\$32,769

*Context*

The District had a total of four reimbursement requests during the audit period.

*Cause and Effect*

The District's internal control over compliance with the requirements applicable to federal programs were not designed to prevent, or detect and correct, noncompliance with allowability and cash management compliance requirements. This resulted in unsupported charges posted to the program.

*Recommendation*

We recommend additional training related to the design of internal control over compliance with the requirements applicable to federal programs with an emphasis on allowable cost requirements and associated controls.

*Views of Responsible Officials and Planned Corrective Actions*

The District agrees with the auditor's recommendation and will implement additional training as recommended.

**PRINCETON CITY SCHOOL DISTRICT**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
***OMB CIRCULAR A-133***  
**Year Ended June 30, 2012**

The Princeton City School District had no prior audit findings or questioned costs.

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# Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 201&



Princeton City School District  
Cincinnati, Ohio

**PRINCETON CITY SCHOOL DISTRICT  
CINCINNATI, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**PREPARED BY: OFFICE OF THE TREASURER**

**AMY TWAREK – CFO / TREASURER**

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**TABLE OF CONTENTS**

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	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	vii
List of Principal Officials	xii
Organizational Chart	xiii
GFOA Certificate of Achievement for Excellence in Financial Reporting	xiv
ASBO Certificate of Excellence in Financial Reporting	xv
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	19
Statement of Net Assets - Proprietary Funds	20
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	21
Statement of Cash Flows - Proprietary Funds	22
Statement of Fiduciary Net Assets - Fiduciary Funds	23
Statement of Changes in Fiduciary Net Assets - Fiduciary Fund	24
Notes to the Basic Financial Statements	25
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	54
Notes to the Required Supplementary Information	55
Combining Statements and Individual Fund Schedules:	
Major Governmental Funds	58
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis):	
Bond Retirement	59
Building	60
Nonmajor Governmental Funds	61
Combining Balance Sheet	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	63
Nonmajor Special Revenue Funds	
Fund Descriptions	64
Combining Balance Sheet	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	70

**TABLE OF CONTENTS**

---

	<u>Page</u>
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis):	
Food Service	74
Other Grants	75
Athletic	76
Auxiliary Services	77
Management Information System	78
Public Preschool Subsidy	79
Data Communication	80
Ohio Reads	81
Alternative Schools	82
Miscellaneous State Grants	83
Education Jobs	84
Race to the Top	85
IDEA Special Education	86
Vocational Education	87
Title II-D	88
Title III	89
Title I	90
Drug Free School Grant	91
Preschool Development	92
Reducing Class Size	93
Miscellaneous Federal Grants	94
 Nonmajor Capital Projects Fund	
Fund Description	95
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis):	
Permanent Improvement	96
 Nonmajor Permanent Fund	
Fund Description	97
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis):	
Permanent	98
 Other General Funds	
Fund Descriptions	99
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis):	
Uniform School Supply	100
Public School Support	101
Early Childhood	102
Underground Storage Tank	103
 Nonmajor Internal Service Funds	
Fund Descriptions	105
Combining Statement of Net Assets	106
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	107
Combining Statement of Cash Flows	108

**TABLE OF CONTENTS**

---

	<u>Schedule</u>	<u>Page</u>
Nonmajor Fiduciary Funds		
Fund Descriptions		109
Statement of Changes in Assets and Liabilities		110
 <b>STATISTICAL SECTION</b>		
Net Assets by Component	1	112
Expenses, Program Revenues and Net (Expense)/Revenue	2	113
General Revenues and Total Change in Net Assets	3	114
Fund Balances, Governmental Funds	4	115
Governmental Funds Revenues	5	116
Governmental Funds Expenditures and Debt Service Ratio	6	117
Other Financing Sources and Uses and Net Change in Fund Balances	7	118
Assessed Value and Actual Value of Taxable Property	8	119
Direct and Overlapping Property Tax Rates	9	120
Principal Property Tax Payers	10	121
Property Tax Levies and Collections	11	122
Outstanding Debt by Type	12	123
Direct and Overlapping Governmental Activities Debt	13	124
Legal Debt Margin Information	14	125
Demographic and Economic Statistics - Butler County	15	126
Demographic and Economic Statistics - Hamilton County	15	127
Demographic and Economic Statistics - Warren County	15	128
Major Employers - Butler County	16	129
Major Employers - Hamilton County	16	130
Major Employers - Warren County	16	131
Full-Time Equivalent District Employees by Type	17	132
Operating Statistics	18	134
School Building Information	19	135

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# INTRODUCTORY SECTION







3900 Cottingham Drive  
Cincinnati, OH 45241

Office of the Treasurer

Phone: (513) 864-1040

Fax: (513) 864-1059

December 28, 2012

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

We are pleased to present the fourteenth Comprehensive Annual Financial Report (CAFR) of the Princeton City School District (District) for the fiscal year ended June 30, 2012. This report was prepared by the Treasurer's Office, and contains financial statements, supplemental statements, and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2011-12 fiscal year.

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

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

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

DESCRIPTION OF THE DISTRICT

The District serves an area of 36 square miles in the north central part of Hamilton County, encompassing the villages of Glendale, Evendale, Woodlawn and Lincoln Heights, and, the cities of Springdale and Sharonville. It also encompasses a small portion of Butler and Warren Counties. The tax base of the District is comprised of a unique blend of residential, commercial, and industrial property, with approximately 54.4% of the tax revenue of the District paid by business and industry.

During the 2011-12 school year, the District served 5,480 students enrolled in preschool, eight elementary schools, one junior high school and one high school. The District's enrollment has stabilized with slight decreases in elementary/middle school and slight increases in the high school.

The student enrollment of the District is a reflection of the diversity of the communities it serves. For the 2011-12 school year, approximately 58.6% of the students were considered low-income and eligible to participate in the free/reduced lunch program; 117 students were enrolled in a full time or part-time trade program, through vocational education; 810 students received instruction through a variety of special education programs; and all eligible students can participate in a number of advanced academic programs such as International Baccalaureate, advanced placement courses and gifted elementary programs. The District also offers a comprehensive adult education program to the community to help adults obtain a high school diploma.

## ORGANIZATION OF THE DISTRICT

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

The members of the Board, their current terms, and total years served on the Board as of June 30, 2012, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mrs. Sandy Leach	Jan. 2004 - Dec. 2012	8 ½
Ms. Lillian Hawkins	Jan. 2006 - Dec. 2014	6 ½
Ms. Tawana Keels	Jan. 2006 - Dec. 2014	14 ½
Mr. Susan Wyder	Jan. 2012 - Dec. 2016	½
Mr. Steve Moore	Jan. 2008 - Dec. 2012	4 ½

The Superintendent is the Chief Executive Officer of the District and is directly responsible to the Board for all operations of the District. Dr. Gary Pack has served as Superintendent since August 1, 2008. Dr. Pack has 20 years as a school superintendent.

The Treasurer is the Chief Financial Officer of the District and is directly responsible to the Board for all financial operations, investments, and serves as Secretary to the Board. Amy Twarek began her role as Treasurer on August 1, 2012.

## FINANCIAL CONDITION

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

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

**Fund financial statements:** These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

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

As part of this reporting model, management is responsible for preparing a Management's Discussion and Analysis of the District. This discussion follows this letter of transmittal, providing an assessment of the District's finances for fiscal year 2012 and the outlook for the future.

## EMPLOYEE RELATIONS

As of June 30, 2012, the Board employed 844 full-time employees. Of the Board's current employees, 433 were certificated by the Ohio Department of Education serving as classroom teachers or education specialists, and 32 administrators, all of whom have at least a bachelor's degree.

Certificated teachers and education specialists are represented by the Princeton Association of Classroom Educators (PACE) which is a labor organization affiliated with the Ohio Education Association. As of June 30, 2012, the District and the association have two years remaining on the contract.

Operational personnel are represented by the Princeton Support Staff Association (PSSA) which is affiliated with the Ohio Association of Public School Employees, Chapter 174 (OAPSE) which is a labor organization affiliated with the American Federation of State, County and Municipal Employees (AFSCME). As of June 30, 2012, the District and the association have two years remaining on the contract.

## MAJOR INITIATIVES FOR THE YEAR

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

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

District goals for the 2012-2013 school year are as follows:

**Goal One:** Continue to make student achievement and staff performance our overarching priority. Create a climate and culture of empowering and investing in teachers, to support staff to implement exemplary instructional programs with fidelity. This will be accomplished in compliance with Race to the Top through the continued implementation of the district-wide adoption of Success for All while implementing the Common Core standards at the elementary and the implementation of an exemplary 6-12 (high school/middle school) model focused on college and career ready skills and the common core standards.

**Goal Two:** Successful opening of the middle school construction project in the autumn of 2013 on time and within the school board established budget.

**Goal Three:** Continue training and professional development to enable all our staff to comply with school safety and security in compliance with the Readiness and Emergency Management for Schools (REMS) grant. Through surveys, focus groups and conversations with students, staff, and community members, verify themes for areas of improvement to enable students and staff to feel safe and valued at school.

**Goal Four:** Continue to inform and provide transparent communication to all Princeton residents and taxpayers regarding all issues in the school district. This will be accomplished through regular communication in *Viking Reports*, board reports, financial reports, open dialog with communities about concerns and needs, as well as updates on the Web site.

**Goal Five:** Manage the financial operations of the school district to ensure that all elements of Plan A: Year 2 are completed, verified, and documented. Systematically evaluate potential cost savings in all operations of the school district. The school board will continue to lobby and have dialogue against the possible additional loss of Tangible Personal Property tax used to finance the school district.

## Relevant Financial Policies

In June of 2011, the State legislature passed Amended Substitute House Bill 153. Amended Substitute House Bill 153 (Biennial Budget Bill) changed many provisions regarding the funding of public education. The administration of Governor John Kasich has proposed a move away from the Evidence Based Model (EBM) to a new formula for fund distribution to school districts. However, since a new funding mechanism is not formulated as of yet, the administration has decided to fund school districts in FY2012 based on a transitional approach until a new formula is devised. This transitional approach is referred to as the "Bridge" formula which the administration hopes to replace with a permanent formula by FY2013 or FY2014. Another significant change in the budget bill was the restructuring

of Tangible Personal Property (TPP) and Electric Deregulation Property Tax reimbursements. These reimbursements were restructured such that, for FY12 and FY13, the reduction in the district's phase out for each reimbursement is limited to no more than 2% per year of its total resources (state & local funding) as compared to the base year. Any reimbursement a district is still receiving in FY13 continues to be received at that level in the future.

## FINANCIAL INFORMATION

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

### Internal Controls

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

### Single Audit Act

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

As a part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2012, provided no significant violations of applicable laws and regulations.

### Budgetary Controls

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

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

### Financial Policies

The District requires two readings on all financial contracts exceeding \$1,000 as well as legal counsel review. Contracts are all process through the District Treasurer.

## Long-Term Financial Planning

The District maintains a five-year forecast as required by Ohio law with mandated updates in October and May of each year. In addition, the District has begun development on a short-term and long-term capital plan to address capital needs. In October 2010, the Princeton 2020 Task Force was created to identify the various programs and services offered by the District. The results of the Task Force contributed to the updated five-year forecast and serves as a foundation for determining strategies for maintaining fiscal sustainability throughout the forecast period.

## OTHER INFORMATION

### Independent Audit

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

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Princeton City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the thirteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2011, to the District. The award was the fourteenth for the District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after extensive review of the report by an expert panel of certified public accountants and practicing school business officials. The District believes our current report conforms to the ASBO's principles and standards, and we are submitting it to ASBO to determine its eligibility for a certificate.


### Acknowledgments

The preparation and publication of the 2012 Comprehensive Annual Financial Report of the Princeton City School District was made possible by the combined efforts of the entire Treasurer's office staff. Finally, this report would not have been possible without the support, commitment, and leadership of the Board of Education to continue the pursuit of excellence in financial reporting.

Sincerely,



Ms. Amy Twarek, CFO/Treasurer



Dr. Gary Pack, Superintendent

PRINCETON CITY SCHOOL DISTRICT  
LIST OF PRINCIPAL OFFICIALS  
June 30, 2012

Elected Officials

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

Administrative Officials

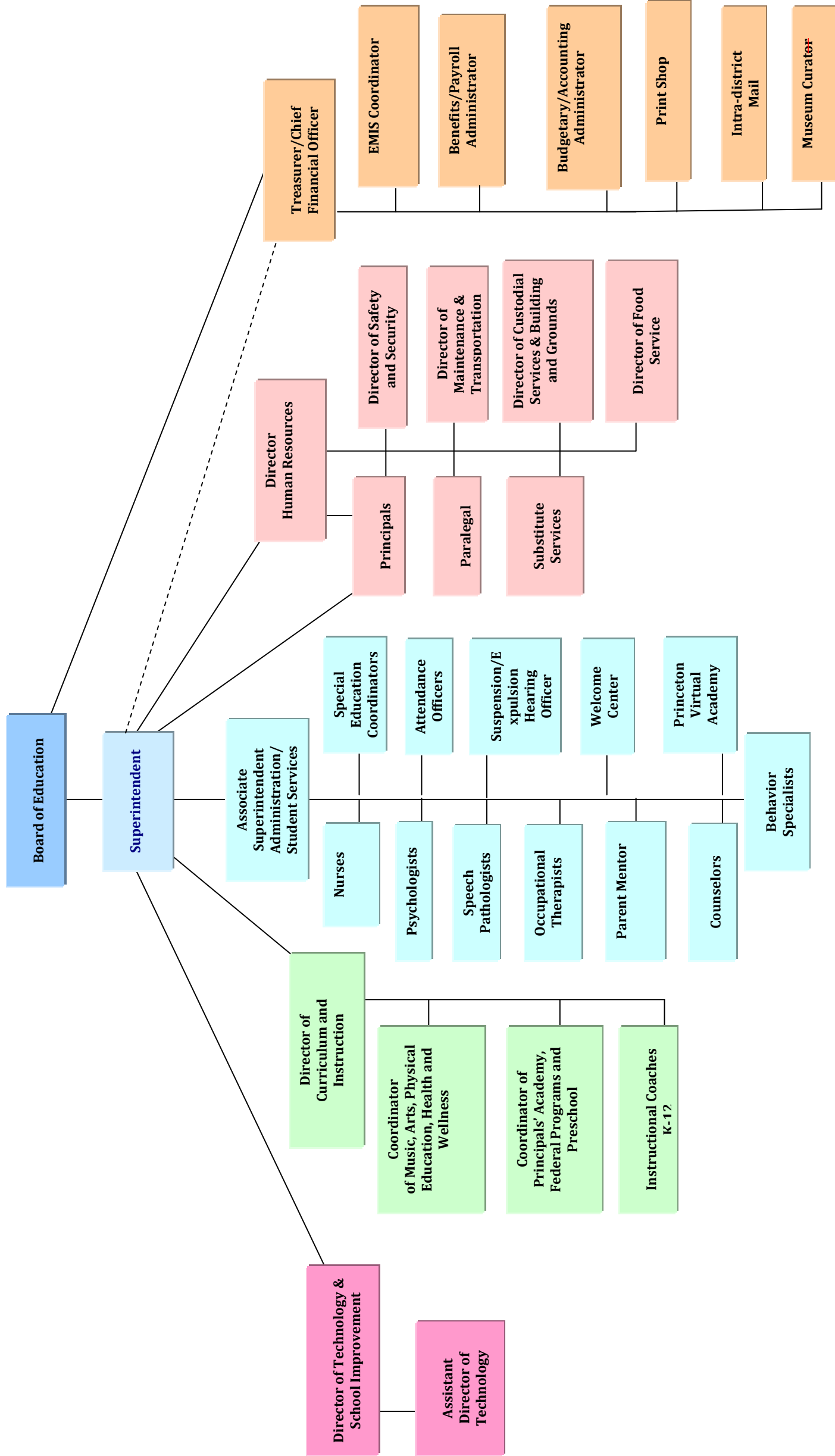
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Superintendent.....	Dr. Gary Pack
Associate Superintendent, Administration / Student Services.....	Dr. Mari Phillips
Director of Human Resources.....	Mrs. Victoria Brian
Interim Treasurer / Chief Financial Officer.....	Ms. Rosalie Townsend

Notes:

Effective 8/1/2012, Dr. Amy Crouse is Associate Superintendent  
Effective 8/1/2012, Ms. Amy Twarek is Treasurer / Chief Financial Officer

# Organizational Chart of the Princeton City School District



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Princeton City School District  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

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.



*Christopher P. Maxwell*

President

*Jeffrey R. Emmer*

Executive Director



# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## Princeton City School District

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2011*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading 'Brian L. Mee'.

Brian L. Mee, SFO, RSBA  
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA  
Executive Director

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# FINANCIAL SECTION



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**INDEPENDENT AUDITORS' REPORT**

Board of Education  
Princeton City School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Princeton City School District (the District) as of and for the year ended June 30, 2012, 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, 2012, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. 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 financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on them.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
December 28, 2012

**Princeton City School District, Ohio**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2012**  
(Unaudited)

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The management's discussion and analysis of Princeton City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2012. 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 2012 are as follows:

- Net assets of governmental activities decreased \$10,625,984 which represents a 26% decrease from 2011.
- General revenues accounted for \$71,502,810 in revenue or 82.8% of all revenues. Program specific revenues in the form of charges for services and sales, and operating grants and contributions accounted for \$14,815,753 or 17.2% of total revenues of \$86,318,563 .
- The District had \$96,944,547 in expenses related to governmental activities; \$14,815,753 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of 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 the *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, Bond Retirement and Building funds are the major funds of the District.

**Princeton City School District, Ohio**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2012**  
(Unaudited)

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### **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 2012?” 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, the overall financial position of the District is presented in the following manner:

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

### **Fund Financial Statements**

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

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

**Fiduciary Funds** Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District’s own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.



**Princeton City School District, Ohio**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2012**  
(Unaudited)

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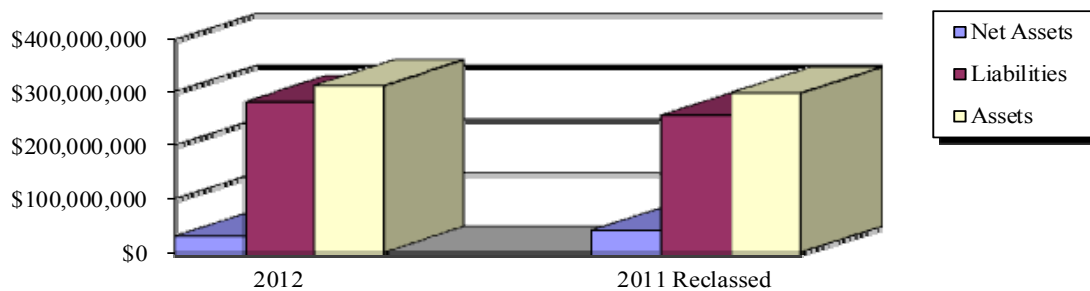
**The District as a Whole**

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 2012 compared to 2011:

**Table 1**  
**Net Assets**

---

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011 Reclassed</u>
Assets:		
Current and Other Assets	\$194,322,327	\$196,224,337
Capital Assets	116,560,574	100,703,633
Total Assets	<u>310,882,901</u>	<u>296,927,970</u>
Liabilities:		
Other Liabilities	52,558,181	40,862,387
Long-Term Liabilities	227,790,206	214,905,085
Total Liabilities	<u>280,348,387</u>	<u>255,767,472</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	1,231,465	1,602,100
Restricted	9,946,127	15,208,137
Unrestricted	19,356,922	24,350,261
Total Net Assets	<u>\$30,534,514</u>	<u>\$41,160,498</u>



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2012, the District's assets exceeded liabilities by \$30,534,514.

**Princeton City School District, Ohio**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2012**  
(Unaudited)

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At year-end, capital assets represented 37% of total assets. Capital assets include land, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2012, was \$1,231,465. 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, \$9,946,127 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.

Capital Assets increased due to an increase in construction in progress. Long-term liabilities increased mainly due to the issuance of a \$15,225,000 certificate of participation note.

Table 2 shows the changes in net assets for fiscal years 2012 and 2011.

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**Princeton City School District, Ohio**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2012**  
(Unaudited)

**Table 2**  
**Changes in Net Assets**

	Governmental Activities	
	2012	2011
Revenues:		
Program Revenues		
Charges for Services	\$6,228,761	\$2,837,975
Operating Grants, Contributions	8,586,992	10,743,225
General Revenues:		
Property Taxes	42,437,792	45,487,235
Grants and Entitlements	27,503,063	27,489,047
Other	1,561,955	2,841,828
Total Revenues	<u>86,318,563</u>	<u>89,399,310</u>
Program Expenses:		
Instruction	46,957,499	43,949,741
Support Services:		
Pupil and Instructional Staff	11,436,455	12,247,117
School Administrative, General		
Administration, Fiscal and Business	8,329,471	6,856,378
Operations and Maintenance	7,112,340	8,022,850
Pupil Transportation	4,838,681	5,133,648
Central	1,428,593	1,485,580
Operation of Non-Instructional Services	4,271,955	5,406,734
Extracurricular Activities	1,151,974	1,508,941
Interest and Fiscal Charges	11,417,579	10,093,624
Total Program Expenses	<u>96,944,547</u>	<u>94,704,613</u>
Change in Net Assets	(10,625,984)	(5,305,303)
Net Assets Beginning of Year	<u>41,160,498</u>	<u>46,465,801</u>
Net Assets End of Year	<u>\$30,534,514</u>	<u>\$41,160,498</u>

The District revenues are mainly from three sources. Property taxes levied for general, debt service and capital projects purposes, grants and entitlements and operating grants and contributions comprised most of the District's revenues for governmental activities.

**Princeton City School District, Ohio**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2012**  
(Unaudited)

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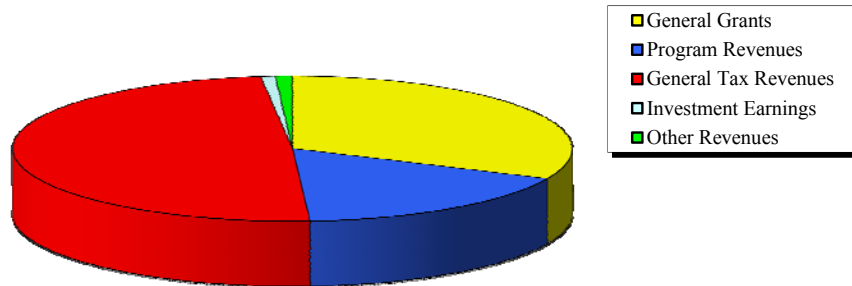
The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner 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 do not receive additional property tax revenue from increases in appraisal values and must regularly return to the voters to maintain a constant level of service. Property taxes made up 50.6% of revenue for governmental activities for the District in fiscal year 2012.

**Governmental Activities**  
**Revenue Sources**

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Revenue Sources	2012	Percent of Total
General Grants	\$27,503,063	31.8%
Program Revenues	14,815,753	17.2%
General Tax Revenues	42,437,792	49.2%
Investment Earnings	724,883	0.8%
Other Revenues	837,072	1.0%
Program Revenues	<u>\$86,318,563</u>	<u>100.0%</u>



Instruction comprises 48.44% of governmental program expenses. Support services expenses were 34.19% of governmental program expenses. All other expenses and interest expense was 17.37% Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Property taxes revenue decreased mainly due to a decrease in taxes advances available in fiscal year 2012 as compared to fiscal year 2011. Instructional expenses increased due to general inflationary factors.

**Princeton City School District, Ohio**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2012**  
(Unaudited)

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**Governmental Activities**

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

**Table 3**  
**Governmental Activities**

---

	Total Cost of Services		Net Cost of Services	
	2012	2011	2012	2011
Instruction	\$46,957,499	\$43,949,741	(\$39,508,683)	(\$40,004,787)
Support Services:				
Pupil and Instructional Staff	11,436,455	12,247,117	(9,094,132)	(9,740,971)
School Administrative, General				
Administration, Fiscal and Business	8,329,471	6,856,378	(8,312,504)	(6,748,436)
Operations and Maintenance	7,112,340	8,022,850	(7,009,518)	(7,648,354)
Pupil Transportation	4,838,681	5,133,648	(4,746,193)	(5,014,628)
Central	1,428,593	1,485,580	(1,330,614)	(1,464,763)
Operation of Non-Instructional Services	4,271,955	5,406,734	316,205	(914,262)
Extracurricular Activities	1,151,974	1,508,941	(1,025,776)	(1,377,757)
Interest and Fiscal Charges	11,417,579	10,093,624	(11,417,579)	(8,209,455)
Total Expenses	<u>\$96,944,547</u>	<u>\$94,704,613</u>	<u>(\$82,128,794)</u>	<u>(\$81,123,413)</u>

**The District's Funds**

The District has three major governmental funds: the General Fund, Bond Retirement Fund and the Building Fund. Assets of these funds comprise \$185,763,793 (97%) of the total \$191,984,595 governmental funds assets.

**General Fund:** Fund balance at June 30, 2012 was \$16,403,288. The primary reason for the decrease in fund balance was due to an increase in instruction expenses.

**Bond Retirement Fund:** Fund balance at June 30, 2012 was \$6,479,654. Fund balance decreased due to an increase in principal and interest expense.

**Building Fund:** Fund balance at June 30, 2012 was \$110,749,933. The primary reason for the decrease in fund balance was due to an increase in capital outlay expenses due to the ongoing building projects.

**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.

**Princeton City School District, Ohio**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2012**  
(Unaudited)

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For the General Fund, final budget basis revenue was \$66,756,197. The original budget estimate was \$63,956,500. The difference was \$2,799,697. Of this difference, most was due to conservative estimates for taxes and intergovernmental revenues. Actual instruction expenses were lower than the final budgeted amount due to overestimates of these expenses for the year.

The District's ending unobligated cash balance was \$7,887,428.

**Capital Assets and Debt Administration**

*Capital Assets*

At fiscal year end, the District had \$116,560,574 invested in land, construction in progress, buildings and improvements and equipment. Table 4 shows fiscal year 2012 balances compared to fiscal year 2011:

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

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	Governmental Activities	
	2012	2011
Land	\$6,327,535	\$6,327,535
Construction in Progress	26,151,124	7,616,816
Buildings and Improvements	81,067,095	83,049,680
Equipment	3,014,820	3,709,602
Total Net Capital Assets	<u>\$116,560,574</u>	<u>\$100,703,633</u>

The increase in capital assets is mainly due to an increase in construction in progress.

See Note 5 in the Notes to the Basic Financial Statements for further details on the District's capital assets.

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**Princeton City School District, Ohio**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2012**  
(Unaudited)

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**Debt**

At June 30, 2012, the District had \$225,662,107 in debt outstanding, \$2,401,348 due within one year. Table 5 summarizes debt outstanding.

**Table 5**  
**Outstanding Debt at Year End**

	Governmental Activities	
	2012	2011
2003 School Improvement Bonds	3,185,000	4,505,000
2003 School Improvement Bonds - Premium	60,867	91,301
2006 Refunding Bonds	70,120,000	70,225,000
2006 Refunding Bonds - Premium	4,167,708	4,392,990
2006 Refunding Bonds - Deferred amount on refunding	(2,146,735)	(2,262,775)
2010 School Improvement Bonds	118,285,000	118,285,000
2010 School Improvement Capital Appreciation Bonds - Principal Only	1,714,930	1,714,930
2010 School Improvement Capital Appreciation Bonds - Accreted Interest	1,259,192	431,805
2010 School Improvement Bonds - Premium	10,311,284	10,601,743
2012 Certificate of Participation	15,225,000	0
2012 Certificate of Participation - Discount	(234,027)	0
OASBO Loan	3,385,000	3,506,000
Lease-purchase agreement	328,888	425,458
Total Long-Term Notes, Bonds and Capital Leases	<u>\$225,662,107</u>	<u>\$211,916,452</u>

See Notes 11-13 in the Notes to the Basic Financial Statements for further details on the District's long-term obligations.

**For the Future**

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

While the State has made some progress in resolving the school funding issue, the court ruled that the funding system is far too reliant on property taxes which are inherently not equitable or adequate for many districts. Princeton, however, receives 54.5% of its general funding from property taxes.

In June of 2005, the State legislature passed House Bill 66 which 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 was eliminated by 2009. The tax on telephone and telecommunication property began being phased out in 2009 and was eliminated in 2011.

**Princeton City School District, Ohio**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2012**  
(Unaudited)

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In June of 2011, the State legislature passed House Bill 153 which restructured the reimbursement of tangible personal property and electric deregulation property tax reimbursement by no more than 2% per year of its total resources (state and local funding) as compared to the base year. Any reimbursement a School District is still receiving in FY13 will continue to be received at that level in the 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 the Treasurer at Princeton City Schools, 3900 Cottingham Dr., Cincinnati, Ohio 45241.



Princeton City School District  
Statement of Net Assets  
June 30, 2012

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$137,021,470
Restricted Cash and Investments	727,605
Receivables:	
Taxes	52,669,348
Accounts	26,705
Interest	194,459
Intergovernmental	1,797,018
Deferred Bond Issuance Costs	1,867,441
Inventory	18,281
Nondepreciable Capital Assets	32,478,659
Depreciable Capital Assets, Net	84,081,915
<b>Total Assets</b>	<b>310,882,901</b>
Liabilities:	
Accounts Payable	1,890,828
Accrued Wages and Benefits	7,187,785
Retainage Payable	514,698
Accrued Interest Payable	924,864
Unearned Revenue	33,245,017
Claims Payable	680,170
Contracts Payable	3,429,819
Tax Anticipation Notes Payable	4,685,000
Long-Term Liabilities:	
Due Within One Year	3,394,849
Due In More Than One Year	224,395,357
<b>Total Liabilities</b>	<b>280,348,387</b>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	1,231,465
Restricted for:	
Debt Service	6,486,924
Capital Projects	947,052
Food Service	1,203,761
Athletic	484,522
Auxiliary Services	354,146
Federal Grants	244,968
Other Purposes	196,395
Endowment Nonexpendable	13,147
Endowment Expendable	15,212
Unrestricted	19,356,922
<b>Total Net Assets</b>	<b>\$30,534,514</b>

See accompanying notes to the basic financial statements.

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Princeton City School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2012

	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services and Sales	Operating Grants and Contributions	and Changes in Net Assets Governmental Activities
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$36,077,148	\$4,897,771	\$1,668,674	(\$29,510,703)
Special	8,544,045	554,771	197,716	(7,791,558)
Vocational	115,901	0	0	(115,901)
Other	2,220,405	551	129,333	(2,090,521)
<b>Support Services:</b>				
Pupil	4,135,169	0	757,947	(3,377,222)
Instructional Staff	7,301,286	0	1,584,376	(5,716,910)
General Administration	224,251	0	0	(224,251)
School Administration	5,901,904	0	16,967	(5,884,937)
Fiscal	2,021,731	0	0	(2,021,731)
Business	181,585	0	0	(181,585)
Operations and Maintenance	7,112,340	57,127	45,695	(7,009,518)
Pupil Transportation	4,838,681	0	92,488	(4,746,193)
Central	1,428,593	423	97,556	(1,330,614)
Operation of Non-Instructional Services	4,271,955	591,920	3,996,240	316,205
Extracurricular Activities	1,151,974	126,198	0	(1,025,776)
Interest and Fiscal Charges	11,417,579	0	0	(11,417,579)
<b>Total Governmental Activities</b>	<b>\$96,944,547</b>	<b>\$6,228,761</b>	<b>\$8,586,992</b>	<b>(82,128,794)</b>

General Revenues:

Property Taxes Levied for:

General Purposes	36,405,387
Debt Service Purposes	4,088,506
Capital Projects Purposes	1,943,899
Grants and Entitlements not Restricted to Specific Programs	27,503,063
Unrestricted Payment in Lieu of Taxes	318,935
Unrestricted Contributions	51,695
Investment Earnings	724,883
Other Revenues	466,442

Total General Revenues 71,502,810

Change in Net Assets (10,625,984)

Net Assets Beginning of Year 41,160,498

Net Assets End of Year \$30,534,514

See accompanying notes to the basic financial statements.

Princeton City School District  
Balance Sheet  
Governmental Funds  
June 30, 2012

	General	Bond Retirement	Building	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$9,511,540	\$4,925,654	\$116,474,014	\$2,600,144	\$133,511,352
Restricted Cash and Investments	212,907	0	514,698	0	727,605
<b>Receivables:</b>					
Taxes	45,174,021	5,355,876	0	2,139,451	52,669,348
Accounts	24,778	0	0	1,927	26,705
Interest	592	0	193,867	0	194,459
Intergovernmental	336,019	0	0	1,460,999	1,797,018
Interfund	723,064	0	2,316,763	0	3,039,827
Inventory	0	0	0	18,281	18,281
<b>Total Assets</b>	<b>55,982,921</b>	<b>10,281,530</b>	<b>119,499,342</b>	<b>6,220,802</b>	<b>191,984,595</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	1,685,934	0	32,528	113,120	1,831,582
Accrued Wages and Benefits	6,591,654	0	0	596,131	7,187,785
Compensated Absences	86,230	0	0	0	86,230
Retainage Payable	0	0	514,698	0	514,698
Accrued Interest Payable	0	0	9,682	0	9,682
Interfund Payable	0	0	0	723,064	723,064
Deferred Revenue	31,215,815	3,801,876	77,682	1,513,045	36,608,418
Contracts Payable	0	0	3,429,819	0	3,429,819
Tax Anticipation Notes Payable	0	0	4,685,000	0	4,685,000
<b>Total Liabilities</b>	<b>39,579,633</b>	<b>3,801,876</b>	<b>8,749,409</b>	<b>2,945,360</b>	<b>55,076,278</b>
<b>Fund Balances:</b>					
Nonspendable	0	0	0	31,428	31,428
Restricted	212,907	6,479,654	110,749,933	3,268,003	120,710,497
Committed	11,000	0	0	0	11,000
Assigned	1,665,971	0	0	0	1,665,971
Unassigned	14,513,410	0	0	(23,989)	14,489,421
<b>Total Fund Balances</b>	<b>16,403,288</b>	<b>6,479,654</b>	<b>110,749,933</b>	<b>3,275,442</b>	<b>136,908,317</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$55,982,921</b>	<b>\$10,281,530</b>	<b>\$119,499,342</b>	<b>\$6,220,802</b>	<b>\$191,984,595</b>

See accompanying notes to the basic financial statements.

Princeton City School District  
 Reconciliation of Total Governmental Fund Balance to  
 Net Assets of Governmental Activities  
 June 30, 2012

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Total Governmental Fund Balance \$136,908,317

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. 116,560,574

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

Delinquent Property Taxes	3,214,125	
Interest	77,682	
Intergovernmental	<u>71,594</u>	
		3,363,401

An internal service fund is used by management to charge  
 back costs to individual funds. The assets and  
 liabilities of the internal service fund are included in  
 governmental activities in the statement of net assets. 453,939

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. (915,182)

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 (2,041,869)

Deferred bond issuance cost associated with long-term liabilities  
 are not reported in the funds. 1,867,441

Long-term liabilities, are not due and payable in the current  
 period and therefore are not reported in the funds. (225,662,107)

Net Assets of Governmental Activities \$30,534,514

See accompanying notes to the basic financial statements.

Princeton City School District  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2012

	General	Bond Retirement	Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$38,752,023	\$4,223,393	\$0	\$2,025,601	\$45,001,017
Revenue in lieu of taxes	204,696	0	0	0	204,696
Tuition and Fees	5,447,149	0	0	0	5,447,149
Investment Earnings	44,564	0	602,382	255	647,201
Intergovernmental	24,045,116	3,504,077	0	8,469,269	36,018,462
Extracurricular Activities	9,251	0	0	115,608	124,859
Charges for Services	4,640	0	0	592,343	596,983
Other Revenues	594,437	2,852	0	46,508	643,797
<b>Total Revenues</b>	<b>69,101,876</b>	<b>7,730,322</b>	<b>602,382</b>	<b>11,249,584</b>	<b>88,684,164</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	30,117,689	0	0	1,594,139	31,711,828
Special	8,090,539	0	0	202,686	8,293,225
Vocational	115,408	0	0	0	115,408
Other	2,229,522	0	0	0	2,229,522
<b>Support Services:</b>					
Pupil	3,347,731	0	0	765,827	4,113,558
Instructional Staff	5,532,401	0	0	1,447,033	6,979,434
General Administration	224,251	0	0	0	224,251
School Administration	5,896,104	0	0	38,306	5,934,410
Fiscal	1,941,440	69,509	0	15,059	2,026,008
Business	185,583	0	0	0	185,583
Operations and Maintenance	7,035,074	0	0	37,832	7,072,906
Pupil Transportation	4,404,135	0	0	78,772	4,482,907
Central	1,287,582	0	32,528	107,506	1,427,616
Operation of Non-Instructional Services	246,310	0	0	3,929,316	4,175,626
Extracurricular Activities	251,564	0	0	827,778	1,079,342
Capital Outlay	35,224	0	18,534,308	244,535	18,814,067
<b>Debt Service:</b>					
Principal Retirement	0	1,425,000	0	217,570	1,642,570
Interest and Fiscal Charges	0	10,394,772	91,680	445,482	10,931,934
Bond Issuance Costs	0	0	236,004	0	236,004
<b>Total Expenditures</b>	<b>70,940,557</b>	<b>11,889,281</b>	<b>18,894,520</b>	<b>9,951,841</b>	<b>111,676,199</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,838,681)</b>	<b>(4,158,959)</b>	<b>(18,292,138)</b>	<b>1,297,743</b>	<b>(22,992,035)</b>
<b>Other Financing Sources (Uses):</b>					
Proceeds from Sale of Assets	48,348	0	0	0	48,348
Issuance of Certificate of Participation	0	0	15,225,000	0	15,225,000
Discount on Certificate of Participation	0	0	(237,997)	0	(237,997)
Premium on Bonds and Notes Issued	0	0	145,998	0	145,998
Transfers In	0	0	0	1,141,801	1,141,801
Transfers (Out)	(1,141,801)	0	0	0	(1,141,801)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,093,453)</b>	<b>0</b>	<b>15,133,001</b>	<b>1,141,801</b>	<b>15,181,349</b>
<b>Net Change in Fund Balance</b>	<b>(2,932,134)</b>	<b>(4,158,959)</b>	<b>(3,159,137)</b>	<b>2,439,544</b>	<b>(7,810,686)</b>
<b>Fund Balance Beginning of Year</b>	<b>19,335,422</b>	<b>10,638,613</b>	<b>113,909,070</b>	<b>835,898</b>	<b>144,719,003</b>
<b>Fund Balance End of Year</b>	<b>\$16,403,288</b>	<b>\$6,479,654</b>	<b>\$110,749,933</b>	<b>\$3,275,442</b>	<b>\$136,908,317</b>

See accompanying notes to the basic financial statements.

Princeton City School District  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2012

Net Change in Fund Balance - Total Governmental Funds (57,810,686)

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	18,630,838	
Depreciation Expense	<u>(2,773,897)</u>	
		15,856,941

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

Delinquent Property Taxes	(2,563,225)	
Interest	77,682	
Intergovernmental	<u>(1,744,555)</u>	
		(4,230,098)

In the statement of activities, certain costs and proceeds associated with long-term debt obligations issued during the year are accrued and amortized over the life of the debt obligation. In governmental funds these costs and proceeds are recognized as financing sources and uses.

Bond Issuance Costs	236,004	
Discount on Bonds Issued	<u>237,997</u>	
		474,001

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. 1,642,570

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		(46,961)
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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	946,764	
Amortization of Bond Issuance Cost	(183,460)	
Amortization of Bond Premium	546,175	
Amortization of Deferred Charge on Refunding	(116,040)	
Bond Accretion	(827,387)	
Amortization of Bond Discount	<u>(3,970)</u>	
		362,082

The internal service fund used by management to charge back costs to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (1,648,833)

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. (15,225,000)

Change in Net Assets of Governmental Activities (\$10,625,984)

See accompanying notes to the basic financial statements.

Princeton City School District  
Statement of Net Assets  
Proprietary Funds  
June 30, 2012

	<u>Governmental Activities- Internal Service Funds</u>
Assets:	
Equity in Pooled Cash and Investments	<u>\$3,510,118</u>
Total Assets	<u>3,510,118</u>
Liabilities:	
Accounts Payable	59,246
Interfund Payable	2,316,763
Claims Payable	<u>680,170</u>
Total Liabilities	<u>3,056,179</u>
Net Assets:	
Unrestricted	<u>453,939</u>
Total Net Assets	<u><u>\$453,939</u></u>

See accompanying notes to the basic financial staten



Princeton City School District  
Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2012

	<u>Governmental Activities- Internal Service Funds</u>
Operating Revenues:	
Charges for Services	\$9,269,497
Other Revenues	<u>70,072</u>
Total Operating Revenues	<u>9,339,569</u>
Operating Expenses:	
Personal Services	830,044
Contactual Services	1,516,922
Claims	<u>8,643,173</u>
Total Operating Expenses	<u>10,990,139</u>
Operating Income (Loss)	<u>(1,650,570)</u>
Non-Operating Revenues (Expenses):	
Investment Earnings	<u>1,737</u>
Total Non-Operating Revenues (Expenses)	<u>1,737</u>
Change in Net Assets	(1,648,833)
Net Assets Beginning of Year	<u>2,102,772</u>
Net Assets End of Year	<u>\$453,939</u>

See accompanying notes to the basic financial statements.

Princeton City School District  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2012

	<u>Governmental Activities- Internal Service Funds</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$9,340,082
Cash Payments to Employees	(830,044)
Cash Payments to Suppliers	<u>(9,955,896)</u>
Net Cash Provided (Used) by Operating Activities	<u>(1,445,858)</u>
Cash Flows from Noncapital Financing Activities:	
Payments from Other Funds	<u>2,316,763</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2,316,763</u>
Cash Flows from Investing Activities:	
Earnings on Investments	<u>1,737</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>1,737</u>
Net Increase (Decrease) in Cash and Cash Equivalents	872,642
Cash and Cash Equivalents Beginning of Year	<u>2,637,476</u>
Cash and Cash Equivalents End of Year	<u><u>3,510,118</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(1,650,570)
Changes in Assets & Liabilities:	
(Increase) Decrease in Receivables	513
Increase (Decrease) in Payables	<u>204,199</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$1,445,858)</u></u>

See accompanying notes to the basic financial statements.

Princeton City School District  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2012

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$169,101	\$145,456
Receivables:		
Accounts	0	203
Total Assets	<u>169,101</u>	<u>145,659</u>
Liabilities:		
Accounts Payable	0	1,250
Other Liabilities	0	144,409
Total Liabilities	<u>0</u>	<u>\$145,659</u>
Net Assets:		
Held in Trust	<u>169,101</u>	
Total Net Assets	<u>\$169,101</u>	

See accompanying notes to the basic financial statements.

Princeton City School District  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2012

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	Private Purpose Trust
Additions:	
Donations	\$3,742
Other	48,355
Total Additions	<u>52,097</u>
Deductions:	
Scholarships	<u>211,206</u>
Total Deductions	<u>211,206</u>
Change in Net Assets	(159,109)
Net Assets Beginning of Year	<u>328,210</u>
Net Assets End of Year	<u><u>\$169,101</u></u>

See accompanying notes to the basic financial statements.

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**Note 1 - Summary of Significant Accounting Policies**

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

**Reporting Entity**

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

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

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

The following activity is included within the reporting entity:

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

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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The School District is associated with two jointly governed organizations. These organizations are the Southwest Ohio Computer Association and Great Oaks Institute of Technology and Career Development. The organizations are presented in Note 14 to the basic financial statements.

**Basis of Presentation**

The School 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 that provide a more detailed level of financial information.

***Government-wide Financial Statements*** The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The activity of the internal service funds is eliminated to avoid doubling up revenues and expenses. The interfund services provided and used are not eliminated in the consolidation.

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

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

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

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

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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

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

The private purpose trust and agency funds are reported using the economic resources measurement focus.

**Fund Accounting**

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

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

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

**Bond Retirement Fund** – The bond retirement 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 accounts for the activity related to the construction of the middle and high school facilities and improvements to other existing school facilities.

**Proprietary funds** are used to account for the School District's ongoing activities that are similar to those found in the private sector where the intent of the governing body is that the cost of providing goods and services financed or recovered primarily through user charges. The School District created internal service funds for the operation of its self- insured employee benefits and workers' compensation activities.

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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

**Basis of Accounting**

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

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

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

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

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

Non-exchange transactions, in which the School District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes were levied.



**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

***Deferred Revenue*** Deferred revenues arise when potential revenue does not meet both the measurable and available criteria recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2012 which are intended to finance fiscal year 2013 operations have been recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

**Equity in Pooled Cash and Cash Equivalents**

Cash received by the School District is pooled for investment purposes. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the balance sheet.

During fiscal year 2012, the School District's investments were limited to STAROhio, Money Market Funds, US Treasury Notes, Commercial Paper, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank - Discount Note, Federal Home Loan Mortgage Corporation - Discount Note, Federal Farm Credit Corporation, Federal Farm Credit Bank, and Federal National Mortgage Association.

STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2012. The School District recorded other investments held at June 30, 2012 at fair value.

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

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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For purposes of the statement of cash flows and for presentation on the balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

**Inventory**

All inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of inventory items are recorded as expenditures in the governmental funds when consumed rather than when purchased.

**Capital Assets**

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

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

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

**Interfund Balances**

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.

On fund financials, receivables and payables resulting from short-term interfund loans are classified as "interfund receivable/payable." These amounts are eliminated in the governmental activities column of the statement of net assets.

**Compensated Absences**

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

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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

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

**Accrued Liabilities and Long-Term Obligations**

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

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** – The nonspendable fund balance category includes amounts that cannot be spent because they are not in a spendable form, or legally or contractually required to be maintained intact. The “not in a spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

***Restricted*** – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

***Committed*** – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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*Assigned* – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the School District Board of Education.

*Unassigned* – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Restricted Assets**

Restricted assets in the general fund represent equity in pooled cash and investments set aside to establish a budget set aside in accordance with state statutes.

**Net Assets**

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

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

**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.

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**Note 2 – Deposits and Investments**

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

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

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

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

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

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

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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

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

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

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

**Deposits**

*Custodial Credit Risk*

Custodial credit risk is the risk that in the event of a failure, the School District's deposits may not be returned to it. The School District's custodial credit risk policy requires that deposits be collateralized as required by ORC Chapter 135. At year end, \$881,766 of the School District's bank balance of \$3,696,905 was exposed to custodial credit risk since it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name. ORC Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities.

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that all times the total value of the securities so pledged is at least 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

The School District's investments at June 30, 2012 are as summarized as follows:

	Fair Value	Weighted Average Maturity (Years)
STAROhio	\$3,745,979	0.14
Money Market Funds	31,599	0.00
US Treasury Notes	23,798,728	1.57
Commercial Paper	12,405,508	0.22
Federal Home Loan Bank	31,638,752	1.01
Federal Home Loan Mortgage Corporation	13,369,512	0.93
Federal Home Loan Bank - Discount Note	1,962,615	0.25
Federal Home Loan Mortgage Corporation - Discount Note	8,064,636	0.45
Federal Farm Credit Corporation	2,098,276	1.14
Federal Farm Credit Bank	2,376,421	0.68
Federal National Mortgage Association	36,256,523	1.46
Total Fair Value	<u>\$135,748,549</u>	
Portfolio Weighted Average Maturity		1.08

*Credit Risk*

It is the School District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. The School District's investments in Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank - Discount Note, Federal Home Loan Mortgage Corporation - Discount Note, Federal Farm Credit Corporation, Federal Farm Credit Bank, Federal National Mortgage Association and U.S. Treasury Notes were rated AAA by Standard & Poor's and Aaa by Moody's. The investment in commercial paper was rated A-1+ by Standard & Poor's and P-1 by Moody's. The School District's investments in the U.S. Money Market Funds were rated AAA by Standard & Poor's. Investments in STAR Ohio were rated AAAM by Standard & Poor's.

*Custodial Credit Risk*

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

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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*Concentration of Credit Risk*

The School District's policy places no limit on the amount it may invest in any one issuer. The School District has invested 2.77% in STAROhio, 0.02% in Money Market Funds, 17.53% in US Treasury Notes, 9.14% in Commercial Paper, 23.31% in Federal Home Loan Bank, 9.85% in Federal Home Loan Mortgage Corporation, 1.45% in Federal Home Loan Bank - Discount Note, 5.94% in Federal Home Loan Mortgage Corporation - Discount Note, 1.55% in Federal Farm Credit Corporation, 1.75% in Federal Farm Credit Bank, and 26.71% in Federal National Mortgage Association

*Interest Rate Risk*

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

**Note 3 – Property Taxes**

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Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value.

Tangible personal property tax revenue received during calendar year 2012 (other than public utility property tax) represents the collection of 2012 taxes levied against local and interexchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2012 were levied after April 1, 2011, on the value as of December 31, 2011. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. The District receives property taxes primarily from Hamilton



**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2012, are available to finance fiscal year 2013 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2012. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amounts available for advance at June 30, 2012 were \$13,742,000 in the General Fund, \$1,554,000 in the Bond Retirement Fund and \$698,000 in Other Governmental Funds.

The assessed values upon which fiscal year 2012 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,449,563,270
Public Utility Personal	<u>52,029,740</u>
Total	<u><u>\$1,501,593,010</u></u>

**Note 4 – Interfund Transactions**

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During the year ended June 30, 2012, the School District made the following transfers:

	Interfund		Transfers	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General Fund	\$723,064	\$0	\$0	\$1,141,801
Building Fund	2,316,763	0	0	0
Internal Service Funds	0	2,316,763	0	0
Other Governmental Funds	<u>0</u>	<u>723,064</u>	<u>1,141,801</u>	<u>0</u>
Total All Funds	<u><u>\$3,039,827</u></u>	<u><u>\$3,039,827</u></u>	<u><u>\$1,141,801</u></u>	<u><u>\$1,141,801</u></u>

Interfund balance/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 budget authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

The \$2,316,763 of interfund receivable in the Building Fund and interfund payable in Internal Service Funds is due to workers compensation being self-insured for all the people working on the various construction projects throughout the District. The Building Fund pays all workers' compensation self-insurance costs to the Workers' Compensation Self-Insurance Fund and therefore an interfund receivable is shown on the Building Fund and an interfund payable is shown on the Workers' Compensation Internal Service Fund.

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**Note 5 – Capital Assets**

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Capital assets activity for the year ended June 30, 2012 was as follows:

	Restated Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$6,327,535	\$0	\$0	\$6,327,535
Construction in Progress	7,616,816	18,534,308	0	26,151,124
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	106,692,348	0	0	106,692,348
Equipment	12,679,118	96,530	55,129	12,720,519
Totals at Historical Cost	133,315,817	18,630,838	55,129	151,891,526
Less Accumulated Depreciation:				
Buildings and Improvements	23,642,668	1,982,585	0	25,625,253
Equipment	8,969,516	791,312	55,129	9,705,699
Total Accumulated Depreciation	32,612,184	2,773,897	55,129	35,330,952
Governmental Activities Capital Assets, Net	<u>\$100,703,633</u>	<u>\$15,856,941</u>	<u>\$0</u>	<u>\$116,560,574</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$2,136,123
Special	1,356
Vocational	493
Support Services:	
Instructional Staff	109,657
School Administration	12,732
Fiscal	943
Business	5,135
Operations and Maintenance	22,196
Pupil Transportation	354,281
Central	27,706
Operation of Non-Instructional Services	30,643
Extracurricular Activities	72,632
Total Depreciation Expense	<u>\$2,773,897</u>

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**Note 6 – Risk Management**

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

Beginning in fiscal year 2011, the School District began providing health insurance coverage for its employees on a self-insurance basis. Expenses for claims are recorded on a current basis based on an actuarially determined charge per employee. The School District also purchased stop-loss insurance for claims over 125% of premiums. The School District accounts for such activity in an internal service fund in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

A summary of the changes in self-insurance medical claims liability is as follows:

Claims liability at July 1, 2011	\$500,222
Claims incurred	8,227,811
Claims paid	<u>(8,067,227)</u>
Claims liability at June 30, 2012*	<u>\$660,806</u>

\*\$9,912 is due in more than one year and \$650,894 is due within one year.

Claims are accrued based upon estimates of the claims liability made by management and the third-party administrator of the School District. These estimates are based on past experience and current claims outstanding. Actual claims experience may differ from the estimate. An actuary was used in the determination of the current liability.

Beginning in January 2011, the School District began to self-insure its workers' compensation costs. Expenses for claims are recorded on the current basis based on an actuarially determined charge per employee. The School District accounts for the activities of this program in an internal service fund in accordance with GASB Statement No. 10.

A summary of the changes in self-insurance workers' compensation claims liability is as follows:

Claims liability at July 1, 2011	\$34,995
Claims incurred	415,362
Claims paid	<u>(430,993)</u>
Claims liability at June 30, 2012*	<u>\$19,364</u>

\*The entire workers' compensation claims liability is due within one year.

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**Note 7 – Pension Plans**

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**School Employees Retirement System of Ohio**

Plan Description

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under *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, 2012, the allocation to pension and death benefits is 12.7%. The remaining 1.3% 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, 2012, 2011, and 2010 were \$2,331,912, \$2,085,000, and \$2,082,000, respectively; 67% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

**State Teachers Retirement System of Ohio**

Plan Description

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

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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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 31<sup>st</sup> year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits

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

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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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, 2012, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2012, 2011, and 2010 were \$4,985,439, \$5,145,000, and \$5,272,000, respectively; 86% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**Note 8 - Post Employment Benefits**

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**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 2012 was \$99.90 for most participants, but could be as high as \$319.70 depending on their income; 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 2012, the actuarially required allocation was .75%. District contributions for the year ended June 30, 2012, 2011 and 2010 were \$124,924, \$113,000 and \$113,000, 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.

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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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, 2012, the health care allocation was 1.43%. 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 2012, 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, 2012, 2011, and 2010 were \$238,188, \$213,000, and \$68,000, respectively; 67% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

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

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



**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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

Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2012, 2011 and 2010. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2012, 2011, and 2010 were \$356,103, \$368,000, and \$377,000, respectively; 86% has been contributed for fiscal year 2012 and 100% for fiscal years 2011 and 2010.

**Note 9 – Employee Benefits Compensated Absences**

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The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to maximum of 260 days for teachers, 279 days for administrators and 265 days for classified staff. Upon retirement, payment is made for twenty-five percent of the employee’s accumulated sick leave.

**Note 10 – Short-Term Obligations**

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A summary of the short-term note transaction for the year ended June 30, 2012 follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Funds</b>				
<i>Notes Payable:</i>				
Bond Anticipation Note	\$1,250,000	\$0	\$1,250,000	\$0
2012 Tax Anticipation Note	<u>0</u>	<u>4,685,000</u>	<u>0</u>	<u>4,685,000</u>
Total Short-Term Liabilities	<u>\$1,250,000</u>	<u>\$4,685,000</u>	<u>\$1,250,000</u>	<u>\$4,685,000</u>

The \$1,250,000 of Bond Anticipation Notes was issued for the acquisition of vehicles. These notes matured on November 29, 2011.

The \$4,685,000 of Tax Anticipation Notes was issued to pay for construction of buildings.

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

**Note 11 – Long-Term Obligations**

The changes in the School District's long-term obligations during fiscal year 2012 were as follows:

	Interest Rate	Restated Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
<b>Governmental Activities:</b>						
General Obligation Bonds:						
2003 School Improvement Bonds	4.75%	\$4,505,000	\$0	\$1,320,000	\$3,185,000	\$1,550,000
2003 School Improvement Bonds - Premium		91,301	0	30,434	60,867	0
2006 Refunding Bonds	5.25%	70,225,000	0	105,000	70,120,000	110,000
2006 Refunding Bonds - Premium		4,392,990	0	225,282	4,167,708	0
2006 Refunding Bonds - Deferred amount on refunding		(2,262,775)	0	(116,040)	(2,146,735)	0
2010 School Improvement Bonds	6.390%	118,285,000	0	0	118,285,000	0
2010 School Improvement Capital Appreciation Bonds - Principal Only		1,714,930	0	0	1,714,930	0
2010 School Improvement Capital Appreciation Bonds - Accreted Interest		431,805	827,387	0	1,259,192	0
2010 School Improvement Bonds - Premium		10,601,743	0	290,459	10,311,284	0
2012 Certificate of Participation	4.500%	0	15,225,000	0	15,225,000	515,000
2012 Certificate of Participation - Discount		0	(237,997)	(3,970)	(234,027)	0
OASBO Loan	Various	3,506,000	0	121,000	3,385,000	125,000
Capital Lease Payable:						
Lease-purchase agreement	Various	425,458	0	96,570	328,888	101,348
Total General Obligation Bonds		211,916,452	15,814,390	2,068,735	225,662,107	2,401,348
Compensated Absences		2,988,633	175,882	1,036,416	2,128,099	993,501
Total Governmental Activities		\$214,905,085	\$15,990,272	\$3,105,151	\$227,790,206	\$3,394,849
Long-Term Liabilities						

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

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

*2010 School Improvement Bonds* - The School District issued \$119,999,930 in school improvement bonds on September 9, 2010 for the refinancing of bond anticipation notes and paying for a portion of the costs of new construction, improvements, renovations and additions to school facilities. The issuance includes \$1,785,000 of current interest bonds due 12/1/2012 and 12/1/2013 at 2.0%; \$1,714,930 of capital appreciation bonds with maturities on December 1, 2014 through 2020 with yields from 1.64% to 3.27%.; \$9,515,000 in serial bonds at interest rates from 4.01%-4.86% and maturing on December 1, 2020 through 2024; \$95,730,000 of term bonds at a rate from 5.49%-6.39% with maturities on December 1, 2030, 2035, 2040 and 2047; and \$11,260,000 in term bonds at 5.24% with sinking requirements beginning December 1, 2024 until final maturity on September 15, 2027. The bonds will be paid from the Debt Service Fund.

*2012 Certificate of Participation* – The School District issued \$15,225,000 in certificate of participation bonds for the renovation of existing buildings. These bonds mature on December 1, 2041 and pay interest at 4.50%. The bonds are paid from the Debt Service Fund.

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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*OASBO loan* – The School District entered into a loan agreement through the Ohio Association of School Business Officials Asset Pooled Financing Program for \$3,628,000. The loan is being used for completion of the School District’s renovation of buildings and is payable from the General Fund. The Loan matures on December 1, 2030.

All general obligation debt is supported by the full faith and credit of the School District. Compensated absences payable are generally paid from the General Fund and Special Revenue funds.

Principal and Interest requirements to retire general obligation debt outstanding at year end are as follows:

Fiscal Year Ending June 30	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$1,790,000	\$11,106,610	\$12,896,610	\$0	\$0	\$0
2014	3,655,000	11,012,365	14,667,365	0	0	0
2015	1,930,000	10,912,160	12,842,160	478,575	1,396,425	1,875,000
2016	2,290,000	10,816,832	13,106,832	389,646	1,725,354	2,115,000
2017	2,385,000	10,701,197	13,086,197	286,572	1,868,428	2,155,000
2018-2022	18,807,000	51,494,490	70,301,490	560,137	8,321,682	8,881,819
2023-2027	32,986,000	45,271,523	78,257,523	0	0	0
2028-2032	55,807,000	33,140,979	88,947,979	0	0	0
2033-2037	24,620,000	23,841,429	48,461,429	0	0	0
2038-2042	29,470,000	16,140,158	45,610,158	0	0	0
2043-2047	29,750,000	7,049,768	36,799,768	0	0	0
2048	6,710,000	214,387	6,924,387	0	0	0
<b>Total</b>	<b>\$210,200,000</b>	<b>\$231,701,898</b>	<b>\$441,901,898</b>	<b>\$1,714,930</b>	<b>\$13,311,889</b>	<b>\$15,026,819</b>

**Note 12 - Prior Year Defeasance of Debt**

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In prior years, the School District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the School District's financial statements. On June 30, 2012, \$71,800,000 of bonds is considered defeased.

**Note 13 – Capital Leases – Lessee Disclosure**

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On July 7, 2010, the District entered into a lease agreement for various copiers throughout the School District. Assets acquired under these leases were \$509,975. The lease meets the criteria of a capital lease as defined by generally accepted accounting principles. In the case of the copier lease, the term is sixty months. Capital lease payments have been reflected as debt service expenditures.

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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The following is a schedule of the future minimum lease payments for the capital leases, and the present value of the future minimum lease payments at June 30, 2012:

Fiscal Year Ending June 30	Principal
2013	\$115,038
2014	115,038
2015	115,038
2016	9,587
Total Minimum Lease Payments	\$354,701
Amount Representing Interest	(25,813)
Present Value of Minimum Lease Payments	<u>\$328,888</u>

**Note 14 – Jointly Governed Organizations**

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*Southwest Ohio Computer Association*

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 Great Oaks Institute of Technology and Career Development*

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

**Note 15 – Fund Balances**

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Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

Fund Balances	General	Bond Retirement	Building	Other Governmental Funds	Total
<b>Nonspendable:</b>					
Inventory	\$0	\$0	\$0	\$18,281	\$18,281
Endowment	0	0	0	13,147	13,147
<b>Total Nonspendable</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,428</b>	<b>31,428</b>
<b>Restricted for:</b>					
Budget Set Aside	212,907	0	0	0	212,907
Food Service	0	0	0	1,215,170	1,215,170
Other Grants	0	0	0	65,534	65,534
Athletic	0	0	0	484,522	484,522
Auxiliary Services	0	0	0	354,146	354,146
Data Communication	0	0	0	19,800	19,800
Ohio Reads	0	0	0	3,119	3,119
Alternative Schools	0	0	0	99,907	99,907
Miscellaneous State Grants	0	0	0	4,353	4,353
IDEA Special Education	0	0	0	5,858	5,858
Vocational Education	0	0	0	793	793
Title II-D	0	0	0	615	615
Title III	0	0	0	22,963	22,963
Title I	0	0	0	29,314	29,314
Drug Free School Grant	0	0	0	2,620	2,620
Preschool Development Grant	0	0	0	11,519	11,519
Reducing Class Size	0	0	0	95,159	95,159
Miscellaneous Federal Grants	0	0	0	12,530	12,530
Endowment	0	0	0	15,212	15,212
Bond Retirement	0	6,479,654	0	0	6,479,654
Capital Improvements	0	0	0	824,869	824,869
Building	0	0	110,749,933	0	110,749,933
<b>Total Restricted</b>	<b>212,907</b>	<b>6,479,654</b>	<b>110,749,933</b>	<b>3,268,003</b>	<b>120,710,497</b>
<b>Committed to:</b>					
Underground Storage Tanks	11,000	0	0	0	11,000
<b>Total Committed</b>	<b>11,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,000</b>
<b>Assigned to:</b>					
Encumbrances	1,398,566	0	0	0	1,398,566
Public School	267,405	0	0	0	267,405
<b>Total Assigned</b>	<b>1,665,971</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,665,971</b>
<b>Unassigned (Deficit)</b>	<b>14,513,410</b>	<b>0</b>	<b>0</b>	<b>(23,989)</b>	<b>14,489,421</b>
<b>Total Fund Balance</b>	<b>\$16,403,288</b>	<b>\$6,479,654</b>	<b>\$110,749,933</b>	<b>\$3,275,442</b>	<b>\$136,908,317</b>

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**Note 16 – Accountability**

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At June 30, 2012, the following funds had deficit fund balances:

<u>Other Governmental Funds</u>	<u>Deficit</u>
Special Revenue Funds:	
Public School Subsidy	\$10,783
Education Jobs	626
Race to the Top	12,580

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

**Note 17 – Contingencies Grants**

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**Student Attendance Data Review**

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2012, if applicable, cannot be determined at this time.

**Litigation**

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

**Princeton City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2012**

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**Note 18 – Required Set-Asides**

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The School District is required by State statute to annually set aside in the general fund an amount based on the statutory formula for the 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 School District was also required by State statute to set aside an amount for budget stabilization.

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

	Textbooks	Capital Improvements	Budget Stabilization
Set Aside Reserve Balance as of June 30, 2012	(\$3,685,096)	\$0	\$212,907
Current Year Set Aside Requirements	0	902,135	0
Qualified Disbursements	0	(468,354)	0
Elimination per H.B. 30 of the Ohio 129th General Assembly	3,685,096	0	0
Current Year Offsets	0	(433,781)	0
Set Aside Reserve Balance as of June 30, 2012	<u>\$0</u>	<u>\$0</u>	<u>\$212,907</u>
Restricted Cash as of June 30, 2012	<u>\$0</u>	<u>\$0</u>	<u>\$212,907</u>

The excess qualifying disbursements of the capital improvement set-aside may not be used to reduce the capital improvement set aside requirements of future years.

**Note 19 – Significant Contractual Commitments**

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As of June 30, 2012, the School District had entered into various construction contracts for the construction and improvements under which it had a remaining unperformed and unpaid total commitment of approximately \$68,957,492.

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# **REQUIRED SUPPLEMENTARY INFORMATION**

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Princeton City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2012

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Taxes	\$37,951,412	\$39,612,735	\$40,221,631	\$608,896
Revenue in lieu of taxes	193,142	201,597	204,696	3,099
Tuition and Fees	2,601,641	2,715,528	2,757,269	41,741
Investment Earnings	64,387	67,206	68,239	1,033
Intergovernmental	22,671,824	23,664,283	24,028,032	363,749
Charges for Services	8,744	9,127	9,267	140
Other Revenues	465,350	485,721	493,187	7,466
<b>Total Revenues</b>	<b>63,956,500</b>	<b>66,756,197</b>	<b>67,782,321</b>	<b>1,026,124</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	21,427,486	26,246,316	25,937,086	309,230
Special	6,803,712	8,333,800	8,235,612	98,188
Vocational	73,380	89,883	88,824	1,059
Adult/Continuing	10,172	13,850	12,313	1,537
Other	1,771,006	2,169,288	2,143,730	25,558
<b>Support Services:</b>				
Pupil	2,852,203	3,493,635	3,452,474	41,161
Instructional Staff	4,734,070	5,798,716	5,730,396	68,320
General Administration	220,462	270,042	266,860	3,182
School Administration	4,971,106	6,089,058	6,017,318	71,740
Fiscal	1,686,785	2,066,127	2,041,784	24,343
Business	166,795	204,306	201,899	2,407
Operations and Maintenance	6,572,861	8,051,033	7,956,177	94,856
Pupil Transportation	4,028,094	4,933,972	4,875,841	58,131
Central	1,232,575	1,509,769	1,491,981	17,788
Operation of Non-Instructional Services	92,782	113,648	112,309	1,339
Extracurricular Activities	210,063	257,305	254,273	3,032
Capital Outlay	33,423	40,939	40,457	482
<b>Total Expenditures</b>	<b>56,886,975</b>	<b>69,681,687</b>	<b>68,859,334</b>	<b>822,353</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>7,069,525</b>	<b>(2,925,490)</b>	<b>(1,077,013)</b>	<b>1,848,477</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	45,619	47,616	48,348	732
Advances In	3,965,706	4,139,305	4,202,931	63,626
Advances (Out)	(2,644,249)	(3,238,914)	(3,200,754)	38,160
Transfers (Out)	(1,388,896)	(1,701,245)	(1,681,201)	20,044
<b>Total Other Financing Sources (Uses)</b>	<b>(21,820)</b>	<b>(753,238)</b>	<b>(630,676)</b>	<b>122,562</b>
<b>Net Change in Fund Balance</b>	<b>7,047,705</b>	<b>(3,678,728)</b>	<b>(1,707,689)</b>	<b>1,971,039</b>
<b>Fund Balance Beginning of Year, (includes prior year encumbrances appropriated)</b>	<b>9,595,117</b>	<b>9,595,117</b>	<b>9,595,117</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$16,642,822</b>	<b>\$5,916,389</b>	<b>\$7,887,428</b>	<b>\$1,971,039</b>

See accompanying notes to the required supplementary information.

**Princeton City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2012**

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**Note 1 - Budgetary Process**

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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 set annual limits on expenditures at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Any budgetary modifications at this level may only be made by resolution of the Board.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the 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 2012.

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 the Board during the year.

While the District is reporting financial position, results of operations and changes in fund balance on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) 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 an assignment of fund balance for governmental fund types (GAAP basis).

**Princeton City School District, Ohio**  
**Notes to the Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2012**

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4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

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	(\$2,932,134)
Revenue Accruals	(1,313,997)
Expenditure Accruals	3,761,948
Transfers Out	(539,400)
Advances In	4,202,931
Advances (Out)	(3,200,754)
Funds Budgeted Elsewhere	41,474
Encumbrances	(1,727,757)
Budget Basis	(\$1,707,689)

# COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES



## **MAJOR GOVERNMENTAL FUNDS**

**Debt Service Fund** - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for both are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

**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. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for both are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Princeton City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2012

	Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$4,297,178	\$4,301,151	\$3,973
Intergovernmental	768,283	768,993	710
Other Revenues	2,849	2,852	3
Total Revenues	<u>5,068,310</u>	<u>5,072,996</u>	<u>4,686</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	71,506	69,509	1,997
Debt Service:			
Principal Retirement	1,465,946	1,425,000	40,946
Interest and Fiscal Charges	7,879,783	7,659,688	220,095
Total Expenditures	<u>9,417,235</u>	<u>9,154,197</u>	<u>263,038</u>
Net Change in Fund Balance	(4,348,925)	(4,081,201)	267,724
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>9,006,855</u>	<u>9,006,855</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$4,657,930</u></u>	<u><u>\$4,925,654</u></u>	<u><u>\$267,724</u></u>

Princeton City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2012

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$1,441,188	\$1,162,965	(\$278,223)
Total Revenues	<u>1,441,188</u>	<u>1,162,965</u>	<u>(278,223)</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	421,781	315,149	106,632
Central	3,144,178	2,349,285	794,893
Capital Outlay	<u>109,813,687</u>	<u>82,051,213</u>	<u>27,762,474</u>
Total Expenditures	<u>113,379,646</u>	<u>84,715,647</u>	<u>28,663,999</u>
Excess of Revenues Over (Under) Expenditures	<u>(111,938,458)</u>	<u>(83,552,682)</u>	<u>28,385,776</u>
Other Financing Sources (Uses):			
Tax Anticipation Notes Issued	5,805,818	4,685,000	(1,120,818)
Proceeds of Long-Term Capital-Related Debt	18,569,719	14,984,818	(3,584,901)
Premium on Bonds and Notes Issued	180,098	145,330	(34,768)
Advances In	16,846,150	13,593,986	(3,252,164)
Advances (Out)	(21,294,237)	(15,910,749)	5,383,488
Transfers In	10,702,682	8,636,520	(2,066,162)
Transfers (Out)	<u>(11,558,734)</u>	<u>(8,636,520)</u>	<u>2,922,214</u>
Total Other Financing Sources (Uses)	<u>19,251,496</u>	<u>17,498,385</u>	<u>(1,753,111)</u>
Net Change in Fund Balance	(92,686,962)	(66,054,297)	26,632,665
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>114,387,976</u>	<u>114,387,976</u>	<u>0</u>
Fund Balance End of Year	<u>\$21,701,014</u>	<u>\$48,333,679</u>	<u>\$26,632,665</u>



## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

### **Capital Projects Fund**

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

### **Permanent Fund**

The Permanent Fund should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. The Permanent fund does not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments.

Princeton City School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$2,294,106	\$277,679	\$28,359	\$2,600,144
Receivables:				
Taxes	0	2,139,451	0	2,139,451
Accounts	1,927	0	0	1,927
Intergovernmental	1,460,999	0	0	1,460,999
Inventory	18,281	0	0	18,281
<b>Total Assets</b>	<b>3,775,313</b>	<b>2,417,130</b>	<b>28,359</b>	<b>6,220,802</b>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	112,310	810	0	113,120
Accrued Wages and Benefits	596,131	0	0	596,131
Interfund Payable	573,064	150,000	0	723,064
Deferred Revenue	71,594	1,441,451	0	1,513,045
<b>Total Liabilities</b>	<b>1,353,099</b>	<b>1,592,261</b>	<b>0</b>	<b>2,945,360</b>
Fund Balances:				
Nonspendable	18,281	0	13,147	31,428
Restricted	2,427,922	824,869	15,212	3,268,003
Unassigned	(23,989)	0	0	(23,989)
<b>Total Fund Balances</b>	<b>2,422,214</b>	<b>824,869</b>	<b>28,359</b>	<b>3,275,442</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$3,775,313</b>	<b>\$2,417,130</b>	<b>\$28,359</b>	<b>\$6,220,802</b>

Princeton City School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$0	\$2,025,601	\$0	\$2,025,601
Investment Earnings	171	1	83	255
Intergovernmental	8,307,582	161,687	0	8,469,269
Extracurricular Activities	115,608	0	0	115,608
Charges for Services	592,343	0	0	592,343
Other Revenues	46,508	0	0	46,508
<b>Total Revenues</b>	<b>9,062,212</b>	<b>2,187,289</b>	<b>83</b>	<b>11,249,584</b>
Expenditures:				
Current:				
Instruction:				
Regular	1,585,149	8,990	0	1,594,139
Special	202,686	0	0	202,686
Support Services:				
Pupil	764,725	1,102	0	765,827
Instructional Staff	1,447,033	0	0	1,447,033
School Administration	14,556	23,750	0	38,306
Fiscal	0	15,059	0	15,059
Operations and Maintenance	18,737	19,095	0	37,832
Pupil Transportation	0	78,772	0	78,772
Central	107,506	0	0	107,506
Operation of Non-Instructional Services	3,684,074	0	245,242	3,929,316
Extracurricular Activities	827,778	0	0	827,778
Capital Outlay	0	244,535	0	244,535
Debt Service:				
Principal Retirement	0	217,570	0	217,570
Interest and Fiscal Charges	0	445,482	0	445,482
<b>Total Expenditures</b>	<b>8,652,244</b>	<b>1,054,355</b>	<b>245,242</b>	<b>9,951,841</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>409,968</b>	<b>1,132,934</b>	<b>(245,159)</b>	<b>1,297,743</b>
Other Financing Sources (Uses):				
Transfers In	1,141,801	0	0	1,141,801
<b>Total Other Financing Sources (Uses)</b>	<b>1,141,801</b>	<b>0</b>	<b>0</b>	<b>1,141,801</b>
<b>Net Change in Fund Balance</b>	<b>1,551,769</b>	<b>1,132,934</b>	<b>(245,159)</b>	<b>2,439,544</b>
<b>Fund Balance Beginning of Year</b>	<b>870,445</b>	<b>(308,065)</b>	<b>273,518</b>	<b>835,898</b>
<b>Fund Balance End of Year</b>	<b>\$2,422,214</b>	<b>\$824,869</b>	<b>\$28,359</b>	<b>\$3,275,442</b>

## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

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

**Other Grants** - To account for local funds, which are provided to assist the District with various programs.

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

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

**Management Information System** - To account for state funds which are provided to assist the District in implementing a staff, student and financial system as mandated by the Omnibus Education Reform Act of 1989.

**Public Preschool Subsidy** - To account for state funds to assist school districts in paying the cost of preschool programs.

**Data Communication** - To account for funds to be used for communications.

**Ohio Reads** - To account for state monies and operating expenditures associated with the administering of the Ohio Reads Program. This program is intended to improve reading outcomes, particularly on the fourth grade proficiency test.

**Alternative Schools** - To account for state funds which provide for alternative educational programs for at-risk and delinquent youth.

**Miscellaneous State Grants** - To account for various monies received from state agencies which are not classified elsewhere.

**Education Jobs** - To account for grant monies received from the Federal Government which focuses on saving or creating education jobs for the next two school years.

## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

**Race to the Top** – To account for a competitive grant program designed to encourage and reward states that are creating the conditions for education innovation and reform; achieving significant improvement in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers.

**IDEA Special Education** - 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.

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

**Title II-D** – To account for competitive grant monies received from the Federal Government which focuses on professional development and student learning needed for the 21st century.

**Title III** - To account for federal funds provided for students whose native language is not English.

**Title I** - To account for federal funds for services provided to meet special educational needs of educationally deprived children.

**Drug-Free Schools 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 schools.

**Preschool Development Grant** - To account for revenues and expenditures made in conjunction with child abuse, child neglect prevention programs and other grants.

**Reducing Class Size** – To account for federal funds received for class size reduction.

**Miscellaneous Federal Grants** - To account for various monies received directly from the federal government, which are, not classified elsewhere.

Princeton City School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2012

	Food Service	Other Grants	Athletic	Auxiliary Services
Assets:				
Equity in Pooled Cash and Investments	\$1,172,132	\$65,724	\$489,341	\$413,783
Receivables:				
Accounts	0	0	620	0
Intergovernmental	202,449	0	0	0
Inventory	18,281	0	0	0
<b>Total Assets</b>	<b>1,392,862</b>	<b>65,724</b>	<b>489,961</b>	<b>413,783</b>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	4,535	133	143	47,676
Accrued Wages and Benefits	154,876	0	5,296	7,764
Interfund Payable	0	57	0	4,197
Deferred Revenue	0	0	0	0
<b>Total Liabilities</b>	<b>159,411</b>	<b>190</b>	<b>5,439</b>	<b>59,637</b>
Fund Balances:				
Nonspendable	18,281	0	0	0
Restricted	1,215,170	65,534	484,522	354,146
Unassigned	0	0	0	0
<b>Total Fund Balances</b>	<b>1,233,451</b>	<b>65,534</b>	<b>484,522</b>	<b>354,146</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$1,392,862</b>	<b>\$65,724</b>	<b>\$489,961</b>	<b>\$413,783</b>

Management Information System	Public Preschool Subsidy	Data Communication	Ohio Reads	Alternative Schools	Miscellaneous State Grants	Education Jobs
\$0	\$0	\$19,800	\$3,119	\$90,407	\$0	\$0
0	0	0	0	0	0	0
0	48,629	0	0	13,182	25,000	56,873
0	0	0	0	0	0	0
0	48,629	19,800	3,119	103,589	25,000	56,873
0	0	0	0	0	0	0
0	37,945	0	0	0	2,215	26,423
0	21,467	0	0	0	18,432	24,826
0	0	0	0	3,682	0	6,250
0	59,412	0	0	3,682	20,647	57,499
0	0	0	0	0	0	0
0	0	19,800	3,119	99,907	4,353	0
0	(10,783)	0	0	0	0	(626)
0	(10,783)	19,800	3,119	99,907	4,353	(626)
\$0	\$48,629	\$19,800	\$3,119	\$103,589	\$25,000	\$56,873

Continued

Princeton City School District  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2012

	Race To The Top	IDEA Special Education	Vocational Education	Title II-D
Assets:				
Equity in Pooled Cash and Investments	\$7,066	\$0	\$793	\$615
Receivables:				
Accounts	0	0	0	0
Intergovernmental	33,414	325,278	0	12,902
Inventory	0	0	0	0
<b>Total Assets</b>	<b>40,480</b>	<b>325,278</b>	<b>793</b>	<b>13,517</b>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	21,400	994	0	0
Accrued Wages and Benefits	27,971	108,730	0	0
Interfund Payable	0	166,927	0	0
Deferred Revenue	3,689	42,769	0	12,902
<b>Total Liabilities</b>	<b>53,060</b>	<b>319,420</b>	<b>0</b>	<b>12,902</b>
Fund Balances:				
Nonspendable	0	0	0	0
Restricted	0	5,858	793	615
Unassigned	(12,580)	0	0	0
<b>Total Fund Balances</b>	<b>(12,580)</b>	<b>5,858</b>	<b>793</b>	<b>615</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$40,480</b>	<b>\$325,278</b>	<b>\$793</b>	<b>\$13,517</b>



Title III	Title I	Drug Free School Grant	Preschool Development Grant	Reducing Class Size	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$2,449	\$0	\$2,620	\$402	\$0	\$25,855	\$2,294,106
0	1,307	0	0	0	0	1,927
20,589	583,604	0	12,616	126,463	0	1,460,999
0	0	0	0	0	0	18,281
<u>23,038</u>	<u>584,911</u>	<u>2,620</u>	<u>13,018</u>	<u>126,463</u>	<u>25,855</u>	<u>3,775,313</u>
75	17,765	0	0	6,264	13,325	112,310
0	207,205	0	0	17,706	0	596,131
0	329,824	0	0	7,334	0	573,064
0	803	0	1,499	0	0	71,594
<u>75</u>	<u>555,597</u>	<u>0</u>	<u>1,499</u>	<u>31,304</u>	<u>13,325</u>	<u>1,353,099</u>
0	0	0	0	0	0	18,281
22,963	29,314	2,620	11,519	95,159	12,530	2,427,922
0	0	0	0	0	0	(23,989)
<u>22,963</u>	<u>29,314</u>	<u>2,620</u>	<u>11,519</u>	<u>95,159</u>	<u>12,530</u>	<u>2,422,214</u>
<u>\$23,038</u>	<u>\$584,911</u>	<u>\$2,620</u>	<u>\$13,018</u>	<u>\$126,463</u>	<u>\$25,855</u>	<u>\$3,775,313</u>

Princeton City School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2012

	Food Service	Other Grants	Athletic	Auxiliary Services
Revenues:				
Investment Earnings	\$0	\$0	\$0	\$171
Intergovernmental	2,060,088	0	0	1,180,772
Extracurricular Activities	0	0	115,608	0
Charges for Services	592,343	0	0	0
Other Revenues	5	39,696	1,702	2,046
<b>Total Revenues</b>	<b>2,652,436</b>	<b>39,696</b>	<b>117,310</b>	<b>1,182,989</b>
Expenditures:				
Current:				
Instruction:				
Regular	0	39,418	0	0
Special	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	0
School Administration	0	0	0	0
Operations and Maintenance	0	0	0	0
Central	1,535	46	0	0
Operation of Non-Instructional Services	2,377,780	755	0	862,661
Extracurricular Activities	0	0	827,778	0
<b>Total Expenditures</b>	<b>2,379,315</b>	<b>40,219</b>	<b>827,778</b>	<b>862,661</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>273,121</b>	<b>(523)</b>	<b>(710,468)</b>	<b>320,328</b>
Other Financing Sources (Uses):				
Transfers In	0	1,000	1,041,700	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>1,000</b>	<b>1,041,700</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>273,121</b>	<b>477</b>	<b>331,232</b>	<b>320,328</b>
<b>Fund Balance Beginning of Year</b>	<b>960,330</b>	<b>65,057</b>	<b>153,290</b>	<b>33,818</b>
<b>Fund Balance End of Year</b>	<b>\$1,233,451</b>	<b>\$65,534</b>	<b>\$484,522</b>	<b>\$354,146</b>

Management Information System	Public Preschool Subsidy	Data Communication	Ohio Reads	Alternative Schools	Miscellaneous State Grants	Education Jobs
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	224,000	19,800	0	42,512	71,543	166,374
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	224,000	19,800	0	42,512	71,543	166,374
0	265,481	0	0	2,043	0	167,000
0	0	0	0	0	0	0
0	0	0	0	0	24,893	0
0	0	0	0	42,967	1,205	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
4,674	0	0	0	0	1,659	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
4,674	265,481	0	0	45,010	27,757	167,000
(4,674)	(41,481)	19,800	0	(2,498)	43,786	(626)
5,827	28,727	0	0	0	15,824	0
5,827	28,727	0	0	0	15,824	0
1,153	(12,754)	19,800	0	(2,498)	59,610	(626)
(1,153)	1,971	0	3,119	102,405	(55,257)	0
\$0	(\$10,783)	\$19,800	\$3,119	\$99,907	\$4,353	(\$626)

Continued

Princeton City School District  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2012

	Race To The Top	IDEA Special Education	Vocational Education	Title II-D
Revenues:				
Investment Earnings	\$0	\$0	\$0	\$0
Intergovernmental	251,285	1,252,837	14,587	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Other Revenues	0	0	0	0
<b>Total Revenues</b>	<b>251,285</b>	<b>1,252,837</b>	<b>14,587</b>	<b>0</b>
Expenditures:				
Current:				
Instruction:				
Regular	201,211	0	0	0
Special	0	55,746	0	0
Support Services:				
Pupil	0	651,595	40,691	0
Instructional Staff	62,116	337,058	0	0
School Administration	5,180	9,376	0	0
Operations and Maintenance	0	0	0	0
Central	0	99,592	0	0
Operation of Non-Instructional Services	0	95,833	0	0
Extracurricular Activities	0	0	0	0
<b>Total Expenditures</b>	<b>268,507</b>	<b>1,249,200</b>	<b>40,691</b>	<b>0</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(17,222)</b>	<b>3,637</b>	<b>(26,104)</b>	<b>0</b>
Other Financing Sources (Uses):				
Transfers In	0	41,838	243	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>41,838</b>	<b>243</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(17,222)</b>	<b>45,475</b>	<b>(25,861)</b>	<b>0</b>
<b>Fund Balance Beginning of Year</b>	<b>4,642</b>	<b>(39,617)</b>	<b>26,654</b>	<b>615</b>
<b>Fund Balance End of Year</b>	<b>(\$12,580)</b>	<b>\$5,858</b>	<b>\$793</b>	<b>\$615</b>

Title III	Title I	Drug Free School Grant	Preschool Development Grant	Reducing Class Size	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$171
99,645	1,897,336	0	24,898	341,321	660,584	8,307,582
0	0	0	0	0	0	115,608
0	0	0	0	0	0	592,343
1,329	1,730	0	0	0	0	46,508
<u>100,974</u>	<u>1,899,066</u>	<u>0</u>	<u>24,898</u>	<u>341,321</u>	<u>660,584</u>	<u>9,062,212</u>
	909,044	0	0	0	952	1,585,149
55,263	91,677	0	0	0	0	202,686
31,975	0	1,987	13,584	0	0	764,725
6,800	728,534	0	0	248,576	19,777	1,447,033
0	0	0	0	0	0	14,556
0	0	0	0	0	18,737	18,737
0	0	0	0	0	0	107,506
0	35,114	0	0	33,299	278,632	3,684,074
0	0	0	0	0	0	827,778
<u>94,038</u>	<u>1,764,369</u>	<u>1,987</u>	<u>13,584</u>	<u>281,875</u>	<u>318,098</u>	<u>8,652,244</u>
<u>6,936</u>	<u>134,697</u>	<u>(1,987)</u>	<u>11,314</u>	<u>59,446</u>	<u>342,486</u>	<u>409,968</u>
<u>0</u>	<u>2,738</u>	<u>0</u>	<u>3,374</u>	<u>530</u>	<u>0</u>	<u>1,141,801</u>
<u>0</u>	<u>2,738</u>	<u>0</u>	<u>3,374</u>	<u>530</u>	<u>0</u>	<u>1,141,801</u>
6,936	137,435	(1,987)	14,688	59,976	342,486	1,551,769
16,027	(108,121)	4,607	(3,169)	35,183	(329,956)	870,445
<u>\$22,963</u>	<u>\$29,314</u>	<u>\$2,620</u>	<u>\$11,519</u>	<u>\$95,159</u>	<u>\$12,530</u>	<u>\$2,422,214</u>

Princeton City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2012

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,577,811	\$1,815,177	\$237,366
Charges for Services	514,884	592,343	77,459
Other Revenues	4	5	1
Total Revenues	<u>2,092,699</u>	<u>2,407,525</u>	<u>314,826</u>
Expenditures:			
Current:			
Support Services:			
Central	1,543	1,535	8
Operation of Non-Instructional Services	<u>2,283,656</u>	<u>2,272,364</u>	<u>11,292</u>
Total Expenditures	<u>2,285,199</u>	<u>2,273,899</u>	<u>11,300</u>
Excess of Revenues Over (Under) Expenditures	<u>(192,500)</u>	<u>133,626</u>	<u>326,126</u>
Other Financing Sources (Uses):			
Advances In	434,616	500,000	65,384
Advances (Out)	<u>(502,485)</u>	<u>(500,000)</u>	<u>2,485</u>
Total Other Financing Sources (Uses)	<u>(67,869)</u>	<u>0</u>	<u>67,869</u>
Net Change in Fund Balance	(260,369)	133,626	393,995
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>914,450</u>	<u>914,450</u>	<u>0</u>
Fund Balance End of Year	<u>\$654,081</u>	<u>\$1,048,076</u>	<u>\$393,995</u>

Princeton City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2012

	Other Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$39,696	\$39,696	\$0
Total Revenues	39,696	39,696	0
Expenditures:			
Current:			
Instruction:			
Regular	92,953	42,330	50,623
Support Services:			
Central	101	46	55
Operation of Non-Instructional Services	13,086	5,959	7,127
Total Expenditures	106,140	48,335	57,805
Excess of Revenues Over (Under) Expenditures	(66,444)	(8,639)	57,805
Other Financing Sources (Uses):			
Advances In	57	57	0
Transfers In	1,000	1,000	0
Total Other Financing Sources (Uses)	1,057	1,057	0
Net Change in Fund Balance	(65,387)	(7,582)	57,805
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	66,526	66,526	0
Fund Balance End of Year	\$1,139	\$58,944	\$57,805

Princeton City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2012

	Athletic Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$114,977	\$114,988	\$11
Other Revenues	1,702	1,702	0
Total Revenues	<u>116,679</u>	<u>116,690</u>	<u>11</u>
Expenditures:			
Current:			
Support Services:			
Extracurricular Activities	949,351	925,533	23,818
Total Expenditures	<u>949,351</u>	<u>925,533</u>	<u>23,818</u>
Excess of Revenues Over (Under) Expenditures	<u>(832,672)</u>	<u>(808,843)</u>	<u>23,829</u>
Other Financing Sources (Uses):			
Advances In	999,903	1,000,000	97
Advances (Out)	(1,025,735)	(1,000,000)	25,735
Transfers In	1,041,599	1,041,700	101
Total Other Financing Sources (Uses)	<u>1,015,767</u>	<u>1,041,700</u>	<u>25,933</u>
Net Change in Fund Balance	183,095	232,857	49,762
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>193,071</u>	<u>193,071</u>	<u>0</u>
Fund Balance End of Year	<u>\$376,166</u>	<u>\$425,928</u>	<u>\$49,762</u>



Princeton City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2012

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$171	\$171	\$0
Intergovernmental	1,180,772	1,180,772	0
Other Revenues	2,046	2,046	0
<b>Total Revenues</b>	<b>1,182,989</b>	<b>1,182,989</b>	<b>0</b>
Expenditures:			
Current:			
Operation of Non-Instructional Services	1,301,243	1,028,839	272,404
<b>Total Expenditures</b>	<b>1,301,243</b>	<b>1,028,839</b>	<b>272,404</b>
Excess of Revenues Over (Under) Expenditures	(118,254)	154,150	272,404
Other Financing Sources (Uses):			
Advances In	4,197	4,197	0
Advances (Out)	(1,728)	(1,366)	362
Transfers In	32	32	0
Transfers (Out)	(40)	(32)	8
<b>Total Other Financing Sources (Uses)</b>	<b>2,461</b>	<b>2,831</b>	<b>370</b>
Net Change in Fund Balance	(115,793)	156,981	272,774
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	122,115	122,115	0
<b>Fund Balance End of Year</b>	<b>\$6,322</b>	<b>\$279,096</b>	<b>\$272,774</b>

Princeton City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2012

	Management Information System Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Central	8,367	8,367	0
Total Expenditures	8,367	8,367	0
Excess of Revenues Over (Under) Expenditures	(8,367)	(8,367)	0
Other Financing Sources (Uses):			
Transfers In	5,827	5,827	0
Total Other Financing Sources (Uses)	5,827	5,827	0
Net Change in Fund Balance	(2,540)	(2,540)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,540	2,540	0
Fund Balance End of Year	\$0	\$0	\$0

Princeton City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2012

	Public Preschool Subsidy Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$234,064	\$191,771	(\$42,293)
Total Revenues	234,064	191,771	(42,293)
Expenditures:			
Current:			
Instruction:			
Regular	259,922	233,751	26,171
Total Expenditures	259,922	233,751	26,171
Excess of Revenues Over (Under) Expenditures	(25,858)	(41,980)	(16,122)
Other Financing Sources (Uses):			
Advances (Out)	(9,845)	(8,854)	991
Transfers In	35,063	28,727	(6,336)
Total Other Financing Sources (Uses)	25,218	19,873	(5,345)
Net Change in Fund Balance	(640)	(22,107)	(21,467)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	640	640	0
Fund Balance End of Year	\$0	(\$21,467)	(\$21,467)

Princeton City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2012

	Data Communication Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$19,800	\$19,800	\$0
Total Revenues	19,800	19,800	0
Expenditures:			
Current:			
Instruction:			
Regular	19,800	0	19,800
Total Expenditures	19,800	0	19,800
Net Change in Fund Balance	0	19,800	19,800
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$19,800	\$19,800

Princeton City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2012

	Ohio Reads Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,119	3,119	0
Fund Balance End of Year	\$3,119	\$3,119	\$0

Princeton City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2012

	Alternative Schools Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$33,447	\$55,767	\$22,320
Total Revenues	<u>33,447</u>	<u>55,767</u>	<u>22,320</u>
Expenditures:			
Current:			
Instruction:			
Regular	4,367	3,699	668
Support Services:			
Instructional Staff	68,447	57,993	10,454
Total Expenditures	<u>72,814</u>	<u>61,692</u>	<u>11,122</u>
Excess of Revenues Over (Under) Expenditures	<u>(39,367)</u>	<u>(5,925)</u>	<u>33,442</u>
Other Financing Sources (Uses):			
Transfers In	58,693	97,862	39,169
Transfers (Out)	(115,502)	(97,862)	17,640
Total Other Financing Sources (Uses)	<u>(56,809)</u>	<u>0</u>	<u>56,809</u>
Net Change in Fund Balance	(96,176)	(5,925)	90,251
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>96,176</u>	<u>96,176</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$90,251</u>	<u>\$90,251</u>

Princeton City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2012

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$47,815	\$46,543	(\$1,272)
Total Revenues	47,815	46,543	(1,272)
Expenditures:			
Current:			
Support Services:			
Pupil	22,989	26,848	(3,859)
Instructional Staff	25,353	29,609	(4,256)
Central	1,421	1,659	(238)
Total Expenditures	49,763	58,116	(8,353)
Excess of Revenues Over (Under) Expenditures	(1,948)	(11,573)	(9,625)
Other Financing Sources (Uses):			
Advances (Out)	(49,883)	(58,257)	(8,374)
Transfers In	16,257	15,824	(433)
Total Other Financing Sources (Uses)	(33,626)	(42,433)	(8,807)
Net Change in Fund Balance	(35,574)	(54,006)	(18,432)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	35,574	35,574	0
Fund Balance End of Year	\$0	(\$18,432)	(\$18,432)

Princeton City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2012

	Education Jobs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$196,568	\$115,751	(\$80,817)
Total Revenues	196,568	115,751	(80,817)
Expenditures:			
Current:			
Instruction:			
Regular	196,568	140,577	55,991
Total Expenditures	196,568	140,577	55,991
Net Change in Fund Balance	0	(24,826)	(24,826)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	(\$24,826)	(\$24,826)



Princeton City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2012

	Race To The Top Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$448,738	\$221,560	(\$227,178)
Total Revenues	448,738	221,560	(227,178)
Expenditures:			
Current:			
Instruction:			
Regular	325,393	173,239	152,154
Support Services:			
Instructional Staff	118,588	63,136	55,452
School Administration	9,730	5,180	4,550
Total Expenditures	453,711	241,555	212,156
Excess of Revenues Over (Under) Expenditures	(4,973)	(19,995)	(15,022)
Other Financing Sources (Uses):			
Transfers In	4,557	2,250	(2,307)
Transfers (Out)	(4,226)	(2,250)	1,976
Total Other Financing Sources (Uses)	331	0	(331)
Net Change in Fund Balance	(4,642)	(19,995)	(15,353)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,642	4,642	0
Fund Balance End of Year	\$0	(\$15,353)	(\$15,353)

Princeton City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2012

	IDEA Special Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,725,469	\$1,162,510	(\$562,959)
Total Revenues	1,725,469	1,162,510	(562,959)
Expenditures:			
Current:			
Instruction:			
Special	94,629	73,562	21,067
Support Services:			
Pupil	875,020	680,218	194,802
Instructional Staff	457,566	355,700	101,866
School Administration	15,193	11,811	3,382
Pupil Transportation	19,296	15,000	4,296
Central	125,451	97,522	27,929
Operation of Non-Instructional Services	142,509	110,783	31,726
Total Expenditures	1,729,664	1,344,596	385,068
Excess of Revenues Over (Under) Expenditures	(4,195)	(182,086)	(177,891)
Other Financing Sources (Uses):			
Advances (Out)	(132,792)	(103,229)	29,563
Transfers In	69,832	47,048	(22,784)
Transfers (Out)	(6,702)	(5,210)	1,492
Total Other Financing Sources (Uses)	(69,662)	(61,391)	8,271
Net Change in Fund Balance	(73,857)	(243,477)	(169,620)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	73,857	73,857	0
Fund Balance End of Year	\$0	(\$169,620)	(\$169,620)

Princeton City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2012

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$14,587	\$14,587	\$0
Total Revenues	14,587	14,587	0
Expenditures:			
Current:			
Support Services:			
Pupil	41,484	41,217	267
Total Expenditures	41,484	41,217	267
Excess of Revenues Over (Under) Expenditures	(26,897)	(26,630)	267
Other Financing Sources (Uses):			
Transfers In	243	243	0
Total Other Financing Sources (Uses)	243	243	0
Net Change in Fund Balance	(26,654)	(26,387)	267
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	26,654	26,654	0
Fund Balance End of Year	\$0	\$267	\$267

Princeton City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2012

	Title II-D Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$13,275	\$2,410	(\$10,865)
Total Revenues	13,275	2,410	(10,865)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	10,726	3,295	7,431
Total Expenditures	10,726	3,295	7,431
Excess of Revenues Over (Under) Expenditures	2,549	(885)	(3,434)
Other Financing Sources (Uses):			
Advances (Out)	(7,845)	(2,410)	5,435
Transfers In	3,388	615	(2,773)
Transfers (Out)	(2,002)	(615)	1,387
Total Other Financing Sources (Uses)	(6,459)	(2,410)	4,049
Net Change in Fund Balance	(3,910)	(3,295)	615
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,910	3,910	0
Fund Balance End of Year	\$0	\$615	\$615

Princeton City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2012

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$298,482	\$101,355	(\$197,127)
Other Revenues	3,914	1,329	(2,585)
Total Revenues	<u>302,396</u>	<u>102,684</u>	<u>(199,712)</u>
Expenditures:			
Current:			
Instruction:			
Special	139,014	60,983	78,031
Support Services:			
Pupil	70,556	30,952	39,604
Instructional Staff	49,812	21,852	27,960
Total Expenditures	<u>259,382</u>	<u>113,787</u>	<u>145,595</u>
Excess of Revenues Over (Under) Expenditures	<u>43,014</u>	<u>(11,103)</u>	<u>(54,117)</u>
Other Financing Sources (Uses):			
Advances (Out)	(102,314)	(44,884)	57,430
Transfers In	5,890	2,000	(3,890)
Transfers (Out)	(4,559)	(2,000)	2,559
Total Other Financing Sources (Uses)	<u>(100,983)</u>	<u>(44,884)</u>	<u>56,099</u>
Net Change in Fund Balance	(57,969)	(55,987)	1,982
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>57,969</u>	<u>57,969</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>\$1,982</u>	<u>\$1,982</u>

Princeton City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2012

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,197,228	\$1,516,745	(\$680,483)
Other Revenues	613	423	(190)
Total Revenues	<u>2,197,841</u>	<u>1,517,168</u>	<u>(680,673)</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,179,961	1,020,000	159,961
Special	87,033	75,234	11,799
Support Services:			
Instructional Staff	816,523	705,831	110,692
Operation of Non-Instructional Services	42,827	37,021	5,806
Total Expenditures	<u>2,126,344</u>	<u>1,838,086</u>	<u>288,258</u>
Excess of Revenues Over (Under) Expenditures	<u>71,497</u>	<u>(320,918)</u>	<u>(392,415)</u>
Other Financing Sources (Uses):			
Advances (Out)	(312,384)	(270,036)	42,348
Transfers In	3,966	2,738	(1,228)
Total Other Financing Sources (Uses)	<u>(308,418)</u>	<u>(267,298)</u>	<u>41,120</u>
Net Change in Fund Balance	(236,921)	(588,216)	(351,295)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>236,921</u>	<u>236,921</u>	<u>0</u>
Fund Balance End of Year	<u>\$0</u>	<u>(\$351,295)</u>	<u>(\$351,295)</u>

Princeton City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2012

	Drug Free School Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Pupil	2,985	1,987	998
Total Expenditures	2,985	1,987	998
Excess of Revenues Over (Under) Expenditures	(2,985)	(1,987)	998
Other Financing Sources (Uses):			
Transfers In	3,230	3,230	0
Transfers (Out)	(4,852)	(3,230)	1,622
Total Other Financing Sources (Uses)	(1,622)	0	1,622
Net Change in Fund Balance	(4,607)	(1,987)	2,620
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,607	4,607	0
Fund Balance End of Year	\$0	\$2,620	\$2,620

Princeton City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2012

	Preschool Development Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$28,446	\$16,786	(\$11,660)
Total Revenues	28,446	16,786	(11,660)
Expenditures:			
Current:			
Support Services:			
Pupil	28,729	18,554	10,175
Total Expenditures	28,729	18,554	10,175
Excess of Revenues Over (Under) Expenditures	(283)	(1,768)	(1,485)
Other Financing Sources (Uses):			
Advances (Out)	(8,303)	(5,362)	2,941
Transfers In	7,455	4,399	(3,056)
Transfers (Out)	(1,587)	(1,025)	562
Total Other Financing Sources (Uses)	(2,435)	(1,988)	447
Net Change in Fund Balance	(2,718)	(3,756)	(1,038)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,718	2,718	0
Fund Balance End of Year	\$0	(\$1,038)	(\$1,038)



Princeton City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2012

	Reducing Class Size Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$395,488	\$229,858	(\$165,630)
Total Revenues	395,488	229,858	(165,630)
Expenditures:			
Current:			
Support Services:			
Instructional Staff	346,210	235,398	110,812
Operation of Non-Instructional Services	53,738	36,538	17,200
Total Expenditures	399,948	271,936	128,012
Excess of Revenues Over (Under) Expenditures	(4,460)	(42,078)	(37,618)
Other Financing Sources (Uses):			
Advances (Out)	(62,773)	(42,681)	20,092
Transfers In	912	530	(382)
Total Other Financing Sources (Uses)	(61,861)	(42,151)	19,710
Net Change in Fund Balance	(66,321)	(84,229)	(17,908)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	66,321	66,321	0
Fund Balance End of Year	\$0	(\$17,908)	(\$17,908)

Princeton City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2012

	Miscellaneous Federal Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$865,691	\$660,584	(\$205,107)
Total Revenues	865,691	660,584	(205,107)
Expenditures:			
Current:			
Instruction:			
Regular	1,157	952	205
Support Services:			
Pupil	24,023	19,777	4,246
School Administration	243	200	43
Operations and Maintenance	31,352	25,810	5,542
Operation of Non-Instructional Services	380,794	313,485	67,309
Total Expenditures	437,569	360,224	77,345
Excess of Revenues Over (Under) Expenditures	428,122	300,360	(127,762)
Other Financing Sources (Uses):			
Advances (Out)	(753,912)	(620,650)	133,262
Total Other Financing Sources (Uses)	(753,912)	(620,650)	133,262
Net Change in Fund Balance	(325,790)	(320,290)	5,500
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	325,790	325,790	0
Fund Balance End of Year	\$0	\$5,500	\$5,500

## **NONMAJOR CAPITAL PROJECTS FUND**

### **Fund Description**

**Permanent Improvement** - To account for all transactions related to acquisition, construction or improvement of the infrastructure of buildings and grounds through permanent improvements. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for the Building Fund has been included in the Nonmajor Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Princeton City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2012

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$2,072,814	\$2,195,658	\$122,844
Investment Earnings	1	1	0
Intergovernmental	152,641	161,687	9,046
<b>Total Revenues</b>	<b>2,225,456</b>	<b>2,357,346</b>	<b>131,890</b>
Expenditures:			
Current:			
Instruction:			
Regular	9,123	8,989	134
Support Services:			
Pupil	1,118	1,102	16
School Administration	24,104	23,750	354
Fiscal	34,743	34,232	511
Operations and Maintenance	31,801	31,333	468
Pupil Transportation	89,678	88,359	1,319
Central	19,925	19,632	293
Capital Outlay	276,735	272,665	4,070
Debt Service:			
Principal Retirement	1,489,474	1,467,570	21,904
Interest and Fiscal Charges	461,751	454,961	6,790
<b>Total Expenditures</b>	<b>2,438,452</b>	<b>2,402,593</b>	<b>35,859</b>
Excess of Revenues Over (Under) Expenditures	(212,996)	(45,247)	167,749
Other Financing Sources (Uses):			
Advances In	1,085,659	1,150,000	64,341
Advances (Out)	(797,541)	(1,000,000)	(202,459)
Transfers In	1,195,362	1,266,205	70,843
Transfers (Out)	(1,009,850)	(1,266,205)	(256,355)
<b>Total Other Financing Sources (Uses)</b>	<b>473,630</b>	<b>150,000</b>	<b>(323,630)</b>
<b>Net Change in Fund Balance</b>	<b>260,634</b>	<b>104,753</b>	<b>(155,881)</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	102,530	102,530	0
<b>Fund Balance End of Year</b>	<b>\$363,164</b>	<b>\$207,283</b>	<b>(\$155,881)</b>

## **NONMAJOR PERMANENT FUND**

### **Fund Description**

**Permanent Fund** - The Permanent fund should be used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for the purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry. The Permanent fund does not include private-purpose trust funds, which should be used to report situations in which the government is required to use the principal or earnings for the benefit of individuals, private organizations, or other governments. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Nonmajor Governmental Funds Combining Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.

Princeton City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2012

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	Permanent Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$285	\$83	(\$202)
Total Revenues	285	83	(202)
Expenditures:			
Current:			
Operation of Non-Instructional Services	253,242	247,242	6,000
Total Expenditures	253,242	247,242	6,000
Net Change in Fund Balance	(252,957)	(247,159)	5,798
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	275,518	275,518	0
Fund Balance End of Year	\$22,561	\$28,359	\$5,798

## **OTHER GENERAL FUNDS**

With the implementation of GASB Statement No. 54, certain funds that the District prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The District has only presented the budget schedules for these funds.

### **Fund Descriptions**

**Uniform School Supply** - To account for the purchase and sale of school supplies as adopted by the Board of Education for use in all schools of the District.

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

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

**Underground Storage Tank** - To account for local funds which are provided in the event of an underground storage tank leak.

Princeton City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2012

	Uniform School Supply Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$3,187	\$3,212	\$25
Total Revenues	3,187	3,212	25
Expenditures:			
Current:			
Instruction:			
Regular	25,000	9,817	15,183
Total Expenditures	25,000	9,817	15,183
Net Change in Fund Balance	(21,813)	(6,605)	15,208
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	115,530	115,530	0
Fund Balance End of Year	\$93,717	\$108,925	\$15,208

(1) This fund is combined with the General fund in GAAP Statements.



Princeton City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2012

	Public School Support Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$2,204	\$2,277	73
Extracurricular Activities	1,587	1,640	53
Other Revenues	86,249	89,120	2,871
<b>Total Revenues</b>	<b>90,040</b>	<b>93,037</b>	<b>2,997</b>
Expenditures:			
Current:			
Instruction:			
Regular	84,184	46,030	38,154
Support Services:			
Instructional Staff	26,225	14,339	11,886
School Administration	26,018	14,226	11,792
Pupil Transportation	1,845	1,009	836
Central	3,305	1,807	1,498
Operation of Non-Instructional Services	2,253	1,232	1,021
Extracurricular Activities	10,814	5,913	4,901
<b>Total Expenditures</b>	<b>154,644</b>	<b>84,556</b>	<b>70,088</b>
Excess of Revenues Over (Under) Expenditures	(64,604)	8,481	73,085
Other Financing Sources (Uses):			
Advances In	1,452	1,500	48
<b>Total Other Financing Sources (Uses)</b>	<b>1,452</b>	<b>1,500</b>	<b>48</b>
<b>Net Change in Fund Balance</b>	<b>(63,152)</b>	<b>9,981</b>	<b>73,133</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	197,720	197,720	0
<b>Fund Balance End of Year</b>	<b>\$134,568</b>	<b>\$207,701</b>	<b>\$73,133</b>

(1) This fund is combined with the General fund in GAAP Statements.

Princeton City School District, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2012

	Early Childhood Fund (1)		Variance from Final Budget
	Final Budget	Actual	
Revenues:			
Tuition and Fees	\$292,695	\$292,787	\$92
Other Revenues	188	188	0
Total Revenues	292,883	292,975	92
Expenditures:			
Current:			
Instruction:			
Regular	559,554	543,989	15,565
Support Services:			
School Administration	62,017	60,292	1,725
Operation of Non-Instructional Services	138,030	134,191	3,839
Total Expenditures	759,601	738,472	21,129
Excess of Revenues Over (Under) Expenditures	(466,718)	(445,497)	21,221
Other Financing Sources (Uses):			
Advances In	399,875	400,000	125
Advances (Out)	(411,445)	(400,000)	11,445
Transfers In	499,843	500,000	157
Total Other Financing Sources (Uses)	488,273	500,000	11,727
Net Change in Fund Balance	21,555	54,503	32,948
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	106,522	106,522	0
Fund Balance End of Year	\$128,077	\$161,025	\$32,948

(1) This fund is combined with the General fund in GAAP Statements.

Princeton City School District, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended June 30, 2012

	Underground Storage Tank Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	11,000	0	11,000
Total Expenditures	11,000	0	11,000
Net Change in Fund Balance	(11,000)	0	11,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,000	11,000	0
Fund Balance End of Year	\$0	\$11,000	\$11,000

(1) This fund is combined with the General fund in GAAP Statements.

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## **NONMAJOR FUNDS**

### **Internal Service Funds**

The Internal Service Funds are used to account for the financing of services provided by one department to other departments of the District on a cost-reimbursement basis. The following is a description of the District's non-major internal service funds.

### **Fund Descriptions**

**Employee Benefits Self Insurance** - A fund used to account for monies received from other funds as payment for providing employee benefits and payments to the third party administrator for claims payment and administration.

**Workers Compensation Self Insurance** - A fund used to account for workers' compensation self-insurance revenues and expenses.

Princeton City School District  
 Combining Statement of Net Assets  
 Internal Service Funds  
 June 30, 2012

	Employee Benefits	Worker's Compensation Self-Insurance	Total Internal Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$1,404,981	\$2,105,137	\$3,510,118
Total Assets	1,404,981	2,105,137	3,510,118
Liabilities:			
Current Liabilities:			
Accounts Payable	59,133	113	59,246
Interfund Payable	0	2,316,763	2,316,763
Claims Payable	660,806	19,364	680,170
Total Liabilities	719,939	2,336,240	3,056,179
Net Assets:			
Unrestricted	685,042	(231,103)	453,939
Total Net Assets	\$685,042	(\$231,103)	\$453,939

Princeton City School District  
Combining Statement of Revenues, Expenses  
and Changes in Fund Net Assets  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2012

	Employee Benefits	Worker's Compensation Self-Insurance	Total Internal Service Funds
Operating Revenues:			
Charges for Services	8,605,714	663,783	\$9,269,497
Other Revenues	70,072	0	70,072
Total Operating Revenues	<u>8,675,786</u>	<u>663,783</u>	<u>9,339,569</u>
Operating Expenses:			
Personal Services	712,044	118,000	830,044
Contactual Services	1,021,917	495,005	1,516,922
Claims	8,227,811	415,362	8,643,173
Total Operating Expenses	<u>9,961,772</u>	<u>1,028,367</u>	<u>10,990,139</u>
Operating Income (Loss)	<u>(1,285,986)</u>	<u>(364,584)</u>	<u>(1,650,570)</u>
Non-Operating Revenues (Expenses):			
Investment Earnings	1,737	0	1,737
Total Non-Operating Revenues (Expenses)	<u>1,737</u>	<u>0</u>	<u>1,737</u>
Change in Net Assets	(1,284,249)	(364,584)	(1,648,833)
Net Assets Beginning of Year	<u>1,969,291</u>	<u>133,481</u>	<u>2,102,772</u>
Net Assets End of Year	<u>\$685,042</u>	<u>(\$231,103)</u>	<u>\$453,939</u>

Princeton City School District  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2012

	Employee Benefits	Worker's Compensation Self-Insurance	Total Internal Service Funds
Cash Flows from Operating Activities:			
Cash Received from Customers	\$8,676,299	\$663,783	\$9,340,082
Cash Payments to Employees	(712,044)	(118,000)	(830,044)
Cash Payments to Suppliers	(9,030,011)	(925,885)	(9,955,896)
Net Cash Provided (Used) by Operating Activities	<u>(1,065,756)</u>	<u>(380,102)</u>	<u>(1,445,858)</u>
Cash Flows from Noncapital Financing Activities:			
Payments from Other Funds	<u>0</u>	<u>2,316,763</u>	<u>2,316,763</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>0</u>	<u>2,316,763</u>	<u>2,316,763</u>
Cash Flows from Investing Activities:			
Earnings on Investments	<u>1,737</u>	<u>0</u>	<u>1,737</u>
Net Cash Provided (Used) by Cash Flows from Investing Activities	<u>1,737</u>	<u>0</u>	<u>1,737</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,064,019)	1,936,661	872,642
Cash and Cash Equivalents Beginning of Year	<u>2,469,000</u>	<u>168,476</u>	<u>2,637,476</u>
Cash and Cash Equivalents End of Year	<u><u>1,404,981</u></u>	<u><u>2,105,137</u></u>	<u><u>3,510,118</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(1,285,986)	(364,584)	(1,650,570)
Changes in Assets & Liabilities:			
(Increase) Decrease in Receivables	513	0	513
Increase (Decrease) in Payables	<u>219,717</u>	<u>(15,518)</u>	<u>204,199</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(\$1,065,756)</u></u>	<u><u>(\$380,102)</u></u>	<u><u>(\$1,445,858)</u></u>



## **NONMAJOR FUND**

### **Fiduciary fund**

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

**Student Managed Activity (Agency Fund)** – Fund used to account for resources that belong to various student groups in the District. Students are involved in the management of the program.

Princeton City School District  
Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2012

	Student Managed Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$129,564	\$160,030	\$144,138	\$145,456
Receivables:				
Accounts	<u>0</u>	<u>203</u>	<u>0</u>	<u>203</u>
Total Assets	<u>129,564</u>	<u>160,233</u>	<u>144,138</u>	<u>145,659</u>
Liabilities:				
Accounts Payable	7,292	1,250	7,292	1,250
Other Liabilities	<u>122,272</u>	<u>158,983</u>	<u>136,846</u>	<u>144,409</u>
Total Liabilities	<u>\$129,564</u>	<u>\$160,233</u>	<u>\$144,138</u>	<u>\$145,659</u>

# 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 School District's ability to generate its most significant local revenue source(s), the property tax.

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

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

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

**SOURCES:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Princeton City School District, Ohio  
 Net Assets by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)  
 Schedule I

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$6,625,976	\$4,510,135	\$6,505,305	\$11,365,292	\$12,177,021	\$18,917,661	\$16,185,254	\$11,939,134	\$12,349,072	\$1,231,465
Restricted	1,181,331	3,927,410	5,722,643	8,181,478	9,790,620	8,748,433	6,347,424	7,958,748	4,461,165	9,946,127
Unrestricted	30,869,065	28,453,533	34,758,011	35,398,152	42,188,268	33,560,467	32,529,521	26,567,919	24,350,261	19,356,922
Total Governmental Net Assets	\$38,676,372	\$36,891,078	\$46,985,959	\$54,944,922	\$64,155,909	\$61,226,561	\$55,062,199	\$46,465,801	\$41,160,498	\$30,534,514

Source: District Records

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction	\$37,739,356	\$40,341,818	\$36,756,354	\$40,212,240	\$39,868,642	\$41,092,546	\$43,259,277	\$45,105,572	\$43,949,741	\$46,957,499
Pupil	4,855,476	5,235,034	5,255,056	4,742,701	4,853,378	4,362,878	4,973,405	5,176,839	4,838,552	4,135,169
Instructional Staff	5,438,025	5,115,420	5,167,170	5,991,323	6,104,382	5,860,843	6,930,120	7,268,709	7,408,565	7,301,286
General Administration	346,989	390,937	392,114	382,312	356,891	271,234	288,917	417,868	358,720	224,251
School Administration	5,013,395	5,409,443	5,131,871	5,961,291	6,148,062	6,515,014	8,292,485	7,747,880	3,666,881	5,901,904
Fiscal	1,702,433	1,946,483	1,739,623	2,266,379	2,582,803	2,945,291	2,455,576	2,433,305	2,616,425	2,021,731
Business	488,820	514,215	458,015	551,136	739,910	554,545	526,099	363,532	214,352	181,585
Operation and Maintenance	8,604,249	7,539,647	7,556,075	7,698,335	7,940,072	7,864,438	7,931,346	8,100,618	8,022,850	7,112,340
Pupil Transportation	3,782,287	4,035,873	4,831,948	3,795,527	4,996,401	5,159,594	4,839,807	4,943,041	5,133,648	4,838,681
Central	1,316,573	1,957,176	1,856,891	1,551,154	1,751,752	1,711,621	1,552,170	934,365	1,485,580	1,428,593
Operation of Non-Instructional Services	6,173,744	6,221,950	6,375,627	6,575,065	5,908,064	4,063,597	5,341,611	5,331,918	5,406,734	4,271,955
Extracurricular Activities	0	0	0	0	0	1,461,925	1,697,938	1,650,476	1,508,941	1,151,974
Interest and Fiscal Charges	138,719	3,499,610	4,070,873	4,021,596	3,412,151	3,727,692	3,557,493	3,592,012	10,093,624	11,417,579
<b>Total Governmental Activities Expenses</b>	<b>75,600,066</b>	<b>82,207,606</b>	<b>79,591,617</b>	<b>83,749,059</b>	<b>84,662,508</b>	<b>85,591,218</b>	<b>91,646,244</b>	<b>93,066,135</b>	<b>94,704,613</b>	<b>96,944,547</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for Services and Sales										
Instruction	1,346,780	1,775,113	1,663,279	1,740,329	716,783	554,079	1,632,505	1,534,119	1,556,734	5,453,093
Pupil	0	0	0	0	0	878	0	0	0	0
School Administration	0	0	0	0	0	8,618	0	0	0	0
Operations and Maintenance	0	0	0	0	0	33,063	0	0	0	57,127
Pupil Transportation	0	0	0	0	0	20,862	0	0	0	0
Central	0	0	0	0	0	113	0	0	0	423
Operation of Non-Instructional Services	1,113,085	1,083,576	1,070,691	1,374,455	1,525,353	2,263,580	700,415	534,270	467,866	591,920
Extracurricular Activities	135,875	108,621	136,202	128,062	132,597	132,535	141,034	121,412	131,184	126,198
Food Service	1,122,096	1,052,424	960,987	998,984	994,316	0	822,040	823,267	682,191	0
Operating Grants and Contributions	4,979,714	6,369,149	6,079,032	5,669,450	5,798,481	6,008,920	7,246,048	8,356,788	10,743,225	8,586,992
Capital Grants and Contributions	102,848	0	51,345	1,634	45,197	26,979	50,165	0	0	0
<b>Total Governmental Activities Program Revenues</b>	<b>8,800,398</b>	<b>10,388,883</b>	<b>9,961,536</b>	<b>9,912,914</b>	<b>9,212,727</b>	<b>9,049,627</b>	<b>10,592,207</b>	<b>11,369,856</b>	<b>13,581,200</b>	<b>14,815,753</b>
<b>Net (Expense)/Revenue</b>	<b>(\$66,799,668)</b>	<b>(\$71,818,723)</b>	<b>(\$69,630,081)</b>	<b>(\$73,836,145)</b>	<b>(\$75,449,781)</b>	<b>(\$76,541,591)</b>	<b>(\$81,054,037)</b>	<b>(\$81,696,279)</b>	<b>(\$81,123,413)</b>	<b>(\$82,128,794)</b>

Source: District Records

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue										
Total Government Net Expense	(\$66,799,668)	(\$71,818,723)	(\$69,630,081)	(\$73,836,145)	(\$75,449,781)	(\$76,541,591)	(\$81,054,037)	(\$81,696,279)	(\$81,123,413)	(\$82,128,794)
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Property Taxes	56,692,006	57,156,993	65,629,652	65,600,762	66,930,812	50,230,088	51,717,675	45,314,998	45,487,235	42,437,792
Grants and Entitlements Not Restricted	9,283,088	10,257,768	10,233,936	10,566,991	14,367,565	18,864,593	23,242,456	26,779,285	27,489,047	27,503,063
Payment in Lieu of Taxes	0	0	0	0	0	556,594	0	0	0	318,935
Unrestricted Contributions	0	0	0	0	0	16,050	0	0	0	51,695
Investment Earnings	729,971	1,275,157	2,209,135	3,321,120	2,846,626	1,996,557	1,021,262	116,100	1,603,978	724,883
Gain on Sale of Capital Assets	39,830	10,240	0	7,667	0	0	0	0	0	0
Other Revenues	430,894	1,218,775	1,333,139	1,478,996	1,202,956	522,171	1,399,776	889,498	1,237,850	466,442
Total Governmental Activities	67,175,789	69,918,933	79,405,862	80,975,536	85,347,959	72,186,053	77,381,169	73,099,881	75,818,110	71,502,810
Change in Net Assets	\$376,121	(\$1,899,790)	\$9,775,781	\$7,139,391	\$9,898,178	(\$4,355,538)	(\$3,672,868)	(\$8,596,398)	(\$5,305,303)	(\$10,625,984)

Source: District Records

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011 (1)	2012
<b>General Fund</b>										
Reserved	\$16,308,334	\$14,228,324	\$18,062,506	\$20,329,900	\$22,608,842	\$15,660,766	\$16,733,995	\$15,232,447	\$0	\$0
Unreserved	17,135,200	13,841,444	16,935,494	12,294,817	17,131,871	20,297,623	17,804,570	7,223,096	0	0
Nonspendable									70,088	0
Restricted									212,907	212,907
Committed									11,000	11,000
Assigned									1,762,134	1,665,971
Unassigned									17,279,293	14,513,410
<b>Total General Fund</b>	<b>33,443,534</b>	<b>28,069,768</b>	<b>34,998,000</b>	<b>32,624,717</b>	<b>39,740,713</b>	<b>35,958,389</b>	<b>34,538,565</b>	<b>22,455,543</b>	<b>19,335,422</b>	<b>16,403,288</b>
<b>All Other Governmental Funds</b>										
Reserved	977,991	11,412,461	29,556,294	21,325,576	10,052,289	3,264,264	2,831,215	2,041,047	0	0
Unreserved, Reported in:										
Capital Project Funds	(894,207)	72,749,842	46,873,525	12,899,423	(4,162,519)	(4,532,481)	(3,603,579)	6,429	0	0
Debt Service Funds	0	227,271	1,103,769	1,506,864	2,642,748	2,674,898	2,746,506	2,983,861	0	0
Special Revenue Funds	248,469	747,708	369,958	1,092,426	249,319	2,396,335	749,842	770,823	0	0
Permanent Funds	0	0	0	0	19,490	27,805	20,420	19,386	0	0
Nonspendable									305,097	31,428
Restricted									125,923,822	120,497,590
Unassigned									(845,338)	(23,989)
<b>Total all Other Governmental Funds</b>	<b>\$332,253</b>	<b>\$85,137,282</b>	<b>\$77,903,546</b>	<b>\$36,824,289</b>	<b>\$8,801,327</b>	<b>\$3,830,821</b>	<b>\$2,744,404</b>	<b>\$5,821,546</b>	<b>\$125,383,581</b>	<b>\$120,505,029</b>

Source: District Records

(1) - Prior year amounts have not been restated for the implementation of GASB Statement 54. The change in the classification of fund balance amounts are discussed in the Notes to the Financial Statements.



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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Taxes	\$56,692,006	\$54,034,496	\$65,740,919	\$62,512,646	\$67,624,833	\$52,786,846	\$50,200,683	\$44,164,544	\$45,225,898	\$45,001,017
Revenue in Lieu of Taxes	0	0	0	0	0	0	0	0	0	204,696
Tuition and Fees	1,346,780	1,775,113	1,663,279	1,774,304	751,060	1,018,668	1,639,115	1,539,478	1,570,137	5,447,149
Investment Earnings	709,777	1,187,812	2,211,600	3,448,933	2,862,617	2,020,746	1,028,715	116,602	1,603,104	647,201
Intergovernmental	12,755,984	15,539,902	14,907,680	14,864,188	18,646,683	24,846,527	30,314,195	34,438,786	38,060,361	36,018,462
Extracurricular Activities	0	0	0	0	0	0	0	0	0	124,859
Charges for Services	0	0	0	0	0	1,947,885	1,772,493	1,598,430	1,382,156	596,983
Other Revenues	639,654	1,321,006	1,464,236	1,573,083	1,437,376	1,062,672	1,276,150	788,858	1,121,294	643,797
Total Revenues	\$72,144,201	\$73,858,329	\$85,987,714	\$84,173,154	\$91,322,569	\$83,683,344	\$86,231,351	\$82,646,698	\$88,962,950	\$88,684,164

Source: District Records

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction	\$37,028,254	\$39,702,168	\$36,158,006	\$39,927,716	\$40,348,425	\$40,455,868	\$40,898,687	\$43,216,250	\$41,325,970	\$42,349,983
Pupil	4,842,955	5,226,609	5,253,048	4,883,938	4,913,808	4,451,245	4,933,419	5,146,093	4,879,958	4,113,558
Instructional Staff	5,380,575	5,057,224	5,138,665	6,172,017	6,068,675	5,797,624	6,777,010	7,200,116	7,288,612	6,979,434
General Administration	333,915	382,610	388,534	382,312	356,891	271,234	288,917	417,868	358,720	224,251
School Administration	5,077,614	5,366,310	5,127,096	6,007,403	5,990,165	6,217,725	6,009,337	6,669,776	5,999,568	5,934,410
Fiscal	1,693,653	2,176,777	1,836,629	2,335,416	2,581,376	2,945,291	2,395,328	2,436,579	2,342,938	2,026,008
Business	493,025	510,215	458,015	537,136	968,888	564,917	501,599	381,051	249,815	185,583
Operations and Maintenance	8,103,191	7,332,923	7,307,221	8,004,633	7,970,663	7,951,463	7,916,363	8,552,724	7,934,426	7,072,906
Pupil Transportation	3,874,063	3,844,915	4,712,953	4,297,383	4,237,681	4,466,487	4,522,788	5,829,450	4,756,146	4,482,907
Central	1,305,628	2,165,784	1,791,364	1,593,224	1,689,775	1,646,156	1,479,786	907,802	1,153,797	1,427,616
Operation of Non-Instructional Services	1,223,164	1,250,924	1,258,022	1,281,840	1,576,233	4,056,406	5,282,104	5,377,052	5,408,244	4,175,626
Extracurricular Activities	1,493,467	1,492,133	1,735,206	1,461,272	1,356,518	1,402,027	1,575,728	1,596,892	1,491,800	1,079,342
Capital Outlay	532,973	3,866,575	9,705,033	44,564,267	28,784,849	7,296,149	243,766	151,663	8,200,649	18,814,067
Debt Service:										
Principal Retirement	1,276,773	682,532	1,275,616	2,113,811	1,963,000	2,359,000	1,821,000	1,285,000	1,566,517	1,642,570
Interest and Fiscal Charges	149,004	3,178,622	4,137,441	4,070,993	3,640,237	3,737,224	3,668,790	3,681,776	9,597,684	10,931,934
Bond Issuance Costs	0	918,140	0	0	788,041	0	0	0	1,223,069	236,004
Total Expenditures	\$72,808,254	\$83,154,461	\$86,282,849	\$127,633,361	\$113,235,225	\$93,618,816	\$88,314,622	\$92,850,092	\$103,777,913	\$111,676,199

Debt Service as a Percentage of Noncapital Expenditures 1.98% 4.92% 7.12% 7.84% 6.76% 7.11% 6.23% 5.51% 11.69% 13.54%

Source: District Records

Princeton City School District, Ohio  
 Governmental Funds - Other Financing Sources and Uses and Net Change in Fund Balances

Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 Schedule 7

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other Financing Sources (Uses)										
Issuance of Loans	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,628,000	\$0	\$0
Payments to Refunded Bond Escrow Agent	0	0	0	0	(75,458,718)	0	0	0	0	0
Issuance of Refunding Bonds	0	85,000,000	0	0	70,840,000	0	0	0	0	0
Refunding Bond Premium	0	2,114,155	0	0	5,406,759	0	0	0	0	0
Proceeds from Sale of Capital Assets	0	10,240	0	7,667	0	54,486	77,030	69,514	0	48,348
Premium on Capital Leases	145,951	1,603,000	558,000	0	0	0	0	0	509,975	0
Premium on Bonds and Notes Issued	0	0	0	0	0	0	0	0	10,746,972	145,998
Issuance of Bonds	0	0	0	0	0	0	0	0	119,999,930	0
Issuance of Certificate of Participation	0	0	0	0	0	0	0	0	0	15,225,000
Discount on Certificate of Participation	0	0	0	0	0	0	0	0	0	(237,997)
Transfers In	1,887,970	85,622,582	1,009,680	1,775,110	2,644,918	2,080,616	1,402,458	1,839,536	11,493,131	1,141,801
Transfers (Out)	(1,887,970)	(85,622,582)	(1,009,680)	(1,775,110)	(2,699,794)	(2,080,616)	(1,902,458)	(4,339,536)	(11,493,131)	(1,141,801)
Total Other Financing Sources (Uses)	145,951	88,727,395	558,000	7,667	733,165	54,486	(422,970)	1,197,514	131,256,877	15,181,349
Net Change in Fund Balances	(\$518,102)	\$79,431,263	\$262,865	(\$43,452,540)	(\$21,179,491)	(\$9,880,986)	(\$2,506,241)	(\$9,005,880)	\$116,441,914	(\$7,810,686)

Source: District Records

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

Calendar Year	Real Property Assessed Value (2)	Tangible Personal Property Assessed Value (2)	Public Utilities Personal Assessed Value (2)	Total Assessed Value	Total Estimated Actual Value	Total Direct Rate
2002	1,369,415,290	466,102,466	65,570,470	1,901,088,226	5,431,680,646	45.79
2003	1,358,732,160	404,687,148	66,068,790	1,829,488,098	5,227,108,851	49.03
2004	1,367,594,010	421,066,962	68,900,980	1,857,561,952	5,307,319,863	49.03
2005	1,560,927,220	384,837,640	68,330,650	2,014,095,510	5,754,558,600	49.03
2006	1,565,323,230	208,144,506	59,406,820	1,832,874,556	5,236,784,446	49.03
2007 (3)	1,462,254,440	101,686,690	40,902,420	1,604,843,550	4,585,267,286	49.03
2008	1,633,409,420	114,507,988	43,420,600	1,791,338,008	5,118,108,594	48.89
2009	1,620,811,910	17,853,270	48,392,540	1,687,057,720	4,820,164,914	48.89
2010	1,554,771,440	5,517,290	58,044,658	1,618,333,388	4,623,809,680	50.48
2011	1,449,563,270	0	52,029,740	1,501,593,010	4,290,265,743	50.83

Source: Hamilton County, Butler County and Warren County Auditor

- (1) - 2002 does not include information for Bulter County and 2002 through 2005 does not include information for Warren County.
- (2) - Assessed values shown in this schedule will not agree to amounts in the notes to the financial statements, since the schedules are shown on a calendar year basis, which is consitent with the method county auditors maintain this information
- (3) - Information for Warren County not available

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

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

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

Calendar Year	District Direct Rates	Hamilton County	City of Blue Ash	City of Springdale	Village of Evendale	Village of Glendale	Overlapping Rates					Great Oaks Joint Vocational School
							Village of Lincoln Heights	Village of Woodlawn	Springfield Township	Sycamore Township		
2002	45.79	21.87	3.08	3.08	0.00	22.61	26.33	5.08	20.30	7.75	2.70	
2003	49.03	21.51	3.08	3.08	0.00	22.23	26.33	5.08	20.30	7.75	2.70	
2004	49.03	21.06	3.08	3.08	0.00	21.83	26.33	5.08	20.30	7.75	2.70	
2005	49.03	20.81	3.08	3.08	0.00	21.39	28.33	5.08	20.30	7.75	2.70	
2006	49.03	20.18	3.08	3.08	0.00	21.18	28.33	5.08	20.30	8.75	2.70	
2007	49.03	20.18	3.08	3.08	0.00	21.18	28.33	5.08	20.30	8.75	2.70	
2008	48.99	20.63	3.08	3.08	0.00	20.08	35.33	5.08	22.80	8.75	2.70	
2009	48.99	20.48	3.08	3.08	0.00	20.08	35.33	5.08	22.80	8.75	2.70	
2010	50.48	19.45	3.08	3.08	0.00	20.08	39.33	5.08	22.80	8.75	2.70	
2011	50.83	19.03	3.08	3.08	0.00	20.08	40.73	5.08	22.80	8.75	2.70	

Source: Hamilton County Auditor

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

Princeton City School District, Ohio  
Principal Property Tax Payers  
Current Calendar Year and Eight Years Ago (1)  
Schedule 10

Taxpayer	2011	
	Assessed Value	Percentage of Total Assessed Value
Duke Energy	\$48,586,340	4.43%
Tri-County Mall LLC	19,346,530	1.76%
Duke Energy	11,500,880	1.05%
Kemper Apartments LTD	7,784,960	0.71%
Merchant Street 27	7,608,590	0.69%
WOP Mallard Lakes LLC	6,769,880	0.62%
Springdale-Kemper Assoc	6,708,980	0.61%
General Western Highland	6,655,730	0.61%
Sharonville Realty	6,549,040	0.60%
Kimco 420 Inc	6,546,510	0.60%
<b>Total Principal Taxpayers</b>	<b>128,057,440</b>	<b>8.54%</b>
All Other Taxpayers	1,373,535,570	91.46%
<b>Total Taxpayers</b>	<b>\$1,501,593,010</b>	<b>100.00%</b>

Taxpayer	2003 (2)	
	Assessed Value	Percentage of Total Assessed Value
Ford Motor Company	\$71,857,470	3.93%
Concordia Properties, LLC	57,028,880	3.12%
Procter & Gamble	36,777,450	2.01%
General Electric	33,844,710	1.85%
Cinergy	29,832,270	1.63%
Cincinnati Bell	24,392,660	1.33%
G&I Executive Center	17,503,800	0.96%
Duke Realty	16,982,500	0.93%
Dugan Financing	14,093,890	0.77%
Formica Corporation	13,801,480	0.76%
<b>Total Principal Taxpayers</b>	<b>316,115,110</b>	<b>17.28%</b>
All Other Taxpayers	1,513,372,988	82.72%
<b>Total Taxpayers</b>	<b>\$1,829,488,098</b>	<b>100.00%</b>

Source: Hamilton County Auditor (Information for Butler and Warren Counties is not reported since they represent a minor portion of the total tax collections)

(1) - Current and eight calendar years ago information only available. Information from nine years prior is not available.

(2) - 2003 tax year information is the latest available.

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

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	40,338,209	36,906,936	91.49%	931,035	37,837,971	93.80%
2003	42,955,981	41,456,291	96.51%	1,260,498	42,716,789	99.44%
2004	43,363,212	41,689,007	96.14%	1,335,719	43,024,726	99.22%
2005	45,038,152	42,953,593	95.37%	1,249,715	44,203,308	98.15%
2006	45,856,077	43,492,919	94.85%	2,055,694	45,548,613	99.33%
2007	52,390,155	49,642,615	94.76%	393,460	50,036,075	95.51%
2008	54,042,097	48,370,357	89.50%	2,925,215	51,295,572	94.92%
2009	42,285,210	40,015,262	94.63%	1,337,248	41,352,510	97.79%
2010	45,148,878	42,920,852	95.07%	1,647,379	44,568,231	98.71%
2011	47,240,712	42,281,133	89.50%	1,992,615	44,273,748	93.72%

Source: Hamilton County Auditor (Information for Butler and Warren Counties is not reported since they represent a minor portion of the total tax collections)

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

Fiscal Year	Governmental Activities				Debt Service Fund Balance	General Bonded Debt Outstanding Net General Obligation Bonds	Percentage of Personal Income (1)	Per Capita	Ratio of General Bonded Debt to Estimated Actual Value (2)
	General Obligation Bonds	OASBO Loan	Capital Leases						
2003	\$303,353	\$0	\$1,085,606	\$0	\$0	\$303,353	0.01%	\$3.13	0.01%
2004	87,217,833	0	708,073	1,410,571	1,410,571	85,807,262	1.47%	867.01	1.64%
2005	86,745,177	0	348,811	2,758,769	2,758,769	83,986,408	1.34%	811.12	1.58%
2006	85,341,875	0	0	3,455,864	3,455,864	81,886,011	1.23%	778.95	1.42%
2007	86,467,155	0	0	4,389,748	4,389,748	82,077,407	1.13%	741.17	1.57%
2008	84,321,439	0	126,000	4,197,508	4,197,508	80,123,931	1.33%	755.99	1.75%
2009	82,370,723	0	0	4,310,806	4,310,806	78,059,917	1.29%	757.39	1.53%
2010	80,830,007	3,628,000	0	4,488,961	4,488,961	76,341,046	0.92%	641.55	1.58%
2011	210,247,769	3,506,000	425,458	10,638,613	10,638,613	199,609,156	2.96%	1,928.61	4.32%
2012	224,328,981	3,385,000	328,888	6,479,654	6,479,654	217,849,327	2.35%	1,725.01	5.08%

Source: District Records

N/A - Information not available

(1) - On the calendar year basis

(2) - Assessed values are on a calendar year basis (i.e. fiscal year 2012 is calendar year 2011)



Princeton City School District, Ohio  
 Direct and Overlapping Governmental Activities Debt -- All Counties  
 As of June 30, 2012  
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Counties:			
Butler County	\$60,188,581	1.32%	\$794,489
Hamilton County	87,625,000	7.55%	6,615,688
Cities:			
Sharonville City	2,380,000	99.97%	2,379,286
Springdale City	2,300,000	99.99%	2,299,770
Villages:			
Evendale Village	220,000	89.11%	196,042
Woodlawn Village	5,080,000	100.00%	5,080,000
Townships:			
Deerfield Township	12,495,000	2.45%	306,128
Springfield Township	11,215,000	1.45%	162,618
Sycamore Township	19,510,000	25.51%	4,977,001
West Chester Township	60,635,000	3.18%	1,928,193
School Districts:			
Great Oaks Career Center Jt. Voc. School Distri	17,495,000	8.40%	1,469,580
Subtotal Overlapping Debt	\$279,143,581		\$26,208,794
Princeton CSD Direct Debt	\$194,554,930	100.00%	\$194,554,930
Total Direct and Overlapping Debt	\$473,698,511		\$220,763,724

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

Source: Ohio Municipal Advisory Council

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

	Legal Debt Margin Calculation for Fiscal Year 2012									
	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$171,097,940	\$164,653,929	\$167,180,576	\$181,268,596	\$164,958,710	\$144,435,920	\$161,220,421	\$151,835,195	\$145,650,005	\$135,143,371
Total net debt applicable to limit	303,353	87,445,104	87,848,946	86,848,739	89,109,903	81,644,141	82,370,723	80,830,007	210,247,769	194,554,930
Legal debt margin	\$170,794,587	\$77,208,825	\$79,331,630	\$94,419,857	\$75,848,807	\$62,791,779	\$78,849,698	\$71,005,188	(\$64,597,764)	(\$59,411,559)
Total net debt applicable to the limit as a percentage of debt limit	0.18%	53.11%	52.55%	47.91%	54.02%	56.53%	51.09%	55.24%	144.35%	143.96%

Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2012 is calendar year 2011)

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2002	339,071	\$9,938,473	\$29,273	4.5%
2003	341,909	10,285,549	30,014	4.5%
2004	345,119	10,844,563	31,332	4.3%
2005	348,655	11,080,584	31,662	5.2%
2006	353,386	11,707,628	33,130	5.6%
2007	357,888	8,877,054	24,804	5.1%
2008	353,895	8,576,645	24,235	6.5%
2009	363,184	13,045,932	35,921	9.4%
2010	368,130	9,381,425	25,484	9.6%
2011	369,999	13,538,158	36,590	8.6%

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

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

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Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2002	830,349	\$30,010,701	\$36,156	5.5%
2003	822,610	30,636,366	37,256	5.6%
2004	814,611	32,111,846	39,467	5.7%
2005	806,652	33,087,346	39,937	5.7%
2006	822,596	35,146,091	41,477	5.0%
2007	842,369	36,488,577	43,317	5.0%
2008	845,303	34,626,992	40,964	5.6%
2009	855,062	37,552,613	43,918	8.9%
2010	802,374	27,317,612	46,509	9.4%
2011	800,362	37,522,065	46,881	8.0%

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

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

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2002	175,041	\$5,521,565	\$31,522	4.5%
2003	182,330	5,786,295	31,699	4.7%
2004	189,276	6,213,055	32,745	4.5%
2005	196,793	6,597,227	33,524	4.4%
2006	201,871	7,211,608	36,134	4.9%
2007	204,390	5,997,172	37,865	4.6%
2008	204,390	5,997,172	37,865	5.5%
2009	210,712	8,250,639	39,156	8.8%
2010	212,693	6,701,106	31,506	8.9%
2011	214,910	9,202,095	42,818	7.6%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau for 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

Princeton City School District, Ohio  
Major Employers -- Butler County (1)  
Current Fiscal Year and Fiscal Period Four Years Ago (2)  
Schedule 16

2012			
Major Employer (3)	Type	Number of Employees	Employer's Percentage of Total Employment
AK Steel Holding Corp	Mfg	(4)	(5)
BAE Systems	Mfg	(4)	(5)
Butler County Government	Govt	(4)	(5)
Cincinnati Financial Corp	Ins	(4)	(5)
Cornerstone Brands Inc	Trade	(4)	(5)
Fairfield City Schools	Govt	(4)	(5)
Ft Hamilton Memorial Hospital	Serv	(4)	(5)
GE Aviation	Mfg	(4)	(5)
Hamilton City Schools	Govt	(4)	(5)
Lakota Local Schools	Govt	(4)	(5)
Liberty Mutual/Ohio Casualty Corp	Ins	(4)	(5)
Mercy Regional Hospital	Serv	(4)	(5)
Miami University	Govt	(4)	(5)
Middletown Regional Health System	Serv	(4)	(5)
Miller Coors	Mfg	(4)	(5)

2008			
Major Employer (3)	Type	Number of Employees	Employer's Percentage Of Total Employment
AK Steel Holding Corp	Mfg	(4)	(5)
Amylin Pharmaceuticals Inc	Mfg	(4)	(5)
Armor Holdings Inc	Mfg	(4)	(5)
Butler County Government	Govt	(4)	(5)
Cincinnati Financial Corp	Ins	(4)	(5)
Cornerstone Brands Inc	Trade	(4)	(5)
Fairfield City Bd of Ed	Govt	(4)	(5)
Ft Hamilton Memorial Hospital	Serv	(4)	(5)
Hamilton City Bd of Ed	Govt	(4)	(5)
Lakota Local Bd of Ed	Govt	(4)	(5)
Liberty Mutual/Ohio Casualty Corp	Ins	(4)	(5)
Mercy Regional Hospital	Serv	(4)	(5)
Miami University	Govt	(4)	(5)
Middletown Regional Health System	Serv	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Butler County

(2) - Only current fiscal year and fiscal period four years 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.

Princeton City School District, Ohio  
 Major Employers -- Hamilton County (1)  
 Current Fiscal Year and Fiscal Period Four Years Ago (2)  
 Schedule 16

2012			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Employment
American Financial Group Inc	Ins	(4)	(5)
Cincinnati Children's Hospital	Serv	(4)	(5)
Fifth Third Bancorp	Fin	(4)	(5)
Ford Motor Co	Mfg	(4)	(5)
General Electric Co	Mfg	(4)	(5)
Johnson & Johnson/Ethicon	Mfg	(4)	(5)
Kroger Co	Trade	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mercy Health Partners	Serv	(4)	(5)
Procter & Gamble Co	Mfg	(4)	(5)
TriHealth Inc	Serv	(4)	(5)
University of Cincinnati	Govt	(4)	(5)

2008			
Major Employers (3)	Type	Number of Employees	Employer's Percentage of Total Population
American Financial Group Inc	Ins	(4)	(5)
Chiquita Brands International Inc	Trade	(4)	(5)
Convergys Corp	Serv	(4)	(5)
Duke Energy Corp	Utility	(4)	(5)
Fifth Third Bancorp	Fin	(4)	(5)
Ford Motor Co	Mfg	(4)	(5)
General Electric Co	Mfg	(4)	(5)
Health Alliance of Greater Cincinnati	Serv	(4)	(5)
Johnson & Johnson/Ethicon	Mfg	(4)	(5)
Kroger Co	Trade	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mercy Health Partners	Serv	(4)	(5)
Procter & Gamble Co	Mfg	(4)	(5)
TriHealth Inc	Serv	(4)	(5)
University of Cincinnati	Govt	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Hamilton County

(2) - Only current fiscal year and fiscal period four years 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

Princeton City School District, Ohio  
Major Employers --Warren County (1)  
Current Fiscal Year and Fiscal Period Four Years Ago (2)  
Schedule 16

2012			
Major Employer (3)	Type	Number of Employees	Employer's Percentage of Total Employment
Aisin Seiki/ADVICS Co Ltd	Mfg	(4)	(5)
Atrium Medical Center	Serv	(4)	(5)
Cedar Fair/Kings Island	Serv	(4)	(5)
Cengage Learning Inc	Serv	(4)	(5)
Cintas Corp	Mfg	(4)	(5)
HJ Heinz/Portion Pac Inc	Mfg	(4)	(5)
L-3 Cincinnati Electronics	Mfg	(4)	(5)
Luxtottica Group SpA	Mfg	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mason Local Schools	Govt	(4)	(5)
Procter & Gamble Co	R&D	(4)	(5)
State of Ohio	Govt	(4)	(5)
WellPoint Inc/Anthem	Ins	(4)	(5)

2008			
Major Employer (3)	Type	Number Of Employees	Employer's Percentage Of Total Employment
Aisin Seiki/ADVICS Co Ltd	Mfg	(4)	(5)
Blackhawk Automotive Plastics Inc	Mfg	(4)	(5)
Cedar Fair/Kings Island	Serv	(4)	(5)
Cintas Corp	Mfg	(4)	(5)
HJ Heinz/Portion Pac Inc	Mfg	(4)	(5)
Luxtottica Group SpA	Mfg	(4)	(5)
Macy's Inc	Trade	(4)	(5)
Mason Local Bd of Ed	Govt	(4)	(5)
Procter & Gamble Co	R&D	(4)	(5)
State of Ohio	Govt	(4)	(5)
Sumco Phoenix	Mfg	(4)	(5)
WellPoint Inc/Anthem	Ins	(4)	(5)

Source: Ohio Department of Development

(1) - For all of Warren County

(2) - Only current fiscal year and fiscal period four years 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.



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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012
<b>Regular Instruction</b>	<b>300.40</b>	<b>316.53</b>	<b>305.23</b>	<b>303.98</b>	<b>332.60</b>	<b>325.44</b>	<b>306.96</b>	<b>N/A</b>
REGULAR TEACHING	297.40	314.53	299.23	301.98	0.00	0.00	0.00	N/A
PERMANENT SUBSTITUTE	1.00	0.00	0.00	2.00	1.00	0.00	0.00	N/A
TEACHER/MENTOR/EVALUATOR	2.00	2.00	6.00	0.00	0.00	0.00	0.00	N/A
GENERAL EDUCATION	0.00	0.00	0.00	0.00	288.60	293.00	277.30	N/A
ART EDUCATION K-8	0.00	0.00	0.00	0.00	13.00	9.00	8.00	N/A
MUSIC EDUCATION K-8	0.00	0.00	0.00	0.00	21.00	14.00	13.00	N/A
PHYSICAL EDUCATION K-8	0.00	0.00	0.00	0.00	9.00	9.44	8.66	N/A
<b>Special Instruction</b>	<b>43.75</b>	<b>42.04</b>	<b>39.04</b>	<b>37.02</b>	<b>15.00</b>	<b>16.00</b>	<b>6.80</b>	<b>N/A</b>
AUDIO-VISUAL STAFF	3.00	3.00	2.00	2.00	3.00	4.00	4.00	N/A
EDUC SERVICE PERSONNEL TEACHER	40.75	39.04	37.04	35.02	0.00	0.00	0.00	N/A
GIFTED & TALENTED	0.00	0.00	0.00	0.00	10.00	10.00	0.80	N/A
PRESCHOOL SPECIAL EDUCATION	0.00	0.00	0.00	0.00	2.00	2.00	2.00	N/A
<b>Vocational Instruction</b>	<b>3.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>3.00</b>	<b>3.00</b>	<b>0.86</b>	<b>N/A</b>
VACATIONAL EDUCATION TEACHING	3.00	1.00	1.00	1.00	0.00	0.00	0.00	N/A
CAREER-TECHNICAL PROGRAMS/PATHWAYS	0.00	0.00	0.00	0.00	3.00	3.00	0.86	N/A
<b>Other Instruction</b>	<b>93.33</b>	<b>25.00</b>	<b>7.88</b>	<b>8.32</b>	<b>11.90</b>	<b>6.40</b>	<b>8.00</b>	<b>N/A</b>
OTHER PROFESSIONAL	1.00	22.00	5.00	5.00	10.50	5.00	7.00	N/A
TEACHING AIDE	91.33	2.00	1.88	2.32	0.40	0.40	0.00	N/A
PARENT MENTOR	1.00	1.00	1.00	1.00	1.00	1.00	1.00	N/A
<b>Pupil Support Services</b>	<b>83.80</b>	<b>113.99</b>	<b>131.40</b>	<b>125.81</b>	<b>119.80</b>	<b>123.00</b>	<b>116.28</b>	<b>N/A</b>
COUNSELING	12.00	12.00	12.00	11.00	13.00	14.00	10.00	N/A
REMEDIAL SPECIALIST	6.00	6.00	21.62	7.00	9.00	9.50	9.50	N/A
SPECIAL EDUCATION TEACHING	49.00	47.19	38.30	36.08	0.00	0.00	0.00	N/A
SUPPL SERVICE TEACHER (SPEC ED)	0.00	25.00	33.50	40.62	47.00	42.72	46.74	N/A
SPECIAL EDUCATION	0.00	0.00	0.00	0.00	22.00	27.00	20.26	N/A
DIETITIAN/NUTRITIONIST	0.00	0.00	1.00	1.00	0.00	0.00	0.00	N/A
PSYCHOLOGIST	6.00	7.00	8.60	11.00	10.00	10.00	11.00	N/A
REGISTERED NURSING	3.00	3.00	3.00	3.00	3.00	4.00	4.00	N/A
SOCIAL WORK	2.00	2.00	1.00	1.00	1.00	1.00	1.00	N/A
SPEECH & LANGUAGE THERAPIST	4.80	4.80	4.80	4.80	5.80	6.80	6.80	N/A
OCCUPATIONAL THERAPIST	0.00	0.00	0.00	2.00	2.00	2.00	2.00	N/A
EUCATIONAL INTERPRETER	0.00	1.00	2.82	1.94	1.00	0.00	0.00	N/A
OTHER PROFESSIONAL-OTHER	0.00	0.00	0.00	1.50	1.00	1.00	0.00	N/A
PRACTICAL NURSING	0.00	5.00	3.76	2.87	3.00	2.00	2.00	N/A
ATTENDANCE OFFICER	1.00	1.00	1.00	2.00	2.00	2.98	2.98	N/A
<b>Instructional Staff Support Services</b>	<b>52.50</b>	<b>111.00</b>	<b>118.36</b>	<b>111.72</b>	<b>125.52</b>	<b>128.89</b>	<b>120.18</b>	<b>N/A</b>
CURRICULUM SPECIALIST	2.00	2.00	2.00	7.00	6.00	6.50	6.50	N/A
LIBRARIAN/MEDIA	8.50	5.00	5.00	8.00	7.50	5.50	3.00	N/A
TUTOR/SMALL GROUP INSTRUCTOR	31.00	7.00	16.00	4.50	7.00	11.50	11.50	N/A
LIBRARY TECHNICIAN	0.00	0.00	3.00	0.00	0.00	0.00	0.00	N/A
LIBRARY AIDE	6.00	0.00	0.00	5.00	2.00	1.95	0.53	N/A
INSTRUCTIONAL PARAPROFESSIONAL	0.00	91.00	85.61	81.47	96.02	98.44	95.65	N/A
OTHER TECHNICAL	5.00	6.00	6.75	5.75	7.00	5.00	3.00	N/A
<b>Administration Support Services</b>	<b>118.00</b>	<b>113.88</b>	<b>107.64</b>	<b>98.54</b>	<b>94.30</b>	<b>100.01</b>	<b>92.45</b>	<b>N/A</b>
ADMIN. ASSISTANT	2.00	1.00	1.00	0.00	0.00	0.00	0.00	N/A
ASSIST DEPUTY/ASSOC SUPERINTENDENT	3.00	4.00	3.00	2.00	1.00	1.00	0.80	N/A
ASSIST PRINCIPAL	9.00	5.00	7.00	7.00	11.00	8.00	6.00	N/A
PRINCIPAL	8.00	11.00	12.00	13.00	10.00	11.00	9.00	N/A
SUPERINTENDENT	2.00	1.00	1.00	1.00	1.00	1.00	1.00	N/A
SUPERVISING/MANAGING/DIRECTING	5.00	9.00	3.00	1.00	1.00	1.00	0.00	N/A
COORDINATOR	11.00	12.00	9.00	6.00	5.20	6.00	5.00	N/A
EDUCATION ADMINISTRATIVE SPECIALIST	0.00	0.00	0.00	0.00	0.00	3.00	3.00	N/A
DIRECTOR	0.00	0.00	0.00	0.00	3.00	5.00	5.00	N/A
OTHER OFFICIAL/ADMINISTRATIVE	2.00	1.00	1.00	0.00	1.00	2.00	1.00	N/A
PERSONNEL	0.00	0.00	0.00	2.00	0.00	0.00	0.00	N/A
CLERICAL	76.00	69.88	70.64	66.54	61.10	62.01	61.65	N/A
<b>Fiscal Services</b>	<b>1.00</b>	<b>1.00</b>	<b>3.00</b>	<b>6.00</b>	<b>4.00</b>	<b>5.00</b>	<b>4.00</b>	<b>N/A</b>
TREASURER	1.00	1.00	1.00	1.00	1.00	1.00	1.00	N/A
ACCOUNTING	0.00	0.00	2.00	3.00	1.00	2.00	2.00	N/A
RECORDS MANAGING	0.00	0.00	0.00	2.00	2.00	2.00	1.00	N/A
<b>Business Support Services</b>	<b>3.00</b>	<b>4.00</b>	<b>1.76</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>N/A</b>
PRINTER	1.00	1.00	0.00	0.00	0.00	0.00	0.00	N/A
MESSENGER	2.00	3.00	1.76	1.00	1.00	1.00	1.00	N/A

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

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012
<b>Operation of Plant</b>	<b>74.50</b>	<b>80.00</b>	<b>75.75</b>	<b>80.00</b>	<b>77.50</b>	<b>80.25</b>	<b>81.25</b>	<b>N/A</b>
GENERAL MAINTENANCE	13.00	13.00	12.00	11.00	11.00	12.00	12.00	N/A
MECHANIC	2.00	4.00	4.00	4.00	4.00	4.00	4.00	N/A
FOREMAN	1.00	1.00	5.00	4.00	4.00	4.00	4.00	N/A
CUSTODIAN	47.50	48.00	45.75	47.00	44.50	47.25	47.25	N/A
ELEVATOR OPERATING	0.00	1.00	1.00	0.00	0.00	0.00	0.00	N/A
GUARD/WATCHMAN	9.00	12.00	5.00	13.00	13.00	7.00	7.00	N/A
MONITORING	1.00	0.00	0.00	0.00	0.00	6.00	7.00	N/A
ATTENDANT	1.00	1.00	3.00	1.00	1.00	0.00	0.00	N/A
<b>Pupil Transportation</b>	<b>69.58</b>	<b>72.62</b>	<b>62.77</b>	<b>53.88</b>	<b>53.11</b>	<b>55.22</b>	<b>56.53</b>	<b>N/A</b>
DISPATCHING	1.00	1.00	1.86	0.86	1.00	1.00	1.00	N/A
VEHICLE OPERATOR (BUSES)	62.58	66.62	55.62	49.36	47.11	50.22	51.53	N/A
EQUIPMENT OPERATING ASSIGNMENT	0.00	0.00	1.00	0.00	0.00	0.00	0.00	N/A
OTHER OPERATIVE	6.00	5.00	4.29	3.66	5.00	4.00	4.00	N/A
<b>Central Support Services</b>	<b>9.00</b>	<b>4.00</b>	<b>4.00</b>	<b>5.00</b>	<b>4.00</b>	<b>5.00</b>	<b>4.00</b>	<b>N/A</b>
PUBLICITY RELATIONS	1.00	1.00	1.00	1.00	1.00	1.00	1.00	N/A
COMPUTER OPERATING	2.00	3.00	3.00	3.00	3.00	4.00	3.00	N/A
INSPECTOR	6.00	0.00	0.00	1.00	0.00	0.00	0.00	N/A
<b>Food Service Program</b>	<b>40.42</b>	<b>39.50</b>	<b>28.51</b>	<b>26.15</b>	<b>30.21</b>	<b>26.87</b>	<b>28.02</b>	<b>N/A</b>
FOOD SERVICE	40.42	39.50	28.51	26.15	30.21	26.87	28.02	N/A
<b>Grand Total</b>	<b>892.28</b>	<b>924.56</b>	<b>886.34</b>	<b>858.42</b>	<b>871.94</b>	<b>876.08</b>	<b>826.33</b>	<b>N/A</b>

Source: State Department of Education

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

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

N/A - Information not available.

Princeton City School District, Ohio  
 Operating Statistics  
 Last Ten Fiscal Years  
 Schedule 18

Fiscal Year	Enrollment (1)	Operating Expenditure (2)	Cost Per Pupil (3)	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2003	6,318	68,442,262	\$10,833	N/A	485	13	37.00%
2004	6,104	70,959,959	11,625	7.31%	497	12	31.19%
2005	5,934	67,662,885	11,403	-1.91%	457	13	30.00%
2006	5,714	72,099,035	12,618	10.66%	486	12	45.93%
2007	5,645	76,201,338	13,499	6.98%	479	12	45.22%
2008	5,485	85,591,218	15,605	15.60%	461	12	51.00%
2009	5,133	77,181,975	15,036	-3.64%	473	11	52.50%
2010	5,525	82,652,452	14,960	-0.51%	466	12	54.50%
2011	5,612	80,246,996	14,299	-4.42%	429	13	58.60%
2012	5,480	73,279,119	13,372	-6.48%	431	13	58.60%

Source: District Records

(1) - Enrollment amount includes the satellite students in programs at partner districts.

(2) - Operating Expenditure is Total General Fund Cash Expenditures.

(3) - Operating Expenditure by Enrollment.

N/A - Information not available.

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

School	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Elementary:</b>										
<b>Evendale (PK-6 / PK-5)</b>										
Square feet	45,254	45,254	45,254	45,254	45,254	55,040	55,040	55,040	55,040	N/A
Capacity	625	625	625	625	625	364	364	364	364	N/A
Enrollment	259	281	297	273	244	250	238	261	250	N/A
<b>Glendale (PK-6 / PK-5)</b>										
Square feet	31,676	31,676	31,676	31,676	31,676	31,676	31,676	31,676	31,676	N/A
Capacity	575	575	575	575	575	364	364	364	364	N/A
Enrollment	218	203	292	264	164	219	203	245	261	N/A
<b>Heritage Hill (PK-6 / PK-5)</b>										
Square feet	64,895	64,895	64,895	64,895	Demo'd	63,093	63,093	63,093	63,093	N/A
Capacity	950	950	950	950	950	546	546	546	546	N/A
Enrollment	521	529	421	447		290	367	320	346	N/A
<b>Sharonville (PK-6 / PK-5)</b>										
Square feet	54,437	54,437	Demo'd	Demo'd	65,526	65,526	65,526	65,526	65,526	N/A
Capacity	875	875			546	546	546	546	546	N/A
Enrollment	364	329			395	375	417	436	469	N/A
<b>Springdale (K-6)</b>										
Square feet	57,124	57,124	57,124	57,124	63,131	65,526	65,526	65,526	65,526	N/A
Capacity	523	523	523	523	546	546	546	546	546	N/A
Enrollment	488	459	409	415	484	375	441	438	469	N/A
<b>Stewart (PK-3 / PK-4)</b>										
Square feet	34,150	34,150	34,150	34,150	62,420	62,240	62,240	62,240	62,240	N/A
Capacity	500	500	500	500	546	546	546	546	546	N/A
Enrollment	350	355	403	412	434	450	427	472	492	N/A
<b>Woodlawn (Grades K-3)</b>										
Square feet	23,051	23,051	Demo'd	Demo'd	52,711	52,711	52,711	52,711	52,711	N/A
Capacity	375	375			364	364	364	364	364	N/A
Enrollment	182	185			255	219	205	210	202	N/A
<b>Lincoln Heights (PK-6 / PK-5)</b>										
Square feet	50,908	50,908	50,908	50,908	63,301	63,301	63,301	63,301	63,301	N/A
Capacity	950	950	950	950	546	546	546	546	546	N/A
Enrollment	474	440	399	398	353	324	281	296	287	N/A

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
RELIS										
Square feet	74,632	74,632	74,632	74,632	74,632	74,632	*	12,500	12,500	N/A
Capacity	1,000	1,000	1,000	1,000	1,000	1,000	*	1,000	1,000	N/A
Enrollment	534	458	424	370	300	300	*	36	46	N/A
Middle School										
Princeton Community (Grades 7-8 / 6-8)										
Square feet	154,952	154,952	154,952	154,952	154,952	176,195	176,195	176,195	176,195	N/A
Capacity	2,650	2,650	2,650	2,650	2,650	1,500	1,500	1,500	1,500	N/A
Enrollment	961	971	1349	1277	1182	1114	1114	1098	1147	N/A
High School										
Princeton HS (Grades 9-12)										
Square feet	347,217	347,217	347,217	347,217	347,217	347,217	347,217	347,217	347,217	N/A
Capacity	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	N/A
Enrollment	1967	1894	1941	1883	1834	1768	1768	1749	1689	N/A

Source: School District Records and Ohio Department of Education

\* - Building was not used in fiscal year 2008 and 2009.

Note:

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

N/A - Information not available.

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# Dave Yost • Auditor of State

**PRINCETON CITY SCHOOL DISTRICT**

**HAMILTON COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MAY 14, 2013**