

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

SINGLE AUDIT

**FOR THE YEAR ENDED
JUNE 30, 2006**



Mary Taylor, CPA
Auditor of State

Board of Education
Centerville City School District
111 Virginia Ave
Centerville, Ohio 45458

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

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 12, 2007

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**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

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Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

To the Board of Education
Centerville City School District
Centerville, Ohio 45458

We have audited the accompanying basic financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Centerville City School District (the School District) as of and for the year ended June 30, 2006, which collectively comprise the School District's basic financial statements and have issued our report thereon dated October 12, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters that we have reported to management of the School District in a separate letter dated October 12, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the School District in a separate letter dated October 12, 2006.

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

Rea & Associates, Inc.

October 12, 2006

Cambridge Columbus Coshocton Dublin Lima Marietta Millersburg Medina Mentor New Philadelphia Wooster

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We're Ready For Your Future

Independent Auditor's Report On Compliance With Requirements Applicable To Each Major Program And On Internal Control Over Compliance In Accordance With Omb Circular A-133

To the Board of Education
Centerville City School District
Centerville, Ohio 45458

Compliance

We have audited the compliance of Centerville City School District (the School District) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The School 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 School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

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

Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2006, which collectively comprise the School District's basic financial statements and have issued our report thereon dated October 12, 2006. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Rea & Associates, Inc.

October 12, 2006

CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Federal Grantor/Pass Through Grantor/ Program Title	CFDA Number	Grantor's Number	Federal Receipts	Federal Disbursements	Non-cash Transactions
U. S. Department of Education					
<i>(Passed Through Ohio Department of Education):</i>					
Title I	84.010	C1-S1-2005	\$ (476)	\$ 9,746	\$ 0
Title I	84.010	C1-S1-2006	254,171	252,845	0
Total Title I			<u>253,695</u>	<u>262,591</u>	<u>0</u>
Title II-A Improving Teacher Quality	84.367	TRS1-2005	0	8,000	0
Title II-A Improving Teacher Quality	84.367	TRS1-2006	130,551	127,613	0
Total Title II-A			<u>130,551</u>	<u>135,613</u>	<u>0</u>
Title II-D Incarnation	84.318	TJS1-2005	0	8	0
Title II-D Technology	84.318	TJS1-2005	(3,186)	2,559	0
Title II-D Technology	84.318	TJS1-2006	7,802	4,616	0
Total Title II-D			<u>4,616</u>	<u>7,183</u>	<u>0</u>
Title III, LEP	84.365	T3S2-2006	48,948	48,948	0
Total Title III			<u>48,948</u>	<u>48,948</u>	<u>0</u>
Vocational Education - Basic Grants to State	84.048	20A0-2005	10,000	9,865	0
Vocational Education - Basic Grants to State	84.048	20C1-2005	(2)	741	0
Vocational Education - Basic Grants to State	84.048	20C1-2006	186,074	185,024	0
Total Vocational Education			<u>196,072</u>	<u>195,630</u>	<u>0</u>
Title IV-A Safe and Drug-Free Schools	84.186	DRS1-2005	(70)	1,000	0
Title IV-A Safe and Drug-Free Schools	84.186	DRS1-2006	27,050	26,158	0
Total Safe and Drug-Free Schools and Communities			<u>26,980</u>	<u>27,158</u>	<u>0</u>
Title V, Innovation	84.298	C2S1-2005	(131)	83	0
Title V, Innovation	84.298	C2S1-2006	23,449	23,016	0
Total Title V			<u>23,318</u>	<u>23,099</u>	<u>0</u>
<i>Special Education Cluster</i>					
IDEA-B, Special Education Grants to States	84.027	6BSF-2005	0	3,539	0
IDEA-B, Special Education Grants to States	84.027	6BSF-2005	23,706	65,456	0
IDEA-B, Special Education Grants to States	84.027	6BSF-2006	1,826,220	1,811,427	0
IDEA-B, Preschool Grants	84.173	PGS1-2005	(1,345)	0	0
IDEA-B, Preschool Grants	84.173	PGS1-2006	37,987	34,054	0
Total IDEA-B			<u>1,886,568</u>	<u>1,914,476</u>	<u>0</u>
Total Department of Education			<u>2,570,748</u>	<u>2,614,698</u>	<u>0</u>
U. S. Department of Agriculture					
<i>(Passed Through Ohio Department of Education):</i>					
Food Distribution Program	10.550	2006	110,042	0	110,042
Nutrition Cluster:					
National School Breakfast Program	10.553	2005	5,974	5,974	0
National School Breakfast Program	10.553	2006	8,320	8,320	0
National School Lunch Program	10.555	2005	76,615	76,615	0
National School Lunch Program	10.555	2006	162,257	162,257	0
Total Nutrition Cluster			<u>253,166</u>	<u>253,166</u>	<u>0</u>
Total Department of Agriculture			<u>363,208</u>	<u>253,166</u>	<u>110,042</u>
Total Federal Financial Assistance			<u>\$ 2,933,956</u>	<u>\$ 2,867,864</u>	<u>\$ 110,042</u>

The Notes to the Schedule of Federal Awards Expenditures is an integral part of this Statement.

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – CASH BASIS
June 30, 2006**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes activity of the School District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the United States Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE C - MATCHING REQUIREMENTS

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

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133, Section .505
JUNE 30, 2006**

1. 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)?	No
(d) (1) (iii)	Was there any reported material 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?	No
(d) (1) (iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unqualified
(d) (1) (vi)	Are there any reportable findings under Section .510?	No
(d) (1) (vii)	Major Programs (list):	Special Education Cluster CFDA # 84.027 & 84.173
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133, Section .505
JUNE 30, 2006**

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

None were noted

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None were noted

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

for the fiscal year ended June 30, 2006



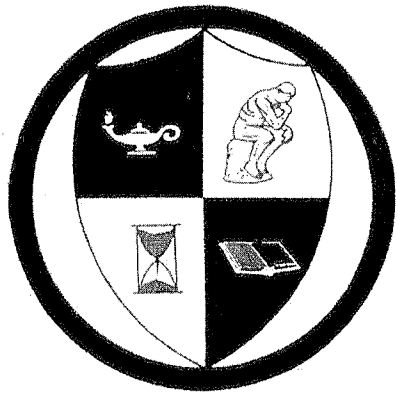
Centerville City School District
Centerville, Ohio 45458



**CENTERVILLE CITY SCHOOL DISTRICT
CENTERVILLE, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

**PREPARED BY:
DR. STEVEN HINSHAW, TREASURER**



Introductory Section



CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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**CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

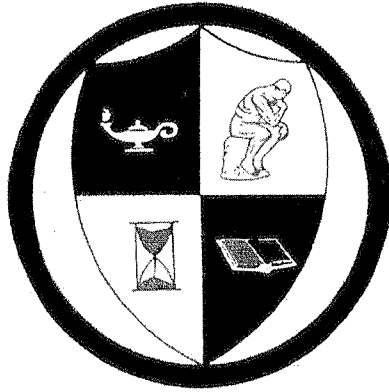
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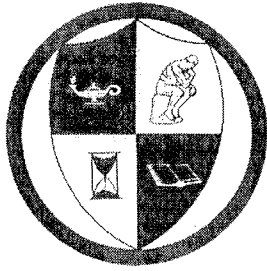
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CENTERVILLE CITY SCHOOL DISTRICT
MONTGOMERY COUNTY, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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Centerville City Schools

October 12, 2006

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Centerville City School District (District) for the fiscal year ended June 30, 2006. This report represents the commitment of the District to adhere to nationally recognized standards of excellence in financial reporting.

The report contains financial statements, supplemental statements and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the District. Responsibility for the accuracy, completeness and fairness of this report rests with the District and more specifically, the Office of the Treasurer. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects. Our report is designed to present fairly the financial position, results of operation and budgetary comparisons of the District. This report is prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative services and is representative of the District's continuing commitment to provide meaningful financial information to the citizens of the District.

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

The CAFR report is divided into three sections:

The Introductory Section introduces the reader to the report and provides an overview of the district and area. It also includes a table of contents, this transmittal letter, and a list of principal officials, and District's organizational chart.

The Financial Section includes the unqualified opinion of our independent auditor, Rea & Associates, Inc. It also includes the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, the combining and individual fund statements and schedules.

The Statistical Section includes selective financial, economic and demographic information generally presented on a multi-year basis for comparative purposes.

Copies of this report will be widely distributed throughout the District. A copy will be sent to all school buildings, the Dayton Area Chamber of Commerce, major businesses located within the District, other governmental entities in Montgomery County, the Washington-Centerville Libraries, Moody's and Standard and Poor's financial rating services, major banks, realtors, and other interested parties.

DISTRICT PROFILE

The District serves an area of 32 square miles in the southeastern part of Montgomery County, Ohio, encompassing the City of Centerville and Washington Township. The area is located approximately 8 miles south of the City of Dayton and 46 miles north of the City of Cincinnati on U.S. Interstate 675. U.S. Interstate 75 and U.S. Interstate 70 are 3 miles and 15 miles, respectively, from the area. With these major thoroughfares, Centerville and Washington Township provide a desirable location for many families who work in the Dayton and Cincinnati metropolitan areas.

The current charter as the District was adopted in 1969; yet, the first formal education in Washington Township was offered in 1803 to children from first to sixth grades. Additional higher education grades were added in 1848 with the first high school being built in 1885. Today, the District provides opportunities for its students to excel in academic, co-curricular, and community based activities.

Blue Ribbon School District

The District has five schools that have been recognized nationally as Blue Ribbon Schools by the U.S. Department of Education. This national recognition reflects the excellence that exists throughout the District. The District's Blue Ribbon schools are: Centerville High School (1984, 1993); Normandy Elementary (1992); Centerville Kindergarten Village (1997); Tower Heights Middle School (1998); and Weller Elementary School (1999).

Preschool

The Centerville Preschool is an early childhood program that serves children with and without special needs who range in age from 3-5. The licensed program provides a comprehensive preschool experience to enhance each child's social skills, independence, communication, physical and academic growth.

Kindergarten

Centerville Kindergarten Village is a District-wide early childhood and kindergarten center. In addition to regular kindergarten programs, the District offers Young 5s, Extended Day Kindergarten, and KinderPlus to provide developmentally appropriate programs for children ages five and six.

Elementary

There are six elementary schools housing grades one through five. Students are taught reading, language arts, science, social studies, math and health by the classroom teacher with art, music and physical education being taught by specialists in those areas. Teachers work in grade level teams and there are regular grade level team meetings for horizontal coordination and subject area meetings for vertical subject coordination.

Middle School

The three middle schools house students in grades six through eight. Each middle school is divided into four family teams made up of a teacher in each of the academic areas as in the elementary program. The "school within a school" concept is designed to provide students the ability to change classes for each academic area while having closer personal contact with their "family" teachers as students spend all three years with the same family of students and teachers. Students also receive instruction in art, music, physical education and can take German, French or Spanish.

High School

Centerville High School is a comprehensive, four-year school that stresses academic excellence and physical and social development. Courses are offered in the fine and applied arts, business, career education, tech-prep and all academic areas. In the 2005-2006 National Merit Scholarship Program, 19 seniors were National Merit Finalists or were commended scholars. In addition, 165 seniors were inducted into the National Honor Society.

ECONOMIC CONDITION AND OUTLOOK

Community

The estimated population of this area is 52,991 residents as Centerville-Washington Township is primarily a residential area. Both Centerville and Washington Township attract white-collar professionals, particularly doctors and managers. The Community (City of Centerville and Washington Township) has grown rapidly over the past twenty years and, given its attractiveness as the residence and business location of choice in the region, it will continue to grow well into the next several decades.

Understanding these critical issues, the Community developed a comprehensive plan called "Create the Vision." This was a community process that involved citizens, businesses, organizations, and local government officials in a cooperative effort to plan for the future of Centerville and Washington Township. These groups worked together with the community at large to formulate goals in the areas of land use and development, transportation services, and other aspects of the community. The end result has been the adoption of a new community plan that outlines steps for implementing these goals over the next 20 years.

As a Community, here are some of the significant accomplishments from "Create the Vision":

- A plan for multi-use trails throughout Centerville and Washington Township was developed by a community task force and adopted by the City of Centerville, Washington Township and the Centerville-Washington Park District. Routes were identified throughout the community to connect favorite destination points and priorities were identified for implementing the plan.
- Discussions have recently started concerning the entities joining together to coordinate a Community Fund Raiser for the benefit of the Centerville-Washington Foundation.
- Development has proceeded at a brisk pace in both the city and township. City and township planners have Create the Vision guidelines in mind as projects come before them.
- Miami Valley Hospital plans a \$73 million out-patient facility, that will employ 100, at the intersection of Clyo Road and Wilmington Pike.
- Reinvestment in downtown Centerville continues with the rehab of several historic homes and businesses. Most recently, Burnap Advertising and Doug Fisher Architect are converting Victorian homes along S. Main Street into their offices. The city and the township are preparing the site south of the old Twp. Hall for a public parking lot and creating a parcel where Panera Bread Co. will construct a new restaurant.
- Several residential developments - Washington Trace, Weatherstone, Traditions at Yankee Street, Villages of Winding Creek, Saddle Creek, Enclave, Estates of Paragon and Paragon Place - are under construction.

Centerville continues to see moderate growth in business development. Built on a diversified base of small businesses, Centerville continues to be well positioned to weather economic downturns.

District

Financially, the District is stable for the next few years due to the successful passage of a combined operating levy and bond issue on May 3, 2005. Ohio forces school districts to return to the ballot to generate more revenue for operating expenses due to the effects of a 1976 House Bill that rolls back tax rates as property values increase. This was the 3rd voted tax increase for operating expenses in the last 12 years.

The District retained its Aa2 rating from Moody's Investors Service. This rating is the 3rd highest rating for a public school district in Ohio. Moody's has stated, "The high-grade Aa2 rating reflects the district's strong financial position, growing tax base with proximity to the Dayton and Cincinnati employment centers, and favorable debt position."

Every year academic and co-curricular highlights are included in an annual report to the community and includes state and national recognition, student achievements and community contributions. Centerville staff and students excel in an extraordinary array of activities, including the following sampling.

Academic Achievements

- The District earned an “Excellent” rating - the highest rank in Ohio’s report card on school districts.
 - The District met 25 of 25 standards that are based on student test achievement scores, along with attendance and graduation rates.
 - This is the eighth straight year the District received top honors.
 - The District is one of only 17 districts in Ohio to have received that top rating in each year since the report cards were first issued in 1999.
 - In addition, the District met Adequate Yearly Progress for all 10 sub groups, meeting the requirements of the federal No Child Left Behind legislation.
- CHS Science Olympiad team won the State Championship for the fourth year in a row and placed 3rd in national competition.
- CHS Science Bowl placed 3rd in state competition.
- Five Centerville Destination Imagination teams competed at state-level competition with three teams qualifying to the Global Tournament with these results: a team from Tower Heights Middle School placed 2nd; the Weller Elementary team placed 3rd; and a CHS team placed 5th.
- The CHS Elkonian Yearbook and CHS Pursuit newspaper received a variety of honors and awards at national competitions.

Fine Arts Achievements

- The CHS Jazz Band was the highest rated band in Ohio at the Bands of America Grand National marching band competition finishing 10th nationally. In addition, the Jazz Band won the Grand Champion Award at Bands of America Regional competitions at Pontiac, Michigan and Atlanta, Georgia.
- The Winter Guard and Winter Percussion were state champions and world finalists placing 9th and 5th respectively in the highest competition class at WGI World Championships.
- The CHS Concert and Symphonic Orchestras earned a unanimous Superior rating at the Ohio Music Education Association state competition with the Symphonic Orchestra placing 2nd at the National Orchestra Festival competition.
- The CHS Elkonians choir earned a Superior rating at the Ohio Music Education Association district competition.

Athletic Achievements

- CHS captured the Greater Western Ohio Conference (GWOC) All-Sports Trophy. This year’s honor marks the 30th time over the last 31 years that CHS has captured its conference all-sports trophy that rewards the overall performance of all athletic teams.
- Girls swimming finished 3rd at state competition.
- Girls golf finished 3rd at state competition.
- Girls gymnastics finished 6th at state competition.
- Girls cross country finished 10th at state competition.
- Boys swimming finished 23rd at state competition.
- Boys volleyball was regional champion and Girls Soccer was regional runner-up.
- Boys soccer was district champion and Boys golf was sectional runner-up.
- Boys basketball, Girls basketball, Boys cross country, and Boys track were district runners-up.
- The Cheerleading Competition Squad placed 1st nationally at JamFest National competition.

Individual Student Achievements

- In the 2005-2006 National Merit Scholarship Program, 5 seniors were National Merit Finalists and 13 were Commended Scholars.
- The Class of 2006 reported earning over \$5,000,000 in annual scholarships. Over 300 seniors earned major scholarships or grants-in-aid.
- 165 seniors were inducted into the National Honor Society.
- 216 seniors earned the State of Ohio Honors Diploma
- 176 seniors earned the President's Award of Educational Excellence by maintaining a 3.5 GPA and scoring in the 85th percentile or higher in math or reading on a standardized achievement test.
- 231 seniors earned the Ohio Award of Merit.
- 108 seniors earned Scholar-Athlete status by earning a varsity letter and maintaining a 3.2 GPA.
- 95.6% of the Class of 2006 have been accepted and intend to enroll at either two or four year institutions of higher learning.

Community Service Achievements

- The Spirit Chain competition, led by the CHS Class Officers, raised \$37,220 which was donated to Daybreak Shelter for Teens
- Centerville students spearheaded numerous efforts to support the thousands of people impacted by Hurricanes Katrina and Rita that sent over \$20,000 to relief efforts.
- The CHS Food Drive again led all Dayton-area schools in food collected for the Holiday Aid Canned Food Drive the week before Thanksgiving. Over 20,000 pounds of food were donated to the Dayton Emergency Food Bank.

Many more Centerville students and staff achieved levels of success we can celebrate. It is evident our students continue to pay a high return on your investment in their education. For them, we thank you for your continued support.

Major Initiatives

The mission of the District, a community of learners, is to provide diverse educational opportunities that develop the skills, attitudes, knowledge, and ethics needed to reach individual potential and create a foundation for lifelong learning. Toward that end, the District developed a Continuous Improvement Plan similar to a Strategic Plan to help focus our efforts. The four main goals from this plan document that are the guiding goals are as follows.

- Goal 1: We will encourage and advance community collaboration.
- Goal 2: The curricular and instruction program will prepare students to achieve their full potential of academics, thinking and reasoning, and responsible citizenship.
- Goal 3: The District will annually receive an "Excellent" Performance Accountability Rating as reported on the Ohio Department of Education's Local Report Card.
- Goal 4: We will support a dynamic and refined staff development program to foster professional growth which enhances cognitive and instructional skills in order to deliver a program appropriate to meet the needs of all students.

From the May 3, 2005 bond issue, construction work was nearing completion for the Watts Middle School expansion. Also, the new heating/ventilating/air conditioning systems, including new doors and windows have been completed at Stingley and John Hole elementary schools. The new school to house grades K-1 and academic addition to Centerville High School are under construction with an anticipated opening during the summer of 2007. The renovation to Centerville Kindergarten Village to convert it to another K-1 school is in process. The design work for the new CHS auditorium is nearing completion with construction to begin in late 2006. The new heating/ventilating/air conditioning systems, including new doors and windows will begin at Weller and Driscoll elementary schools. In addition, negotiations have begun for land purchases.

FINANCIAL INFORMATION

District Organization and Reporting Entity

The operations of the District are managed by the Board of Education (Board) that is made up of five citizens who are elected by voters to serve four-year terms. The Board is a body politic and corporate as defined by Ohio Revised Code Section 3313.02, and derives its authority from federal and state law. The Board's major function is to develop operating policies that will best service the needs of the students. In addition, the Board acts as the taxing authority, contracting body, the approver of the annual appropriation resolution and tax budget, as well as ensuring that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars. The Board employs the Superintendent to execute policies and provide leadership to the staff. The Board also employs the Treasurer to act as Chief Financial Officer to maintain financial records and invest funds of the District as specified by Ohio law.

The various funds of the District are used to account for the District's governmental assets, liabilities, fund balances, and results of operations (or revenues over/(under) expenditures) for those activities. In addition to the aforementioned services and general activities, the District acts as fiscal agent for State funds distributed to private schools located within the District's boundaries. This activity is included in the reporting entity as a special revenue fund due to the District's involvement in the distribution of funds. The parochial/private schools served are Church of the Incarnation, Miami Valley School, Spring Valley Academy, Kindercare (K-4), Montessori School of Centerville, and First School (primary). Although these organizations share operational and service similarity with the District, each is a separate and distinct entity. Because of their independent nature, none of these organizations' financial statements are included in this report.

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 in nature and those that are considered business-type activities in nature. The District did not have any business-type activities during fiscal year 2005.

Fund Financial Statements

These statements present information for individual major funds rather than by fund type. Funds, which are not classified as major funds are presented in one column, titled "Other Governmental Funds". Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the government-wide financial statements. The fiduciary funds are presented using the accrual basis of accounting.

Statement of Budgetary Comparisons

These statements present comparison of actual information to both the original and final amended budget legally adopted by the District for the General Fund and any major special revenue funds. The District has no major special revenue funds. The budgetary basis, as provided by Ohio Law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

Internal Accounting and Budgetary Control

Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation. The management of the District is responsible for establishing and maintaining an internal control environment that provides reasonable assurance the District's financial statements are reliable, the District complied with applicable laws and regulations and the District is operating effectively and efficiently.

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

The District maintains its accounts and accounting records to facilitate budgetary control as outlined by Ohio Revised Code. Before October 1st of each fiscal year the Board adopts its annual appropriation measure. These appropriations may be amended as needed by Board action. Annual appropriations and any amendments may not exceed the County Budget Commissions official estimate of resources. The County Auditor must certify that the Board's appropriation measures do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level. All purchase order requests must be approved by the building principal, department supervisor, or appropriate central office director and must be certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests, which exceed the available appropriations are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports which detail month and year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. Each administrator and school principal has access to view the status of the budget accounts for which they are responsible. As an additional safeguard, a blanket bond covers all employees; a separate, higher limit bond covers certain individuals in policy-making roles. Additional information on the District's budgetary accounts can also be found in notes to the basic financial statements.

Cash Management

The District's cash management program addresses the issues of safety, liquidity and yield while maximizing returns. The District utilizes the STAROhio investment pool, operated by the Ohio Treasurer of State, for ready cash and yield. Certificate of deposits, treasury bonds and notes, money market mutual funds, and United States agency securities are utilized for long-term investments. Investment earnings for the District totaled \$1,773,382 on the Statement of Activities and \$3,752,682 on the Governmental Fund Statements during the fiscal year.

Risk Management

The District continues to protect its assets through a comprehensive insurance program. Insurance policies for fleet liability, general liability, excess liability, directors and officers, property loss and boiler and machinery coverage are purchased from the Indiana Insurance Company. Employee health, dental, and life insurance coverage are provided by Anthem. In addition, the District offers a full range of supplementary retirement plans for eligible staff members.

Independent Audit

Included in this report is the unqualified opinion rendered on the District's basic financial statements as of and for the year ended June 30, 2006 by Rea & Associates, Inc. This is the second year of a five-year contract entered into by the State of Ohio Auditor's Office, the District, and the firm. An annual independent audit of the District's financial statements is a requirement of Ohio statute, as well as an integral part of the annual preparation of a CAFR. This annual independent audit will continue to review, comment on and thereby strengthen the District's accounting and budgetary control.

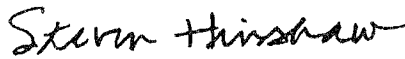
AWARD FOR EXCELLENCE IN FINANCIAL REPORTING

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

ACKNOWLEDGEMENTS

Sincere appreciation is extended to the many people who have contributed their time and effort to prepare this report. The members of the Treasurer's Office Staff are to be especially commended for their input and commitment. And, appreciation is extended to the District's Board of Education, Centerville Schools Administration and the Centerville Schools community for its continuing support.

Respectfully submitted,



Steven Hinshaw, Treasurer



Gary Smiga, Superintendent

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Centerville City
School District, Ohio

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

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



President

Executive Director

Centerville City School District
Montgomery County, Ohio
List of Principal Officials
June 30, 2006

ELECTED OFFICIALS

President, Board of Education	Mr. John Doll
Vice President, Board of Education	Mrs. Cheryl Smith
Board of Education Member	Mr. Bradley Evers
Board of Education Member	Mrs. Karen Myers
Board of Education Member	Dr. David Roer

ADMINISTRATIVE OFFICIALS

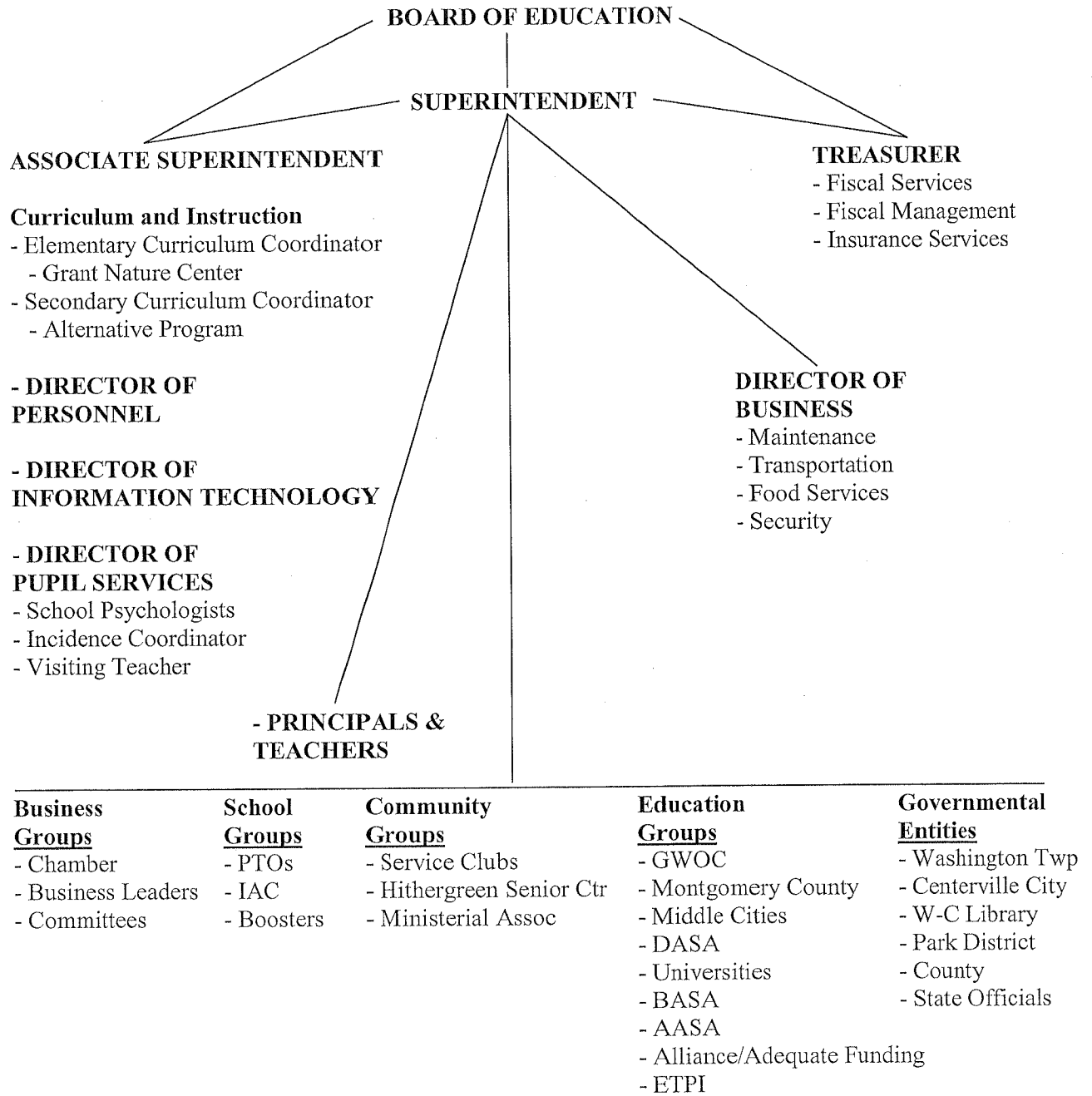
Superintendent	Mr. Gary Smiga
Associate Superintendent	Mr. Terry Riley
Treasurer	Dr. Steven Hinshaw
Director of Pupil Services	Mr. Steve Bartalo
Director of Information Technology	Mr. Scott Fife
Director of Personnel	Dr. Tom Henderson
Director of Business Operations	Mr. Bob Yux

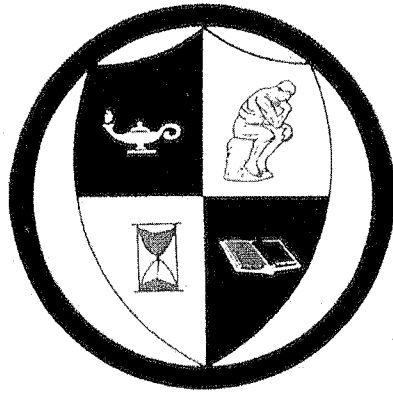
OFFICE OF THE TREASURER

Treasurer	Dr. Steven Hinshaw
Accounting Supervisor	Mrs. Linda Bruner
Payroll Supervisor	Mr. Kevin Burr
Financial Analyst	Mrs. Laura Baker
Payroll Analyst	Mrs. Akemi Simon
Secretary/Benefits	Ms. Connie Cummins
CHS Student Activities	Mrs. Candi Trentel
Accounting Assistant	Miss Mary Ann Bergman

Centerville City School District
 Montgomery County, Ohio
 Organizational Chart
 June 30, 2006

Basic to the statement of policy is an organizational chart. The chart represents functional working relationships and should not be taken to depict strictly a line and staff organization. This is particularly true of directors and other specialists who are not charged with line or authoritative function, but rather that of providing leadership in a reciprocal working arrangement with other personnel in the planning, coordination, evaluation, and improvement of the school program.





Financial Section



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

2300 Baton Rouge Avenue
Lima, Ohio 45805-1130
PH 419-331-1040
FAX 419-331-1120
www.reacpa.com

We're Ready For Your Future

To the Board of Education
Centerville City School District
Centerville, Ohio 45458

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Centerville City School District, (the School District), Montgomery County, Ohio, as of and for the year ended June 30, 2006, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2006 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 3 through 11 and 76 through 107 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

October 12, 2006

Rea & Associates, Inc.

CENTERVILLE CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2006
(Unaudited)

The discussion and analysis of Centerville City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2006. 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 2006 are as follows:

- Net assets increased \$3,878,397 which represents a 10.3% increase from 2005.
- General revenues accounted for \$70,483,957 in revenue or 85.6% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$11,822,707 or 14.4% of total revenues of \$82,306,644.
- Total assets of governmental activities increased by \$15,256,421 as capital assets increased by \$15,496,737.
- The District had \$78,428,267 in expenses related to governmental activities; \$11,822,707 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$70,483,957 were adequate 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 Fund and Building Fund are the major funds of the District.

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2006?" 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 these funds are not available to support the District's own programs.

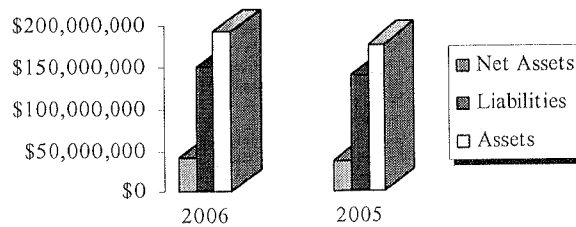
The District as a Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole.

Table 1 provides a summary of the District’s net assets for 2006 compared to 2005:

Table 1
Net Assets

	Governmental Activities	
	2006	2005
Assets		
Current Assets	\$147,389,631	\$147,629,947
Capital Assets	44,381,912	28,885,175
Total Assets	191,771,543	176,515,122
Liabilities		
Long-Term Liabilities	82,442,200	84,298,110
Other Liabilities	67,653,556	54,419,622
Total Liabilities	150,095,756	138,717,732
Net Assets		
Invested in Capital		
Assets Net of Debt	12,178,880	13,095,557
Restricted	12,578,928	7,715,166
Unrestricted	16,917,979	16,986,667
Total Net Assets	\$41,675,787	\$37,797,390



Over time, assets can serve as a useful indicator of a government’s financial position. At June 30, 2006, the District’s assets exceeded liabilities by \$41,675,787.

At year-end, capital assets represented 23% of total assets. Capital assets include land, construction in progress, buildings and improvements, equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2006, was \$12,178,880. 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, \$12,578,928, represents resources that are subject to external restriction on how they may be used. The balance of unrestricted net assets of \$16,917,979 may be used to meet the District's ongoing obligations to the students and creditors.

Capital Assets increased \$15,496,737 as a result of construction in progress relating to the new school improvements. The increase in unearned revenue is a result of the taxes receivable accrual and how the county recognizes advances available at year end. Restricted net assets increased from the prior year due to increases in debt service and capital project restrictions.

Table 2 shows the change in net assets for fiscal year 2006 compared to fiscal year 2005.

Table 2
Changes in Net Assets

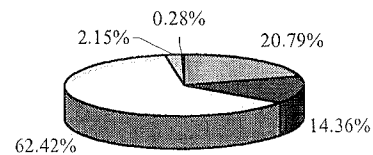
	Governmental Activities	
	2006	2005
Program Revenues:		
Charges for Services	\$4,281,743	\$4,913,491
Operating Grants and Contributions	7,489,083	3,865,453
Capital Grants and Contributions	51,881	114,693
General Revenue:		
Property Taxes	51,373,142	48,367,659
Grants and Entitlements	17,111,338	18,114,065
Other	1,999,477	1,099,079
Total Revenues	<u>82,306,664</u>	<u>76,474,440</u>
Program Expenses:		
Instruction	45,673,093	43,658,310
Support Services:		
Pupil and Instructional Staff	8,573,562	8,847,058
General and School Administrative, Fiscal and Business	5,755,807	5,852,066
Operations and Maintenance	5,175,782	4,892,584
Pupil Transportation	4,783,618	4,918,168
Central	74,810	100,071
Operation of Non-Instructional Services	3,600,223	3,404,785
Extracurricular Activities	621,024	604,548
Interest and Fiscal Charges	3,322,128	798,114
Unallocated Depreciation	848,220	952,149
Total Expenses	<u>78,428,267</u>	<u>74,027,853</u>
Change in Net Assets	3,878,397	2,446,587
Beginning Net Assets	<u>37,797,390</u>	<u>35,350,803</u>
Ending Net Assets	<u>\$41,675,787</u>	<u>\$37,797,390</u>

The District revenues are mainly from two sources. Property taxes levied for general, debt service and capital projects purposes and grants and entitlements comprised 83.2% of the District's revenues for governmental activities.

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

Thus Ohio districts 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 62.4% of revenue for governmental activities for the District in fiscal year 2006.

Revenue Sources	2006	Percent of Total
General Grants	\$17,111,338	20.79%
Program Revenues	11,822,707	14.36%
General Tax Revenues	51,373,142	62.42%
Investment Earnings	1,773,382	2.15%
Other Revenues	226,095	0.28%
	<u>\$82,306,664</u>	<u>100.00%</u>



Instruction comprises 58.2% of governmental program expenses. Support services expenses were 31.1% of governmental program expenses. All other expenses including interest expense were 10.7%. Interest expense was attributable to the outstanding bond and borrowings.

Property tax revenues increased \$3,005,483 due to the increased assessed values of taxable property in the District. Investment earnings increased as a result of the District holding a larger balance of investments for the current year as compared to the prior year. Instruction expenses increased over the prior year due to increases of personnel costs and general inflationary factors. Interest and fiscal charges increased from prior year due to the District making payments on the 2005 school improvement issue.

Government 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	
	2006	2005	2006	2005
Instruction	\$45,673,093	\$43,658,310	(\$40,739,653)	(\$39,863,242)
Support Services:				
Pupil and Instructional Staff	8,573,562	8,847,058	(7,245,371)	(7,753,329)
General and School Administrative, Fiscal and Business	5,755,807	5,852,066	(5,587,065)	(5,818,230)
Operations and Maintenance	5,175,782	4,892,584	(4,777,552)	(4,788,889)
Pupil Transportation	4,783,618	4,918,168	(4,247,305)	(4,867,945)
Central	74,810	100,071	(74,810)	(100,071)
Operation of Non-Instructional Services	3,600,223	3,404,785	(100,812)	(224,048)
Extracurricular Activities	621,024	604,548	337,356	31,801
Interest and Fiscal Charges	3,322,128	798,114	(3,322,128)	(798,114)
Unallocated Depreciation	848,220	952,149	(848,220)	(952,149)
Total Expenses	<u>\$78,428,267</u>	<u>\$74,027,853</u>	<u>(\$66,605,560)</u>	<u>(\$65,134,216)</u>

The District's Funds

The District has two major governmental funds: the General Fund, and the Building Fund. Assets of these funds comprise \$128,487,425 (87.3%) of the total \$147,207,243 governmental funds assets.

General Fund: Fund balance at June 30, 2006 was \$19,530,970 including \$16,853,699 of unreserved balance which represents 29.9% of expenditures for 2006. Fund balance remained consistent as compared to the prior year.

Building Fund: Fund balance decreased \$13,285,346 as a result of the capital outlay expenditures for school improvements.

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.

For the General Fund, budget basis revenue was \$67,857,911. The original budget estimate was \$70,853,145. The difference was \$2,995,234. Of this difference, most was due to a conservative estimate of grant and tax revenue.

The District's ending unobligated cash balance was \$4,359,228 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$44,381,912 invested in land, construction in progress, buildings and improvements, equipment and vehicles. Table 4 shows fiscal 2006 balances compared to fiscal 2005:

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

	Governmental Activities	
	2006	2005
Land	\$1,160,355	\$1,160,355
Construction in Progress	16,214,180	0
Buildings and Improvements	22,556,951	23,198,195
Equipment	1,447,370	1,724,905
Vehicles	3,003,056	2,801,720
Total Net Capital Assets	<u>\$44,381,912</u>	<u>\$28,885,175</u>

The increase in capital assets is mainly due to current year construction in progress relating to school improvements.

See note 6 in the Notes to the Basic Financial Statements for further details on the District's capital assets.

Debt

At fiscal year end, the District had \$78,216,839 in debt outstanding, \$2,373,798 due within one year. Table 5 summarizes debt outstanding.

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2006	2005
<u>Bonds Payable:</u>		
1996 School Construction	\$1,250,000	\$1,830,000
2003 Refunding Bonds		
Current Interest	5,480,000	6,315,000
2003 Refunding Bonds		
Capital Appreciation	632,912	543,268
2004 Refunding Bonds	6,450,000	6,455,000
2005 School Improvement	62,328,798	62,328,798
Bond Premium	3,105,545	3,316,501
Deferred Amount on		
Refunding	(1,030,416)	(1,154,001)
2001 School Note	0	210,000
Total Long-Term Bonds and Notes	<u>\$78,216,839</u>	<u>\$79,844,566</u>

See note 10 in the Notes to the Basic Financial Statements for further details on the District's long-term obligations.

For the Future

The Community (City of Centerville and Washington Township) has grown rapidly over the past twenty years and, given its attractiveness as the residence and business location of choice in the region, it will continue to grow well into the next several decades. The land to support past growth has been consumed at an increasing rate and will be exhausted, if present trends continue, within the next 35 years as the Community is 77% developed (86% city and 73% township). By then, the Community will have matured, with redevelopment as the only option to accommodate growth and change. How this limited supply of land is eventually used will dictate everything from fiscal health, to Community appearance, and ultimately its continued attractiveness as a place to live, work, and play.

Understanding these critical issues, the Community developed a comprehensive plan called "Create the Vision" This was a community process that has involved citizens, businesses, organizations, and local government officials in a cooperative effort to plan for the future of Centerville and Washington Township. These groups worked together with the community at large to formulate goals in the areas of land use and development, transportation services, and other aspects of the community. The end result has been the adoption of a new community plan that outlines steps for implementing these goals over the next 20 years.

The Community is in an excellent position today to make informed choices. Land use decisions can now be made in light of their fiscal consequences and their impact on the economic viability of the downtown. Continued growth outward, extending utilities, continuously widening roads and consuming all the "vacant land" available is not the only alternative development pattern available. Building inward, looking first at underutilized and undeveloped land already served with infrastructure, is another approach the Community has indicated as a preference. This involves creating incentives to rebuild and, at the same time, selectively saying no to the relentless pressure to expand outward, one isolated subdivision at a time.

The School District retained its "Excellent" rating, the highest rank in Ohio's report card for school districts. This is the seventh straight year the School District received top honors. In addition, the School District is one of only 17 districts in Ohio to have received that top rating in each year since the report cards were first issued in 1999. Funding this continued excellence in education will remain the primary focus for the future.

With the successful passage of new operating dollars on May 3, 2005, the School District is financially stable for the next few years and anticipates spending its money based on historical patterns.

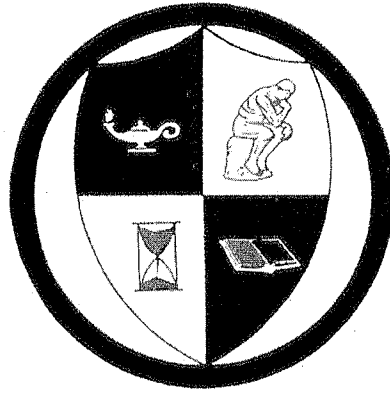
Instruction and Pupil Support includes classroom teachers (including special education), counselors, psychologists, classroom supplies, and classroom materials including textbooks. Operations include utilities (electricity, water, gas, telephone), transportation (buses), and maintenance of facilities. Administration includes building principals and office staff, central office staff, and central office supplies. Staff Support includes teacher training and professional development.

The physical plant and infrastructure will also be addressed in the near future. The recently passed bond issue will generate \$62,328,798 to deal with the moderate increase in student enrollment projected through 2011. The Watts Middle School additions have been completed. The Centerville High School academics and fine arts additions will begin Winter 2006 with anticipated completion in Summer 2007.

The new K-1 school will begin Winter 2006 with anticipated completion in Summer 2007. In addition, all elementary schools will receive new heating/ventilating/air conditioning systems including new doors and windows, at most buildings not recently updated, throughout the next 3 years. The process for land acquisitions to accommodate potential additional facilities beyond 2011 has already begun. This rejuvenation of all school facilities will complement the academic and extracurricular offerings to continue the tradition of excellence in the Centerville City School District.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Treasurer's Office at Centerville City School District, 111 Virginia Avenue, Centerville, OH 45458 or call (937) 433-8841.



Centerville City School District, Ohio
Statement of Net Assets
June 30, 2006

	<u>Governmental Activities</u>
Assets:	
Equity in Pooled Cash and Investments	\$91,101,577
Restricted Cash and Investments	141,886
Receivables:	
Taxes	55,406,264
Accounts	22,506
Interest	401,368
Intergovernmental	115,930
Deferred Bond Issuance Costs	182,388
Inventory	17,712
Nondepreciable Capital Assets	17,374,535
Depreciable Capital Assets, Net	<u>27,007,377</u>
 Total Assets	 <u>191,771,543</u>
Liabilities:	
Accounts Payable	314,113
Accrued Wages and Benefits	8,174,962
Accrued Interest Payable	287,112
Accrued Contracts Payable	7,375,334
Unearned Revenue	51,502,035
Long-Term Liabilities:	
Due Within One Year	3,093,471
Due In More Than One Year	<u>79,348,729</u>
 Total Liabilities	 <u>150,095,756</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	12,178,880
Restricted for:	
Special Revenue	1,323,056
Debt Service	6,098,262
Capital Projects	5,015,724
Set-Aside	141,886
Unrestricted	<u>16,917,979</u>
 Total Net Assets	 <u>\$41,675,787</u>

See accompanying notes to the basic financial statements.

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

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction:				
Regular	\$35,586,969	\$663,039	\$2,204,877	\$0
Special	7,306,553	144,799	1,698,966	0
Vocational	2,294,686	0	221,759	0
Other	484,885	0	0	0
Support Services:				
Pupil	3,331,802	0	172,983	51,881
Instructional Staff	5,241,760	9,622	1,093,705	0
General Administration	23,955	0	0	0
School Administration	3,854,617	0	156,552	0
Fiscal	1,349,764	12,190	0	0
Business	527,471	0	0	0
Operations and Maintenance	5,175,782	38,958	359,272	0
Pupil Transportation	4,783,618	336,100	200,213	0
Central	74,810	0	0	0
Operation of Non-Instructional Services	3,600,223	2,118,965	1,380,446	0
Extracurricular Activities	621,024	958,070	310	0
Interest and Fiscal Charges	3,322,128	0	0	0
Unallocated Depreciation *	848,220	0	0	0
Total Governmental Activities	\$78,428,267	\$4,281,743	\$7,489,083	\$51,881

General Revenues:
Property Taxes Levied for:
 General Purposes
 Debt Service Purposes
 Capital Projects Purposes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Other Revenues

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

* - This amount excludes the depreciation that is included in the direct expense of the various functions.

See accompanying notes to the basic financial statements.

Net (Expense) Revenue
and Changes in Net Assets
Governmental
Activities

(\$32,719,053)
(5,462,788)
(2,072,927)
(484,885)

(3,106,938)
(4,138,433)
(23,955)
(3,698,065)
(1,337,574)
(527,471)
(4,777,552)
(4,247,305)
(74,810)
(100,812)
337,356
(3,322,128)
(848,220)

(\$66,605,560)

45,044,579
4,331,393
1,997,170
17,111,338
1,773,382
226,095

70,483,957

3,878,397

37,797,390

\$41,675,787

Centerville City School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2006

	General	Building	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$25,336,545	\$55,042,574	\$10,722,458	\$91,101,577
Restricted Cash and Investments	141,886	0	0	141,886
Receivables:				
Taxes	47,560,386	0	7,845,878	55,406,264
Accounts	4,666	0	17,840	22,506
Interest	35,567	365,801	0	401,368
Intergovernmental	0	0	115,930	115,930
Inventory	0	0	17,712	17,712
Total Assets	73,079,050	55,408,375	18,719,818	147,207,243
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	186,600	0	127,513	314,113
Accrued Wages and Benefits	7,611,468	0	563,494	8,174,962
Compensated Absences	420,412	0	0	420,412
Accrued Contracts Payable	0	6,537,090	838,244	7,375,334
Deferred Revenue	45,329,600	0	7,492,286	52,821,886
Total Liabilities	53,548,080	6,537,090	9,021,537	69,106,707
Fund Balances:				
Reserved for Encumbrances	304,599	21,423,376	1,273,300	23,001,275
Reserved for Inventory	0	0	17,712	17,712
Reserved for Property Tax Advances	2,230,786	0	381,217	2,612,003
Reserved for Set-Aside	141,886	0	0	141,886
Unreserved, Undesignated, Reported in:				
General Fund	16,853,699	0	0	16,853,699
Special Revenue Funds	0	0	1,081,333	1,081,333
Debt Service Funds	0	0	5,988,448	5,988,448
Capital Projects Funds	0	27,447,909	956,271	28,404,180
Total Fund Balances	19,530,970	48,871,285	9,698,281	78,100,536
Total Liabilities and Fund Balances	\$73,079,050	\$55,408,375	\$18,719,818	\$147,207,243

See accompanying notes to the basic financial statements.

Centerville City School District, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 June 30, 2006

Total Governmental Fund Balance		\$78,100,536
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets additions in governmental activities are not financial resources and therefore are not reported in the funds.		44,381,912
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	1,292,226	
Intergovernmental	<u>27,625</u>	
		1,319,851
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.		(287,112)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences	<u>(3,804,949)</u>	
		(3,804,949)
Deferred bond issuance costs associated with long-term liabilities are not reported in the funds.		182,388
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(78,216,839)</u>
Net Assets of Governmental Activities		<u><u>\$41,675,787</u></u>

See accompanying notes to the basic financial statements.

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

	General	Building	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$45,075,352	\$0	\$6,263,446	\$51,338,798
Tuition and Fees	584,284	0	258,029	842,313
Investment Earnings	1,484,475	2,211,945	56,262	3,752,682
Intergovernmental	17,838,203	0	4,888,781	22,726,984
Extracurricular Activities	162,991	0	1,004,490	1,167,481
Charges for Services	164,741	0	2,072,204	2,236,945
Other Revenues	44,699	20,080	161,315	226,094
Total Revenues	65,354,745	2,232,025	14,704,527	82,291,297
Expenditures:				
Current:				
Instruction:				
Regular	34,481,645	0	1,182,498	35,664,143
Special	6,314,263	0	1,020,721	7,334,984
Vocational	2,245,829	0	58,584	2,304,413
Other	484,885	0	0	484,885
Support Services:				
Pupil	3,216,124	0	163,761	3,379,885
Instructional Staff	4,064,665	0	1,113,193	5,177,858
General Administration	23,955	0	0	23,955
School Administration	3,689,543	0	84,694	3,774,237
Fiscal	1,225,828	0	92,479	1,318,307
Business	525,942	0	0	525,942
Operations and Maintenance	4,353,383	0	676,201	5,029,584
Pupil Transportation	4,526,102	0	496,432	5,022,534
Central	74,810	0	0	74,810
Operation of Non-Instructional Services	0	0	3,596,081	3,596,081
Extracurricular Activities	0	0	619,882	619,882
Capital Outlay	0	15,517,371	1,080,279	16,597,650
Debt Service:				
Principal Retirement	0	0	1,630,000	1,630,000
Interest and Fiscal Charges	0	0	3,294,757	3,294,757
Total Expenditures	65,226,974	15,517,371	15,109,562	95,853,907
Net Change in Fund Balance	127,771	(13,285,346)	(405,035)	(13,562,610)
Fund Balance Beginning of Year, As Restated	19,403,199	62,156,631	10,103,316	91,663,146
Fund Balance End of Year	\$19,530,970	\$48,871,285	\$9,698,281	\$78,100,536

See accompanying notes to the basic financial statements.

Centerville City School District, Ohio
 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, 2006

Net Change in Fund Balance - Total Governmental Funds (\$13,562,610)

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 asset additions used in governmental activities	17,284,517	
Depreciation Expense	<u>(1,787,780)</u>	
		15,496,737

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

Delinquent Property Taxes	34,346	
Intergovernmental	<u>(18,979)</u>	
		15,367

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. 1,630,000

In the statement of activities interest expense is accrued when incurred,
 whereas in governmental funds an interest expenditure is reported
 when due. (25,098)

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	348,058	
Amortization of Bond Issuance Cost	(21,784)	
Amortization of Bond Premium	210,956	
Amortization of Deferred Charge on Refunding	(123,585)	
Bond Accretion	<u>(89,644)</u>	
		<u>324,001</u>

Change in Net Assets of Governmental Activities \$3,878,397

See accompanying notes to the basic financial statements.

Centerville City School District, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2006

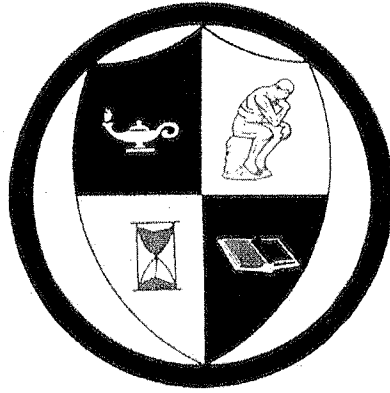
	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	\$23,169	\$130,141
Restricted Cash and Investments	10,335	0
Receivables:		
Accounts	0	121
Total Assets	<u>33,504</u>	<u>\$130,262</u>
Liabilities:		
Accounts Payable	846	1,452
Due to Students	0	128,810
Total Liabilities	<u>846</u>	<u>\$130,262</u>
Net Assets:		
Held in Trust	<u>32,658</u>	
Total Net Assets	<u>\$32,658</u>	

See accompanying notes to the basic financial statements.

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

	<u>Private Purpose Trust</u>
Additions:	
Donations	\$1,100
Investment Earnings	<u>1,181</u>
Total Additions	<u>2,281</u>
Deductions:	
Payments in accordance with trust agreements	<u>4,783</u>
Total Deductions	<u>4,783</u>
Change in Net Assets	(2,502)
Net Assets Beginning of Year	<u>35,160</u>
Net Assets End of Year	<u><u>\$32,658</u></u>

See accompanying notes to the basic financial statements.



CENTERVILLE CITY SCHOOL DISTRICT

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

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Centerville City School District (the "School District") is a body politic and corporate located in Montgomery County and encompasses the City of Centerville and Washington Township. The School District serves an area of approximately 32 square miles. The School District ranks as the 28th largest by enrollment among school districts in the State of Ohio, and it is the 2nd largest school district located within Montgomery County.

The School District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by state and/or federal agencies. This Board controls the District's instructional/support programs located at ten instructional facilities and staffed by 357 non-certificated employees and 591 certified employees, who provide services to 8,202 students and other community members.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the School District are not misleading.

The primary government consists of all funds and departments, not legally separate from the School District, which provide various services including instruction, student guidance, extracurricular activities, educational media and care and upkeep of grounds and buildings. The operation of each of these activities is directly controlled by the Board of Education.

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 body 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 for which the School District approves the budget, the issuance of debt or the levying of taxes.

The School District does not have any component units.

CENTERVILLE CITY SCHOOL DISTRICT

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

The District is associated with four organizations, which are defined as jointly governed and another organization that is classified as a related organization. These organizations are presented in Notes 11 and 12 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. 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 which 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 statement of net assets presents the financial condition of the governmental activities of the School District at year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues 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.

CENTERVILLE CITY SCHOOL DISTRICT

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

Fund Financial Statements

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

B. Fund Accounting

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

Governmental Funds

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The General and Building Funds are the School District's major 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 is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Building Fund - The Building Fund is used to account for all transactions related to all special bond funds in the School District. Proceeds from the sale of bonds are paid into this fund.

The other governmental funds of the School District account for grants and other resources, and capital projects of the School District whose uses are restricted to a particular purpose.

CENTERVILLE CITY SCHOOL DISTRICT

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

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has various funds established to provide scholarships to its students that are classified as private-purpose trust funds. Funds used to account for the activity of the numerous student managed activities within the School District are classified as agency funds. The School District has a Student Managed Activities agency fund which accounts for assets and liabilities generated by student managed activities.

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Assets.

Fund Financial Statements

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

CENTERVILLE CITY SCHOOL DISTRICT

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

D. Basis of Accounting

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

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "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. For the School District, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal 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 are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed to be both measurable and available: property taxes available as an advance, grants, investment earnings, tuition, and student fees.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2006, but which were levied to finance fiscal year 2007 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

CENTERVILLE CITY SCHOOL DISTRICT

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are recorded when the related liability is incurred, if measurable. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. The costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by the employee. Allocation of costs, such as depreciation and amortization, are not recognized in governmental funds.

The accrual basis of accounting utilized on the government-wide financial statements and by private-purpose trust funds recognizes revenues when they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities received during the year is reported as an expense with a like amount reported as operating grants and contributions.

E. Equity in Pooled Cash and Investments

The School District maintains a cash and investment pool used by all funds. The cash and investment pool has the same characteristics as demand deposits. Each fund's portion of this pool is displayed in the financial statements as pooled cash and cash equivalents. The monies are either maintained in a central bank account or used to purchase legal investments.

Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

The Ohio Revised Code authorizes the School District to invest in United States and State of Ohio bonds, notes, and other obligations; bank certificate of deposits; banker's acceptances; commercial paper notes rated prime and issued by United States Corporations; and STAROhio.

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2006. The School District has invested funds in the State Treasury Assets Reserves of Ohio (STAROhio) during fiscal year 2006.

CENTERVILLE CITY SCHOOL DISTRICT

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

Following State statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Investment earnings are to be credited to the specified funds based on the month end fund balance. The School District had \$3,752,682 of interest revenue under the accrual basis of accounting used to report the Statement of Activities. For the fund statements, interest revenue of \$1,484,475 was credited to the General Fund during fiscal year 2006. The School District's other major funds, Building funds earned \$2,211,945 of interest during fiscal year 2006. Interest was also recorded in non-major Governmental Funds and Private Purpose Trust funds in the amounts of \$56,262 and \$1,181, respectively.

F. Restricted Cash and Investments

The Restricted cash and cash equivalents account represents the amount of pooled cash and cash equivalents of the School District, which have external restrictions as to how the funds may be expended. The budget stabilization reserve, which totaled \$141,886, is required by State statute and is offset by a corresponding reservation of fund balance in the General Fund.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

H. Capital Assets and Depreciation

General capital assets generally result from expenditures in the governmental funds. These assets are reported within the governmental activities on the government-wide statement of net assets but are not reported in the fund statements.

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

CENTERVILLE CITY SCHOOL DISTRICT

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

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 80 years
Equipment	5 - 50 years
Vehicles	8 - 30 years

I. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures or 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 and uses in governmental funds. Repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them are not presented on the financial statement. Interfund Activity is eliminated for reporting the District-wide Statements of Net Assets and Activities to avoid "doubling-up" transactions.

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned when both of these conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability for sick leave is accrued using the vesting method which states that the District will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments. The amount is based on accumulated sick and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated sick leave for all employees after fifteen years of current service with the School District.

CENTERVILLE CITY SCHOOL DISTRICT

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

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that represents severance payments to individuals who retired prior to the end of the fiscal year, but did not receive payment until after year-end. These amounts are recorded in the account "matured compensated absences" in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reflected in the fund statements.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences, special termination benefits, judgments and claims and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

L. Net Assets

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

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

M. Reservations of Fund Balance

Reservations of fund balances are established to identify the existence of assets that, because of their non-monetary nature or lack of liquidity, represent financial resources not available for current appropriation or expenditure or the portion of fund balance that is legally segregated for a specific future use. Fund balances have been reserved for encumbrances, inventory, property taxes, and the budget stabilization account.

CENTERVILLE CITY SCHOOL DISTRICT

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

NOTE 3 - EQUITY IN POOLED CASH AND INVESTMENTS

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

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

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

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

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

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds, and other obligations of the State of Ohio.

CENTERVILLE CITY SCHOOL DISTRICT

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

- (6) The Ohio State Treasurer's investment pool (STAROhio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities or a line of credit. At year end, the carrying amount of the District's deposits was \$17,452,133. As of June 30, 2006, \$17,864,370 of the District's bank balance of \$18,064,370 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

CENTERVILLE CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2006

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

Investments

As of June 30, 2006, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	Percent of <u>Total</u> <u>Portfolio</u>	<u>Weighed Average</u> <u>Maturity (Years)</u>
Money Market	\$411,587	0.56	N/A
State Treasury Pool	6,255,670	8.46	N/A
Commercial Paper	384,881	0.52	0.17
Treasury Bill	1,671,282	2.26	0.04
Federal Home Loan Bank	15,729,027	21.27	0.80
Freddie Mac	14,784,227	19.99	0.99
Freddie Mac – Discount Note	8,737,712	11.81	0.43
Fannie Mae	11,182,043	15.12	0.79
Fannie Mae – Discount Note	6,875,673	9.30	0.12
U.S. Treasury Notes	7,847,873	10.61	1.05
Federal National Mortgage Association	<u>75,000</u>	<u>0.10</u>	0.98
Total Fair Value	<u>\$73,954,975</u>	<u>100.00</u>	
Portfolio Weighted Average Maturity			0.66

Interest rate risk – The School District shall not purchase any security that has a remaining term to final maturity of more than five years.

Credit Risk – It is the District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The District's investments in Commercial Paper, Treasury Bills, Federal Home Loan Bank, Freddie Mac, Freddie Mac Discount Note, Fannie Mae, Fannie Mae Discount Note, Federal National Mortgage Association and U. S. Treasury Notes were rated AAA by Standard and Poor's and Fitch ratings and Aaa by Moody's Investment Service. Investments in STAROhio were rated AAAM by Standard & Poors. The money market funds are not rated by Standard & Poors.

Concentration of credit risk – The School District should normally seek to diversify its holdings of other investments by avoiding concentration of specific issuers.

CENTERVILLE CITY SCHOOL DISTRICT

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

Custodial credit risk - Custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the District's securities are either insured and registered in the name of the District or at least registered in the name of the District.

NOTE 4 - PROPERTY TAXES

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 property located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. 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 reevaluated 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 taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventory.

Real property taxes are payable annually or semi-annually. The first payment is due January 20, with the remainder payable by July 20.

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 County Treasurer collects property taxes on behalf of all taxing districts in the County, including the Centerville City School District. The County Auditor periodically remits to the District its portion of the taxes collected. The full tax rate for all District operations for the year ended June 30, 2006 was \$67.65 per \$1,000 of assessed value. The assessed values upon which the fiscal year 2006 taxes were collected are as follows:

	<u>2006 First Half Collections</u>	<u>2005 Second Half Collections</u>
Agricultural/Residential and Other Real Estate	\$1,595,795,040	\$1,443,169,480
Public Utility Personal	30,122,230	32,988,410
Tangible Personal Property	<u>43,435,276</u>	<u>57,530,705</u>
Total Assessed Property Value	<u>\$1,669,352,546</u>	<u>\$1,533,688,595</u>

CENTERVILLE CITY SCHOOL DISTRICT

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

Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of June 30, 2006. Although total property tax collections for the next year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. For the governmental fund financial statements, the receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2006 was recognized as revenue.

The amount available as an advance at June 30 was \$2,230,786 in the General Fund, \$282,847 in the Bond Retirement Fund and \$98,370 in the Permanent Improvement Fund. These amounts have been set aside as a reserve of fund balance.

NOTE 5 – RECEIVABLES

Receivables at June 30, 2006, consisted of current and delinquent property taxes, interest, accounts (rent and student fees) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

CENTERVILLE CITY SCHOOL DISTRICT

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

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,160,355	\$0	\$0	\$1,160,355
Construction in Progress	0	16,214,180	0	16,214,180
Total Capital Assets, not being depreciated	1,160,355	16,214,180	0	17,374,535
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	49,696,466	399,041	0	50,095,507
Equipment	8,347,144	69,681	0	8,416,825
Vehicles	5,934,513	601,615	178,732	6,357,396
Total Capital Assets, being depreciated:	<u>63,978,123</u>	<u>1,070,337</u>	<u>178,732</u>	<u>64,869,728</u>
Totals at Historical Cost	<u>65,138,478</u>	<u>17,284,517</u>	<u>178,732</u>	<u>82,244,263</u>
Less Accumulated Depreciation:				
Buildings and Improvements	26,498,271	1,040,285	0	27,538,556
Equipment	6,622,239	347,216	0	6,969,455
Vehicles	3,132,793	400,279	178,732	3,354,340
Total Accumulated Depreciation	<u>36,253,303</u>	<u>1,787,780</u>	<u>178,732</u>	<u>37,862,351</u>
Governmental Activities Capital Assets, Net	<u>\$28,885,175</u>	<u>\$15,496,737</u>	<u>\$0</u>	<u>\$44,381,912</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$276,287
Special	\$3,114
Vocational	2,899
Support Services:	
School Administration	30,148
Fiscal	723
Operations and Maintenance	225,277
Pupil Transportation	387,372
Operation of Non-Instructional Services	12,598
Extracurricular Activities	1,142
Unallocated Depreciation	848,220
Total Depreciation Expense	<u>\$1,787,780</u>

CENTERVILLE CITY SCHOOL DISTRICT

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

Unallocated depreciation is depreciation of the individual school buildings throughout the District that essentially serve all functions/programs, and therefore is not included as a direct expense of any functions or program but disclosed as a separate expense.

NOTE 7 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts, thefts-of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters for which the School District carries commercial insurance. During fiscal year 2006, the School District contracted with Indiana Insurance Company for these various risks. Coverage terms provided by Indiana Insurance Company are as follows:

Buildings and Contents - replacement cost (\$5,000 deductible)	\$108,197,614
Employee Dishonesty - Money in Security	100,000
Automotive Liability (\$1,000 deductible)	2,000,000
General Liability (Per Occurrence)	1,000,000
Umbrella Policy	10,000,000

Settled claims have not exceeded this commercial coverage in any of the past five years. There has not been any significant reduction in insurance coverage from the previous year.

NOTE 8 - PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, standalone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling toll free (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

CENTERVILLE CITY SCHOOL DISTRICT

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

Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2006, 10.57 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2006, 2005 and 2004 were \$1,520,928, \$1,442,532 and \$902,526 respectively, equal to the required contributions for each year.

B. State Teachers Retirement System

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 provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090, or by visiting the STRS Ohio website at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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 these active members who die before retirement may qualify for survivor benefits. 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.

CENTERVILLE CITY SCHOOL DISTRICT

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

For the fiscal year ended June 30, 2006, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for the fiscal years ended June 30, 2006, 2005, and 2004 were \$5,398,908, \$5,109,444, and \$4,827,324 respectively, equal to required contributions for each year. Member and employer contributions actually made for defined contribution and combined plan participants will be provided upon written request.

C. Social Security System

Effective July 1, 1999, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the SERS/STRS. As of June 30, 2006, certain members of the Board of Education have elected social security. The School District's liability is 6.2 percent of wages paid.

NOTE 9 - POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

STRS retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Board has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. All benefits recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. For the School District, this amount equaled \$385,636 for fiscal year 2006.

CENTERVILLE CITY SCHOOL DISTRICT

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

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, (the latest information available) the balance in the Fund was \$3.3 billion. For the fiscal year ended June 30, 2005, net health care costs paid by STRS were \$254,780,000 and STRS had 115,395 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2006, employer contributions to fund health care benefits were 3.43 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2006, the minimum pay was established at \$27,400. For the 2006 fiscal year, the School District paid \$372,627 to fund health care benefits.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care fund is 150 percent of the projected claims less premium contributions for the next fiscal year. Expenses for health care for the fiscal year ended June 30, 2005 (the latest information available), were \$178,221,113. At June 30, 2005, SERS had net assets available for payment of health care benefits of \$267.5 million. SERS has 58,123 participants eligible to receive health care benefits.

NOTE 10 - LONG-TERM OBLIGATIONS

General Obligation Bonds

The School District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. During fiscal year 2005, \$62.3 million of general obligation bonds were issued to construct a new school building as well as improvement to others. In previous years, general obligations bonds have been issued to provide financing for new school buildings as well as improvements to various other school facilities. The original amount of the other general obligation bonds issued in prior years was \$18.2 million.

During fiscal year 2005, the School District refunded a portion of the 1996 bond issue by issuing a \$6.455 million refunding general obligation bond which mature in fiscal year 2016. In prior fiscal years, a portion of the 1994 bond issue was refunded by issuing \$7.355 million in refunding general obligation bonds. These bonds mature in fiscal year 2014 and include current interest bonds and capital appreciation bonds. The capital appreciation bonds will mature in fiscal years 2013 and 2014. The maturity amount of the bonds is \$1,795,000. For fiscal year 2006, \$89,644 was accreted for a total bond value of \$632,912.

CENTERVILLE CITY SCHOOL DISTRICT

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

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
1996 School Construction	4.45%-5.45%	\$1,250,000
2003 Refunding Bonds		
Current Interest	2.00%-4.00%	5,480,000
Capital Appreciation	15.77%-16.12%	632,912
2004 Refunding Bonds	2.00%-5.00%	6,450,000
2005 School Improvement	3.00%-5.00%	62,328,798
		<u>\$76,141,710</u>

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Current Interest Bonds</u>		<u>Capital Appreciation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$2,373,798	\$3,406,510	\$0	\$0
2008	2,550,000	3,324,368	0	0
2009	2,735,000	3,228,932	0	0
2010	3,225,000	3,119,429	0	0
2011	3,450,000	2,984,739	0	0
2012-2016	13,050,000	14,116,792	1,795,000	0
2017-2021	5,530,000	11,103,149	0	0
2022-2026	10,565,000	9,232,595	0	0
2027-2031	17,460,000	5,907,560	0	0
2032-2034	15,202,912	1,109,481	0	0
Total	<u>\$76,141,710</u>	<u>\$57,533,555</u>	<u>\$1,795,000</u>	<u>\$0</u>

Long-Term Capital Project Notes

In 1999 and 2001, the School District issued long-term notes payable to provide financing for the construction of an addition to the high school building. The original principal of these notes were \$4.5 million. The 1999 Note was paid off in a prior year. During fiscal year 2006 the District paid \$210,000 in principal and \$4,725 in interest (paying off the 2001 note). The 2001 note had an interest rate of 4.09 percent.

CENTERVILLE CITY SCHOOL DISTRICT

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

Changes in Long-Term Liabilities

Long- term liability activity for the year ended June 30, 2006, was as follows:

	Interest Rate	Restated Balance 6/30/2005	Additions	Deletions	Balance 6/30/2006	Due in One Year
<u>General Obligation Bonds:</u>						
1996 School Construction	4.45%-5.45%	\$1,830,000	\$0	(\$580,000)	\$1,250,000	\$610,000
2003 Refunding Bonds						
Current Interest	2.00%-4.00%	6,315,000	0	(835,000)	5,480,000	855,000
Capital Appreciation	15.77%-16.12%	543,268	89,644	0	632,912	0
2004 Refunding Bonds	2.00%-5.00%	6,455,000	0	(5,000)	6,450,000	25,000
2005 School Improvement	3.00%-5.00%	62,328,798	0	0	62,328,798	883,798
Deferred Amounts:						
Add: Bond Premium		3,316,501	0	(210,956)	3,105,545	0
Less: Deferred Amount on Refunding		<u>(1,154,001)</u>	0	123,585	<u>(1,030,416)</u>	0
Total General Obligation Bonds		<u>79,634,566</u>	<u>89,644</u>	<u>(1,507,371)</u>	<u>78,216,839</u>	<u>2,373,798</u>
<u>Long-Term Capital Notes:</u>						
2001 School Improvement	4.09%	210,000	0	(210,000)	0	0
Total Long-Term Bonds and Notes		<u>79,844,566</u>	<u>89,644</u>	<u>(1,717,371)</u>	<u>78,216,839</u>	<u>2,373,798</u>
Compensated Absences	N/A	4,153,007	592,457	(520,103)	4,225,361	719,673
Total Long-Term Liabilities		<u>\$83,997,573</u>	<u>\$682,101</u>	<u>(\$2,237,474)</u>	<u>\$82,442,200</u>	<u>\$3,093,471</u>

Compensated absences represent the long-term portion of the accrued liability associated with sick and vacation leave. These items will be repaid from the funds from which the employees work to whom the liability is associated with or the General Fund if no such funds are available.

NOTE 11 - JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Career Technology Center

The Miami Valley Career Technology Center (MVCTC) is a separate body politic and corporate, established by the Ohio Revised Code (ORC). The Board is comprised of one representative from each of the seven participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information write to the Miami Valley Career Technical Center at 6800 Hoke Road, Clayton, Ohio 45315.

CENTERVILLE CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2006

Southwestern Ohio Educational Purchasing Cooperative

The School District is a member of the Southwestern Ohio Educational Purchasing Cooperative (SOEPC). The purpose of the cooperative is to obtain lower prices for supplies and materials commonly used by the member districts. The members are obligated to pay all fees, charges, and assessments as established by SOEPC.

Each member district has one voting representative. Title to any and all equipment and supplies purchased by SOEPC is held in trust for the member districts by the fiscal agent. Any district withdrawing from SOEPC shall forfeit its claim to any and all SOEPC assets. One year's prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member organizations. Payments to SOEPC are made from the District's General Fund. During fiscal year 2006, the School District paid nothing to SOEPC. Financial information may be obtained from SOEPC by contacting Robert Brown, Director, at 1831 Harshman Road, Dayton, Ohio 45424.

Metropolitan Dayton Educational Cooperative Association

The School District is a participant in the Metropolitan Dayton Educational Cooperative Association (MDECA), which is a computer consortium. MDECA is an association of 25 public school districts within the boundaries of Darke, Greene, Miami and Montgomery Counties. The organization was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to administrative and instructional functions among member school districts. The governing board of MDECA consists of one representative from each member school district plus one representative from the fiscal agent. The School District pays MDECA an enrollment based fee for internet and EMIS services provided during the year; this fee totaled \$71,634 for fiscal year 2006. Financial information can be obtained from Barbara Corriell, Executive Director of MDECA at 201 Riverside Drive, Dayton, Ohio 45405.

Southwestern Ohio Instructional Technology Association

The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation formed under Section 1702.01 of the Ohio Revised Code. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs. The Board of Trustees is comprised of twenty-one representatives of the SOITA member schools or institutions. Nineteen representatives are elected from within the counties by the qualified members of those counties, i.e., Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene, and Butler Counties elect two representatives per area. All others elect one representative per area.

CENTERVILLE CITY SCHOOL DISTRICT

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

All superintendents except for those from educational service centers vote on the representatives after the nomination committee selects individuals to run. One at-large non-public representative is elected by the non-public school SOITA members in the State assigned SOITA service area. One at-large higher education representative is elected by higher education SOITA members from within the State assigned SOITA service area.

All member districts are obligated to pay all fees, charges or other assessments as established by SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government, for public purpose. Payments to SOITA are made from the School District's General Fund. During fiscal year 2006, the School District paid \$6,903 to SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Steve Stouse, who serves as Director, at 150 East Sixth Street, Franklin, Ohio 45005.

NOTE 12 - RELATED ORGANIZATIONS

Washington-Centerville Public Library

The Washington-Centerville Public Library (the Library) is a related organization to the School District. The School District's Board of Education is responsible for appointing Trustees and approving the budget of the Library as a ministerial function to the Library. The operations of the Library are managed by its Trustees, including the determination of the budget amounts necessary for operations. The Library does not receive any funding from the School District.

NOTE 13 - CONTINGENCIES

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2006.

Litigation

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

CENTERVILLE CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2006

NOTE 14 - STATUTORY RESERVES

The School District is required by State statute to annually set aside monies for the purchase of textbooks and other instructional materials, and for capital improvements. Amounts not spent by year-end or reduced by offsetting credits must be held in cash at year-end and carried forward to be used for the same purpose in future years.

During the fiscal year ended June 30, 2006, the reserve activity (cash-basis) was as follows:

	<u>Textbooks</u>	Capital Maintenance Reserve	Budget Stabilization
Beginning Balance as of June 30, 2005	\$0	\$0	\$141,886
Qualifying Carryover	(405,830)	0	0
Set Aside Requirement	1,203,438	1,203,438	0
Offsets	0	(62,328,798)	0
Qualifying Expenditures	<u>(1,309,329)</u>	<u>(2,070,564)</u>	<u>0</u>
Total	<u>(\$511,721)</u>	<u>(\$63,195,924)</u>	<u>\$141,886</u>
Current Year Set Aside Requirement	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$141,886</u>
Qualifying Carryover Amounts	<u>(\$511,721)</u>		
Offset Balance Carryover		<u>\$62,328,798</u>	

The Textbook set-aside expenditures and offsets in excess of the set-aside requirements may be carried forward to offset future years set-aside requirements. The District had qualifying expenditures and offsets for carry-over to the fiscal year ending June 30, 2006, of \$511,721 for the Textbook Reserve. For capital acquisitions, the extra amount was a result of bond or note proceeds, which will be used to offset set-aside requirements in future years.

NOTE 15 - DEFICIT BALANCE

Fund Balances

At June 30, 2006 five special revenue funds had fund deficits:

Miscellaneous State Grants	(\$374)
Title VI-B	(\$137,071)
Title I	(\$2,677)
EHA Pre-School	(\$128,989)
Reducing Class Size	(\$2,323)

The deficits in these special revenue funds resulted from adjustments for accrued liabilities. Management expects the deficits in these funds to be corrected in early fiscal year 2007. The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when the accruals occur.

CENTERVILLE CITY SCHOOL DISTRICT

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

Cash Balances

The District had several funds throughout the year with deficit cash balances. Management is addressing the issue.

NOTE 16 – CONSTRUCTION COMMENTS

As of June 30, 2006, the District had the following commitment with respects to capital projects:

<u>Project</u>	<u>Remaining Construction Commitment</u>
School Improvements	\$29,993,255

NOTE 17 – PRIOR PERIOD ADJUSTMENTS

Due to not implementing GASB Technical Bulletin No 2004-2, in the prior year, the following adjustment was made to beginning fund balance.

	<u>General</u>	<u>Building</u>	<u>Other Governmental Funds</u>
Fund Balance, June 30, 2005	\$19,856,564	\$62,156,631	\$10,146,625
GASB Technical Bulletin No. 2004-2	<u>(453,365)</u>	<u>0</u>	<u>(43,309)</u>
Restated Fund Balance, June 30, 2005	<u>\$19,403,199</u>	<u>\$62,156,631</u>	<u>\$10,103,316</u>

The District restated \$108,182 from the Other Grants Fund to the Special Enterprise Fund. These are both presented as Other Governmental Funds and there is no net effect on Other Governmental Funds beginning fund balance.

NOTE 18 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2006, the District has implemented GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries"; GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section"; GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Statement No. 47, "Accounting for Termination Benefits".

Statement No. 42 establishes accounting and financial standards for impairment of capital assets and clarifies and establishes accounting requirements for insurance recoveries.

CENTERVILLE CITY SCHOOL DISTRICT

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

Statement No. 44 establishes the objectives of the statistical section and provides guidance on the preparation of the statistical section.

Statement No. 46 establishes that any amount of the primary government's net assets at the end of the reporting period restricted by enabling legislation should be disclosed in the notes to the financial statements.

Statement No. 47 provides guidance to governmental employers for measuring, recognizing, and reporting liabilities and expenses/expenditures related to all termination benefits without limitation as to the period of time during which the benefits are offered.

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

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Centerville 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, 2006

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$48,737,451	\$46,677,133	\$47,049,410	\$372,277
Tuition and Fees	641,826	614,693	619,596	4,903
Investment Earnings	1,516,901	1,452,776	1,464,363	11,587
Intergovernmental	18,478,203	17,697,059	17,838,203	141,144
Extracurricular Activities	168,518	161,394	162,681	1,287
Charges for Services	1,223,094	1,171,389	1,180,732	9,343
Other Revenues	87,152	83,467	84,133	666
Total Revenues	70,853,145	67,857,911	68,399,118	541,207
Expenditures:				
Current:				
Instruction:				
Regular	35,795,041	34,863,956	33,856,670	1,007,286
Special	6,624,880	7,132,735	6,266,130	866,605
Vocational	2,325,321	2,307,488	2,199,400	108,088
Other	515,389	578,584	487,480	91,104
Support Services:				
Pupil	3,550,115	3,443,028	3,357,869	85,159
Instructional Staff	4,891,741	5,273,674	4,626,844	646,830
General Administration	25,723	33,380	24,330	9,050
School Administration	4,253,305	4,273,417	4,022,980	250,437
Fiscal	1,432,467	1,519,907	1,354,896	165,011
Business	606,419	636,484	573,580	62,904
Operations and Maintenance	5,263,235	5,260,682	4,978,221	282,461
Pupil Transportation	5,135,868	5,071,505	4,857,751	213,754
Central	86,196	110,860	81,528	29,332
Total Expenditures	70,505,700	70,505,700	66,687,679	3,818,021
Net Change in Fund Balance	347,445	(2,647,789)	1,711,439	4,359,228
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	23,275,794	23,275,794	23,275,794	0
Fund Balance End of Year	\$23,623,239	\$20,628,005	\$24,987,233	\$4,359,228

See accompanying notes to the required supplementary information.

CENTERVILLE CITY SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended June 30, 2006

BUDGETARY PROCESS

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. During the course of fiscal year 2006, the District amended its budget several times, however none were significant.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during fiscal year 2006.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Board during the year. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

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

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

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

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$127,771
Net Adjustment for Revenue Accruals	3,044,373
Net Adjustment for Expenditure Accruals	(969,506)
Encumbrances	<u>(491,199)</u>
Budget Basis	<u><u>\$1,711,439</u></u>

**COMBINING STATEMENTS
AND INDIVIDUAL
FUND SCHEDULES**

Major Governmental Funds

MAJOR GOVERNMENTAL FUNDS

The focus of the fund financial statements presented in the basic financial statements is on the School District's most significant funds (major funds). Therefore these fund financial statements present the major funds separate from the other governmental funds of the School District. As required by Generally Accepted Accounting Principles for state and local governments, budgetary comparison statements in the basic financial statements are limited to the General Fund and any major special revenue funds. The School District has no major special revenue 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 is available to the School District for any purpose provided it is expended or transferred according to the general laws of the State of Ohio.

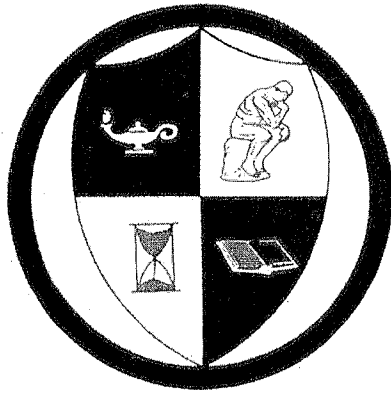
Since the Statement of Revenues, Expenditures and Changes in Fund Balance presented in the basic financial statements for the General Fund presents budgetary comparisons at a greater level of detail than the legal level of control established by the Board of Education, no additional schedules are necessary to demonstrate budgetary compliance.

Building Fund

To account for all transactions related to all special bond finds in the School District. Proceeds from the sale of bonds are paid into this fund.

Centerville 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, 2006

	Building Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$302,292	\$1,979,300	\$1,677,008
Other Revenues	3,067	20,080	17,013
Total Revenues	<u>305,359</u>	<u>1,999,380</u>	<u>1,694,021</u>
Expenditures:			
Capital Outlay	<u>62,134,563</u>	<u>36,940,748</u>	<u>25,193,815</u>
Total Expenditures	<u>62,134,563</u>	<u>36,940,748</u>	<u>25,193,815</u>
Net Change in Fund Balance	(61,829,204)	(34,941,368)	26,887,836
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>62,023,475</u>	<u>62,023,475</u>	<u>0</u>
Fund Balance End of Year	<u>\$194,271</u>	<u>\$27,082,107</u>	<u>\$26,887,836</u>



Nonmajor Governmental Funds

NONMAJOR SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

Public School Support

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

Other Grants

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

District Managed Student Activities

To account for local funds generated to assist student activities, which are managed by District personnel. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services

A fund used to account for monies which provide services and materials to pupils attending non-public schools within the School District.

Teacher Development

A fund used to account for monies, which provide assistance in developing in-service programs.

Management Information Systems

To account for state funds that are provided to assist the District in implementing a staff, student and financial information system as mandated by the Omnibus Education Reform Act of 1989.

Education R & D

To account for state funds which are provided for the research and demonstration of project transactions.

Network Connect

A fund used to account for monies for the purpose of accessing the Ohio Education Computer Network.

SchoolNet Professional Development

To account for state funds provided for technology professional development within the District.

Ohio Reads Grants

To account for state funds provided for developing and instituting programs to increase student reading comprehension skills.

Summer School Subsidy

To account for state funds provided for the Summer School Subsidy programs.

Vocational Education Enhancement

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

Miscellaneous State Grants

To account for revenues received from state agencies which are not classified elsewhere.

Title VI-B

To account for monies received under a federal grant to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full education opportunities to handicapped children at the elementary and secondary levels.

Vocational Education

A fund used to account for revenues provided to boards of education, teacher training instructions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects.

Title I

To account for monies received under a federal grant to assist schools in meeting the special needs of educationally deprived children.

Title VI

To consolidate various programs into a single authorization of grants to states for the same purposes set forth in the provisions of law as specified in the authorization section, to be used in accordance with the educational needs and priorities of the state and local agencies.

Emergency Immigrant Education

To account for monies received under a federal program for instructional programs of children of migratory agricultural workers; efforts to help youngsters who are deficient in oral English language facility and related language art skills; efforts to build foundation for expanded opportunities for useful adult employment.

Drug Free Schools

To account for monies received under a federal program to support the implementation of programs for drug abuse education and prevention.

EHA Pre-School

A fund used to account for federal grant dollars to improve and expand the services for handicapped children ages three to five years.

FCC E-Rate

To account for federal grant funds which are paid directly to the telecommunications provider of the district.

Reducing Class Size

A fund used to account for monies to hire additional classroom teachers in grades one through three, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants

To account for monies received under federal grants which are not classified elsewhere.

Adult Education

To account for monies related to the provision of credit and non-credit classes to the general public.

Food Service

To account for the financial transactions related to the food service operations of the School District.

Uniform School Supply

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

Entry Year Programs

To account for state monies provided to support training programs for beginning teachers.

Title III

To account for federal grant monies used to support the District's ESL population.

Special Enterprise

To account for monies used for the District's special enterprise fund.

NOMMAJOR DEBT SERVICE FUND

The Debt Service Fund is used for the accumulation of resources for and 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.

NOMMAJOR CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects, other than those financed by proprietary funds.

Permanent Improvement Fund

The Permanent Improvement Fund is used to account for financial resources, specifically property and other local taxes generated by the School District's permanent improvement levy, to be used to maintain the School District's facilities, as well as provide for major equipment and instructional material purchases.

SchoolNet

A fund used to account for monies used to obtain computers and related educational technology equipment and/or the necessary infrastructure for educational technology.

Centerville City School District, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$1,744,950	\$5,988,448	\$2,989,060	\$10,722,458
Receivables:				
Taxes	0	5,812,452	2,033,426	7,845,878
Accounts	17,840	0	0	17,840
Intergovernmental	115,930	0	0	115,930
Inventory	17,712	0	0	17,712
Total Assets	1,896,432	11,800,900	5,022,486	18,719,818
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	94,821	0	32,692	127,513
Accrued Wages and Benefits	563,494	0	0	563,494
Accrued Contracts Payable	0	0	838,244	838,244
Deferred Revenue	27,625	5,529,605	1,935,056	7,492,286
Total Liabilities	685,940	5,529,605	2,805,992	9,021,537
Fund Balances:				
Reserved for Encumbrances	111,447	0	1,161,853	1,273,300
Reserved for Inventory	17,712	0	0	17,712
Reserved for Property Tax Advances	0	282,847	98,370	381,217
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,081,333	0	0	1,081,333
Debt Service Funds	0	5,988,448	0	5,988,448
Capital Projects Funds	0	0	956,271	956,271
Total Fund Balances	1,210,492	6,271,295	2,216,494	9,698,281
Total Liabilities and Fund Balances	\$1,896,432	\$11,800,900	\$5,022,486	\$18,719,818

Centerville City School District, Ohio
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2006

	Public School Support	Other Grants	District Managed Student Services	Auxiliary Services	Teacher Development
Assets:					
Equity in Pooled Cash and Investments	\$482,127	\$19,092	\$258,024	\$334,693	\$0
Receivables:					
Accounts	1,294	0	4,611	0	0
Intergovernmental	0	0	0	0	0
Inventory	0	0	0	0	0
Total Assets	483,421	19,092	262,635	334,693	0
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	8,679	0	16,133	40,700	0
Accrued Wages and Benefits	0	0	0	57,887	0
Deferred Revenue	0	0	0	0	0
Total Liabilities	8,679	0	16,133	98,587	0
Fund Balances:					
Reserved for Encumbrances	8,902	0	12,629	44,339	0
Reserved for Inventory	0	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	465,840	19,092	233,873	191,767	0
Total Fund Balances	474,742	19,092	246,502	236,106	0
Total Liabilities and Fund Balances	\$483,421	\$19,092	\$262,635	\$334,693	\$0

Management Information Systems	Education R & D	Network Connect	SchoolNet Professional Development	Ohio Reads Grants	Summer School Subsidy	Vocational Education Enhancement	Miscellaneous State Grants
\$1,646	\$0	\$0	\$0	\$0	\$0	\$10	\$2,671
0	0	0	0	0	0	0	0
17,132	0	0	0	0	0	0	493
0	0	0	0	0	0	0	0
18,778	0	0	0	0	0	10	3,164
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	3,045
17,132	0	0	0	0	0	0	493
17,132	0	0	0	0	0	0	3,538
798	0	0	0	0	0	0	71
0	0	0	0	0	0	0	0
848	0	0	0	0	0	10	(445)
1,646	0	0	0	0	0	10	(374)
\$18,778	\$0	\$0	\$0	\$0	\$0	\$10	\$3,164

Continued

Centerville City School District, Ohio
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2006

	Title VI-B	Vocational Education	Title I	Title VI	Emergency Immigrant Education
Assets:					
Equity in Pooled Cash and Investments	\$16,872	\$3,285	\$851	\$3,146	\$0
Receivables:					
Accounts	0	0	0	0	0
Intergovernmental	60,484	10,000	0	3,674	0
Inventory	0	0	0	0	0
Total Assets	77,356	13,285	851	6,820	0
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	2,576	941	3,528	0	0
Accrued Wages and Benefits	211,851	0	0	0	0
Deferred Revenue	0	10,000	0	0	0
Total Liabilities	214,427	10,941	3,528	0	0
Fund Balances:					
Reserved for Encumbrances	255	108	0	2,500	0
Reserved for Inventory	0	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	(137,326)	2,236	(2,677)	4,320	0
Total Fund Balances	(137,071)	2,344	(2,677)	6,820	0
Total Liabilities and Fund Balances	\$77,356	\$13,285	\$851	\$6,820	\$0

Drug Free Schools	EHA Pre-School	FCC E-Rate	Reducing Class Size	Miscellaneous Federal Grants	Adult Education	Food Service
\$944	\$2,588	\$104,264	\$2,938	\$1	\$0	\$180,569
0	0	0	0	0	0	10,822
0	47	0	24,100	0	0	0
0	0	0	0	0	0	17,712
944	2,635	104,264	27,038	1	0	209,103
710	1,059	3,846	0	0	0	2,590
0	130,565	0	29,361	0	0	130,785
0	0	0	0	0	0	0
710	131,624	3,846	29,361	0	0	133,375
60	44	1,514	366	0	0	31,066
0	0	0	0	0	0	17,712
174	(129,033)	98,904	(2,689)	1	0	26,950
234	(128,989)	100,418	(2,323)	1	0	75,728
\$944	\$2,635	\$104,264	\$27,038	\$1	\$0	\$209,103

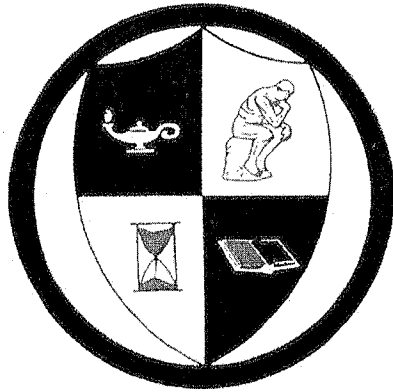
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Centerville City School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006

	Uniform School Supply	Entry Year Programs	Title III	Special Enterprise	Total Nonmajor Special Revenue Funds
Assets:					
Equity in Pooled Cash and Investments	\$232,353	\$0	\$0	\$98,876	\$1,744,950
Receivables:					
Accounts	1,113	0	0	0	17,840
Intergovernmental	0	0	0	0	115,930
Inventory	0	0	0	0	17,712
Total Assets	233,466	0	0	98,876	1,896,432
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	14,059	0	0	0	94,821
Accrued Wages and Benefits	0	0	0	0	563,494
Deferred Revenue	0	0	0	0	27,625
Total Liabilities	14,059	0	0	0	685,940
Fund Balances:					
Reserved for Encumbrances	8,795	0	0	0	111,447
Reserved for Inventory	0	0	0	0	17,712
Unreserved, Undesignated, Reported in: Special Revenue Funds	210,612	0	0	98,876	1,081,333
Total Fund Balances	219,407	0	0	98,876	1,210,492
Total Liabilities and Fund Balances	\$233,466	\$0	\$0	\$98,876	\$1,896,432

Centerville City School District, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2006

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$2,989,060	\$0	\$2,989,060
Receivables:			
Taxes	2,033,426	0	2,033,426
Total Assets	<u>5,022,486</u>	<u>0</u>	<u>5,022,486</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	32,692	0	32,692
Accrued Contracts Payable	838,244	0	838,244
Deferred Revenue	1,935,056	0	1,935,056
Total Liabilities	<u>2,805,992</u>	<u>0</u>	<u>2,805,992</u>
Fund Balances:			
Reserved for Encumbrances	1,161,853	0	1,161,853
Reserved for Property Tax Advances	98,370	0	98,370
Unreserved, Undesignated, Reported in: Capital Projects Funds	956,271	0	956,271
Total Fund Balances	<u>2,216,494</u>	<u>0</u>	<u>2,216,494</u>
Total Liabilities and Fund Balances	<u>\$5,022,486</u>	<u>\$0</u>	<u>\$5,022,486</u>



Centerville City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$0	\$4,256,727	\$2,006,719	\$6,263,446
Tuition and Fees	258,029	0	0	258,029
Investment Earnings	56,262	0	0	56,262
Intergovernmental	4,195,943	449,411	243,427	4,888,781
Extracurricular Activities	1,004,490	0	0	1,004,490
Charges for Services	2,072,204	0	0	2,072,204
Other Revenues	155,988	3,701	1,626	161,315
Total Revenues	7,742,916	4,709,839	2,251,772	14,704,527
Expenditures:				
Current:				
Instruction:				
Regular	695,268	0	487,230	1,182,498
Special	1,020,721	0	0	1,020,721
Vocational	58,584	0	0	58,584
Support Services:				
Pupil	163,761	0	0	163,761
Instructional Staff	1,113,193	0	0	1,113,193
School Administration	67,914	0	16,780	84,694
Fiscal	12,375	53,905	26,199	92,479
Operations and Maintenance	276,725	0	399,476	676,201
Pupil Transportation	1,017	0	495,415	496,432
Operation of Non-Instructional Services	3,596,081	0	0	3,596,081
Extracurricular Activities	619,882	0	0	619,882
Capital Outlay	0	0	1,080,279	1,080,279
Debt Service:				
Principal Retirement	0	1,420,000	210,000	1,630,000
Interest and Fiscal Charges	0	3,290,032	4,725	3,294,757
Total Expenditures	7,625,521	4,763,937	2,720,104	15,109,562
Net Change in Fund Balance	117,395	(54,098)	(468,332)	(405,035)
Fund Balance Beginning of Year, As Restated	1,093,097	6,325,393	2,684,826	10,103,316
Fund Balance End of Year	\$1,210,492	\$6,271,295	\$2,216,494	\$9,698,281

Centerville City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006

	Public School Support	Other Grants	District Managed Student Services	Auxiliary Services	Teacher Development
Revenues:					
Tuition and Fees	\$23,139	\$0	\$0	\$0	\$0
Investment Earnings	32,834	0	0	17,833	0
Intergovernmental	0	0	0	1,046,295	0
Extracurricular Activities	364,630	0	639,860	0	0
Charges for Services	0	0	0	0	0
Other Revenues	103,449	0	35,620	0	0
Total Revenues	524,052	0	675,480	1,064,128	0
Expenditures:					
Current:					
Instruction:					
Regular	443,589	299	0	0	4,944
Special	8,817	0	0	0	0
Vocational	0	0	0	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	9,768	0	0	0	0
School Administration	0	0	0	0	0
Fiscal	12,375	0	0	0	0
Operations and Maintenance	3,688	0	0	0	0
Pupil Transportation	1,017	0	0	0	0
Operation of Non-Instructional Services	0	1,577	0	985,478	0
Extracurricular Activities	10,407	0	609,475	0	0
Total Expenditures	489,661	1,876	609,475	985,478	4,944
Net Change in Fund Balance	34,391	(1,876)	66,005	78,650	(4,944)
Fund Balance Beginning of Year, As Restated	440,351	20,968	180,497	157,456	4,944
Fund Balance End of Year	\$474,742	\$19,092	\$246,502	\$236,106	\$0

Management Information Systems	Education R & D	Network Connect	SchoolNet Professional Development	Ohio Reads Grants	Summer School Subsidy	Vocational Education Enhancement	Miscellaneous State Grants
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0
27,572	0	33,000	0	14,000	0	2,307	20,855
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
27,572	0	33,000	0	14,000	0	2,307	20,855
0	0	33,000	8,568	14,000	0	2,415	0
0	0	0	0	0	1,700	0	0
0	0	0	0	0	0	0	15,079
0	0	0	0	0	0	0	0
0	13,571	0	0	0	0	0	34,111
58,118	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	16,524	0	0	0	0	0
0	0	0	0	0	0	0	0
58,118	13,571	49,524	8,568	14,000	1,700	2,415	49,190
(30,546)	(13,571)	(16,524)	(8,568)	0	(1,700)	(108)	(28,335)
32,192	13,571	16,524	8,568	0	1,700	118	27,961
\$1,646	\$0	\$0	\$0	\$0	\$0	\$10	(\$374)

Continued

Centerville City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2006

	Title VI-B	Vocational Education	Title I	Title VI	Emergency Immigrant Education
Revenues:					
Tuition and Fees	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	0	0
Intergovernmental	1,910,230	196,009	253,695	29,704	0
Extracurricular Activities	0	0	0	0	0
Charges for Services	0	0	0	0	0
Other Revenues	0	0	0	0	0
Total Revenues	1,910,230	196,009	253,695	29,704	0
Expenditures:					
Current:					
Instruction:					
Regular	0	0	0	0	0
Special	725,537	0	218,927	0	236
Vocational	0	43,505	0	0	0
Support Services:					
Pupil	0	142,932	0	20,829	0
Instructional Staff	895,177	0	0	994	0
School Administration	0	9,796	0	0	0
Fiscal	0	0	0	0	0
Operations and Maintenance	229,937	0	0	0	0
Pupil Transportation	0	0	0	0	0
Operation of Non-Instructional Services	23,632	0	0	1,193	0
Extracurricular Activities	0	0	0	0	0
Total Expenditures	1,874,283	196,233	218,927	23,016	236
Net Change in Fund Balance	35,947	(224)	34,768	6,688	(236)
Fund Balance Beginning of Year, As Restated	(173,018)	2,568	(37,445)	132	236
Fund Balance End of Year	(\$137,071)	\$2,344	(\$2,677)	\$6,820	\$0

Drug Free Schools	EHA Pre-School	FCC E-Rate	Reducing Class Size	Miscellaneous Federal Grants	Adult Education	Food Service
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
26,980	36,689	29,256	154,651	4,616	0	351,286
0	0	0	0	0	0	0
0	0	0	0	0	0	1,710,869
0	0	0	0	0	0	16,919
26,980	36,689	29,256	154,651	4,616	0	2,079,074
22,408	0	0	144,439	5,152	0	0
0	15,596	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	146,977	0	11,033	1,562	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	41,931	0	0	783	386
0	0	0	0	0	0	0
5,460	0	0	1,634	468	0	1,984,340
0	0	0	0	0	0	0
27,868	162,573	41,931	157,106	7,182	783	1,984,726
(888)	(125,884)	(12,675)	(2,455)	(2,566)	(783)	94,348
1,122	(3,105)	113,093	132	2,567	783	(18,620)
\$234	(\$128,989)	\$100,418	(\$2,323)	\$1	\$0	\$75,728

Continued

Centerville City School District, Ohio
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 For the Fiscal Year Ended June 30, 2006

	Uniform School Supply	Entry Year Programs	Title III	Special Enterprise	Total Nonmajor Special Revenue Funds
Revenues:					
Tuition and Fees	\$0	\$0	\$0	\$234,890	\$258,029
Investment Earnings	0	0	0	5,595	56,262
Intergovernmental	0	9,850	48,948	0	4,195,943
Extracurricular Activities	0	0	0	0	1,004,490
Charges for Services	361,335	0	0	0	2,072,204
Other Revenues	0	0	0	0	155,988
Total Revenues	361,335	9,850	48,948	240,485	7,742,916
Expenditures:					
Current:					
Instruction:					
Regular	7,564	8,890	0	0	695,268
Special	0	960	48,948	0	1,020,721
Vocational	0	0	0	0	58,584
Support Services:					
Pupil	0	0	0	0	163,761
Instructional Staff	0	0	0	0	1,113,193
School Administration	0	0	0	0	67,914
Fiscal	0	0	0	0	12,375
Operations and Maintenance	0	0	0	0	276,725
Pupil Transportation	0	0	0	0	1,017
Operation of Non-Instructional Services	337,359	0	0	238,416	3,596,081
Extracurricular Activities	0	0	0	0	619,882
Total Expenditures	344,923	9,850	48,948	238,416	7,625,521
Net Change in Fund Balance	16,412	0	0	2,069	117,395
Fund Balance Beginning of Year, As Restated	202,995	0	0	96,807	1,093,097
Fund Balance End of Year	\$219,407	\$0	\$0	\$98,876	\$1,210,492

Centerville City School District, Ohio
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Nonmajor Capital Projects Funds
 For the Fiscal Year Ended June 30, 2006

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues:			
Taxes	\$2,006,719	\$0	\$2,006,719
Intergovernmental	243,427	0	243,427
Other Revenues	1,626	0	1,626
Total Revenues	<u>2,251,772</u>	<u>0</u>	<u>2,251,772</u>
Expenditures:			
Current:			
Instruction:			
Regular	486,682	548	487,230
Support Services:			
School Administration	16,780	0	16,780
Fiscal	26,199	0	26,199
Operations and Maintenance	399,476	0	399,476
Pupil Transportation	495,415	0	495,415
Capital Outlay	1,080,279	0	1,080,279
Debt Service:			
Principal Retirement	210,000	0	210,000
Interest and Fiscal Charges	4,725	0	4,725
Total Expenditures	<u>2,719,556</u>	<u>548</u>	<u>2,720,104</u>
Net Change in Fund Balance	(467,784)	(548)	(468,332)
Fund Balance Beginning of Year, As Restated	<u>2,684,278</u>	<u>548</u>	<u>2,684,826</u>
Fund Balance End of Year	<u>\$2,216,494</u>	<u>\$0</u>	<u>\$2,216,494</u>

Centerville 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, 2006

	Public School Support Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$18,353	\$23,026	\$4,673
Investment Earnings	26,171	32,834	6,663
Extracurricular Activities	289,697	363,453	73,756
Other Revenues	82,453	103,445	20,992
Total Revenues	<u>416,674</u>	<u>522,758</u>	<u>106,084</u>
Expenditures:			
Current:			
Instruction:			
Regular	598,839	455,589	143,250
Special	30,271	8,817	21,454
Support Services:			
Instructional Staff	7,255	9,973	(2,718)
Fiscal	44,964	12,375	32,589
Operations and Maintenance	24,857	3,688	21,169
Pupil Transportation	2,944	1,361	1,583
Extracurricular Activities	12,128	10,607	1,521
Total Expenditures	<u>721,258</u>	<u>502,410</u>	<u>218,848</u>
Net Change in Fund Balance	(304,584)	20,348	324,932
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>444,198</u>	<u>444,198</u>	<u>0</u>
Fund Balance End of Year	<u>\$139,614</u>	<u>\$464,546</u>	<u>\$324,932</u>

Centerville 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, 2006

	Final Budget	Other Grants Fund Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$97,831	\$0	(\$97,831)
Total Revenues	97,831	0	(97,831)
Expenditures:			
Current:			
Instruction:			
Regular	12,569	299	12,270
Support Services:			
Pupil	160	0	160
Instructional Staff	463	0	463
School Administration	8,050	0	8,050
Operation of Non-Instructional Services	0	1,577	(1,577)
Capital Outlay	24	0	24
Total Expenditures	21,266	1,876	19,390
Net Change in Fund Balance	76,565	(1,876)	(78,441)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	20,967	20,967	0
Fund Balance End of Year	\$97,532	\$19,091	(\$78,441)

Centerville 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, 2006

	District Managed Student Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$1,169,897	\$635,249	(\$534,648)
Other Revenues	65,599	35,620	(29,979)
Total Revenues	<u>1,235,496</u>	<u>670,869</u>	<u>(564,627)</u>
Expenditures:			
Current:			
Extracurricular Activities	750,447	678,590	71,857
Capital Outlay	600,000	0	600,000
Total Expenditures	<u>1,350,447</u>	<u>678,590</u>	<u>671,857</u>
Excess of Revenues Over (Under) Expenditures	<u>(114,951)</u>	<u>(7,721)</u>	<u>107,230</u>
Other financing sources (uses):			
Advances (Out)	(18,800)	0	18,800
Total Other Financing Sources (Uses)	<u>(18,800)</u>	<u>0</u>	<u>18,800</u>
Net Change in Fund Balance	(133,751)	(7,721)	126,030
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>236,983</u>	<u>236,983</u>	<u>0</u>
Fund Balance End of Year	<u>\$103,232</u>	<u>\$229,262</u>	<u>\$126,030</u>

Centerville 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, 2006

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$24,189	\$17,833	(\$6,356)
Intergovernmental	1,419,193	1,046,295	(372,898)
Total Revenues	<u>1,443,382</u>	<u>1,064,128</u>	<u>(379,254)</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	1,319,617	1,087,325	232,292
Total Expenditures	<u>1,319,617</u>	<u>1,087,325</u>	<u>232,292</u>
Net Change in Fund Balance	123,765	(23,197)	(146,962)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>272,852</u>	<u>272,852</u>	<u>0</u>
Fund Balance End of Year	<u>\$396,617</u>	<u>\$249,655</u>	<u>(\$146,962)</u>

Centerville 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, 2006

	Teacher Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	4,946	4,946	0
Total Expenditures	4,946	4,946	0
Net Change in Fund Balance	(4,946)	(4,946)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,946	4,946	0
Fund Balance End of Year	\$0	\$0	\$0

Centerville 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, 2006

	Management Information Systems Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$82,065	\$27,572	(\$54,493)
Total Revenues	82,065	27,572	(54,493)
Expenditures:			
Current:			
Support Services:			
School Administration	59,764	58,916	848
Total Expenditures	59,764	58,916	848
Net Change in Fund Balance	22,301	(31,344)	(53,645)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	32,192	32,192	0
Fund Balance End of Year	\$54,493	\$848	(\$53,645)

Centerville 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, 2006

	Education R & D Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$22,089	\$0	(\$22,089)
Total Revenues	22,089	0	(22,089)
Expenditures:			
Current:			
Instruction:			
Support Services:			
Instructional Staff	16,548	16,548	0
Total Expenditures	16,548	16,548	0
Net Change in Fund Balance	5,541	(16,548)	(22,089)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	16,548	16,548	0
Fund Balance End of Year	\$22,089	\$0	(\$22,089)

Centerville 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, 2006

	Network Connect Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$33,476	\$33,000	(\$476)
Total Revenues	33,476	33,000	(476)
Expenditures:			
Current:			
Instruction:			
Regular	33,000	33,000	0
Operation of Non-Instructional Services	16,524	16,524	0
Total Expenditures	49,524	49,524	0
Net Change in Fund Balance	(16,048)	(16,524)	(476)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	16,524	16,524	0
Fund Balance End of Year	\$476	\$0	(\$476)

Centerville 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, 2006

	SchoolNet Professional Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$2,117	\$0	(\$2,117)
Total Revenues	2,117	0	(2,117)
Expenditures:			
Current:			
Instruction:			
Regular	8,568	8,568	0
Total Expenditures	8,568	8,568	0
Net Change in Fund Balance	(6,451)	(8,568)	(2,117)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	8,568	8,568	0
Fund Balance End of Year	\$2,117	\$0	(\$2,117)

Centerville 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, 2006

	Ohio Reads Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$16,000	\$14,000	(\$2,000)
Total Revenues	16,000	14,000	(2,000)
Expenditures:			
Current:			
Instruction:			
Regular	14,000	14,000	0
Total Expenditures	14,000	14,000	0
Net Change in Fund Balance	2,000	0	(2,000)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$2,000	\$0	(\$2,000)

Centerville 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, 2006

	Final Budget	Summer School Subsidy Fund Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$138,668	\$0	(\$138,668)
Total Revenues	138,668	0	(138,668)
Expenditures:			
Current:			
Instruction:			
Regular	1,700	1,631	69
Total Expenditures	1,700	1,631	69
Net Change in Fund Balance	136,968	(1,631)	(138,599)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,700	1,700	0
Fund Balance End of Year	\$138,668	\$69	(\$138,599)

Centerville 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, 2006

	Vocational Education Enhancement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$28,779	\$2,307	(\$26,472)
Total Revenues	28,779	2,307	(26,472)
Expenditures:			
Current:			
Instruction:			
Regular	2,832	2,823	9
Total Expenditures	2,832	2,823	9
Net Change in Fund Balance	25,947	(516)	(26,463)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	525	525	0
Fund Balance End of Year	\$26,472	\$9	(\$26,463)

Centerville 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, 2006

	Miscellaneous State Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$19,501	\$20,855	\$1,354
Total Revenues	19,501	20,855	1,354
Expenditures:			
Current:			
Instruction:			
Vocational	15,000	15,079	(79)
Support Services:			
Instructional Staff	32,461	31,137	1,324
Total Expenditures	47,461	46,216	1,245
Net Change in Fund Balance	(27,960)	(25,361)	2,599
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	27,861	27,861	0
Fund Balance End of Year	(\$99)	\$2,500	\$2,599

Centerville 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, 2006

	Title VI-B Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$2,145,134	\$1,849,746	(\$295,388)
Total Revenues	<u>2,145,134</u>	<u>1,849,746</u>	<u>(295,388)</u>
Expenditures:			
Current:			
Instruction:			
Special	651,186	640,455	10,731
Support Services:			
Instructional Staff	985,624	1,010,030	(24,406)
Operation of Non-Instructional Services	257,324	232,768	24,556
Total Expenditures	<u>1,894,134</u>	<u>1,883,253</u>	<u>10,881</u>
Net Change in Fund Balance	251,000	(33,507)	(284,507)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>47,549</u>	<u>47,549</u>	<u>0</u>
Fund Balance End of Year	<u>\$298,549</u>	<u>\$14,042</u>	<u>(\$284,507)</u>

Centerville 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, 2006

	Vocational Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$209,976	\$196,009	(\$13,967)
Total Revenues	<u>209,976</u>	<u>196,009</u>	<u>(13,967)</u>
Expenditures:			
Current:			
Instruction:			
Vocational	44,140	43,505	635
Support Services:			
Pupil	143,379	143,379	0
School Administration	19,696	9,796	9,900
Total Expenditures	<u>207,215</u>	<u>196,680</u>	<u>10,535</u>
Net Change in Fund Balance	2,761	(671)	(3,432)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>2,907</u>	<u>2,907</u>	<u>0</u>
Fund Balance End of Year	<u>\$5,668</u>	<u>\$2,236</u>	<u>(\$3,432)</u>

Centerville 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, 2006

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$337,637	\$253,695	(\$83,942)
Total Revenues	337,637	253,695	(83,942)
Expenditures:			
Current:			
Instruction:			
Special	263,917	263,441	476
Total Expenditures	263,917	263,441	476
Net Change in Fund Balance	73,720	(9,746)	(83,466)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	9,747	9,747	0
Fund Balance End of Year	\$83,467	\$1	(\$83,466)

Centerville 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, 2006

	Title VI Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$40,009	\$26,030	(\$13,979)
Total Revenues	40,009	26,030	(13,979)
Expenditures:			
Current:			
Support Services:			
Pupil	22,382	20,912	1,470
Instructional Staff	1,000	994	6
Operation of Non-Instructional Services	3,693	3,693	0
Total Expenditures	27,075	25,599	1,476
Net Change in Fund Balance	12,934	431	(12,503)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	214	214	0
Fund Balance End of Year	\$13,148	\$645	(\$12,503)

Centerville 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, 2006

	Emergency Immigrant Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Special	236	236	0
Total Expenditures	236	236	0
Net Change in Fund Balance	(236)	(236)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	236	236	0
Fund Balance End of Year	\$0	\$0	\$0

Centerville 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, 2006

	Drug Free Schools Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$35,682	\$26,980	(\$8,702)
Total Revenues	35,682	26,980	(8,702)
Expenditures:			
Current:			
Instruction:			
Regular	22,408	22,408	0
Operation of Non-Instructional Services	5,642	5,520	122
Total Expenditures	28,050	27,928	122
Net Change in Fund Balance	7,632	(948)	(8,580)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,122	1,122	0
Fund Balance End of Year	\$8,754	\$174	(\$8,580)

Centerville 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, 2006

	EHA Pre-School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$43,133	\$36,642	(\$6,491)
Total Revenues	43,133	36,642	(6,491)
Expenditures:			
Current:			
Instruction:			
Regular	16,250	15,769	481
Support Services:			
Instructional Staff	19,464	19,388	76
Total Expenditures	35,714	35,157	557
Net Change in Fund Balance	7,419	1,485	(5,934)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$7,419	\$1,485	(\$5,934)

Centerville 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, 2006

	FCC E-Rate Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$48,119	\$42,760	(\$5,359)
Total Revenues	48,119	42,760	(5,359)
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	146,150	43,445	102,705
Total Expenditures	146,150	43,445	102,705
Net Change in Fund Balance	(98,031)	(685)	97,346
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	99,590	99,590	0
Fund Balance End of Year	<u>\$1,559</u>	<u>\$98,905</u>	<u>\$97,346</u>

Centerville 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, 2006

	Final Budget	Actual	Variance from Final Budget
		Reducing Class Size Fund	
Revenues:			
Intergovernmental	\$217,735	\$130,551	(\$87,184)
Total Revenues	217,735	130,551	(87,184)
Expenditures:			
Current:			
Instruction:			
Regular	129,435	120,763	8,672
Support Services:			
Instructional Staff	31,582	13,582	18,000
Operation of Non-Instructional Services	1,634	1,634	0
Total Expenditures	162,651	135,979	26,672
Net Change in Fund Balance	55,084	(5,428)	(60,512)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	8,000	8,000	0
Fund Balance End of Year	\$63,084	\$2,572	(\$60,512)

Centerville 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, 2006

	Miscellaneous Federal Grants Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$10,071	\$4,616	(\$5,455)
Total Revenues	10,071	4,616	(5,455)
Expenditures:			
Current:			
Instruction:			
Regular	7,829	5,152	2,677
Support Services:			
Instructional Staff	2,032	1,562	470
Operation of Non-Instructional Services	501	468	33
Total Expenditures	10,362	7,182	3,180
Net Change in Fund Balance	(291)	(2,566)	(2,275)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,567	2,567	0
Fund Balance End of Year	\$2,276	\$1	(\$2,275)

Centerville 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, 2006

	Adult Education Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	785	785	0
Total Expenditures	785	785	0
Net Change in Fund Balance	(785)	(785)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	785	785	0
Fund Balance End of Year	\$0	\$0	\$0

Centerville 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, 2006

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$270,405	\$260,836	(\$9,569)
Charges for Services	1,810,894	1,746,808	(64,086)
Other Revenues	17,540	16,919	(621)
Total Revenues	<u>2,098,839</u>	<u>2,024,563</u>	<u>(74,276)</u>
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	16,957	7,028	9,929
Operation of Non-Instructional Services	2,242,830	2,069,555	173,275
Total Expenditures	<u>2,259,787</u>	<u>2,076,583</u>	<u>183,204</u>
Net Change in Fund Balance	(160,948)	(52,020)	108,928
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>198,933</u>	<u>198,933</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$37,985</u></u>	<u><u>\$146,913</u></u>	<u><u>\$108,928</u></u>

Centerville 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, 2006

	Uniform School Supply Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$340,897	\$361,323	\$20,426
Total Revenues	340,897	361,323	20,426
Expenditures:			
Current:			
Operation of Non-Instructional Services	449,001	360,214	88,787
Total Expenditures	449,001	360,214	88,787
Excess of Revenues Over (Under) Expenditures	(108,104)	1,109	109,213
Other financing sources (uses):			
Advances (Out)	(1,100)	0	1,100
Total Other Financing Sources (Uses)	(1,100)	0	1,100
Net Change in Fund Balance	(109,204)	1,109	110,313
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	208,389	208,389	0
Fund Balance End of Year	\$99,185	\$209,498	\$110,313

Centerville 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, 2006

	Entry Year Programs Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$17,000	\$9,850	(\$7,150)
Total Revenues	17,000	9,850	(7,150)
Expenditures:			
Current:			
Instruction:			
Regular	8,890	8,890	0
Special	960	960	0
Total Expenditures	9,850	9,850	0
Net Change in Fund Balance	7,150	0	(7,150)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$7,150	\$0	(\$7,150)

Centerville 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, 2006

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$58,372	\$48,948	(\$9,424)
Total Revenues	58,372	48,948	(9,424)
Expenditures:			
Current:			
Instruction:			
Special	48,948	48,948	0
Total Expenditures	48,948	48,948	0
Net Change in Fund Balance	9,424	0	(9,424)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$9,424	\$0	(\$9,424)

Centerville 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, 2006

	Special Enterprise Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Tuition and Fees	\$243,059	\$234,890	(\$8,169)
Investment Earnings	5,790	5,595	(195)
Total Revenues	<u>248,849</u>	<u>240,485</u>	<u>(8,364)</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	<u>248,849</u>	<u>249,791</u>	<u>(942)</u>
Total Expenditures	<u>248,849</u>	<u>249,791</u>	<u>(942)</u>
Net Change in Fund Balance	0	(9,306)	(9,306)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>108,182</u>	<u>108,182</u>	<u>0</u>
Fund Balance End of Year	<u>\$108,182</u>	<u>\$98,876</u>	<u>(\$9,306)</u>

Centerville 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, 2006

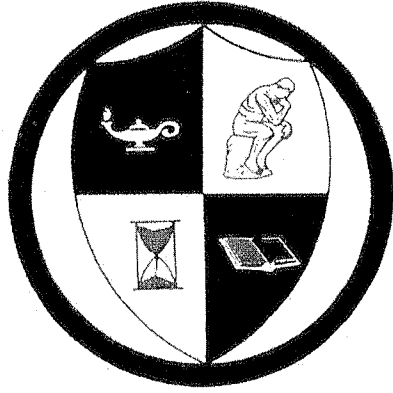
	Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$4,116,102	\$4,143,036	\$26,934
Intergovernmental	446,489	449,411	2,922
Other Revenues	3,677	3,701	24
Total Revenues	<u>4,566,268</u>	<u>4,596,148</u>	<u>29,880</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	36,300	53,905	(17,605)
Debt Service:			
Principal Retirement	3,080,002	1,420,000	1,660,002
Interest and Fiscal Charges	7,136,129	3,290,032	3,846,097
Total Expenditures	<u>10,252,431</u>	<u>4,763,937</u>	<u>5,488,494</u>
Net Change in Fund Balance	(5,686,163)	(167,789)	5,518,374
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>6,156,238</u>	<u>6,156,238</u>	<u>0</u>
Fund Balance End of Year	<u>\$470,075</u>	<u>\$5,988,449</u>	<u>\$5,518,374</u>

Centerville 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, 2006

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$3,076,946	\$2,124,429	(\$952,517)
Intergovernmental	352,571	243,427	(109,144)
Other Revenues	76,319	52,693	(23,626)
Total Revenues	3,505,836	2,420,549	(1,085,287)
Expenditures:			
Current:			
Instruction:			
Regular	530,972	526,457	4,515
Support Services:			
School Administration	22,623	20,606	2,017
Fiscal	29,000	26,199	2,801
Operations and Maintenance	603,242	483,469	119,773
Pupil Transportation	651,945	516,651	135,294
Capital Outlay	3,390,303	2,316,063	1,074,240
Debt Service:			
Principal Retirement	210,000	210,000	0
Interest and Fiscal Charges	4,725	4,725	0
Total Expenditures	5,442,810	4,104,170	1,338,640
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,639,890	2,639,890	0
Fund Balance End of Year	\$702,916	\$956,269	\$253,353

Centerville 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, 2006

	SchoolNet Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$66,404	\$0	(\$66,404)
Total Revenues	66,404	0	(66,404)
Expenditures:			
Current:			
Instruction:			
Regular	546	546	0
Total Expenditures	546	546	0
Net Change in Fund Balance	65,858	(546)	(66,404)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	546	546	0
Fund Balance End of Year	\$66,404	\$0	(\$66,404)



Fiduciary Funds

PRIVATE-PURPOSE TRUST FUNDS

Private-purpose trust funds are used to account for assets held by the School District, which have been restricted so that the principal and income of the fund benefit individuals, private organizations, or other governments and are not available to support the operations of the School District.

Scholarship Trust Fund

To account for restricted donations, where the donations themselves may be used, to provide scholarships to selected students graduating from the School District.

Memorial Scholarship Trust Fund

To account for the restricted donations, where the corpus of the donations may not be used, which were provided in memory of individuals to provide scholarships to selected District students.

AGENCY FUNDS

Agency funds account for monies held by the School District in a purely custodial nature for other organizations. Accordingly, all assets reported in an agency fund are offset by a liability to the party on whose behalf they are held.

Student Managed Activities Fund

To account for the resources belonging to the various student groups in the District. The fund accounts for sales and other revenue generating activities by student activity programs that have students involved in the management of the program.

Centerville City School District, Ohio
 Combining Statement of Fiduciary Net Assets
 Fiduciary Funds - Private Purpose Trust
 June 30, 2006

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total Private Purpose Trust
Assets:			
Equity in Pooled Cash and Investments	\$22,602	\$567	\$23,169
Restricted Cash and Investments	0	10,335	10,335
Total Assets	22,602	10,902	33,504
Liabilities:			
Accounts Payable	846	0	846
Total Liabilities	846	0	846
Net Assets:			
Held in Trust	21,756	10,902	32,658
Total Net Assets	\$21,756	\$10,902	\$32,658

Centerville City School District, Ohio
 Combining Statement of Changes in Fiduciary Net Assets
 Fiduciary Funds - Private Purpose Trust
 For the Fiscal Year Ended June 30, 2006

	Scholarship Trust Fund	Memorial Scholarship Trust Fund	Total Private Purpose Trust
Additions:			
Donations	\$1,100	\$0	\$1,100
Investment Earnings	1,150	31	1,181
Total Additions	<u>2,250</u>	<u>31</u>	<u>2,281</u>
Deductions:			
Payments in accordance with trust agreements	<u>3,783</u>	<u>1,000</u>	<u>4,783</u>
Total Deductions	<u>3,783</u>	<u>1,000</u>	<u>4,783</u>
Change in Net Assets	(1,533)	(969)	(2,502)
Net Assets Beginning of Year	<u>23,289</u>	<u>11,871</u>	<u>35,160</u>
Net Assets End of Year	<u>\$21,756</u>	<u>\$10,902</u>	<u>\$32,658</u>

Centerville City School District, Ohio
Statement of Changes In Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2006

	Student Managed Activities			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$ 117,821	\$290,326	\$278,006	\$130,141
Receivables:				
Accounts	0	121	0	121
Total Assets	<u>117,821</u>	<u>290,447</u>	<u>278,006</u>	<u>130,262</u>
Liabilities:				
Accounts Payable	2,311	1,452	2,311	1,452
Due to Students	115,510	288,995	275,695	128,810
Total Liabilities	<u>\$ 117,821</u>	<u>\$290,447</u>	<u>\$278,006</u>	<u>\$130,262</u>

Statistical Section



Centerville City School District
 Net Assets by Component,
 Last Four Fiscal Years
 (accrual basis of accounting)
 Schedule 1

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	\$10,913,479	\$9,878,697	\$13,095,557	\$12,178,880
Restricted	6,074,261	6,596,859	7,715,166	12,578,928
Unrestricted	17,241,379	18,875,247	16,986,667	16,917,979
Total primary government net assets	<u>\$34,229,119</u>	<u>\$35,350,803</u>	<u>\$37,797,390</u>	<u>\$41,675,787</u>

Note: The district began to report accrual information when it implemented GASB Statement 34 in 2003.

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

	Fiscal Year			
	2003	2004	2005	2006
Expenses				
Governmental activities:				
Instruction	\$39,903,025	\$43,355,730	\$43,658,310	\$45,673,093
Pupil	2,961,925	3,088,292	3,331,856	3,331,802
Instructional staff	5,280,429	5,403,371	5,515,202	5,241,760
General administration	19,884	19,255	29,910	23,955
School administration	3,759,173	3,820,320	4,138,307	3,854,617
Fiscal	1,380,517	1,314,217	1,213,651	1,349,764
Business	519,122	539,761	470,198	527,471
Central	102,201	93,373	100,071	74,810
Pupil transportation	4,188,147	4,633,431	4,918,168	4,783,618
Operation and maintenance	5,785,183	6,434,103	4,892,584	5,175,782
Operation of non-instructional services	2,891,264	3,043,987	3,404,785	3,600,223
Extracurricular activities	579,868	577,028	604,548	621,024
Interest and fiscal charges	986,240	882,859	798,114	3,322,128
Unallocated Depreciation	966,213	919,310	952,149	848,220
Total primary government expenses	<u>69,323,191</u>	<u>74,125,037</u>	<u>74,027,853</u>	<u>78,428,267</u>
Program Revenues				
Governmental activities:				
* Charges for services and sales	4,311,331	4,579,238	4,913,491	4,281,743
Operating grants and contributions	2,951,841	3,438,001	3,865,453	7,489,083
Capital grants and contributions	200,441	48,917	114,693	51,881
Total primary government revenues	<u>7,463,613</u>	<u>8,066,156</u>	<u>8,893,637</u>	<u>11,822,707</u>
Net (Expense)/Revenue				
Total primary government net expense	<u>(\$61,859,578)</u>	<u>(\$66,058,881)</u>	<u>(\$65,134,216)</u>	<u>(\$66,605,560)</u>

Note: The district began to report accrual information when it implemented GASB Statement 34 in 2003.

* - Charges for services are mainly derived from food service and athletics.

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

	Fiscal Year			
	2003	2004	2005	2006
Net (Expense)/Revenue				
Total primary government net expense	(\$61,859,578)	(\$66,058,881)	(\$65,134,216)	(\$66,605,560)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property Taxes	42,208,394	48,122,564	48,367,659	51,373,142
Grants and Entitlements restricted to specific purposes	17,307,126	18,457,781	18,114,065	17,111,338
Other revenue	397,873	268,493	344,337	226,095
Investment earnings	670,707	370,634	754,742	1,773,382
Total primary government	<u>60,584,100</u>	<u>67,219,472</u>	<u>67,580,803</u>	<u>70,483,957</u>
Change in Net Assets				
Total primary government	<u>(\$1,275,478)</u>	<u>\$1,160,591</u>	<u>\$2,446,587</u>	<u>\$3,878,397</u>

Note: The district began to report accrual information when it implemented GASB Statement 34 in 2003.

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

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	N/A	N/A	\$1,923,078	\$2,272,622	\$4,445,731	\$4,005,443	\$1,344,847	\$2,166,848	\$4,872,736	\$2,677,271
Unreserved	N/A	N/A	12,722,878	12,737,493	16,888,407	17,958,131	17,268,991	17,097,022	14,983,828	16,853,699
Total general fund	N/A	N/A	14,645,956	15,010,115	21,334,138	21,963,574	18,613,838	19,263,870	19,856,564	19,530,970
All other Governmental Funds										
Reserved	N/A	N/A	2,382,897	1,800,630	2,736,495	1,103,274	2,767,689	739,802	1,207,172	23,095,605
Unreserved, reported in:										
Capital project funds	N/A	N/A	181,042	(2,402,378)	(3,641,515)	(779,126)	(759,377)	1,401,065	64,145,114	28,404,180
Debt service funds	N/A	N/A	4,849,563	4,114,351	3,947,049	3,814,476	3,902,493	3,985,476	6,156,237	5,988,448
Special revenue funds	N/A	N/A	630,722	751,055	654,276	970,467	1,098,274	1,084,385	794,733	1,081,333
Total	N/A	N/A	\$8,044,224	\$4,263,658	\$3,696,305	\$5,109,091	\$7,009,079	\$7,210,728	\$72,303,256	\$58,569,566

N/A - Information not available

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

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Revenues:										
Taxes	N/A	N/A	\$36,062,853	\$37,402,668	\$44,377,736	\$43,511,440	\$42,083,380	\$47,160,709	\$49,758,871	\$51,338,798
Tuition and Fees	N/A	N/A	414,375	418,436	380,928	470,138	702,530	778,434	688,288	842,313
Investment Earnings	N/A	N/A	1,671,945	1,568,175	1,969,887	1,274,537	497,789	543,552	741,439	3,752,682
Intergovernmental	N/A	N/A	15,115,417	15,176,742	16,110,112	17,863,933	20,201,707	21,921,351	22,042,895	22,726,984
Rentals	N/A	N/A	0	0	0	89,757	26,293	115,285	45,433	0
Extracurricular Activities	N/A	N/A	883,891	868,436	874,113	977,341	860,073	891,852	999,557	1,167,481
Gifts and Donations	N/A	N/A	0	0	0	71,447	94,265	101,906	0	0
Charges for Services	N/A	N/A	0	0	0	0	2,722,435	2,793,667	3,180,213	2,236,945
Other revenues	N/A	N/A	1,323,353	891,915	1,047,876	990,480	397,873	268,493	433,927	226,094
Total revenues	N/A	N/A	\$55,471,834	\$56,326,372	\$64,760,652	\$65,249,073	\$67,586,345	\$74,575,249	\$77,890,623	\$82,291,297

N/A - Information not available

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

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Instruction	N/A	N/A	\$31,157,033	\$32,503,677	\$34,205,309	\$35,835,751	\$39,570,440	\$42,648,014	\$43,622,480	\$45,788,425
Pupil	N/A	N/A	2,123,960	2,168,021	2,249,952	2,609,403	2,938,608	3,082,285	3,348,409	3,379,885
Instructional staff	N/A	N/A	3,539,607	3,785,926	4,186,823	4,832,987	5,280,845	5,318,952	5,659,283	5,177,858
General administration	N/A	N/A	16,663	22,177	27,102	21,920	19,884	19,255	29,910	23,955
School administration	N/A	N/A	2,977,601	3,570,085	3,910,958	3,971,428	4,012,844	3,616,969	4,159,496	3,774,237
Fiscal	N/A	N/A	943,917	1,274,805	1,186,762	1,354,309	1,494,696	1,313,102	1,292,183	1,318,307
Business	N/A	N/A	432,551	425,516	449,905	459,865	545,042	517,818	481,356	525,942
Central	N/A	N/A	71,501	66,567	134,116	152,168	102,201	93,373	100,071	74,810
Pupil transportation	N/A	N/A	3,221,695	3,117,883	2,987,755	3,808,085	3,891,787	4,294,902	4,942,666	5,022,534
Operation and maintenance	N/A	N/A	3,744,893	4,028,377	4,427,377	4,996,475	5,345,385	6,192,896	5,434,200	5,029,584
Operation of non-instructional services	N/A	N/A	743,914	713,036	925,423	1,006,468	2,875,277	3,103,232	3,364,611	3,596,081
Extracurricular activities	N/A	N/A	432,060	543,326	545,382	567,964	579,868	576,202	603,406	619,882
Capital outlay	N/A	N/A	2,923,701	4,759,850	1,528,268	1,351,524	982,308	1,892,707	584,671	16,597,650
Debt service										
Principal retirement	N/A	N/A	1,600,000	1,515,000	975,000	1,020,000	1,075,000	2,335,000	2,355,000	1,630,000
Interest and fiscal charges	N/A	N/A	1,243,271	1,248,533	1,263,850	1,218,503	921,550	823,861	516,225	3,294,757
Total expenditures	N/A	N/A	\$55,172,367	\$59,742,779	\$59,003,982	\$63,206,850	\$69,635,735	\$75,828,568	\$76,493,967	\$95,853,907
Debt service as a percentage of noncapital expenditures	N/A	N/A	5.44%	5.03%	3.90%	3.62%	2.91%	4.27%	3.78%	6.21%

N/A - Information not available

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

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Other Financing Sources (Uses)										
Proceeds of Long Term Debt	N/A	N/A	\$0	\$0	\$0	\$0	\$7,355,000	\$0	\$68,783,798	\$0
Premium on Issuance of Long Term Debt	N/A	N/A	0	0	0	0	861,191	0	2,665,801	0
Payment to Refunded Bonds Escrow Agent	N/A	N/A	0	0	0	0	(8,090,451)	0	(7,161,003)	0
Transfers in	N/A	N/A	600,000	355,642	720	2,248,279	2,300,000	1,135,951	1,127,936	0
Transfers out	N/A	N/A	(600,000)	(355,642)	(720)	(2,248,279)	(2,300,000)	(1,135,951)	(1,127,936)	0
Total other financing sources (uses)	N/A	N/A	0	0	0	0	125,740	0	64,288,596	0
Net change in fund balances	N/A	N/A	\$299,467	(\$3,416,407)	\$5,756,670	\$2,042,223	(\$1,923,650)	(\$1,253,319)	\$65,685,252	(\$13,562,610)

N/A - Information not available

Centerville City School District
 Assessed Value and Actual Value of Taxable Property
 Last Ten Calendar Years
 Schedule 8

Calendar Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total		Total Direct Rate
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1996	\$937,739,470	\$2,679,255,629	\$49,404,784	\$197,619,136	\$49,858,310	\$56,657,170	\$1,037,002,564	\$2,933,531,935	56.81
1997	1,029,439,940	2,941,256,971	52,120,225	208,480,900	49,617,670	56,383,716	1,131,177,835	3,206,121,587	56.81
1998	1,053,794,680	3,010,841,943	55,857,470	223,429,880	49,469,210	56,215,011	1,159,121,360	3,290,486,834	56.81
1999	1,081,155,740	3,089,016,400	53,341,537	213,366,148	52,214,890	59,335,102	1,186,712,167	3,361,717,650	56.38
2000	1,155,768,080	3,302,194,514	61,395,951	245,583,804	47,650,820	54,148,659	1,264,814,851	3,601,926,977	56.05
2001	1,178,917,510	3,368,335,743	64,129,189	256,516,756	44,654,110	50,743,307	1,287,700,809	3,675,595,806	60.75
2002	1,210,417,410	3,458,335,457	63,261,033	253,044,132	33,204,690	85,275,681	1,306,883,133	3,796,655,270	60.81
2003	1,379,869,910	3,942,485,457	61,203,686	244,814,744	34,597,520	88,852,722	1,475,671,116	4,276,152,923	61.80
2004	1,409,883,200	4,028,237,714	52,513,577	210,054,308	33,290,900	85,497,084	1,495,687,677	4,323,789,106	60.75
2005	1,443,169,480	4,123,341,371	57,530,705	239,711,271	32,988,410	49,236,433	1,533,688,595	4,412,289,075	60.75

Source: County Auditor

N/A - Information not available

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

Calendar Year	District Direct Rates				Overlapping Rates				
	General Purpose	Debt	Capital Purpose	Total	County	City of Centerville	City of Kettering	Library	Township/Park
1996	56.81	0.00	0.00	56.81	16.64	0.00	N/A	1.30	15.75
1997	56.81	0.00	0.00	56.81	16.64	0.00	N/A	1.30	15.75
1998	56.81	0.00	0.00	56.81	16.64	0.00	N/A	1.30	15.50
1999	56.38	0.00	0.00	56.38	16.64	0.00	N/A	1.30	16.00
2000	56.05	0.00	0.00	56.05	16.64	0.00	N/A	1.33	7.90
2001	57.77	1.18	1.80	60.75	17.24	0.00	6.92	1.63	7.90
2002	57.83	1.18	1.80	60.81	17.24	0.00	6.91	1.63	7.90
2003	58.82	1.18	1.80	61.80	17.24	2.35	6.85	3.03	15.95
2004	57.77	1.18	1.80	60.75	18.24	2.35	6.85	3.03	15.95
2005	57.77	1.18	1.80	60.75	18.24	2.35	6.85	3.03	16.85

Source: County Auditor

N/A - Information not available

Centerville City School District
Principal Property Tax Payers,
Current Year and Nine Years Ago
Schedule 10

Taxpayer	2005 (1)		1996 (1)	
	Taxable Assessed Value	Percentage of Total Taxable Value	Taxable Assessed Value	Percentage of Total Taxable Value
Dayton Power and Light Company	\$16,438,750	1.07%	N/A	N/A
Ohio Bell Telephone Co.	8,567,360	0.56%	N/A	N/A
Cross Pointe Associates, Inc.	8,052,120	0.53%	N/A	N/A
Miller Farm Apartments	7,790,470	0.51%	N/A	N/A
Voss Chevrolet, Inc.	6,636,970	0.43%	N/A	N/A
Washington Place Limited	6,506,070	0.42%	N/A	N/A
Streetplacechase Advisors	5,220,870	0.34%	N/A	N/A
CVS Partnerships	4,593,100	0.30%	N/A	N/A
Bob Ross Buick, Inc.	4,406,480	0.29%	N/A	N/A
Chesapeake Landing	3,953,350	0.26%	N/A	N/A
	<u>\$72,165,540</u>	<u>4.71%</u>	<u>N/A</u>	<u>N/A</u>
All Others:	<u>\$1,461,523,055</u>	<u>95.29%</u>	<u>N/A</u>	<u>N/A</u>
Total:	<u><u>\$1,533,688,595</u></u>	<u><u>100.00%</u></u>	<u><u>N/A</u></u>	<u><u>N/A</u></u>

Source: County Auditor

(1) - Denotes calender year.

N/A - Information not available

Centerville City School District
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		Delinquent Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1996	\$35,027,072	\$34,368,563	98.12%	N/A	N/A	N/A
1997	35,860,995	35,305,150	98.45%	N/A	N/A	N/A
1998	37,054,592	37,032,359	99.94%	N/A	N/A	N/A
1999	40,935,720	37,788,893	92.31%	N/A	N/A	N/A
2000	42,680,479	42,315,844	99.15%	N/A	N/A	N/A
2001	47,862,143	47,004,769	98.21%	\$1,057,732	\$48,062,501	100.42%
2002	48,234,819	47,128,143	97.71%	1,166,628	48,294,771	100.12%
2003	50,055,153	48,696,062	97.28%	1,335,449	50,031,511	99.95%
2004	50,640,981	49,794,399	98.33%	1,169,296	50,963,695	100.64%
2005	51,512,265	50,733,702	98.49%	1,111,261	51,844,963	100.65%

Source: County Auditor and district records

N/A - Information not available

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Long-Term Capital Notes	Tax Anticipation Notes			
1997	N/A	N/A	N/A	N/A	N/A	N/A
1998	\$24,070,000	\$0	\$0	\$24,070,000	0.16%	\$489
1999	22,470,000	0	0	22,470,000	0.15%	454
2000	20,955,000	0	3,500,000	24,455,000	0.15%	492
2001	19,980,000	0	3,845,000	23,825,000	0.14%	444
2002	18,960,000	0	2,990,000	21,950,000	0.13%	450
2003	18,077,877	2,105,000	0	20,182,877	0.12%	381
2004	16,667,327	1,180,000	0	17,847,327	0.10%	337
2005	80,019,566	210,000	0	80,229,566	N/A	1,514
2006	78,500,038	0	0	78,500,038	N/A	1,481

Source: District Records

N/A - Information not available

Centerville City School District
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2006
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Overlapping Debt:			
Montgomery County	\$30,462,940	15.37%	\$4,682,154
Kettering City	5,566,142	0.17%	9,462
Washington Township Park District	2,390,000	100.00%	2,390,000
Miami Regional Transit Authority	8,765,000	15.37%	1,347,181
Subtotal, Overlapping Debt	47,184,082		8,428,797
District direct debt	77,893,798	100.00%	77,893,798
Total direct and overlapping debt	\$125,077,880		\$86,322,595

Source: Ohio Municipal Advisory Council

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

Legal Debt Margin Calculation for Fiscal Year 2006

Assessed value (1)	\$1,533,688,595
Debt limit (9% of assessed value)	138,031,974
Debt applicable to limit	77,893,798
Legal debt margin	<u>\$60,138,176</u>

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt limit	N/A	N/A	\$104,320,922	\$106,804,095	\$113,833,337	\$115,893,073	\$117,619,482	\$132,810,400	\$134,611,891	\$138,031,974
Total net debt applicable to limit	N/A	N/A	17,567,969	24,455,000	23,825,000	21,950,000	13,982,591	12,489,608	71,315,829	77,893,798
Legal debt margin	N/A	N/A	\$86,752,953	\$82,349,095	\$90,008,337	\$93,943,073	\$103,636,891	\$120,320,792	\$63,296,062	\$60,138,176

Total net debt applicable to the limit as a percentage of debt limit	N/A	N/A	16.84%	22.90%	20.93%	18.94%	11.89%	9.40%	52.98%	56.43%
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Source: District Records

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2006 is calendar year 2005)

N/A - Information not available

Centerville City School District
 Demographic and Economic Statistics
 Last Ten Calendar Years
 Schedule 15

<u>Calendar Year</u>	<u>Population (1)</u>	(2) <u>Personal Income</u> <u>(Thousands of Dollars)</u>	(3) <u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
1996	48,815	N/A	N/A	4.40%
1997	49,231	\$14,518,795	\$25,517	4.00%
1998	49,463	15,047,037	26,551	4.10%
1999	49,696	15,446,351	27,487	3.90%
2000	53,700	16,167,661	28,949	3.90%
2001	48,812	16,563,468	29,827	4.50%
2002	52,992	16,810,295	30,404	5.80%
2003	52,991	16,984,405	30,784	5.80%
2004	52,991	17,461,179	31,773	6.40%
2005	52,991	N/A	N/A	6.60%

(1) City of Centerville and Washington Township; 2003-2006 based on U.S. Census data, other years are estimates.

(2) Bureau of Economic Analysis Data. Information for Montgomery County

(3) State of Ohio Bureau of Employment Services Annual averages. Information for Montgomery County.

N/A - Information not available

Centerville City School District
Principal Employers,
Current Year and Nine Years Ago
Schedule 16

Employers	2006		1997	
	Employees	Percentage of Total Total Employment	Employees	Percentage of Total Total Employment
Wright Patterson Air Force Base	21,000	13.51%	N/A	N/A
Honda of America, Manufacturing, Inc.	13,000	8.36%	N/A	N/A
Premier Health Partners	9,000	5.79%	N/A	N/A
Kettering Medical Center Network	7,000	4.50%	N/A	N/A
Delphi Corporation	6,000	3.86%	N/A	N/A
Meijer Inc.	5,025	3.23%	N/A	N/A
The Reynolds and Reynolds Co.	4,400	2.83%	N/A	N/A
Montgomery County	4,000	2.57%	N/A	N/A
General Motors Corporation	4,000	2.57%	N/A	N/A
Miami University	3,500	2.25%	N/A	N/A
	<u>\$76,925</u>	<u>49.50%</u>	<u>N/A</u>	<u>N/A</u>

Source: Montgomery County Chamber of Commerce

N/A - Information not available

Centerville City School District
 Full-Time Equivalent District Employees by Type
 Last Ten Fiscal Years
 Schedule 17

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Instruction										
Classroom teachers	371.0	379.0	389.9	392.0	388.6	395.9	403.9	411.3	414.4	416.4
Special education teachers and tutors	73.0	83.0	83.0	87.0	88.5	91.0	100.0	103.1	104.1	106.1
Educational aides	43.0	44.0	46.0	47.5	49.5	51.5	51.5	51.6	51.0	51.0
Special education aides and attendants	37.0	50.0	61.0	63.0	63.0	65.0	75.0	72.0	72.0	73.0
Total Instruction	<u>524.0</u>	<u>556.0</u>	<u>579.9</u>	<u>589.5</u>	<u>589.6</u>	<u>603.4</u>	<u>630.4</u>	<u>638.0</u>	<u>641.5</u>	<u>646.5</u>
Support and Administration										
Support personnel										
Librarians, nurses, counselors, visiting teacher	41.0	41.0	42.2	42.9	43.9	46.9	50.0	51.6	52.6	52.6
Principals	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.5	14.5
Central office administration	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Secretaries and clerical	33.0	33.0	33.0	33.0	33.0	33.0	33.0	39.0	39.0	39.0
Transportation	73.0	74.0	75.0	76.0	80.0	83.0	85.0	90.0	92.0	93.0
Food service	50.0	54.0	52.0	51.0	54.0	55.0	56.0	56.0	54.0	55.0
Custodial	35.0	36.0	36.0	36.5	38.5	40.3	40.3	40.0	40.0	40.0
Maintenance and mechanics	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Total Support and administration	<u>261.0</u>	<u>267.0</u>	<u>267.2</u>	<u>268.4</u>	<u>278.4</u>	<u>287.2</u>	<u>293.3</u>	<u>305.6</u>	<u>307.1</u>	<u>309.1</u>
Total Employees	<u>785.0</u>	<u>823.0</u>	<u>847.1</u>	<u>857.9</u>	<u>868.0</u>	<u>890.6</u>	<u>923.7</u>	<u>943.6</u>	<u>948.6</u>	<u>955.6</u>

Source: Nonfinancial information from district records.

Centerville City School District
 Operating Statistics
 Last Ten Fiscal Years
 Schedule 18

Fiscal Year	Enrollment	Operating Expenditure	Cost Per Pupil	Percentage Change	Expenses	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
1997	7,206	N/A	N/A	N/A	N/A	N/A	N/A	371	19.4	N/A
1998	7,278	N/A	N/A	N/A	N/A	N/A	N/A	379	19.2	N/A
1999	7,344	\$49,405,395	\$6,727	N/A	N/A	N/A	N/A	389.9	18.8	N/A
2000	7,380	52,219,396	7,076	5.18%	N/A	N/A	N/A	392	18.8	10.90%
2001	7,419	55,236,864	7,445	5.21%	N/A	N/A	N/A	388.6	19.1	12.60%
2002	7,560	59,616,823	7,886	5.92%	N/A	N/A	N/A	395.9	19.1	13.30%
2003	7,821	66,656,877	8,523	8.08%	\$69,323,191	\$8,864	8.08%	403.9	19.4	13.90%
2004	8,055	70,777,000	8,787	3.10%	74,125,037	9,202	3.81%	411.27	19.6	14.40%
2005	8,248	73,038,071	8,855	0.77%	74,027,853	8,975	-2.47%	414.4	19.9	13.40%
2006	8,227	74,331,500	9,035	2.03%	78,428,267	9,533	6.22%	416.4	19.8	14.50%

Source: Nonfinancial information from district records.

N/A - Information not available

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

	Fiscal Year				
	1997	1998	1999	2000	2001
School					
Elementary Schools					
Centerville Kindergarten Village (1970)					
Square feet	45,110	45,110	45,110	45,110	45,110
Capacity (1)	650	650	650	650	650
Enrollment	640	589	611	639	630
Site Acreage	5.9	5.9	5.9	5.9	5.9
Cline Elementary (1954)					
Square feet	95,080	95,080	95,080	95,080	95,080
Capacity (1)	550	550	550	550	550
Enrollment	579	493	492	573	558
Site Acreage (with Magsig)	25.1	25.1	25.1	25.1	25.1
Driscoll Elementary (1962)					
Square feet	55,015	55,015	55,015	55,015	55,015
Capacity (1)	400	400	400	400	400
Enrollment	407	409	385	393	371
Site Acreage	9.4	9.4	9.4	9.4	9.4
Dr. John Hole Elementary (1956)					
Square feet	47,928	47,928	47,928	47,928	47,928
Capacity (1)	400	400	400	400	400
Enrollment	397	380	370	362	356
Site Acreage	8.3	8.3	8.3	8.3	8.3
Normandy Elementary (1964)					
Square feet	48,000	48,000	48,000	48,000	58,000
Capacity (1)	400	400	400	400	550
Enrollment	408	404	454	484	479
Site Acreage	14.7	14.7	14.7	14.7	14.7
Stingley Elementary (1962)					
Square feet	48,765	48,765	48,765	48,765	48,765
Capacity (1)	400	400	400	400	400
Enrollment	354	381	375	372	377
Site Acreage (with Tower Hts)	17.0	17.0	17.0	17.0	17.0
Weller Elementary (1959)					
Square feet	46,630	46,630	56,630	56,630	56,630
Capacity (1)	400	400	550	550	550
Enrollment	476	493	492	476	453
Site Acreage	19.6	19.6	19.6	19.6	19.6
Middle Schools					
Magsig Middle School (1919)					
Square feet	84,770	84,770	84,770	84,770	84,770
Capacity (1)	600	600	600	600	600
Enrollment	592	562	554	547	579
Site Acreage (with Cline)	25.1	25.1	25.1	25.1	25.1
Tower Heights Middle School (1966)					
Square feet	68,575	68,575	68,575	68,575	68,575
Capacity (1)	600	600	600	600	600
Enrollment	575	557	583	596	608
Site Acreage (with Stingley)	17.0	17.0	17.0	17.0	17.0
Watts Middle School (1969)					
Square feet	66,735	66,735	66,735	66,735	66,735
Capacity (1)	600	600	600	600	600
Enrollment	495	536	541	578	582
Site Acreage	5.9	5.9	5.9	5.9	5.9
High School					
Centerville High School (1973)					
Square feet	340,380	340,380	340,380	370,380	400,380
Capacity (1)	2,300	2,300	2,300	2,500	2,700
Enrollment	2,283	2,358	2,385	2,362	2,419
Site Acreage	60.0	60.0	60.0	60.0	60.0

Source: Nonfinancial information from district records.

(1) Capacity considers many variables just as class size, federally required programs, and district-level programs thus may change accordingly.

Centerville City School District
School Building Information,
Last Ten Fiscal Years
Schedule 19 (continued)

	Fiscal Year				
	2002	2003	2004	2005	2006
School					
Elementary Schools					
Centerville Kindergarten Village (1970)					
Square feet	45,110	45,110	45,110	45,110	45,110
Capacity (1)	650	650	650	650	650
Enrollment	641	653	684	699	690
Site Acreage	5.9	5.9	5.9	5.9	5.9
Cline Elementary (1954)					
Square feet	95,080	95,080	95,080	95,080	95,080
Capacity (1)	550	550	550	550	550
Enrollment	542	550	566	562	580
Site Acreage (with Magsig)	25.1	25.1	25.1	25.1	25.1
Driscoll Elementary (1962)					
Square feet	55,015	55,015	55,015	55,015	55,015
Capacity (1)	400	400	400	400	400
Enrollment	380	406	399	413	403
Site Acreage	9.4	9.4	9.4	9.4	9.4
Dr. John Hole Elementary (1956)					
Square feet	47,928	47,928	47,928	47,928	47,928
Capacity (1)	400	400	400	400	400
Enrollment	391	379	418	431	452
Site Acreage	8.3	8.3	8.3	8.3	8.3
Normandy Elementary (1964)					
Square feet	58,000	58,000	58,000	58,000	58,000
Capacity (1)	550	550	550	550	550
Enrollment	490	516	556	563	544
Site Acreage	14.7	14.7	14.7	14.7	14.7
Stingley Elementary (1962)					
Square feet	48,765	48,765	48,765	48,765	48,765
Capacity (1)	400	400	400	400	400
Enrollment	399	412	436	446	435
Site Acreage (with Tower Hts)	17.0	17.0	17.0	17.0	17.0
Weller Elementary (1959)					
Square feet	56,630	56,630	56,630	56,630	56,630
Capacity (1)	550	550	550	550	550
Enrollment	467	475	526	540	524
Site Acreage	19.6	19.6	19.6	19.6	19.6
Middle Schools					
Magsig Middle School (1919)					
Square feet	84,770	84,770	84,770	84,770	84,770
Capacity (1)	600	600	600	600	600
Enrollment	585	628	581	571	569
Site Acreage (with Cline)	25.1	25.1	25.1	25.1	25.1
Tower Heights Middle School (1966)					
Square feet	68,575	68,575	68,575	68,575	68,575
Capacity (1)	600	600	600	600	600
Enrollment	594	581	578	590	590
Site Acreage (with Stingley)	17.0	17.0	17.0	17.0	17.0
Watts Middle School (1969)					
Square feet	66,735	66,735	66,735	66,735	66,735
Capacity (1)	600	600	600	600	600
Enrollment	592	636	645	643	630
Site Acreage	5.9	5.9	5.9	5.9	5.9
High School					
Centerville High School (1973)					
Square feet	400,380	400,380	400,380	400,380	400,380
Capacity (1)	2,700	2,700	2,700	2,700	2,700
Enrollment	2,468	2,582	2,657	2,740	2,748
Site Acreage	60.0	60.0	60.0	60.0	60.0

Source: Nonfinancial information from district records.

(1) Capacity considers many variables just as class size, federally required programs, and district-level programs thus may change accordingly.



Mary Taylor, CPA
Auditor of State

CENTERVILLE CITY SCHOOL DISTRICT

MONTGOMERY 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
JANUARY 30, 2007**