

FAIRFIELD CITY SCHOOL DISTRICT, OHIO

Single Audit Reports

June 30, 2007



Mary Taylor, CPA
Auditor of State

Board of Education
Fairfield City School District
211 Donald Drive
Fairfield, Ohio 45014

We have reviewed the *Independent Auditors' Report* of the Fairfield City School District, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2006 through June 30, 2007. 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 Fairfield City School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 22, 2008

This Page is Intentionally Left Blank.

FAIRFIELD CITY SCHOOL DISTRICT, OHIO

Table of Contents

	<u>Page</u>
Schedule of Expenditures of Federal Awards	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	2 - 3
Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	4 - 5
Schedule of Findings and Questioned Costs	6 - 7
Schedule of Prior Audit Findings	8

This Page is Intentionally Left Blank.

FAIRFIELD CITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2007

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
<i>(Passed through Ohio Department of Education)</i>				
Food Donation	N/A	10.550	\$ 159,250	159,250
Nutrition Cluster:				
School Breakfast Program	05PU	10.553	53,799	53,799
National School Lunch Program	LLP4	10.555	<u>443,130</u>	<u>443,130</u>
Nutrition Cluster Total			<u>496,929</u>	<u>496,929</u>
Total U.S. Department of Agriculture			<u>656,179</u>	<u>656,179</u>
<u>U.S. Department of Education:</u>				
American History Grant	N/A	84.215	156,236	156,564
<i>(Passed through Ohio Department of Education)</i>				
Title I Grants to Local Educational Agencies	C1S1	84.010	356,872	347,036
Title I Program for Neglected & Delinquent Children	C1SN	84.013	15,783	14,801
Special Education Cluster:				
Special Education - Grants to States	6BSF	84.027	1,970,686	2,042,665
Special Education - Preschool Grants	PGS1	84.173	<u>17,783</u>	<u>26,807</u>
Special Education Cluster Total			<u>1,988,469</u>	<u>2,069,472</u>
Safe and Drug-Free Schools and Communities - State Grants	DRS1	84.186	26,102	34,474
State Grants for Innovative Programs	C2S1	84.298	22,699	27,229
Education Technology State Grants	TJS1	84.318	3,270	4,201
Comprehensive School Reform Demonstration	RFCC	84.332	56,316	54,143
English Language Acquisition Grants	T3S2	84.365	95,532	107,632
Improving Teacher Quality State Grants	TRS1	84.367	209,633	213,924
Hurricane Education Recovery	HR01	84.938	<u>2,435</u>	<u>4,500</u>
Total U.S. Department of Education			<u>2,933,347</u>	<u>3,033,976</u>
Total Federal Awards			\$ <u>3,589,526</u>	<u>3,690,155</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

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



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

**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
Fairfield City School District, Ohio:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fairfield City School District, Ohio (the School District) as of and for the year ended June 30, 2007, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 20, 2007. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies labeled as 2007-1 and described in the accompanying schedule of findings and questioned costs as to be significant deficiencies in internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

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*.

We noted certain matters that we reported to management of the School District in a separate letter dated December 20, 2007.

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

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 20, 2007



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

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

To the Board of Education
Fairfield City School District, Ohio:

Compliance

We have audited the compliance of Fairfield City School District, Ohio (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, 2007. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of 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, 2007.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2007, and have issued our report thereon dated December 20, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
December 20, 2007

FAIRFIELD CITY SCHOOL DISTRICT, OHIO

Schedule of Findings and Questioned Costs

Year Ended June 30, 2007

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	yes
Noncompliance material to financial statements noted?	no

Federal Awards

Internal Control over major programs:	
• Material weakness(es) identified?	no
• Significant deficiency(ies) identified not considered to be material weaknesses?	no
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings disclosed that are required To be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of major programs:

Nutrition Cluster:
CFDA 10.555 – School Breakfast Program
CFDA 10.553 – National School Lunch Program
Title I – CFDA 84.010
Food Donation Program – CFDA 10.550

Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

Section II - Financial Statement Findings

Finding 2007-1 – Audit Adjustments

During the course of our audit, we identified a number of material misstatements in the financial statements for the year under audit that were not initially identified by the School District's internal control. Throughout the year, the School District maintains its books and records on the cash-basis of accounting and converts its financial statements at year-end to generally accepted accounting principles. The audit adjustments were necessary to correct errors in the School District's conversion process. A description of each adjustment follows:

- **Capital Assets.** An audit adjustment was necessary to correct additions to capital assets in the financial statements. Capital assets reported at June 30, 2007 were overstated by approximately \$692,000.
- **Capital Leases.** An audit adjustment as necessary to record approximately \$416,000 of capital lease liabilities that had not been recorded.
- **Accounts Payable.** During of testing of accounts payable, we determined that payables reported in the General Fund were overstated by about \$212,000 and payables of Other Governmental Funds were understated by approximately \$143,000. Audit adjustments were made to correct these errors.

Management response: Management concurs with the finding.

Section III - Federal Award Findings and Questioned Costs

None.

FAIRFIELD CITY SCHOOL DISTRICT, OHIO

Schedule of Prior Audit Findings

Year Ended June 30, 2007

The prior audit disclosed no instances of noncompliance with requirements of major federal programs. In addition, the prior audit disclosed the following reportable instance of noncompliance.

2006-1 Expenditures and Appropriations

Ohio Revised Code Section 5705.41(B) stipulates that no subdivision or taxing unit is to expend money unless it has been appropriated. As of June 30, 2006, nine funds of the School District had expenditures plus encumbrances which exceeded appropriations. This was the result of not appropriating returns of advances from the General Fund.

Status: Corrected in the current year.

Comprehensive Annual Financial Report



Fairfield City School District Fairfield, Ohio

For the Fiscal Year Ended
June 30, 2007

**Fairfield City School District
Fairfield, Ohio**

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2007**

**Prepared By:
Office Of The Treasurer
Nancy Lane, Treasurer**

THIS PAGE INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	vii
List of Principal Officials	xv
Organizational Chart	xvi
GFOA Certificate of Achievement for Excellence in Financial Reporting	xvii
ASBO Certificate of Excellence in Financial Reporting	xviii
FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	17
Statement of Fiduciary Net Assets - Fiduciary Funds	18
Statement of Changes in Fiduciary Net Assets - Fiduciary Fund	19
Notes to the Basic Financial Statements	21
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	44
Notes to the Required Supplementary Information	45
Combining Statements and Individual Fund Schedules:	
Fund Descriptions - Nonmajor Governmental Funds	48
Nonmajor Governmental Funds:	
Combining Balance Sheet	51
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	52
Nonmajor Capital Projects Funds:	
Combining Balance Sheet	57

TABLE OF CONTENTS

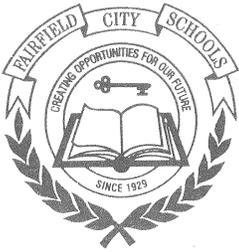
	Page
Nonmajor Governmental Funds:	
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	59
Nonmajor Special Revenue Funds:	
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	60
Nonmajor Capital Projects Funds:	
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	65
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Public School Support	66
Spring Recognition	67
Extracurricular Student Activities	68
Auxiliary Services	69
Management Information	70
Public School Pre-School	71
Entry Year Grant	72
SchoolNet OneNet	73
SchoolNet Professional Development	74
Ohio Reads	75
Poverty Based Assistance	76
School Security	77
Title VI B Pre-School	78
Title III	79
Title I	80
Title VI	81
Drug Free Schools	82
Pre-School Disabilities	83
Telecom Act	84
Classroom Size Reduction	85
Miscellaneous Federal	86
Food Service	87
Uniform School Supply	88
Latchkey	89
Debt Service	90
Permanent Improvement	91
SchoolNet	92
Fund Descriptions - Nonmajor Funds	93
Agency Funds:	
Statement of Changes in Assets and Liabilities	94

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page</u>
STATISTICAL SECTION		
Net Assets by Component	1	96
Expenses, Program Revenues and Net (Expense)/Revenue	2	97
General Revenues and Total Change in Net Assets	3	98
Fund Balances, Governmental Funds	4	99
Governmental Funds Revenues	5	100
Governmental Funds Expenditures and Debt Service Ratio	6	101
Other Financing Sources and Uses and Net Change in Fund Balances	7	102
Assessed Value and Actual Value of Taxable Property	8	103
Direct and Overlapping Property Tax Rates	9	104
Principal Property Tax Payers	10	105
Property Tax Levies and Collections	11	106
Outstanding Debt by Type	12	107
Direct and Overlapping Governmental Activities Debt	13	108
Legal Debt Margin Information	14	109
Demographic and Economic Statistics	15	110
Principal Employers	16	111
Full-Time Equivalent District Employees by Type	17	112
Operating Statistics	18	114
School Building Information	19	116

THIS PAGE INTENTIONALLY LEFT BLANK

INTRODUCTORY SECTION



Fairfield City Schools

Treasurer's Office

211 Donald Drive • Fairfield, Ohio 45014-3095
Phone (513) 829-6300 • Fax (513) 829-0148

December 31, 2007

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Fairfield City School District (District) for the fiscal year ended June 30, 2007. This report, prepared by the Treasurer's office, includes an opinion from the Clark, Schaefer, Hackett and Co. and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report was prepared in conformance with generally accepted accounting principals as set forth by the Governmental Accounting Standards Board (GASB). This report will provide the taxpayers of the Fairfield City School District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties.

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

The District provides a full range of programs and services for its students and citizens. These include elementary and secondary course offerings at the general, vocational and college preparatory levels; as well as a broad range of co-curricular and extra-curricular activities to compliment the students' curricular program.

In addition to these general activities, the District acts as the fiscal agent for State funds distributed to non-public parochial schools located within the District boundaries. This activity is included in the District's reporting entity as Auxiliary Services, a special revenue fund, because the District has administrative involvement in the programs. The schools served are: Fairfield Educational Building, Hamilton-Middletown 7th Day Adventist, Lavalley, Sacred Heart and Cincinnati Christian. While these organizations are similar in operations and services provided, each is distinct and separate entities whose financial statements are not included in this report.



ECONOMIC CONDITION AND OUTLOOK

The District is located in Southwestern Ohio between the cities of Cincinnati and Dayton. The District is located in Butler County, Ohio, along the Interstate 75 corridor, which is one of the fastest growing areas in population and in job creation in the State of Ohio. In addition, new water and sewer construction has opened up vacant parcels for new residential and light industrial development in the district. Housing and per capita income levels are very favorable relative to the state with per capita income growth outpacing the state during the last census period.

The continued growth within the Fairfield City School District is evidenced by the amount of new construction over the past eight years. For 2006, the District had \$19,604,370 in new construction.

THE DISTRICT AND ITS FACILITIES

The District serves an area of 37.9 square miles, encompassing the City of Fairfield and Fairfield Township. The total District population has increased from 38,707 in 1980 to 49,373 in 1990 to 57,902 in 2000 according to census information.

The District also operates a variety of other facilities, including: a central administration building, a maintenance building, a bus compound, and several sports fields.

In 1994, the District passed a 44.4 million dollar bond issue, which was used to build a new high school, a new elementary school and make additions to existing elementary schools.

During the 2006-2007 school year, the District served 10,045 students enrolled in 1 kindergarten center, 5 elementary schools, 1 intermediate school, 1 middle school, 1 freshman school and 1 comprehensive high school. This enrollment increased by 225 students from the 2005-2006 school year. The preliminary enrollment for the 2007-2008 school year is 10,117 an increase of 72 students.

ORGANIZATION OF THE SCHOOL DISTRICT

The Board of Education of the Fairfield City School District is a five member body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code. The Board: (1) serves as the taxing authority, contracting body and policy maker, (2) ensures that all the general laws of the State of Ohio are followed in the expenditures of the District's tax dollars, (3) approves the annual appropriation resolution and tax budget.

The Board members represent a cross section of professions in the community. The board members on June 30, 2007, were as follows:

<u>Board Member</u>	<u>Term</u>	<u>Years on Board</u>
Mr. Arnold Engel	01/01/06 – 12/31/09	1.5
Dr. Mark Morris	01/01/06 – 12/31/09	1.5
Mr. Dan Murray	01/01/06 – 12/31/09	1.5
Mr. Eugene Ball	08/17/06 – 12/31/07	1.5
Mrs. Nancy Wenning	01/01/04 – 12/31/07	5

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all educational and support operations. Dr. Robert Farrell was appointed as Superintendent on January 1, 2001. Dr. Farrell received a B.A. Degree from Notre Dame University, M.Ed. from Xavier University, and his Ed.D. from the University of Cincinnati. Dr. Robert Farrell retired from the District as of June 1, 2007. Mr. Dan Hare, Butler County ESC Superintendent, was named Interim Superintendent for the period of June 1, 2007 through June 30, 2007.

The Treasurer is the chief financial officer of the District, responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets and investing idle funds as specified by Ohio Law. Mrs. Nancy Lane was appointed Treasurer on January 6, 2005. Her contract expires at the Organizational Meeting in January 2011. Mrs. Lane received her Bachelor of Arts degree from Wilmington College and had been employed by the District as the Payroll Supervisor since July 1996.

EMPLOYEE RELATIONS

The District has 1,105 full and part-time employees. This number has increased slightly over the past few years as various programs and services have been expanded to meet the changing needs of students and the community. There are two organizations representing the certificated and classified employees. The District's administrative employees are not currently represented.

The Fairfield Classroom Teachers Association (FCTA), an affiliate of the Ohio Education Association (OEA), represents all certificated employees of the District. The collective bargaining agreement between the FCTA and the District expires on August 31, 2008.

Classified employees are represented by the Ohio Association of Public School Employees (OAPSE), an affiliate of the American Federation of State, County and Municipal Employees (AFSCME). There are four local chapters of OAPSE. Chapter 205 represents the bus drivers and chauffeurs. Chapter 378 represents clerks, secretaries, educational assistants, and data entry personnel. Chapter 568 represents cooks, custodians, crossing guards, electricians, maintenance, and food service aides. Chapter 727 represents head cooks, head custodians, and the student route coordinator. Chapters 205, 378 and 568 negotiate as one unit, while Chapter 727 negotiates separately with the Board. The collective bargaining agreements with all four chapters expires on June 30, 2008.

MAJOR CURRENT AND FUTURE INITIATIVES

Interest Based Bargaining

The District continues to utilize interest-based collective bargaining to negotiate master contracts with its four employee unions. There have now been three three-year master contracts successfully bargained with each of the classified unions and four three-year master contracts with the FCTA. The bargaining teams were trained and facilitated by the Federal Mediation and Conciliation Services. The district has been asked to present at the national Federal Mediation and Conciliation Services conference regarding its success with this process.

Strategic Plan

The District's third 5-year Strategic Plan, for 2006-2010, was adopted by the Board of Education at the June 16, 2006, board meeting. The new district-wide vision statement is as follows: excellence, preparation for life, opportunities for all. The plan is expected to be monitored by a steering committee that is comprised of staff, parents and community members. This steering committee meets approximately four times per year and gathers information from five action teams: Instruction, Community Connectedness, Family Ownership, Facilities, and Innovations. More detailed information regarding this plan is available on the District's website www.fairfieldcityschools.com.

Relevant Financial Policies

In June of 2006, the State legislature passed House Bill 66. House Bill 66 phases out the tax on tangible personal property of general business, telephone and telecommunications companies, and railroads. The tax on general business and railroad property began being phased out in 2007 and will be eliminated by 2009. The tax on telephone and telecommunication property will begin being phased out in 2009 and will be eliminated by 2011. The tax is being phased out by reducing the assessment rate on the property each year. In the first five years, the District will be reimbursed fully for the lost revenue; in the following seven years, the reimbursements will be phased out.

Curriculum Initiatives

The implementation of the problem-based math programs of Investigations has been completed in grades K-5 and the implementation of CMP2 moved into the middle grades of 6-8. The District continued the professional development plan of meeting with teachers before each unit was introduced so that teachers felt prepared to teach the new materials. Teachers continued to work to develop high quality common district-wide calendars and benchmark assessments.

The science teachers worked diligently with a new Science Instructional Specialist to choose new textbooks and materials for adoption. Planning took place during the 2006-2007 school year, but the implementation will begin in 2007-2008. Teachers also worked to align the science assessments with the state indicators and benchmarks. In addition, the committee of teachers helped in the selection process for science materials.

The District continued its membership in the High A.I.M.S. consortium, which focuses on “high achievement in Math and Science”, which provided rigorous professional development throughout the school year, as well as multiple summer sessions. A team of four administrators completed the math program “Lenses on Learning” and was certified as trainers for the 2007-2008 school year. This training will teach principals what to look for in a problem-based mathematics classroom and give principals strategies to help the teachers focus on students’ mathematical thinking. This additional training extended the impact of the PROM/SE grant, through the High A.I.M.S. consortium to K-12 teachers in addition to K-12 principals.

The District continued participating in the Teaching American History (TAH) grant in partnership with the Northwest Local School District and Miami University. The teachers continued to meet monthly throughout the school year and a week in the summer. This was the second year of a three-year grant.

The Courses of Study were completed for Mathematics and Science, which were based on the latest standards by the Ohio Department of Education. These courses of study give definition and extension to the basic standards provided by the state. They allowed the District to develop programs, which maintain a high standard, while meeting the needs of all students.

The District continued to focus on phoneme sequencing through LiPS and Phonics Dance instruction. The DIBELS scores from Kindergarten in the spring show a steady increase in students being on benchmark now exceeding 90%. The more students enter the next grade being on grade level, the less time that needs to be spent on intervention and the more that can be devoted to mastery and enrichment.

Professional development continued in the area of vocabulary, with two of the elementary buildings completing a book study over the school year. Next year the remaining buildings will follow the model for vocabulary study.

The District began an intensive study of diversity, in an effort to address the achievement gap between whites and children of color. Volunteer staff members did a book study on *White Like Me* by Denise Destasi, a District Diversity Committee was formed facilitated by the National Conference for Community & Justice, the District became members of a Racial Equity Consortium of Miami University (working with author Glen Singleton) and the administrators completed a book study on *Courageous Conversations About Race*. This was the first step in a difficult process of improving race relations and understanding the achievement of students of color. These initiatives will continue into the 2007-2008 school year.

The District continued to serve the needs of the gifted learners by screening and identifying students for placement in academic classes, in addition to art and music. The testing program will be evaluated and changed for the 2007-2008 school year to meet the growing demand for gifted identification and services. The Coordinators of Gifted Services continued to support the homogeneous teams of gifted students, grades 5-8, in addition to the gifted students who are clustered on regular grade level teams.

The Middle School and Intermediate School continued to tweak their new team configurations to meet the needs of the students. They tried new intervention strategies, by creatively looking at student contact time. A new math teacher was added to the ESL program at the Middle School. A combination of teachers and tutors will meet the needs of the ESL students at the Middle School as well as all of the other schools where there is an ESL population to be served.

The Director of Special Education Services, worked collaboratively with SERCC, to lead the District in the implementation of OISM at both the building and district levels. Some of the buildings had previously begun the process, but 2006-2007 was the first year that the model was used system-wide. Representatives from each of the buildings and administrators meet monthly on the District Leadership Team to address the intervention needs of our students. It was the hope of all involved, that this process will help our growing special education population and our issues of not making AYP with our IEP subgroup.

FINANCIAL INFORMATION

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

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

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

At the beginning of each fiscal year, the Board adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. Appropriations are monitored, changed and amended/adopted on a monthly basis.

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

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

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

CASH MANAGEMENT

The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently investing available cash in obligations collateralized by the United States Government, or the State of Ohio issued instruments or insured by the Federal Deposit Insurance Corporation [FDIC]. The total amount of earnings on investments was \$1,018,113 for the year ended June 30, 2007.

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

RISK MANAGEMENT

The District continues to protect its assets through a comprehensive insurance program. A schedule of insurance in force at June 30, 2007 is included in Note 13 in the Notes to the Basic Financial Statements.

INDEPENDENT AUDIT

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. Clark, Schaefer, Hackett and Company performed the audit for the fiscal year ended June 30, 2007. The auditor's unqualified opinion rendered on the District's basic financial statements is included in the financial section of this Comprehensive Annual Financial Report.

AWARDS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

ASBO Certificate of Excellence

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence on Financial Reporting for the fiscal year ended June 30, 2006, to the District. The award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials. Management believes the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007, will again conform to ASBO's principles and standards as well, and will be submitted to ASBO for review.

ACKNOWLEDGEMENTS

The preparation of this report was made possible by the dedication and efforts of the entire staff of the Treasurer's Office. The support and commitment to excellence by the Fairfield Board of Education and the citizens of the District was vital to the successful issuance of this report and the continuing efforts being made to improve our financial management and reporting.

Respectfully Submitted,



Nancy L. Lane
Treasurer



Catherine D. Milligan
Superintendent

Fairfield City School District, Ohio
List Of Principal Officials
June 30, 2007

Board Of Education

President	Mark Morris
Vice President	Dan Murray
Board Member	Arnold Engel
Board Member	Eugene Ball
Board Member	Nancy Wenning

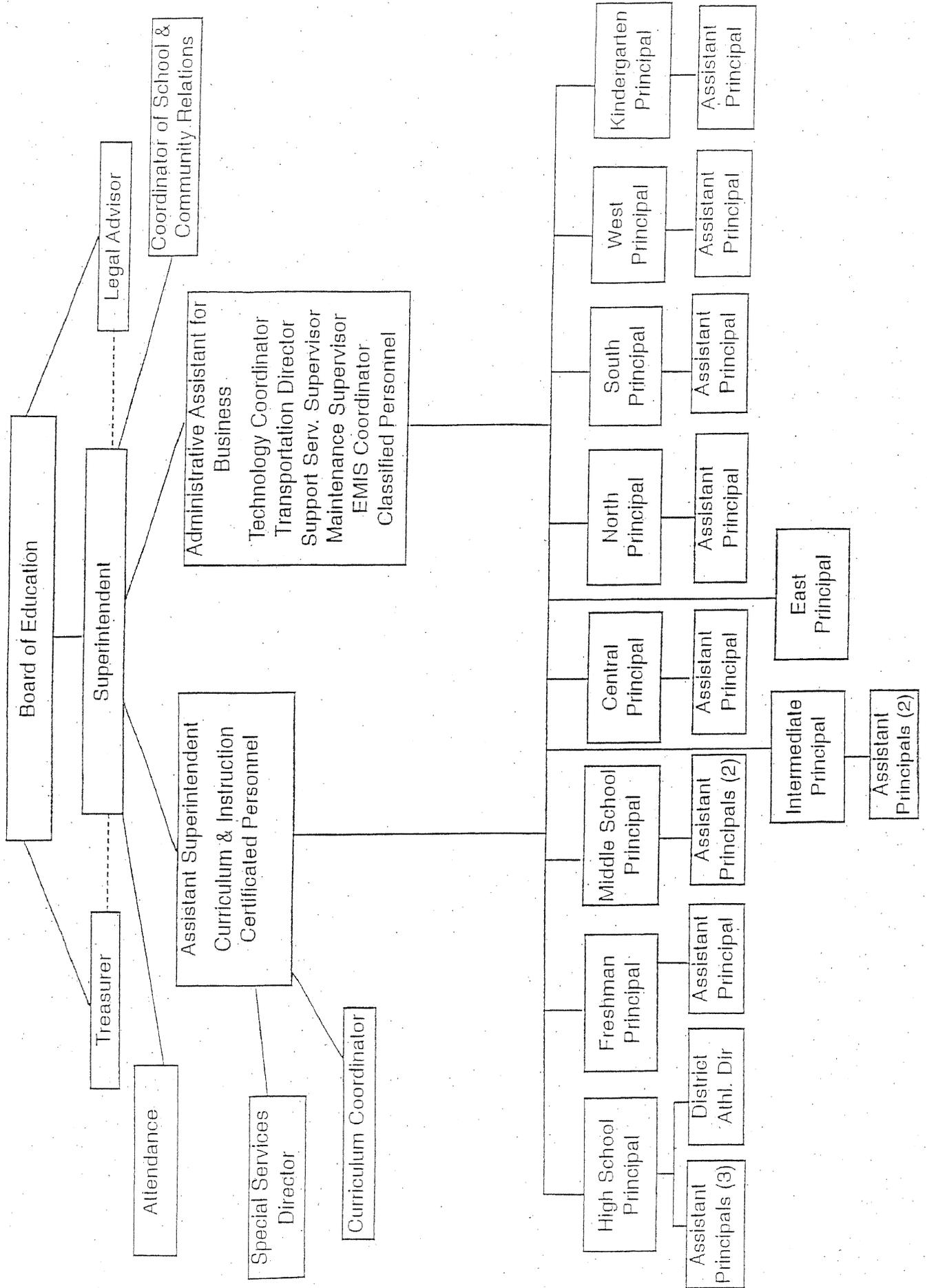
Administrative Officials

Superintendent*	Dr. Robert Farrell
Interim Superintendent**	Mr. Dan Hare
Treasurer	Mrs. Nancy L. Lane
Interim Assistant Superintendent	Mr. Rob Amodio
Human Resources Supervisor	Mrs. Cathy Milligan
Curriculum Director	Mrs. Bonnie Fitzharris

* - Term from July 1, 2006 through May 31, 2007

* - Term from June 1, 2007 through June 30, 2007

Organizational Chart
Fairfield City School District



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Fairfield City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

FAIRFIELD CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2006

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

President

Executive Director

FINANCIAL SECTION



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

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Fairfield City School District, Ohio:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairfield City School District, Ohio (the School District), as of and for the year ended June 30, 2007, 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 Fairfield City School District, Ohio as of June 30, 2007, 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 December 20, 2007, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information on pages 3 through 10 and 44 through 46, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 20, 2007

**FAIRFIELD CITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2007
(Unaudited)**

The discussion and analysis of Fairfield City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2007. 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 2007 are as follows:

- Net assets of governmental activities increased \$6,511,585 which represents a 26% increase from 2006.
- General revenues accounted for \$77,428,130 in revenue or 86% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$12,113,180 or 14% of total revenues of \$89,541,310.
- The District had \$83,029,725 in expenses related to governmental activities; \$12,113,180 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$77,428,130 were also used to provide for these programs.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The *Statement of Net Assets* and *Statements 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 is the only major fund 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 questions, "How did we do financially during 2007?" The Government-wide Financial Statements answers 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 begins on the balance sheet. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

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

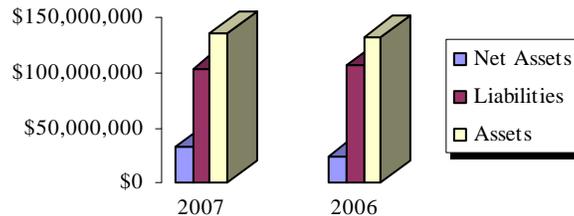
Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District as a Whole

As stated previously, the Statement of Net Assets looks at the District as a whole. Table 1 provides a summary of the District's net assets for 2007 compared to 2006:

Table 1
Net Assets

	Governmental Activities	
	2007	2006
Assets		
Current Assets	\$74,066,132	\$69,403,776
Capital Assets	61,106,406	61,346,067
Total Assets	135,172,538	130,749,843
Liabilities		
Long-Term Liabilities	42,664,983	45,280,616
Other Liabilities	61,184,493	60,657,750
Total Liabilities	103,849,476	105,938,366
Net Assets		
Invested in Capital		
Assets Net of Debt	26,245,449	24,317,899
Restricted	4,570,706	4,440,838
Unrestricted	506,907	(3,947,260)
Total Net Assets	\$31,323,062	\$24,811,477



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2007, the District's assets exceeded liabilities by \$31,323,062.

At year-end, capital assets represented 45% of total assets. Capital assets include land, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2007, was \$26,245,449. 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, \$4,570,706, represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Net assets of governmental activities increased \$6,511,585 from 2006 to 2007, which represents an overall improvement in financial position. Current assets increased from 2006 mainly due to the increase in property taxes received and grant monies (intergovernmental revenue) received during 2007. Total liabilities decreased mainly due to the District making regularly scheduled debt payments for fiscal year 2007. Investments in capital assets net of debt increased from the prior year due to the decrease in the debt related to the capital assets.

Table 2 shows the changes in net assets for fiscal years 2007 and 2006.

Table 2
Changes in Net Assets

	Governmental Activities	
	2007	2006
Revenues		
Program Revenues:		
Charges for Services	\$5,065,194	\$4,707,226
Operating Grants	6,880,980	4,573,108
Capital Grants	167,006	104,394
General Revenue:		
Property Taxes	46,487,401	46,399,700
Grants and Entitlements	28,214,761	29,087,081
Other	2,725,968	1,852,674
Total Revenues	<u>89,541,310</u>	<u>86,724,183</u>
Program Expenses:		
Instruction	43,856,265	42,123,037
Support Services:		
Pupil and Instructional Staff	9,305,691	8,586,598
General and School Administrative, Fiscal and Business	7,650,853	6,835,662
Operations and Maintenance	7,690,945	8,855,622
Pupil Transportation	5,513,928	5,288,352
Central	117,993	116,583
Operation of Non-Instructional Services	5,497,353	4,583,566
Extracurricular Activities	1,549,636	1,474,640
Interest and Fiscal Charges	1,847,061	1,964,883
Total Expenses	<u>83,029,725</u>	<u>79,828,943</u>
Change in Net Assets	6,511,585	6,895,240
Beginning Net Assets	<u>24,811,477</u>	<u>17,916,237</u>
Ending Net Assets	<u><u>\$31,323,062</u></u>	<u><u>\$24,811,477</u></u>

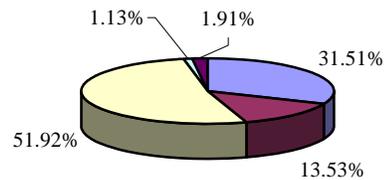
Of the total governmental activities revenues of \$89,541,310, \$12,113,180 is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, \$46,487,401 (60%) comes from property tax levies and \$28,214,761 (36%) is from state funding. This District's operations are reliant upon its property tax levy and the state's foundation program.

The District revenues are mainly from two sources. Property taxes levied for general purposes and grants and entitlements comprised 83% 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 collect additional property tax revenue on the increased value of homes that is due to appreciation and must regularly return to the voters to maintain a constant level of service. Property taxes made up 52% of revenue for governmental activities for the District in fiscal year 2007.

Revenue Sources	2007	Percent of Total
General Grants	\$28,214,761	31.51%
Program Revenues	12,113,180	13.53%
General Tax Revenues	46,487,401	51.92%
Investment Earnings	1,018,113	1.13%
Other Revenues	1,707,855	1.91%
	<u>\$89,541,310</u>	<u>100.00%</u>



Instruction comprises 53% of governmental program expenses. Support services expenses were 36% of governmental program expenses. All other program expenses including interest expense were 11%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Property tax revenue remained relatively consistent from 2006 to 2007. Investment earnings increased as a result of the District holding a larger balance of investments and bank balance for the current year as compared to the prior year. Instruction, pupil and instructional staff expenses increased over the prior year due to increases of personnel costs and general inflationary factors. Pupil transportation increased from the prior year due to the increased cost of transporting students (fuel, etc.) to and from the District.

Governmental Activities

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2007	2006	2007	2006
Instruction	\$43,856,265	\$42,123,037	(\$39,510,691)	(\$39,733,902)
Support Services:				
Pupil and Instructional Staff	9,305,691	8,586,598	(7,695,457)	(7,246,643)
General and School Administrative, Fiscal and Business	7,650,853	6,835,662	(7,460,092)	(6,622,115)
Operations and Maintenance	7,690,945	8,855,622	(7,471,420)	(8,700,934)
Pupil Transportation	5,513,928	5,288,352	(5,183,914)	(5,176,459)
Central	117,993	116,583	(117,993)	(116,583)
Operation of Non-Instructional Services	5,497,353	4,583,566	(387,292)	267,865
Extracurricular Activities	1,549,636	1,474,640	(1,242,625)	(1,150,561)
Interest and Fiscal Charges	1,847,061	1,964,883	(1,847,061)	(1,964,883)
Total Expenses	<u>\$83,029,725</u>	<u>\$79,828,943</u>	<u>(\$70,916,545)</u>	<u>(\$70,444,215)</u>

The District's Funds

The District has one major governmental fund: the General Fund. Assets of the general fund comprised \$61,077,746 (82%) of the total \$74,364,614 governmental funds assets.

General Fund: Fund balance at June 30, 2007 was \$7,180,458 an increase in fund balance of \$4,300,588 from 2006. The primary reasons for the increase in fund balance were increases in taxes revenue, grant monies received and the increase in investment earnings due to larger balances of investments and bank balances for fiscal year 2007 compared to fiscal year 2006.

General Fund Budgeting Highlights

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

During the course of fiscal year 2007, the District amended its general fund budget at times, however none were significant. The District's budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, the final budgeted revenue was \$73,613,764 and the original budgeted revenue was \$72,142,453. The difference was \$1,471,311. Of this difference, most was due to a conservative estimate of tax and grant revenue.

The District's final budgeted revenue and expenditures when compared to the actual revenue and expenditures did not have any significant variances. The District's ending unobligated actual fund balance for the General fund was \$14,327,408.

Capital Assets and Debt Administration

Capital Assets

At the fiscal year end, the District had \$61,106,406 invested in land, buildings and improvements, and equipment. Table 4 shows fiscal 2007 balances compared to 2006:

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

	Governmental Activities	
	2007	2006
Land	\$3,803,351	\$3,803,351
Buildings and Improvements	54,568,925	55,158,644
Equipment	2,734,130	2,384,072
Total Net Capital Assets	<u>\$61,106,406</u>	<u>\$61,346,067</u>

Overall, capital assets decreased due to depreciation expense being higher than new purchases less the deletions for the year.

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

Debt

At June 30, 2007, the District had \$34,090,655 in bonds outstanding, \$2,210,000 due within one year. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2007	2006
General Obligation Bonds:		
1994 School Improvement I	\$3,000,000	\$3,000,000
1994 School Improvement II	0	970,000
1997 Refunding	689,814	1,104,814
1997 Energy Conservation	0	435,000
2001 School Improvement Refunding	30,400,841	31,075,841
Total Bonds	<u>\$34,090,655</u>	<u>\$36,585,655</u>

See note 7 in the notes to the basic financial statements for further details on the District's outstanding debt.

For the Future

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

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

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

With no major increases in state funding projected, the District must increase revenues by submitting an operating levy to the community in the near future. At this time, the Board has not set the date and amount for the levy. Even though the District is projecting a slight increase in enrollment, the need for increased revenues is projected for fiscal year 2008. This increased funding will be needed to provide all students a quality education. Financially, the future of the District is not without challenges. Management must diligently plan future expenditures.

The District has committed itself to financial excellence for many years. The District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1993 and the GFOA Budget Award since 1993.

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

Contacting the District’s Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District’s finances and to show the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Nancy Lane, Treasurer/CFO at Fairfield City School District, 211 Donald Drive, Fairfield, Ohio 45014.

Fairfield City School District, Ohio
Statement of Net Assets
June 30, 2007

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$19,857,374
Restricted Cash and Investments	203,843
Receivables:	
Taxes	52,861,657
Accounts	62,076
Interest	126,937
Intergovernmental	936,704
Inventory	17,541
Nondepreciable Capital Assets	3,803,351
Depreciable Capital Assets, Net	<u>57,303,055</u>
 Total Assets	 <u>135,172,538</u>
Liabilities:	
Accounts Payable	1,051,851
Accrued Wages and Benefits	9,063,319
Accrued Interest Payable	145,081
Unearned Revenue	50,924,242
Long-Term Liabilities:	
Due Within One Year	2,824,572
Due In More Than One Year	<u>39,840,411</u>
 Total Liabilities	 <u>103,849,476</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	26,245,449
Restricted for:	
Special Revenue	185,027
Debt Service	2,054,693
Capital Projects	2,127,143
Set-Aside	203,843
Unrestricted	<u>506,907</u>
 Total Net Assets	 <u><u>\$31,323,062</u></u>

See accompanying notes to the basic financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

Fairfield City School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2007

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$34,370,134	\$581,121	\$357,005	\$64,698	(\$33,367,310)
Special	7,587,043	298,279	2,971,361	0	(4,317,403)
Vocational	613,855	0	23,312	0	(590,543)
Other	1,285,233	0	49,798	0	(1,235,435)
Support Services:					
Pupil	3,684,731	77,193	1,177,174	0	(2,430,364)
Instructional Staff	5,620,960	0	355,867	0	(5,265,093)
General Administration	19,313	0	0	0	(19,313)
School Administration	5,965,687	0	158,282	0	(5,807,405)
Fiscal	1,326,001	0	0	0	(1,326,001)
Business	339,852	0	32,479	0	(307,373)
Operations and Maintenance	7,690,945	146,716	72,809	0	(7,471,420)
Pupil Transportation	5,513,928	301	227,405	102,308	(5,183,914)
Central	117,993	0	0	0	(117,993)
Operation of Non-Instructional Services	5,497,353	3,654,573	1,455,488	0	(387,292)
Extracurricular Activities	1,549,636	307,011	0	0	(1,242,625)
Interest and Fiscal Charges	1,847,061	0	0	0	(1,847,061)
Total Governmental Activities	<u>\$83,029,725</u>	<u>\$5,065,194</u>	<u>\$6,880,980</u>	<u>\$167,006</u>	<u>(70,916,545)</u>

General Revenues:

Property Taxes Levied for:

General Purposes	40,308,060
Debt Service Purposes	3,696,292
Capital Projects Purposes	2,483,049
Grants and Entitlements not Restricted to Specific Programs	28,214,761
Payment in Lieu of Taxes	994,346
Investment Earnings	1,018,113
Other Revenues	713,509

Total General Revenues 77,428,130

Change in Net Assets 6,511,585

Net Assets Beginning of Year 24,811,477

Net Assets End of Year \$31,323,062

See accompanying notes to the basic financial statements.

Fairfield City School District, Ohio
 Balance Sheet
 Governmental Funds
 June 30, 2007

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$14,469,622	\$5,387,752	\$19,857,374
Restricted Cash and Investments	203,843	0	203,843
Receivables:			
Taxes	45,963,620	6,898,037	52,861,657
Accounts	15,341	46,735	62,076
Interest	126,838	99	126,937
Intergovernmental	0	936,704	936,704
Interfund	298,482	0	298,482
Inventory	0	17,541	17,541
Total Assets	61,077,746	13,286,868	74,364,614
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	419,185	632,666	1,051,851
Accrued Wages and Benefits	8,190,806	872,513	9,063,319
Compensated Absences	148,190	0	148,190
Interfund Payable	0	298,482	298,482
Deferred Revenue	45,139,107	7,016,893	52,156,000
Total Liabilities	53,897,288	8,820,554	62,717,842
Fund Balances:			
Reserved for Encumbrances	210,112	568,348	778,460
Reserved for Inventory	0	17,541	17,541
Reserved for Property Tax Advances	824,513	137,777	962,290
Reserved for Set-Aside	203,843	0	203,843
Unreserved, Undesignated, Reported in:			
General Fund	5,941,990	0	5,941,990
Special Revenue Funds	0	148,794	148,794
Debt Service Funds	0	2,033,186	2,033,186
Capital Projects Funds	0	1,560,668	1,560,668
Total Fund Balances	7,180,458	4,466,314	11,646,772
Total Liabilities and Fund Balances	\$61,077,746	\$13,286,868	\$74,364,614

See accompanying notes to the basic financial statements.

Fairfield City School District, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 June 30, 2007

Total Governmental Fund Balance		\$11,646,772
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		61,106,406
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	975,125	
Intergovernmental	<u>256,633</u>	
		1,231,758
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.		(145,081)
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>(7,655,836)</u>	
		(7,655,836)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(34,860,957)</u>
Net Assets of Governmental Activities		<u>\$31,323,062</u>

See accompanying notes to the basic financial statements.

Fairfield City School District, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2007

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$40,296,706	\$6,182,746	\$46,479,452
Revenue in Lieu of Taxes	994,346	0	994,346
Tuition and Fees	879,400	0	879,400
Investment Earnings	1,010,887	7,226	1,018,113
Intergovernmental	29,807,103	5,371,434	35,178,537
Extracurricular Activities	121,395	263,565	384,960
Charges for Services	0	3,654,573	3,654,573
Other Revenues	448,913	411,404	860,317
Total Revenues	73,558,750	15,890,948	89,449,698
Expenditures:			
Current:			
Instruction:			
Regular	32,194,144	1,339,047	33,533,191
Special	6,336,790	1,117,297	7,454,087
Vocational	84,425	0	84,425
Other	1,280,749	4,484	1,285,233
Support Services:			
Pupil	2,313,318	1,382,115	3,695,433
Instructional Staff	5,217,885	370,092	5,587,977
General Administration	19,313	0	19,313
School Administration	5,803,980	161,931	5,965,911
Fiscal	1,202,937	91,699	1,294,636
Business	322,667	31,158	353,825
Operations and Maintenance	7,176,264	543,098	7,719,362
Pupil Transportation	5,362,972	108,067	5,471,039
Central	114,962	0	114,962
Operation of Non-Instructional Services	1,631	5,581,237	5,582,868
Extracurricular Activities	1,313,472	232,855	1,546,327
Capital Outlay	135,751	1,201,699	1,337,450
Debt Service:			
Principal Retirement	66,209	2,741,744	2,807,953
Interest and Fiscal Charges	0	1,856,279	1,856,279
Total Expenditures	68,947,469	16,762,802	85,710,271
Excess of Revenues Over (Under) Expenditures	4,611,281	(871,854)	3,739,427
Other Financing Sources (Uses):			
Issuance of Capital Leases	135,751	504,991	640,742
Proceeds from Sale of Capital Assets	954	0	954
Transfers In	0	447,398	447,398
Transfers (Out)	(447,398)	0	(447,398)
Total Other Financing Sources (Uses)	(310,693)	952,389	641,696
Net Change in Fund Balance	4,300,588	80,535	4,381,123
Fund Balance Beginning of Year	2,879,870	4,385,779	7,265,649
Fund Balance End of Year	\$7,180,458	\$4,466,314	\$11,646,772

See accompanying notes to the basic financial statements.

Fairfield 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, 2007

Net Change in Fund Balance - Total Governmental Funds \$4,381,123

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

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

Capital assets used in governmental activities	1,459,809	
Depreciation Expense	<u>(1,697,970)</u>	(238,161)

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

(1,500)

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

Delinquent Property Taxes	7,948	
Intergovernmental	<u>84,210</u>	92,158

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

2,807,953

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

9,218

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	<u>101,536</u>	101,536
----------------------	----------------	---------

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

(640,742)

Change in Net Assets of Governmental Activities \$6,511,585

See accompanying notes to the basic financial statements.

Fairfield City School District, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007

	Private Purpose Trust	Agency
	<u> </u>	<u> </u>
Assets:		
Equity in Pooled Cash and Investments	\$3,964	\$146,351
Receivables:		
Accounts	0	323
Interest	<u>2</u>	<u>0</u>
Total Assets	<u>3,966</u>	<u>\$146,674</u>
Liabilities:		
Accounts Payable	0	4,253
Other Liabilities	<u>0</u>	<u>142,421</u>
Total Liabilities	<u>0</u>	<u>\$146,674</u>
Net Assets:		
Held in Trust	<u>3,966</u>	
Total Net Assets	<u>\$3,966</u>	

See accompanying notes to the basic financial statements.

Fairfield City School District, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2007

	<u>Private Purpose Trust</u>
Additions:	
Donations	\$150
Investment Earnings	<u>24</u>
Total Additions	<u>174</u>
Deductions:	
Scholarships	<u>130</u>
Total Deductions	<u>130</u>
Change in Net Assets	44
Net Assets Beginning of Year	<u>3,922</u>
Net Assets End of Year	<u><u>\$3,966</u></u>

See accompanying notes to the basic financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

FAIRFIELD CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2007

1. DESCRIPTION OF THE DISTRICT

The Fairfield City School District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code.

The District operates under a locally elected five member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the District's instructional and support facilities staffed by approximately 480 non-certificated personnel and approximately 625 certificated full time teaching and administrative personnel to provide services to students and other community members.

The District is the 18th largest in the State of Ohio (among 613 Districts) in terms of enrollment (ADM) and the 2nd largest in Butler County. It currently operates 1 kindergarten center, 5 elementary schools (serving grades 1 - 4), 1 intermediate school (serving grades 5-6), 1 middle school (serving grades 7 - 8), 1 freshman school (serving grade 9), and 1 comprehensive high school (serving grades 10 - 12). The District services an area of 38 square miles.

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

REPORTING ENTITY

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

MEASUREMENT FOCUS

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

Fiduciary Funds are reported using the economic resources measurement focus.

FUND ACCOUNTING

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

Governmental Funds

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

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

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 District's own programs. Agency funds are custodian in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has two agency funds. The agency fund (student activities) is used to account for assets and liabilities generated by student managed activities. The fund accounts for sales and other revenue generating activities by student activity programs, which have students involved in the management of the program. The agency fund (unclaimed monies) is used to account for funds that belong to others as a result of outstanding checks over one year old. The District's only trust fund is a private purpose trust which accounts for scholarship programs for students.

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. Fiduciary funds also use the accrual basis of accounting. Differences in the actual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

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

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

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Unearned Revenue

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

Expenses/Expenditures

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

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

EQUITY IN POOLED CASH AND INVESTMENTS

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

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

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2007 credited to the General Fund amounted to \$1,010,887 and \$7,226 credited to Other Governmental Funds.

INVENTORY

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

CAPITAL ASSETS

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of one thousand dollars (\$1,000). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings	30 - 50 years
Building Improvements	10 - 30 years
Furniture and Equipment	5 - 10 years
Vehicles	5 - 10 years

COMPENSATED ABSENCES

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

Sick leave benefits are accrued as a liability using the vesting method. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the expenditures for unpaid compensated absences are recognized when due. The related liability is recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. Compensated absences are reported in governmental funds only if they have matured.

The District's policies regarding compensated absences are determined by the state laws and/or negotiated agreements. In summary, the policies are as follows:

<u>Vacation</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How earned	Not Eligible	Not Eligible	10-25 days for each Service year depending on length of service.
Maximum Accumulation	Not Applicable	Not Applicable	25 days
Vested	Not Applicable	Not Applicable	As Earned
Termination Entitlement	Not Applicable	Not Applicable	Paid upon Termination
<u>Sick Leave</u>			
How Earned	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)
Maximum Accumulation	330 days according to bargaining agreements	360 days	330 days according to bargaining agreements
Vested	As Earned	As Earned	As Earned
Termination Entitlement	Per Contract	Per Contract	Per Contract

NET ASSETS

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

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the District's \$4,570,706 in restricted net assets, none were restricted by enabling legislation.

INTERFUND ACTIVITY

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

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

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

FUND EQUITY

Reserved fund balances indicate a portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, inventory, budgetary set-asides and property taxes. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The unreserved portion of fund equity, reflected for the Governmental Funds, is available for use within the specific purpose of those funds.

ESTIMATES

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

RESTRICTED ASSETS

Restricted assets in the general fund represent equity in pooled cash and investments set aside to establish a budget stabilization reserve. A corresponding fund balance reserve has also been established.

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

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

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

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2007, \$16,329,969 of the District's bank balance of \$16,529,969 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that 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, 2007, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Money Market Funds	\$263,008	0.00
Federal Home Loan Bank	1,882,323	1.17
Federal Home Loan Mortgage	559,595	0.11
Freddie Mac – Discount Note	138,777	0.34
Fannie Mae – Discount Note	177,731	0.22
Fannie Mae	39,842	0.55
Federal National Mortgage Association	664,201	0.80
Discount Commercial Paper	<u>276,886</u>	0.20
Total Fair Value	<u>\$4,002,363</u>	
Portfolio Weighted Average Maturity		0.74

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

Credit Risk – It is the District’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The District’s investments in Money Market Funds, Federal Home Loan Bank, Federal Home Loan Mortgage, Freddie Mac – Discount Note, Fannie Mae – Discount Note, Fannie Mae, Federal National Mortgage Association and Discount Commercial Paper were rated AAA by Standard & Poor’s and Fitch Ratings and Aaa by Moody’s Investors Service.

Concentration of credit risk – The District’s investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested 7% of the District’s investments in Money Market Funds, 47% in Federal Home Loan Bank, 14% in Federal Home Loan Mortgage, 3% in Freddie Mac – Discount Notes, 4% in Fannie Mae – Discount Notes, 1% in Fannie Mae, 17% in Federal National Mortgage Association, and 7% in Discount Commercial Paper.

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 registered in the name of the District.

4. PROPERTY TAXES

Real property taxes collected in 2007 were levied after April 1, 2006 on the assessed values as of January 1, 2006, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update ever third year. The most recent re-evaluation was completed in January 2002.

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

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

Real property taxes are payable annually or semi-annually. In 2007, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

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

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2007. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2007 on the fund statements. The entire amount of delinquent taxes receivable is recognized as a revenue on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2007, was \$824,513 for General Fund, \$137,777 for Other Governmental Funds, and is recognized as revenue, with a corresponding reserve to fund balance since the Board did not appropriate these receivables for fiscal year 2007 operations.

The assessed value, by property classification, upon which taxes collected in 2007 were based as follows:

Tangible and Public Utility Personal	\$121,227,328
Real Estate	<u>1,339,581,800</u>
Total Assessed Property Value	<u>\$1,460,809,128</u>

5. RECEIVABLES

Receivables at June 30, 2007, consisted of taxes, accounts (rent and student fees), intergovernmental, interest and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	<u>Amounts</u>
Entry Year Grant	\$28,900
School Security	500
Title VI B Pre-School	539,737
Title III	32,544
Title I	17,302
Drug Free Schools	5,566
Pre-School Disabilities	22,924
Classroom Size Reduction	26,063
Miscellaneous Federal	142,625
Food Service	<u>120,543</u>
Total	<u>\$936,704</u>

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2007, 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	\$3,803,351	\$0	\$0	\$3,803,351
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	68,085,592	230,038	0	68,315,630
Equipment	<u>23,782,619</u>	<u>1,229,771</u>	<u>551,719</u>	<u>24,460,671</u>
Totals at Historical Cost	<u>95,671,562</u>	<u>1,459,809</u>	<u>551,719</u>	<u>96,579,652</u>
Less Accumulated Depreciation:				
Buildings and Improvements	12,926,948	819,757	0	13,746,705
Equipment	<u>21,398,547</u>	<u>878,213</u>	<u>550,219</u>	<u>21,726,541</u>
Total Accumulated Depreciation	<u>34,325,495</u>	<u>1,697,970</u>	<u>550,219</u>	<u>35,473,246</u>
Governmental Activities Capital Assets, Net	<u>\$61,346,067</u>	<u>(\$238,161)</u>	<u>\$1,500</u>	<u>\$61,106,406</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular		\$726,915
Special		116,106
Vocational		287,112
Support Services:		
Pupil		11,354
Instructional Staff		46,888
School Administration		23,167
Fiscal		11,447
Business		1,317
Operations and Maintenance		90,718
Pupil Transportation		281,639
Central		2,305
Operation of Non-Instructional Services		87,784
Extracurricular Activities		11,218
Total Depreciation Expense		<u>\$1,697,970</u>

7. LONG-TERM LIABILITIES

The change in the District's long-term obligations during the year consist of the following:

	Interest Rate	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:						
Bonds:						
1994 School Improvement I	7.3157%	\$3,000,000	\$0	\$0	\$3,000,000	\$0
1994 School Improvement II	6.2490%	970,000	0	970,000	0	0
1997 Refunding	6.5702%	1,104,814	0	415,000	689,814	440,000
1997 Energy Conservation	5.2270%	435,000	0	435,000	0	0
2001 School Improvement Refunding	4.8600%	31,075,841	0	675,000	30,400,841	1,770,000
Total Bonds		36,585,655	0	2,495,000	34,090,655	2,210,000
Capital Lease		442,513	640,742	312,953	770,302	304,688
Total Long Term Debt		37,028,168	640,742	2,807,953	34,860,957	2,514,688
Compensated Absences		8,252,448	188,584	637,006	7,804,026	309,884
Total Governmental Activities		<u>\$45,280,616</u>	<u>\$829,326</u>	<u>\$3,444,959</u>	<u>\$42,664,983</u>	<u>\$2,824,572</u>

General obligation bonds will be paid from the debt service fund. Compensated absences will be paid from the fund from which the person is paid. Capital lease obligations will be paid from the general fund and permanent improvement fund.

The following is a summary of the District's future annual debt service requirements for general obligations:

Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2008	\$2,210,000	\$1,740,974	\$3,950,974
2009	1,979,664	2,047,955	4,027,619
2010	2,265,150	752,220	3,017,370
2011	2,340,000	1,437,894	3,777,894
2012	877,711	3,011,983	3,889,694
2013-2017	10,153,130	9,543,113	19,696,243
2018-2021	14,265,000	1,615,591	15,880,591
Total	<u>\$34,090,655</u>	<u>\$20,149,730</u>	<u>\$54,240,385</u>

8. PRIOR YEAR DEFEASANCE OF DEBT

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements. On June 30, 2007, \$34.265 million of bonds outstanding are considered defeased.

9. CAPITAL LEASES

The District in fiscal year 2007 has entered into a capital lease for computers, computer equipment and copiers and in prior years, has entered into a capital lease for computers and copiers.

The lease for the computers meet the criteria of capital lease as defined by statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease generally as one that transfers benefits and risks of ownership to the lessee. Capital lease payments for the current and prior year copiers will be made from the General Fund and current and prior year computers and computer equipment will be made from the Permanent Improvement Fund.

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

Fiscal Year Ending June 30	Principal
2008	\$319,034
2009	234,605
2010	114,484
2011	114,485
2012	12,246
Total Minimum Lease Payments	\$794,854
Amount Representing Interest	(24,552)
Present Value of Minimum Lease Payments	\$770,302

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

Equipment	\$1,768,390
-----------	-------------

10. PENSION PLANS

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 State Statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by contacting 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 posted on SERS website at www.ohsers.org under Forms and Publications.

Plan members are required to contribute 10% 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% of annual covered payroll. 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 contributions to SERS for the fiscal years ended June 30, 2007, 2006, and 2005 were \$1,808,784, \$1,729,308, and \$1,739,904, respectively; 47.3% has been contributed for fiscal year 2007 and 100% for fiscal year 2006 and 2005.

STATE TEACHERS RETIREMENT SYSTEM

The School District participates in 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 East Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090.

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 times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% 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 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. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. 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 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.

For the fiscal year ended June 30, 2007, plan members were required to contribute 10% of their annual covered salaries. The School District was required to contribute 14%. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for members and employer contributions.

The School District's required contributions for pension obligations for the fiscal years ended June 30, 2007, 2006, and 2005 were \$5,508,275, \$5,186,125, and \$5,140,992, respectively; 84.3% has been contributed for fiscal year 2007 and 100% for fiscal year 2006 and 2005.

11. POST EMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits included hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provision 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 statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit 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, 2007, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$393,448 for fiscal year 2007.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006, (the latest information available) the balance in the Fund was \$3.5 billion. For the fiscal year ended June 30, 2006, net health care costs paid by STRS were \$282,743,000 and STRS had 119,184 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. Premiums may be reduced for retirees whose household income falls below the poverty level.

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, 2007, employer contributions to fund health care benefits were 3.42 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 2007, the minimum pay was established at \$35,800. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2007 fiscal year, School District paid \$441,860 to fund health care benefits, including the surcharge.

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 reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2006 (the latest information available), were \$158,751,207. At June 30, 2006, SERS had net assets available for payment of health care benefits of \$295.6 million. SERS has approximately 59,492 participants currently receiving health care benefits.

12. CONTINGENT LIABILITIES

GRANTS

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

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of June 30, 2007.

LITIGATION

The District is involved in four lawsuits. Although the outcome of the lawsuits are not presently determinable, in the opinion of the District, these matters will not have a material adverse affect on the financial condition of the District.

District management estimates that all other potential claims, not covered by insurance of the District, resulting from all other litigation would not materially affect the financial statements of the District.

13. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the fiscal year, the District contracted with Indiana Insurance Company for property and general liability insurance and boiler and machinery insurance.

Boiler and machinery coverage has a \$5,000 deductible. General liability is protected by Indiana Insurance Company with \$1,000,000 each occurrence, \$2,000,000 aggregate limit. Vehicles are covered by Indiana Insurance Company with a \$500 deductible. Public officials bond insurance is provided by Brower Insurance Company. The Treasurer is covered by a bond in the amount of \$20,000. The District has elected to provide employee medical and dental benefits through Butler County Health Plan. The employees share the cost of the monthly premium for the coverage with the Board.

There were no significant reductions in insurance coverage from the prior year. Also, there were no settlements that exceeded insurance coverage for the past three fiscal years.

14. JOINTLY GOVERNED ORGANIZATIONS

Southwestern Ohio Computer Association

Southwestern Ohio Computer Association (SWOCA) is a jointly governed organization among a three county consortium of school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports SWOCA based upon a per pupil charge dependent upon the software package utilized. SWOCA is governed by a Board of Directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating school district is limited to its representation on the Board. The Board consists of one representative from each of the participating 31 school districts.

Butler Technology and Career Development Schools

The Butler Technology and Career Development Schools is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from the participating school district's elected board, which possesses its own budgeting and taxing authority. Accordingly, the Butler Technology and Career Development School is not part of the District and its operations are not included as part of the reporting entity.

15. COMPLIANCE AND ACCOUNTABILITY

Accountability

The following funds had a deficit in fund balance:

Special Revenue Funds:	
Title VI B Pre-school	\$67,139
Title I	55,269
Title VI	11,851
Classroom Size Reduction	9,148
Miscellaneous Federal	655
Food Service	272,024
Latchkey	16,283

The deficit in fund balance was primarily due to accruals in GAAP. The general fund is liable for any deficit in these funds and will provide transfers when cash is required not when accruals occur.

16. STATUTORY RESERVES

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

For fiscal year ended June 30, 2007, the School District was no longer required to set aside funds in the budget reserve set-aside, with the exception of refund monies received from the Bureau of Workers' Compensation, which must be spent for specified purposes.

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside Reserve Balance as of June 30, 2006	(\$707,806)	\$ 0	\$203,843
Current Year set-aside Requirements	1,362,906	1,362,906	0
Current Year Offsets	0	(30,390,986)	0
Qualifying Disbursements	<u>(1,234,263)</u>	<u>(1,336,116)</u>	<u>0</u>
Total	<u>(\$579,163)</u>	<u>(\$30,364,196)</u>	<u>\$203,843</u>
Set-aside Balance Carried Forward to Future Years	<u>(\$579,163)</u>	<u>\$ 0</u>	<u>\$ 0</u>
Set-aside Reserve Balance as of June 30, 2007	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$203,843</u>

Although the School District had offsets and qualifying disbursements during the year that reduced the set-aside amounts to below zero for textbooks and capital acquisition, only the amount for the textbooks set-aside may be used to reduce the set-aside requirement of future years. For capital acquisition, the negative amount was a result of a bond issuance, which will be used to offset set-aside requirements in future years.

Am. Sub. Senate Bill 345 amended ORC Section 5705.29 effectively eliminating the requirement for the District to establish and maintain a budget stabilization reserve. By resolution, the Board can eliminate the reserve in accordance with the Act. As of June 30, 2007, the Board had not acted on the Senate Bill requirements to eliminate the reserve balance.

17. INTERFUND TRANSACTIONS

Interfund transactions at June 30, 2007, consisted of the following interfund receivables, interfund payables, transfers in and transfers out:

	Interfund		Transfers	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General Fund	\$298,482	\$0	\$0	\$447,398
Other Governmental Funds	<u>0</u>	<u>298,482</u>	<u>447,398</u>	<u>0</u>
Total All Funds	<u>\$298,482</u>	<u>\$298,482</u>	<u>\$447,398</u>	<u>\$447,398</u>

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

THIS PAGE INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

Fairfield 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, 2007

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$39,555,067	\$40,361,774	\$40,361,774	\$0
Tuition and Fees	890,746	908,912	908,912	0
Investment Earnings	939,952	959,122	959,122	0
Intergovernmental	29,211,351	29,807,103	29,807,103	0
Extracurricular Activities	118,962	121,388	121,388	0
Other Revenues	1,426,375	1,455,465	1,455,465	0
Total Revenues	72,142,453	73,613,764	73,613,764	0
Expenditures:				
Current:				
Instruction:				
Regular	32,316,829	32,547,787	32,547,787	0
Special	6,355,242	6,400,569	6,400,569	0
Vocational	83,048	83,640	83,640	0
Other	1,245,818	1,254,703	1,254,703	0
Support Services:				
Pupil	2,339,382	2,356,067	2,356,067	0
Instructional Staff	5,135,568	5,172,196	5,172,196	0
General Administration	23,042	23,206	23,206	0
School Administration	5,688,869	5,729,443	5,729,443	0
Fiscal	1,199,839	1,208,396	1,208,396	0
Business	324,114	326,426	326,426	0
Operations and Maintenance	7,032,637	7,082,795	7,082,795	0
Pupil Transportation	5,437,777	5,476,560	5,476,560	0
Central	114,350	115,166	115,166	0
Operation of Non-Instructional Services	1,619	1,631	1,631	0
Extracurricular Activities	1,310,795	1,320,144	1,320,144	0
Capital Outlay	134,790	135,751	135,751	0
Debt Service:				
Principal Retirement	66,209	66,209	66,209	0
Total Expenditures	68,809,928	69,300,689	69,300,689	0
Excess of Revenues Over (Under) Expenditures	3,332,525	4,313,075	4,313,075	0
Other financing sources (uses):				
Issuance of Capital Leases	133,038	135,751	135,751	0
Proceeds from Sale of Capital Assets	935	954	954	0
Advances In	126,856	129,443	129,443	0
Advances (Out)	(296,368)	(298,482)	(298,482)	0
Transfers (Out)	(444,230)	(447,398)	(447,398)	0
Total Other Financing Sources (Uses)	(479,769)	(479,732)	(479,732)	0
Net Change in Fund Balance	2,852,756	3,833,343	3,833,343	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,494,065	10,494,065	10,494,065	0
Fund Balance End of Year	\$13,346,821	\$14,327,408	\$14,327,408	\$0

See accompanying notes to the required supplementary information.

FAIRFIELD CITY SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended June 30, 2007

1. BUDGETARY PROCESS

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is 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 2007, the District amended its budget at 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 the fiscal year 2007.

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	\$4,300,588
Revenue Accruals	55,014
Expenditure Accruals	(7,163)
Advances	(169,039)
Encumbrances	<u>(346,057)</u>
Budget Basis	<u><u>\$3,833,343</u></u>

**COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

FUND DESCRIPTIONS

NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

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

PUBLIC SCHOOL PRE-SCHOOL: To account for state funds to assist school districts in paying the cost of pre-school programs.

ENTRY YEAR GRANT: To account for state funds provided for entry year programs.

SCHOOLNET ONENET: To account for state funds related to the District's SchoolNet OneNet program.

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

OHIO READS: To account for state funds, which are designated reading.

POVERTY BASED ASSISTANCE: To account for funds, which are used for poverty based assistance.

SCHOOL SECURITY: To account for state funds provided for security of equipment.

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

TITLE III: Federal grant used to account for federal monies provided to support the District's ESL population.

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

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

DRUG FREE SCHOOLS: To account for federal funds used for establishment, operation and improvement of programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

PRE-SCHOOL DISABILITIES: This program, Section 619 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

TELECOM ACT: To account for funds to be used for telecommunications.

CLASSROOM SIZE REDUCTION: To account for federal funds to be used for classroom size reduction.

MISCELLANEOUS FEDERAL: To account for federal funds related to Goals 2000, Raising the Bar and the Assistive Technology Infusion programs.

FOOD SERVICE: To account for all revenues and expenses related to the provision of food services, including breakfast and lunch, for the District students and staff.

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

LATCHKEY: To account for all revenues and expenses related to the operation of the Latchkey Program for the District students.

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

CAPITAL PROJECTS FUND: The Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

PERMANENT IMPROVEMENT: To account for all transactions related to improvements to existing District facilities.

SCHOOLNET: To account for all transactions related the purchase of technology used for instructional purposes.

This Page is Intentionally Left Blank.

Fairfield City School District, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$1,083,745	\$2,033,186	\$2,270,821	\$5,387,752
Receivables:				
Taxes	0	4,129,459	2,768,578	6,898,037
Accounts	46,735	0	0	46,735
Interest	99	0	0	99
Intergovernmental	936,704	0	0	936,704
Inventory	17,541	0	0	17,541
Total Assets	2,084,824	6,162,645	5,039,399	13,286,868
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	378,063	0	254,603	632,666
Accrued Wages and Benefits	872,513	0	0	872,513
Interfund Payable	298,482	0	0	298,482
Deferred Revenue	256,633	4,046,732	2,713,528	7,016,893
Total Liabilities	1,805,691	4,046,732	2,968,131	8,820,554
Fund Balances:				
Reserved for Encumbrances	112,798	0	455,550	568,348
Reserved for Inventory	17,541	0	0	17,541
Reserved for Property Tax Advances	0	82,727	55,050	137,777
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	148,794	0	0	148,794
Debt Service Funds	0	2,033,186	0	2,033,186
Capital Projects Funds	0	0	1,560,668	1,560,668
Total Fund Balances	279,133	2,115,913	2,071,268	4,466,314
Total Liabilities and Fund Balances	\$2,084,824	\$6,162,645	\$5,039,399	\$13,286,868

Fairfield City School District, Ohio
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2007

	Public School Support	Spring Recognition	Extracurricular Student Activities	Auxiliary Services
Assets:				
Equity in Pooled Cash and Investments	\$230,403	\$42,855	\$69,919	\$219,151
Receivables:				
Accounts	4,368	0	352	0
Interest	0	0	0	99
Intergovernmental	0	0	0	0
Inventory	0	0	0	0
Total Assets	234,771	42,855	70,271	219,250
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	4,325	3,205	2,074	108,055
Accrued Wages and Benefits	0	0	0	50,990
Interfund Payable	0	1,018	0	0
Deferred Revenue	0	0	0	0
Total Liabilities	4,325	4,223	2,074	159,045
Fund Balances:				
Reserved for Encumbrances	30,789	3,360	1,610	29,190
Reserved for Inventory	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	199,657	35,272	66,587	31,015
Total Fund Balances	230,446	38,632	68,197	60,205
Total Liabilities and Fund Balances	\$234,771	\$42,855	\$70,271	\$219,250

Management Information	Public School Pre-School	Entry Year Grant	SchoolNet OneNet	SchoolNet Professional Development	Ohio Reads	Poverty Based Assistance
\$0	\$0	\$0	\$11,483	\$937	\$3,973	\$140
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	28,900	0	0	0	0
0	0	0	0	0	0	0
0	0	28,900	11,483	937	3,973	140
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	28,884	0	0	0	0
0	0	0	0	0	0	0
0	0	28,884	0	0	0	0
0	0	0	0	491	0	0
0	0	0	0	0	0	0
0	0	16	11,483	446	3,973	140
0	0	16	11,483	937	3,973	140
\$0	\$0	\$28,900	\$11,483	\$937	\$3,973	\$140

Continued

Fairfield City School District, Ohio
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2007

	School Security	Title VI B Pre-School	Title III	Title I
Assets:				
Equity in Pooled Cash and Investments	\$7,517	\$32,047	\$2,991	\$41,015
Receivables:				
Accounts	0	0	0	0
Interest	0	0	0	0
Intergovernmental	500	539,737	32,544	17,302
Inventory	0	0	0	0
Total Assets	8,017	571,784	35,535	58,317
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	135	12,583	1,908	0
Accrued Wages and Benefits	5,369	356,584	0	89,261
Interfund Payable	0	45,855	27,868	14,190
Deferred Revenue	0	223,901	5,759	10,135
Total Liabilities	5,504	638,923	35,535	113,586
Fund Balances:				
Reserved for Encumbrances	1,100	19,462	1,082	2,725
Reserved for Inventory	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	1,413	(86,601)	(1,082)	(57,994)
Total Fund Balances	2,513	(67,139)	0	(55,269)
Total Liabilities and Fund Balances	\$8,017	\$571,784	\$35,535	\$58,317

Title VI	Drug Free Schools	Pre-School Disabilities	Telecom Act	Classroom Size Reduction	Miscellaneous Federal	Food Service
\$28	\$2,272	\$0	\$13,268	\$1,227	\$1,016	\$502
0	0	0	0	0	0	9,853
0	0	0	0	0	0	0
0	5,566	22,924	0	26,063	142,625	120,543
0	0	0	0	0	0	17,541
<u>28</u>	<u>7,838</u>	<u>22,924</u>	<u>13,268</u>	<u>27,290</u>	<u>143,641</u>	<u>148,439</u>
0	1,294	0	742	6,460	142,844	4,373
11,879	0	0	0	18,497	0	259,446
0	5,329	9,024	0	8,218	1,452	156,644
0	1,215	12,360	0	3,263	0	0
<u>11,879</u>	<u>7,838</u>	<u>21,384</u>	<u>742</u>	<u>36,438</u>	<u>144,296</u>	<u>420,463</u>
0	977	0	321	0	439	0
0	0	0	0	0	0	17,541
<u>(11,851)</u>	<u>(977)</u>	<u>1,540</u>	<u>12,205</u>	<u>(9,148)</u>	<u>(1,094)</u>	<u>(289,565)</u>
<u>(11,851)</u>	<u>0</u>	<u>1,540</u>	<u>12,526</u>	<u>(9,148)</u>	<u>(655)</u>	<u>(272,024)</u>
<u>\$28</u>	<u>\$7,838</u>	<u>\$22,924</u>	<u>\$13,268</u>	<u>\$27,290</u>	<u>\$143,641</u>	<u>\$148,439</u>

Continued

Fairfield City School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007

	Uniform School Supply	Latchkey	Total Nonmajor Special Revenue Funds
Assets:			
Equity in Pooled Cash and Investments	\$346,433	\$56,568	\$1,083,745
Receivables:			
Accounts	17,315	14,847	46,735
Interest	0	0	99
Intergovernmental	0	0	936,704
Inventory	0	0	17,541
Total Assets	363,748	71,415	2,084,824
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	82,854	7,211	378,063
Accrued Wages and Benefits	0	80,487	872,513
Interfund Payable	0	0	298,482
Deferred Revenue	0	0	256,633
Total Liabilities	82,854	87,698	1,805,691
Fund Balances:			
Reserved for Encumbrances	18,113	3,139	112,798
Reserved for Inventory	0	0	17,541
Unreserved, Undesignated, Reported in: Special Revenue Funds	262,781	(19,422)	148,794
Total Fund Balances	280,894	(16,283)	279,133
Total Liabilities and Fund Balances	\$363,748	\$71,415	\$2,084,824

Fairfield City School District, Ohio
 Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2007

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
Assets:			
Equity in Pooled Cash and Investments	\$2,270,821	\$0	\$2,270,821
Receivables:			
Taxes	2,768,578	0	2,768,578
Total Assets	<u>5,039,399</u>	<u>0</u>	<u>5,039,399</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	254,603	0	254,603
Deferred Revenue	2,713,528	0	2,713,528
Total Liabilities	<u>2,968,131</u>	<u>0</u>	<u>2,968,131</u>
Fund Balances:			
Reserved for Encumbrances	455,550	0	455,550
Reserved for Property Tax Advances	55,050	0	55,050
Unreserved, Undesignated, Reported in: Capital Projects Funds	1,560,668	0	1,560,668
Total Fund Balances	<u>2,071,268</u>	<u>0</u>	<u>2,071,268</u>
Total Liabilities and Fund Balances	<u>\$5,039,399</u>	<u>\$0</u>	<u>\$5,039,399</u>

THIS PAGE INTENTIONALLY LEFT BLANK

Fairfield City School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$0	\$3,698,509	\$2,484,237	\$6,182,746
Investment Earnings	7,226	0	0	7,226
Intergovernmental	4,729,074	348,570	293,790	5,371,434
Extracurricular Activities	263,565	0	0	263,565
Charges for Services	3,654,573	0	0	3,654,573
Other Revenues	411,404	0	0	411,404
Total Revenues	9,065,842	4,047,079	2,778,027	15,890,948
Expenditures:				
Current:				
Instruction:				
Regular	796,474	0	542,573	1,339,047
Special	1,117,297	0	0	1,117,297
Other	4,484	0	0	4,484
Support Services:				
Pupil	1,382,115	0	0	1,382,115
Instructional Staff	370,092	0	0	370,092
School Administration	161,931	0	0	161,931
Fiscal	0	54,832	36,867	91,699
Business	31,158	0	0	31,158
Operations and Maintenance	49,154	0	493,944	543,098
Pupil Transportation	3,782	0	104,285	108,067
Operation of Non-Instructional Services	5,581,237	0	0	5,581,237
Extracurricular Activities	232,855	0	0	232,855
Capital Outlay	0	0	1,201,699	1,201,699
Debt Service:				
Principal Retirement	0	2,495,000	246,744	2,741,744
Interest and Fiscal Charges	0	1,851,587	4,692	1,856,279
Total Expenditures	9,730,579	4,401,419	2,630,804	16,762,802
Excess of Revenues Over (Under) Expenditures	(664,737)	(354,340)	147,223	(871,854)
Other Financing Sources (Uses):				
Issuance of Capital Leases	0	0	504,991	504,991
Transfers In	0	447,398	0	447,398
Total Other Financing Sources (Uses)	0	447,398	504,991	952,389
Net Change in Fund Balance	(664,737)	93,058	652,214	80,535
Fund Balance Beginning of Year	943,870	2,022,855	1,419,054	4,385,779
Fund Balance End of Year	\$279,133	\$2,115,913	\$2,071,268	\$4,466,314

Fairfield 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, 2007

	Public School Support	Spring Recognition	Extracurricular Student Activities	Auxiliary Services
Revenues:				
Investment Earnings	\$0	\$0	\$0	\$1,554
Intergovernmental	0	0	0	708,291
Extracurricular Activities	81,923	0	181,642	0
Charges for Services	0	0	0	0
Other Revenues	271,268	127,281	12,716	139
Total Revenues	353,191	127,281	194,358	709,984
Expenditures:				
Current:				
Instruction:				
Regular	0	119,979	0	0
Special	0	0	0	0
Other	0	0	0	0
Support Services:				
Pupil	351,637	0	0	0
Instructional Staff	0	15,490	0	0
School Administration	0	0	0	0
Business	0	0	0	0
Operations and Maintenance	1,335	0	0	0
Pupil Transportation	1,682	0	0	0
Operation of Non-Instructional Services	0	0	0	778,517
Extracurricular Activities	0	0	232,855	0
Total Expenditures	354,654	135,469	232,855	778,517
Net Change in Fund Balance	(1,463)	(8,188)	(38,497)	(68,533)
Fund Balance Beginning of Year	231,909	46,820	106,694	128,738
Fund Balance End of Year	\$230,446	\$38,632	\$68,197	\$60,205

Management Information	Public School Pre-School	Entry Year Grant	SchoolNet OneNet	SchoolNet Professional Development	Ohio Reads	Poverty Based Assistance
\$0	\$0	\$0	\$0	\$5,300	\$0	\$0
31,158	0	28,900	30,000	0	12,000	4,624
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
31,158	0	28,900	30,000	5,300	12,000	4,624
0	0	26,402	30,000	0	8,027	0
0	9,635	0	0	0	0	0
0	0	0	0	0	0	4,484
0	0	0	0	0	0	0
0	0	2,483	0	6,938	0	0
0	0	0	0	0	0	0
31,158	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	0
31,158	9,635	28,885	30,000	6,938	8,027	4,484
0	(9,635)	15	0	(1,638)	3,973	140
0	9,635	1	11,483	2,575	0	0
\$0	\$0	\$16	\$11,483	\$937	\$3,973	\$140

Continued

Fairfield 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, 2007

	School Security	Title VI B Pre-School	Title III	Title I
Revenues:				
Investment Earnings	\$0	\$0	\$0	\$0
Intergovernmental	55,810	2,026,333	86,457	419,640
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Other Revenues	0	0	0	0
Total Revenues	55,810	2,026,333	86,457	419,640
Expenditures:				
Current:				
Instruction:				
Regular	0	1,178	56,230	34,385
Special	22,069	760,834	0	324,759
Other	0	0	0	0
Support Services:				
Pupil	26,109	977,562	0	0
Instructional Staff	0	121,034	33,797	48,930
School Administration	0	160,675	0	1,256
Business	0	0	0	0
Operations and Maintenance	0	0	0	0
Pupil Transportation	0	1,899	0	0
Operation of Non-Instructional Services	0	36,929	547	1,898
Extracurricular Activities	0	0	0	0
Total Expenditures	48,178	2,060,111	90,574	411,228
Net Change in Fund Balance	7,632	(33,778)	(4,117)	8,412
Fund Balance Beginning of Year	(5,119)	(33,361)	4,117	(63,681)
Fund Balance End of Year	\$2,513	(\$67,139)	\$0	(\$55,269)

Title VI	Drug Free Schools	Pre-School Disabilities	Telecom Act	Classroom Size Reduction	Miscellaneous Federal	Food Service
\$0	\$0	\$0	\$0	\$0	\$0	\$372
19,055	33,296	23,904	60,345	207,815	257,060	724,386
0	0	0	0	0	0	0
0	0	0	0	0	0	2,311,929
0	0	0	0	0	0	0
19,055	33,296	23,904	60,345	207,815	257,060	3,036,687
26,020	4,058	0	0	100,133	307,208	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	26,807	0	0	0	0
0	25,078	0	0	113,012	3,330	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	47,819	0	0	0
0	201	0	0	0	0	0
1,688	1,380	0	0	0	0	3,405,563
0	0	0	0	0	0	0
27,708	30,717	26,807	47,819	213,145	310,538	3,405,563
(8,653)	2,579	(2,903)	12,526	(5,330)	(53,478)	(368,876)
(3,198)	(2,579)	4,443	0	(3,818)	52,823	96,852
<u>(\$11,851)</u>	<u>\$0</u>	<u>\$1,540</u>	<u>\$12,526</u>	<u>(\$9,148)</u>	<u>(\$655)</u>	<u>(\$272,024)</u>

Continued

Fairfield 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, 2007

	Uniform School Supply	Latchkey	Total Nonmajor Special Revenue Funds
Revenues:			
Investment Earnings	\$0	\$0	\$7,226
Intergovernmental	0	0	4,729,074
Extracurricular Activities	0	0	263,565
Charges for Services	557,454	785,190	3,654,573
Other Revenues	0	0	411,404
Total Revenues	557,454	785,190	9,065,842
Expenditures:			
Current:			
Instruction:			
Regular	82,854	0	796,474
Special	0	0	1,117,297
Other	0	0	4,484
Support Services:			
Pupil	0	0	1,382,115
Instructional Staff	0	0	370,092
School Administration	0	0	161,931
Business	0	0	31,158
Operations and Maintenance	0	0	49,154
Pupil Transportation	0	0	3,782
Operation of Non-Instructional Services	492,478	862,237	5,581,237
Extracurricular Activities	0	0	232,855
Total Expenditures	575,332	862,237	9,730,579
Net Change in Fund Balance	(17,878)	(77,047)	(664,737)
Fund Balance Beginning of Year	298,772	60,764	943,870
Fund Balance End of Year	\$280,894	(\$16,283)	\$279,133

Fairfield 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, 2007

	Permanent Improvement	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues:			
Taxes	\$2,484,237	\$0	\$2,484,237
Intergovernmental	229,092	64,698	293,790
Total Revenues	2,713,329	64,698	2,778,027
Expenditures:			
Current:			
Instruction:			
Regular	477,875	64,698	542,573
Support Services:			
Fiscal	36,867	0	36,867
Operations and Maintenance	493,944	0	493,944
Pupil Transportation	104,285	0	104,285
Capital Outlay	1,201,699	0	1,201,699
Debt Service:			
Principal Retirement	246,744	0	246,744
Interest and Fiscal Charges	4,692	0	4,692
Total Expenditures	2,566,106	64,698	2,630,804
Excess of Revenues Over (Under) Expenditures	147,223	0	147,223
Other Financing Sources (Uses):			
Issuance of Capital Leases	504,991	0	504,991
Total Other Financing Sources (Uses)	504,991	0	504,991
Net Change in Fund Balance	652,214	0	652,214
Fund Balance Beginning of Year	1,419,054	0	1,419,054
Fund Balance End of Year	\$2,071,268	\$0	\$2,071,268

Fairfield 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, 2007

	Public School Support Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$81,713	\$81,713	\$0
Charges for Services	1,810	1,810	0
Other Revenues	270,743	270,743	0
Total Revenues	354,266	354,266	0
Expenditures:			
Current:			
Support Services:			
Pupil	384,365	384,365	0
Operations and Maintenance	1,335	1,335	0
Pupil Transportation	1,727	1,727	0
Total Expenditures	387,427	387,427	0
Net Change in Fund Balance	(33,161)	(33,161)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	229,591	229,591	0
Fund Balance End of Year	\$196,430	\$196,430	\$0

Fairfield 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, 2007

	Spring Recognition Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$147,731	\$147,731	\$0
Total Revenues	147,731	147,731	0
Expenditures:			
Current:			
Instruction:			
Regular	125,255	125,255	0
Support Services:			
Instructional Staff	15,398	15,398	0
Total Expenditures	140,653	140,653	0
Excess of Revenues Over (Under) Expenditures	7,078	7,078	0
Other financing sources (uses):			
Advances In	1,018	1,018	0
Advances (Out)	(10,861)	(10,861)	0
Total Other Financing Sources (Uses)	(9,843)	(9,843)	0
Net Change in Fund Balance	(2,765)	(2,765)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	41,570	41,570	0
Fund Balance End of Year	\$38,805	\$38,805	\$0

Fairfield 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, 2007

	Extracurricular Student Activities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Extracurricular Activities	\$181,770	\$181,770	\$0
Other Revenues	12,716	12,716	0
Total Revenues	<u>194,486</u>	<u>194,486</u>	<u>0</u>
Expenditures:			
Current:			
Extracurricular Activities	241,854	241,854	0
Total Expenditures	<u>241,854</u>	<u>241,854</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(47,368)</u>	<u>(47,368)</u>	<u>0</u>
Other financing sources (uses):			
Transfers In	26,400	26,400	0
Transfers (Out)	<u>(26,400)</u>	<u>(26,400)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(47,368)	(47,368)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	114,453	114,453	0
Fund Balance End of Year	<u><u>\$67,085</u></u>	<u><u>\$67,085</u></u>	<u><u>\$0</u></u>

Fairfield 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, 2007

	Auxiliary Services Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$1,563	\$1,563	\$0
Intergovernmental	708,291	708,291	0
Other Revenues	139	139	0
Total Revenues	<u>709,993</u>	<u>709,993</u>	<u>0</u>
Expenditures:			
Current:			
Operation of Non-Instructional Services	862,701	862,701	0
Total Expenditures	<u>862,701</u>	<u>862,701</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(152,708)</u>	<u>(152,708)</u>	<u>0</u>
Other financing sources (uses):			
Transfers In	69,290	69,290	0
Transfers (Out)	<u>(69,290)</u>	<u>(69,290)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(152,708)	(152,708)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>234,613</u>	<u>234,613</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$81,905</u></u>	<u><u>\$81,905</u></u>	<u><u>\$0</u></u>

Fairfield 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, 2007

	Management Information Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$31,158	\$31,158	\$0
Total Revenues	31,158	31,158	0
Expenditures:			
Current:			
Support Services:			
Business	31,158	31,158	0
Total Expenditures	31,158	31,158	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Fairfield 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, 2007

	Public School Pre-School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Special	8,492	8,492	0
Total Expenditures	8,492	8,492	0
Net Change in Fund Balance	(8,492)	(8,492)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	8,492	8,492	0
Fund Balance End of Year	\$0	\$0	\$0

Fairfield 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, 2007

	Entry Year Grant Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Instruction:			
Regular	28,315	28,315	0
Support Services:			
Instructional Staff	2,483	2,483	0
Total Expenditures	30,798	30,798	0
Excess of Revenues Over (Under) Expenditures	(30,798)	(30,798)	0
Other financing sources (uses):			
Advances In	28,884	28,884	0
Total Other Financing Sources (Uses)	28,884	28,884	0
Net Change in Fund Balance	(1,914)	(1,914)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,914	1,914	0
Fund Balance End of Year	\$0	\$0	\$0

Fairfield 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, 2007

	SchoolNet OneNet Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$30,000	\$30,000	\$0
Total Revenues	30,000	30,000	0
Expenditures:			
Current:			
Instruction:			
Regular	30,000	30,000	0
Total Expenditures	30,000	30,000	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	11,483	11,483	0
Fund Balance End of Year	\$11,483	\$11,483	\$0

Fairfield 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, 2007

	SchoolNet Professional Development Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$5,300	\$5,300	\$0
Total Revenues	5,300	5,300	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff	8,779	8,779	0
Total Expenditures	8,779	8,779	0
Net Change in Fund Balance	(3,479)	(3,479)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,925	3,925	0
Fund Balance End of Year	\$446	\$446	\$0

Fairfield 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, 2007

	Ohio Reads Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$12,000	\$12,000	\$0
Total Revenues	12,000	12,000	0
Expenditures:			
Current:			
Instruction:			
Regular	8,027	8,027	0
Total Expenditures	8,027	8,027	0
Net Change in Fund Balance	3,973	3,973	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$3,973	\$3,973	\$0

Fairfield 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, 2007

	Poverty Based Assistance Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$4,624	\$4,624	\$0
Total Revenues	4,624	4,624	0
Expenditures:			
Current:			
Instruction:			
Other	4,484	4,484	0
Total Expenditures	4,484	4,484	0
Net Change in Fund Balance	140	140	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$140	\$140	\$0

Fairfield 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, 2007

	School Security Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$55,310	\$55,310	\$0
Total Revenues	55,310	55,310	0
Expenditures:			
Current:			
Instruction:			
Special	23,304	23,304	0
Support Services:			
Pupil	34,086	34,086	0
Total Expenditures	57,390	57,390	0
Net Change in Fund Balance	(2,080)	(2,080)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	8,362	8,362	0
Fund Balance End of Year	\$6,282	\$6,282	\$0

Fairfield 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, 2007

	Title VI B Pre-School Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$1,970,686	\$1,970,686	\$0
Total Revenues	1,970,686	1,970,686	0
Expenditures:			
Current:			
Instruction:			
Regular	4,592	4,592	0
Special	753,389	753,389	0
Support Services:			
Pupil	1,009,540	1,009,540	0
Instructional Staff	108,684	108,684	0
School Administration	156,490	156,490	0
Pupil Transportation	3,281	3,281	0
Operation of Non-Instructional Services	38,736	38,736	0
Total Expenditures	2,074,712	2,074,712	0
Excess of Revenues Over (Under) Expenditures	(104,026)	(104,026)	0
Other financing sources (uses):			
Advances In	45,855	45,855	0
Advances (Out)	(11,435)	(11,435)	0
Transfers In	4,913	4,913	0
Transfers (Out)	(4,913)	(4,913)	0
Total Other Financing Sources (Uses)	34,420	34,420	0
Net Change in Fund Balance	(69,606)	(69,606)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	69,606	69,606	0
Fund Balance End of Year	\$0	\$0	\$0

Fairfield 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, 2007

	Title III Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$95,533	\$95,533	\$0
Total Revenues	95,533	95,533	0
Expenditures:			
Current:			
Instruction:			
Regular	75,964	75,964	0
Support Services:			
Instructional Staff	34,111	34,111	0
Operation of Non-Instructional Services	547	547	0
Total Expenditures	110,622	110,622	0
Excess of Revenues Over (Under) Expenditures	(15,089)	(15,089)	0
Other financing sources (uses):			
Advances In	27,868	27,868	0
Advances (Out)	(36,108)	(36,108)	0
Transfers In	67	67	0
Transfers (Out)	(67)	(67)	0
Total Other Financing Sources (Uses)	(8,240)	(8,240)	0
Net Change in Fund Balance	(23,329)	(23,329)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	23,330	23,330	0
Fund Balance End of Year	\$1	\$1	\$0

Fairfield 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, 2007

	Title I Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$428,971	\$428,971	\$0
Total Revenues	428,971	428,971	0
Expenditures:			
Current:			
Instruction:			
Regular	37,110	37,110	0
Special	319,385	319,385	0
Support Services:			
Instructional Staff	59,055	59,055	0
School Administration	1,256	1,256	0
Operation of Non-Instructional Services	1,898	1,898	0
Total Expenditures	418,704	418,704	0
Excess of Revenues Over (Under) Expenditures	10,267	10,267	0
Other financing sources (uses):			
Advances In	14,190	14,190	0
Advances (Out)	(14,236)	(14,236)	0
Transfers In	1,804	1,804	0
Transfers (Out)	(1,804)	(1,804)	0
Total Other Financing Sources (Uses)	(46)	(46)	0
Net Change in Fund Balance	10,221	10,221	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	28,070	28,070	0
Fund Balance End of Year	\$38,291	\$38,291	\$0

Fairfield 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, 2007

	Title VI Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$22,699	\$22,699	\$0
Total Revenues	22,699	22,699	0
Expenditures:			
Current:			
Instruction:			
Regular	25,541	25,541	0
Operation of Non-Instructional Services	1,688	1,688	0
Total Expenditures	27,229	27,229	0
Excess of Revenues Over (Under) Expenditures	(4,530)	(4,530)	0
Other financing sources (uses):			
Transfers In	39	39	0
Transfers (Out)	(39)	(39)	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balance	(4,530)	(4,530)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,558	4,558	0
Fund Balance End of Year	\$28	\$28	\$0

Fairfield 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, 2007

	Drug Free Schools Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$31,732	\$31,732	\$0
Total Revenues	31,732	31,732	0
Expenditures:			
Current:			
Instruction:			
Regular	4,258	4,258	0
Support Services:			
Instructional Staff	30,906	30,906	0
Pupil Transportation	201	201	0
Operation of Non-Instructional Services	1,380	1,380	0
Total Expenditures	36,745	36,745	0
Excess of Revenues Over (Under) Expenditures	(5,013)	(5,013)	0
Other financing sources (uses):			
Advances In	5,329	5,329	0
Advances (Out)	(6,247)	(6,247)	0
Total Other Financing Sources (Uses)	(918)	(918)	0
Net Change in Fund Balance	(5,931)	(5,931)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,932	5,932	0
Fund Balance End of Year	\$1	\$1	\$0

Fairfield 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, 2007

	Pre-School Disabilities Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$17,783	\$17,783	\$0
Total Revenues	17,783	17,783	0
Expenditures:			
Current:			
Instruction:			
Regular	26,807	26,807	0
Total Expenditures	26,807	26,807	0
Excess of Revenues Over (Under) Expenditures	(9,024)	(9,024)	0
Other financing sources (uses):			
Advances In	9,024	9,024	0
Total Other Financing Sources (Uses)	9,024	9,024	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

Fairfield 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, 2007

	Telecom Act Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$60,345	\$60,345	\$0
Total Revenues	60,345	60,345	0
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance	48,140	48,140	0
Total Expenditures	48,140	48,140	0
Net Change in Fund Balance	12,205	12,205	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$12,205	\$12,205	\$0

Fairfield 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, 2007

	Classroom Size Reduction Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$209,632	\$209,632	\$0
Total Revenues	209,632	209,632	0
Expenditures:			
Current:			
Instruction:			
Regular	103,017	103,017	0
Support Services:			
Instructional Staff	112,130	112,130	0
Total Expenditures	215,147	215,147	0
Excess of Revenues Over (Under) Expenditures	(5,515)	(5,515)	0
Other financing sources (uses):			
Advances In	8,218	8,218	0
Advances (Out)	(7,829)	(7,829)	0
Total Other Financing Sources (Uses)	389	389	0
Net Change in Fund Balance	(5,126)	(5,126)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	5,128	5,128	0
Fund Balance End of Year	\$2	\$2	\$0

Fairfield 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, 2007

	Miscellaneous Federal Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$164,740	\$164,740	\$0
Total Revenues	<u>164,740</u>	<u>164,740</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Regular	164,623	164,623	0
Support Services:			
Instructional Staff	4,201	4,201	0
Operation of Non-Instructional Services	398	398	0
Total Expenditures	<u>169,222</u>	<u>169,222</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(4,482)</u>	<u>(4,482)</u>	<u>0</u>
Other financing sources (uses):			
Advances In	1,452	1,452	0
Advances (Out)	(8,906)	(8,906)	0
Total Other Financing Sources (Uses)	<u>(7,454)</u>	<u>(7,454)</u>	<u>0</u>
Net Change in Fund Balance	(11,936)	(11,936)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>12,294</u>	<u>12,294</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$358</u></u>	<u><u>\$358</u></u>	<u><u>\$0</u></u>

Fairfield 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, 2007

	Food Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$378	\$378	\$0
Intergovernmental	511,816	511,816	0
Charges for Services	2,307,765	2,307,765	0
Total Revenues	2,819,959	2,819,959	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	2,990,044	2,990,044	0
Total Expenditures	2,990,044	2,990,044	0
Excess of Revenues Over (Under) Expenditures	(170,085)	(170,085)	0
Other financing sources (uses):			
Advances In	156,644	156,644	0
Total Other Financing Sources (Uses)	156,644	156,644	0
Net Change in Fund Balance	(13,441)	(13,441)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,442	13,442	0
Fund Balance End of Year	\$1	\$1	\$0

Fairfield 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, 2007

	Uniform School Supply Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$554,327	\$554,327	\$0
Total Revenues	554,327	554,327	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	515,901	515,901	0
Total Expenditures	515,901	515,901	0
Net Change in Fund Balance	38,426	38,426	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	287,454	287,454	0
Fund Balance End of Year	<u>\$325,880</u>	<u>\$325,880</u>	<u>\$0</u>

Fairfield 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, 2007

	Latchkey Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$792,530	\$792,530	\$0
Total Revenues	792,530	792,530	0
Expenditures:			
Current:			
Operation of Non-Instructional Services	862,197	862,197	0
Total Expenditures	862,197	862,197	0
Excess of Revenues Over (Under) Expenditures	(69,667)	(69,667)	0
Other financing sources (uses):			
Advances (Out)	(33,820)	(33,820)	0
Transfers In	93,171	93,171	0
Transfers (Out)	(93,171)	(93,171)	0
Total Other Financing Sources (Uses)	(33,820)	(33,820)	0
Net Change in Fund Balance	(103,487)	(103,487)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	154,163	154,163	0
Fund Balance End of Year	<u>\$50,676</u>	<u>\$50,676</u>	<u>\$0</u>

Fairfield 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, 2007

	Debt Service Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$3,704,770	\$3,704,770	\$0
Intergovernmental	348,570	348,570	0
Total Revenues	<u>4,053,340</u>	<u>4,053,340</u>	<u>0</u>
Expenditures:			
Current:			
Support Services:			
Fiscal	54,832	54,832	0
Debt Service:			
Principal Retirement	2,495,000	2,495,000	0
Interest and Fiscal Charges	1,851,586	1,851,586	0
Total Expenditures	<u>4,401,418</u>	<u>4,401,418</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>(348,078)</u>	<u>(348,078)</u>	<u>0</u>
Other financing sources (uses):			
Transfers In	447,398	447,398	0
Total Other Financing Sources (Uses)	<u>447,398</u>	<u>447,398</u>	<u>0</u>
Net Change in Fund Balance	99,320	99,320	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,933,867</u>	<u>1,933,867</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$2,033,187</u></u>	<u><u>\$2,033,187</u></u>	<u><u>\$0</u></u>

Fairfield 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, 2007

	Permanent Improvement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$2,488,527	\$2,488,527	\$0
Intergovernmental	229,092	229,092	0
Total Revenues	2,717,619	2,717,619	0
Expenditures:			
Current:			
Instruction:			
Regular	413,397	413,397	0
Support Services:			
Fiscal	36,867	36,867	0
Operations and Maintenance	50,000	50,000	0
Pupil Transportation	104,285	104,285	0
Capital Outlay	2,348,921	2,348,921	0
Debt Service:			
Principal Retirement	246,744	246,744	0
Interest and Fiscal Charges	4,692	4,692	0
Total Expenditures	3,204,906	3,204,906	0
Excess of Revenues Over (Under) Expenditures	(487,287)	(487,287)	0
Other financing sources (uses):			
Issuance of Capital Leases	504,991	504,991	0
Total Other Financing Sources (Uses)	504,991	504,991	0
Net Change in Fund Balance	17,704	17,704	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,659,419	1,659,419	0
Fund Balance End of Year	\$1,677,123	\$1,677,123	\$0

Fairfield 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, 2007

	SchoolNet Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$64,698	\$64,698	\$0
Total Revenues	64,698	64,698	0
Expenditures:			
Current:			
Instruction:			
Regular	64,698	64,698	0
Total Expenditures	64,698	64,698	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	\$0	\$0	\$0

FUND DESCRIPTIONS

NONMAJOR FUNDS

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

PRIVATE PURPOSE TRUST: To account for donations received by the District in a trustee capacity. Used for scholarships.

AGENCY FUND – UNCLAIMED MONIES: To account for funds that belong to others as a result of outstanding checks over one year old.

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

Fairfield City School District, Ohio
Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2007

	Unclaimed Monies			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$26,518	\$972	\$0	\$27,490
Total Assets	<u>26,518</u>	<u>972</u>	<u>0</u>	<u>27,490</u>
Liabilities:				
Other Liabilities	26,518	972	0	27,490
Total Liabilities	<u>\$26,518</u>	<u>\$972</u>	<u>\$0</u>	<u>\$27,490</u>

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$141,902	\$213,555	\$236,596	\$118,861
Receivables:				
Accounts	0	323	0	323
Total Assets	<u>141,902</u>	<u>213,878</u>	<u>236,596</u>	<u>119,184</u>
Liabilities:				
Accounts Payable	12,892	4,253	12,892	4,253
Other Liabilities	129,010	209,625	223,704	114,931
Total Liabilities	<u>\$141,902</u>	<u>\$213,878</u>	<u>\$236,596</u>	<u>\$119,184</u>

	Total All Agency Funds			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$168,420	\$214,527	\$236,596	\$146,351
Receivables:				
Accounts	0	323	0	323
Total Assets	<u>168,420</u>	<u>214,850</u>	<u>236,596</u>	<u>146,674</u>
Liabilities:				
Accounts Payable	12,892	4,253	12,892	4,253
Other Liabilities	155,528	210,597	223,704	142,421
Total Liabilities	<u>\$168,420</u>	<u>\$214,850</u>	<u>\$236,596</u>	<u>\$146,674</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

CONTENTS

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

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

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

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

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

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

Fairfield City School District, Ohio
 Net Assets by Component
 Last Five Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 1

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$20,902,211	\$21,570,632	\$22,908,188	\$24,317,899	\$26,245,449
Restricted	2,438,988	2,867,558	2,659,736	4,440,838	4,570,706
Unrestricted	(5,332,637)	(8,474,935)	(7,651,687)	(3,947,260)	506,907
Total Net Assets	<u>\$18,008,562</u>	<u>\$15,963,255</u>	<u>\$17,916,237</u>	<u>\$24,811,477</u>	<u>\$31,323,062</u>

Source: District Records

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

Fairfield City School District, Ohio
Expenses, Program Revenues and Net (Expense)/Revenue
Last Five Fiscal Years (1)
(accrual basis of accounting)
Schedule 2

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental Activities:					
Instruction	\$41,503,349	\$43,328,693	\$42,058,146	\$42,123,037	\$43,856,265
Pupil	3,416,375	3,478,770	3,480,637	3,621,552	3,684,731
Instructional Staff	3,841,480	5,144,223	4,698,600	4,965,046	5,620,960
General Administration	28,263	16,609	19,433	26,619	19,313
School Administration	4,973,469	5,338,349	5,351,477	5,186,685	5,965,687
Fiscal	1,168,919	1,310,808	1,356,920	1,261,085	1,326,001
Business	329,539	353,440	338,799	361,273	339,852
Operation and Maintenance	6,887,083	6,759,627	6,666,556	8,855,622	7,690,945
Pupil Transportation	4,409,121	5,451,797	5,227,177	5,288,352	5,513,928
Central	167,298	142,874	90,831	116,583	117,993
Operation of Non-Instructional Services	786,815	4,443,516	4,865,039	4,583,566	5,497,353
Extracurricular Activities	1,730,593	1,601,544	1,294,759	1,474,640	1,549,636
Interest and Fiscal Charges	2,280,456	2,184,076	2,077,167	1,964,883	1,847,061
Total Expenses	<u>71,522,760</u>	<u>79,554,326</u>	<u>77,525,541</u>	<u>79,828,943</u>	<u>83,029,725</u>
Program Revenues					
Governmental Activities:					
Charges for Services					
Instruction	645,341	961,488	843,709	780,632	879,400
Pupil	125,167	1,289,446	53,779	53,442	77,193
Instructional Staff	765	40,701	0	0	0
Operation and Maintenance	117,850	133,527	174,391	137,930	146,716
Pupil Transportation	61	630	882	106	301
Operation of Non-Instructional Services	0	0	3,284,501	3,411,037	3,654,573
Extracurricular Activities	100,394	1,036,141	289,023	324,079	307,011
Operating Grants and Contributions	2,999,253	4,031,923	4,609,654	4,573,108	6,880,980
Capital Grants and Contributions	371,354	69,562	155,397	104,394	167,006
Total Program Revenues	<u>4,360,185</u>	<u>7,563,418</u>	<u>9,411,336</u>	<u>9,384,728</u>	<u>12,113,180</u>
Net (Expense)/Revenue	<u>(\$67,162,575)</u>	<u>(\$71,990,908)</u>	<u>(\$68,114,205)</u>	<u>(\$70,444,215)</u>	<u>(\$70,916,545)</u>

Source: District Records

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

Fairfield City School District, Ohio
 General Revenues and Total Change in Net Assets
 Last Five Fiscal Years (1)
 (accrual basis of accounting)
 Schedule 3

	Fiscal Year				
	2003	2004	2005	2006	2007
Net (Expense)/Revenue	(\$67,162,575)	(\$71,990,908)	(\$68,114,205)	(\$70,444,215)	(\$70,916,545)
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes					
Property Taxes Levied for General Purposes	29,958,722	32,751,029	34,987,263	40,201,504	40,308,060
Property Taxes Levied for Debt Service Purposes	3,542,027	3,443,929	3,213,058	3,621,206	3,696,292
Property Taxes Levied for Capital Projects Purposes	876,679	1,735,554	2,265,014	2,576,990	2,483,049
Grants and Entitlements Not Restricted to Specific Programs	28,186,225	28,957,635	28,196,910	29,087,081	28,214,761
Payment in Lieu of Taxes	376,955	1,216,215	683,216	791,423	994,346
Investment Earnings	256,118	142,386	205,894	617,638	1,018,113
Other Revenues	660,548	1,267,747	515,832	443,613	713,509
Total General Revenues	63,857,274	69,514,495	70,067,187	77,339,455	77,428,130
Change in Net Assets	(\$3,305,301)	(\$2,476,413)	\$1,952,982	\$6,895,240	\$6,511,585

Source: District Records

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

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	N/A	\$8,700,977	\$5,013,447	\$5,705,976	\$2,189,574	\$1,387,739	\$1,446,879	\$1,604,568	\$1,214,637	\$1,238,468
Unreserved	N/A	(94,415)	962,236	1,630,683	3,357,823	933,099	(3,129,833)	(2,628,419)	1,665,233	5,941,990
Total General Fund	N/A	8,606,562	5,975,683	7,336,659	5,547,397	2,320,838	(1,682,954)	(1,023,851)	2,879,870	7,180,458
All Other Governmental Funds										
Reserved	N/A	1,653,194	671,198	850,368	337,703	234,687	1,065,208	1,153,071	751,404	723,666
Unreserved, Reported in:										
Special Revenue Funds	N/A	462,244	562,197	723,835	842,403	442,509	870,359	584,676	850,756	148,794
Debt Service Funds	N/A	690,937	1,113,160	2,210,212	1,898,083	1,981,092	1,717,392	1,761,462	1,933,867	2,033,186
Capital Project Funds	N/A	(389,748)	(1,297,975)	(1,087,023)	(715,259)	(233,900)	(786,058)	(197,591)	849,752	1,560,668
Total all Other Governmental Funds	N/A	\$2,416,627	\$1,048,580	\$2,697,392	\$2,362,930	\$2,424,388	\$2,866,901	\$3,301,618	\$4,385,779	\$4,466,314

Source: District Records

N/A - Information not available

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues:										
Taxes	N/A	\$34,762,894	\$26,355,842	\$33,800,513	\$29,569,175	\$33,896,678	\$36,600,251	\$41,269,469	\$45,958,652	\$46,479,452
Revenue in Lieu of Taxes	N/A	0	0	0	0	0	0	0	791,423	994,346
Tuition and Fees	N/A	470,788	737,369	634,581	330,711	626,921	804,328	843,709	780,632	879,400
Investment Earnings	N/A	708,626	838,703	984,299	466,820	256,118	142,386	205,894	617,638	1,018,113
Intergovernmental	N/A	22,594,020	24,670,990	26,951,947	30,062,525	32,096,869	33,082,542	32,921,716	33,673,083	35,178,537
Extracurricular Activities	N/A	203,277	254,512	239,826	248,135	245,129	247,177	344,551	377,780	384,960
Charges for Services	N/A	0	0	0	0	0	2,280,253	3,284,501	3,548,814	3,654,573
Other Revenues	N/A	1,328,406	1,019,383	1,468,651	1,233,622	1,042,748	2,620,610	1,346,320	649,210	860,317
Total Revenues	N/A	\$60,068,011	\$53,876,799	\$64,079,817	\$61,910,988	\$68,164,463	\$75,777,547	\$80,216,160	\$86,397,232	\$89,449,698

Source: District Records

N/A - Information not available

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Instruction	N/A	\$27,448,830	\$30,311,134	\$33,211,989	\$35,088,673	\$39,560,090	\$40,829,325	\$40,131,380	\$41,776,394	\$42,356,936
Pupil	N/A	2,317,519	2,802,856	2,832,868	2,841,695	3,341,899	3,489,144	3,351,415	3,682,891	3,695,433
Instructional Staff	N/A	3,155,361	2,892,821	3,280,604	3,594,709	3,807,828	5,020,642	4,648,400	4,982,688	5,587,977
General Administration	N/A	20,420	26,607	34,753	16,742	28,263	16,609	19,433	26,619	19,313
School Administration	N/A	4,633,624	3,935,390	4,450,744	4,347,554	4,927,439	5,330,936	5,374,172	5,304,798	5,965,911
Fiscal	N/A	530,299	997,086	1,010,075	1,111,352	1,158,176	1,301,736	1,400,212	1,248,272	1,294,636
Business	N/A	534,937	214,558	310,803	303,342	306,891	342,420	344,165	348,585	353,825
Operation and Maintenance	N/A	5,271,078	5,733,525	6,242,870	6,122,779	6,770,366	6,719,235	6,390,886	8,948,519	7,719,362
Pupil Transportation	N/A	2,821,999	3,694,962	3,758,922	3,785,348	5,002,869	4,980,290	4,892,542	5,067,358	5,471,039
Central	N/A	41,412	151,564	129,012	152,527	163,255	140,618	89,054	119,389	114,962
Operation of Non-Instructional Services	N/A	380,091	441,103	619,118	481,477	825,416	4,180,304	4,714,290	4,551,228	5,582,868
Extracurricular Activities	N/A	1,279,487	1,337,934	1,365,182	1,430,422	1,736,373	1,592,845	1,287,028	1,485,249	1,546,327
Capital Outlay	N/A	2,868,597	1,409,575	345,025	331,938	0	1,826,604	1,702,522	130,068	1,337,450
Debt Service										
Principal Retirement	N/A	986,099	1,032,940	1,041,000	2,025,000	1,720,414	2,047,149	2,188,619	2,388,565	2,807,953
Interest and Fiscal Charges	N/A	3,110,077	3,060,189	2,167,204	2,401,670	2,293,264	2,192,115	2,086,146	1,974,910	1,856,279
Total Expenditures	N/A	\$55,399,830	\$58,042,244	\$60,800,169	\$64,035,228	\$71,642,543	\$80,009,972	\$78,620,264	\$82,035,533	\$85,710,271
Debt Service as a Percentage of Noncapital Expenditures	N/A	4.71%	2.88%	0.75%	0.66%	1.66%	2.33%	1.78%	1.74%	1.70%

Source: District Records

N/A - Information not available

Fairfield City School District, Ohio
 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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Other Financing Sources (Uses)										
Issuance of Capital Leases	N/A	\$114,123	\$163,202	\$0	\$0	\$310,036	\$256,795	\$0	\$550,429	\$640,742
Proceeds of Refunding Bonds	N/A	0	0	38,245,781	0	0	0	0	0	0
Payments to Refunded Bond Escrow Agent	N/A	0	0	(38,245,781)	0	0	0	0	0	0
Proceeds of Refunding Bonds - Premium	N/A	0	0	33,187	0	0	0	0	0	0
Proceeds from Sale of Capital Assets	N/A	230,925	3,317	423	516	2,250	7,234	75,400	75,754	954
Transfers In	N/A	3,491,067	5,463,611	3,932,401	2,906,306	1,904,643	799,745	449,565	451,623	447,398
Transfers (Out)	N/A	(3,491,067)	(5,463,611)	(4,232,035)	(2,906,306)	(1,904,643)	(799,745)	(449,565)	(451,623)	(447,398)
Total Other Financing Sources (Uses)	N/A	345,048	166,519	(266,024)	516	312,286	264,029	75,400	626,183	641,696
Net Change in Fund Balances	N/A	\$5,013,229	(\$3,998,926)	\$3,013,624	(\$2,123,724)	(\$3,165,794)	(\$3,968,396)	\$1,671,296	\$4,987,882	\$4,381,123

Source: District Records

N/A - Information not available

Fairfield City School District, Ohio
 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	Total
	Assessed Value (1)	Assessed Value (1)	Assessed Value (1)	Assessed Value (1)	Estimated Acual Value	Direct Rate
1997	\$737,480,630	\$83,814,921	\$46,487,160	\$867,782,711	\$2,479,379,174	55.00
1998	773,080,200	92,145,900	45,340,120	910,566,220	2,601,617,771	54.00
1999	797,087,180	88,645,232	46,049,910	931,782,322	2,662,235,206	54.00
2000	891,492,700	95,496,050	46,448,790	1,033,437,540	2,952,678,686	54.00
2001	934,248,580	87,858,027	43,228,880	1,065,335,487	3,043,815,677	54.00
2002	974,458,300	97,874,411	32,940,510	1,105,273,221	3,157,923,489	54.00
2003	1,157,170,240	92,877,207	33,286,990	1,283,334,437	3,666,669,820	54.00
2004	1,190,539,390	95,963,033	33,773,000	1,320,275,423	3,772,215,494	54.00
2005	1,213,766,140	101,330,894	34,880,370	1,349,977,404	3,857,078,297	58.66
2006	1,314,161,003	109,712,328	37,765,448	1,461,638,779	4,176,110,797	58.60

Source: County Auditor

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

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

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

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

Calendar Year	District Direct Rates	Overlapping Rates				
		Butler County	City of Fairfield	Fairfield Township	Butler County Joint Vocational School	Fairfield Township Fire District
1997	55.00	8.00	5.00	7.00	1.93	0.00
1998	54.00	8.00	5.00	7.00	1.93	0.00
1999	54.00	8.00	5.00	7.00	1.93	0.00
2000	54.00	8.00	4.00	7.00	1.93	0.00
2001	54.00	8.00	5.94	13.00	1.93	0.00
2002	54.00	9.00	5.94	12.00	1.93	0.00
2003	54.00	9.00	5.94	12.00	1.93	0.00
2004	54.00	9.00	5.94	12.00	1.93	0.00
2005	58.66	8.74	5.94	7.19	1.93	5.00
2006	58.60	9.44	5.94	7.19	1.93	5.00

Source: County Auditor

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

Fairfield City School District, Ohio
Principal Property Tax Payers
Current and Two Calendar Years Ago (1)
Schedule 10

2006		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Cincinnati Gas and Electric	\$25,682,890	1.76%
Cincinnati Financial	16,913,280	1.16%
Sam Boymel TR	9,720,740	0.67%
Ohio Casualty Insurance	7,733,750	0.53%
Cincinnati Bell Telephone	5,984,430	0.41%
Fath-Village Park Apt.	5,709,930	0.39%
Alliance TP Portfolio LTD	5,540,810	0.38%
TGM Camelot Inc	5,260,550	0.36%
Teachers Retirement System	5,105,830	0.35%
Cincinnati Oxford Assn	4,917,700	0.34%
	<u>\$92,569,910</u>	<u>6.35%</u>

2004		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Cincinnati Gas and Electric	\$24,047,350	1.82%
Cincinnati Financial	29,708,460	2.25%
Sam Boymel TR	11,012,190	0.83%
Ohio Casualty Insurance	8,050,020	0.61%
Cincinnati Bell Telephone	7,527,310	0.57%
Fath-Village Park Apt.	7,317,110	0.55%
Alliance TP Portfolio LTD	5,243,500	0.40%
TGM Camelot Inc	5,009,330	0.38%
Teachers Retirement System	5,045,490	0.38%
Sisters of Mercy of Hamilton	11,873,720	0.90%
	<u>\$114,834,480</u>	<u>8.69%</u>

Source: County Auditor

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

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

Calendar Year (1)	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$26,744,006	\$26,138,134	97.73%	\$592,836	\$26,730,970	99.95%
1998	26,779,589	25,463,240	95.08%	572,190	26,035,430	97.22%
1999	26,906,274	26,602,692	98.87%	719,216	27,321,908	101.54%
2000	29,675,294	29,465,697	99.29%	544,961	30,010,658	101.13%
2001	31,344,392	30,090,084	96.00%	769,186	30,859,270	98.45%
2002	31,800,460	30,919,285	97.23%	852,116	31,771,401	99.91%
2003	34,128,644	34,175,938	100.14%	962,068	35,138,006	102.96%
2004	36,880,825	35,653,905	96.67%	998,758	36,652,663	99.38%
2005	42,045,555	40,206,341	95.63%	1,047,051	41,253,392	98.12%
2006	45,102,342	42,920,843	95.16%	1,244,972	44,165,815	97.92%

Source: County Auditor

(1) - Per county auditor, amounts in earlier years based on fiscal years; amounts have been readjusted to reflect calendar year.

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

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita
	General Obligation Bonds	Capital Leases			
1998	N/A	N/A	N/A	N/A	N/A
1999	\$48,247,814	\$364,509	\$48,612,323	0.53%	\$802
2000	47,325,814	253,569	47,579,383	0.50%	786
2001	46,280,655	0	46,280,655	0.48%	765
2002	44,255,655	0	44,255,655	0.45%	752
2003	42,650,655	194,622	42,845,277	0.42%	728
2004	40,795,655	259,268	41,054,923	0.38%	681
2005	38,780,655	85,649	38,866,304	0.35%	659
2006	36,585,555	442,513	37,028,068	N/A	626
2007	34,090,655	770,302	34,860,957	N/A	N/A

Source: District Records

N/A - Information not available

(1) - On the calendar year basis

Fairfield City School District, Ohio
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2007
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Direct and Overlapping Debt
Butler County	\$72,853,870	18.34%	\$13,361,400
City of Fairfield	27,505,000	98.85%	27,188,693
Fairfield Township	5,075,000	99.11%	5,029,833
Butler Technology & Career Center Joint Vocational School	2,095,000	20.84%	436,661
Subtotal, Overlapping Debt	107,528,870		46,016,586
District Direct Debt	34,090,655	100.00%	34,090,655
Total Direct and Overlapping Debt	\$141,619,525		\$80,107,241

Source: Ohio Municipal Advisory Council

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

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value (1)	\$1,461,638,779
Debt limit (9% of assessed value)	131,547,490
Debt applicable to limit	34,090,655
Legal debt margin	<u>\$97,456,835</u>

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit	N/A	\$81,950,960	\$83,860,409	\$93,009,379	\$95,880,194	\$99,474,590	\$115,500,099	\$118,824,788	\$121,497,966	\$131,547,490
Total Net Debt Applicable to Limit	N/A	48,247,814	47,325,814	46,280,655	45,255,655	42,650,655	40,795,655	38,780,655	36,585,655	34,090,655
Legal Debt Margin	N/A	\$33,703,146	\$36,534,595	\$46,728,724	\$50,624,539	\$56,823,935	\$74,704,444	\$80,044,133	\$84,912,311	\$97,456,835
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	N/A	58.87%	56.43%	49.76%	47.20%	42.88%	35.32%	32.64%	30.11%	25.92%

Source: District Records

N/A - Information not available

(1) - Assessed values are on a calendar year basis (i.e. fiscal year 2007 is calendar year 2006)

Fairfield City School District, Ohio
 Demographic and Economic Statistics
 Last Ten Calendar Years
 Schedule 15

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
1997	57,120	\$7,983,144	\$24,531	3.50%
1998	58,837	8,560,958	26,079	3.60%
1999	60,602	9,087,357	27,475	3.30%
2000	60,500	9,547,252	28,608	3.20%
2001	60,500	9,729,127	28,881	3.20%
2002	58,849	9,938,473	29,273	4.50%
2003	58,849	10,285,549	30,014	4.50%
2004	60,254	10,844,563	31,332	4.30%
2005	58,965	11,080,584	31,662	5.20%
2006	59,132	N/A	N/A	5.60%

- Sources:
- (1) - Population estimates provided by U.S. Census Bureau
 - (2) - Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Butler County
 - (3) - Per Capita Personal Income information provided by Bureau of Economic Analysis: Regional Economic Accounts for Butler County
 - (4) - Ohio Bureau of Employment Services, rates are for Butler County

N/A - Information not available

Fairfield City School District, Ohio
 Principal Employers (1)
 Current Fiscal Year (2)
 Schedule 16

2007 (3)		
Taxpayer	Number of Employees	Percentage of Total Employment
Miami University	4,250	2.36%
AK Steel	3,100	1.72%
Cincinnati Insurance Co.	2,600	1.44%
Butler County Government	2,000	1.11%
Ft Hamilton Memorial Hospital	2,000	1.11%
Middletown Regional Hospital	1,800	1.00%
Mercy Regional Hospital	1,601	0.89%
Lakota School District	1,600	0.89%
Ohio Casualty Insurance Co.	1,340	0.74%
Hamilton City School District	1,150	0.64%
	21,441	11.89%

Source: County Chamber of Commerce

(1) - For all of Butler County

(2) - Only current fiscal year information available

(3) - Data current as of July 2006

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Instruction						
Regular Teaching	368.67	377.16	369.50	355.94	376.84	373.91
Special Education Teaching	69.80	70.62	73.52	73.03	83.40	83.40
Vocational Education Teaching	3.00	3.00	4.00	0.00	0.00	0.00
Tutor/Small Group Instructor	0.00	0.00	0.00	1.00	0.00	1.26
Educational Service Personnel Teacher	57.67	55.33	54.80	51.33	40.74	38.67
Supplemental Service Teacher (Special Education)	0.00	1.00	4.00	4.00	3.00	3.00
Total Instruction	499.14	507.11	505.82	485.30	503.98	500.24
Support Services						
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Superintendent	1.00	2.00	1.00	1.00	1.00	0.00
Assistant Principal	15.00	13.00	15.00	14.00	15.00	15.00
Principals	9.00	9.00	10.00	10.00	10.00	10.00
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00
Supervisors/Directors	8.00	8.00	8.00	8.00	8.00	12.00
Treasurer	1.00	1.00	1.00	0.00	1.00	1.00
Coordinator	1.00	2.00	5.00	5.00	5.00	7.00
Curriculum Specialist	5.00	6.20	3.00	3.00	3.00	4.00
Counseling	11.33	11.33	12.50	11.00	11.00	10.75
Librarian/Media	7.00	7.00	7.00	6.50	6.50	6.50
Remedial Specialist	17.76	14.63	17.17	15.67	18.50	22.60
Psychologist	7.50	8.50	9.50	6.70	10.70	11.50
Publicity Relations	1.00	2.00	1.00	1.00	1.00	1.00
Registered Nursing	11.00	11.00	11.00	11.00	11.00	11.00
Physical Therapist	0.00	1.00	1.00	1.00	1.40	1.40
Speech and Language Therapist	7.68	10.48	9.15	8.81	10.34	10.20
Occupational Therapist	1.00	1.00	1.20	1.20	1.20	1.80
Occupational Therapist Assistant	0.00	0.00	0.00	0.00	1.00	2.00
Computer Operating	0.00	0.00	0.00	0.00	5.00	5.00
Bookkeeping	1.00	1.00	1.00	1.00	1.00	2.00
Clerical	47.00	49.82	48.25	45.57	48.25	47.25
Messenger	0.00	1.00	1.00	1.00	1.00	0.00
Records Managing	3.00	3.00	3.00	3.00	3.00	3.00
Teaching Aide	105.49	117.29	98.75	98.36	114.46	117.87

Source: State Department of Education

(1) - Only information for last six fiscal years available from District records

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

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Support Services (continued)						
Telephone Operator	2.00	2.00	2.00	2.00	2.00	2.00
Other Office/Clerical	0.00	0.00	17.46	14.64	14.32	14.95
Electrician	1.00	1.00	1.00	1.00	1.00	1.00
Other Crafts and Trades	1.00	1.00	1.00	1.00	1.00	1.00
Dispatching	0.00	0.00	0.00	0.00	0.00	1.00
Vehicle Operator (other than busses)	6.45	7.39	7.60	8.00	7.94	6.76
Vehicle Operator (busses)	73.44	80.19	78.24	67.33	76.81	80.68
Custodian	82.69	88.32	80.94	77.94	82.94	83.94
Guard/Watchman	1.00	0.50	0.00	0.00	1.00	3.00
Monitoring	0.00	0.00	0.88	0.88	0.88	0.88
Groundskeeping	1.00	1.00	1.00	1.00	1.00	0.00
Attendent	1.00	0.00	0.00	0.00	0.00	0.00
Other Professional - Other	0.00	0.00	0.00	0.00	0.00	1.00
Other Service Worker/Laborer	1.00	1.00	1.00	1.00	1.00	0.00
Total Support Services	<u>433.34</u>	<u>464.65</u>	<u>457.64</u>	<u>429.60</u>	<u>480.24</u>	<u>501.08</u>
Operation of Non-Instructional Services						
Food Service	<u>38.12</u>	<u>50.00</u>	<u>38.82</u>	<u>38.05</u>	<u>37.42</u>	<u>38.29</u>
Total Operation of Non-Instructional Services	<u>38.12</u>	<u>50.00</u>	<u>38.82</u>	<u>38.05</u>	<u>37.42</u>	<u>38.29</u>
Extracurricular Activities						
Athletic Trainer	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Extracurricular Activities	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Grand Total	<u>971.60</u>	<u>1,022.76</u>	<u>1,002.28</u>	<u>952.95</u>	<u>1,021.64</u>	<u>1,039.61</u>

Source: State Department of Education

(1) - Only information for last six fiscal years available from District records

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

Fiscal Year	Enrollment	Operating Expenditure (1)	Expenses (2)	Cost Per Pupil (3)	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
1998	8,961	N/A	N/A	\$5,585	4.76%	N/A	N/A	N/A
1999	8,946	\$48,435,057	N/A	5,957	6.66%	N/A	N/A	N/A
2000	9,108	52,539,540	N/A	6,304	5.83%	N/A	N/A	N/A
2001	8,973	57,246,940	N/A	6,859	8.80%	N/A	N/A	N/A
2002	9,169	59,276,620	N/A	6,895	0.52%	491	19	7.90%
2003	9,239	67,628,865	\$71,522,760	7,584	9.99%	513	18	10.37%
2004	9,467	73,944,104	71,522,760	7,842	3.40%	508	19	12.20%
2005	9,575	72,642,977	79,554,326	7,662	(2.30%)	498	19	10.30%
2006	9,820	77,541,990	77,525,541	8,313	8.50%	506	19	11.90%
2007	10,045	79,708,589	79,828,943	7,882	(5.18%)	500	20	11.00%

Source: District Records

(1) - Operating Expenditure is Total Expenditures minus Capital Outlay and Debt Service from Schedule 6

(2) - Expenses is Total Expenses from Schedule 2

(3) - From Ohio Department of Education

N/A - Information not available

THIS PAGE INTENTIONALLY LEFT BLANK

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

School	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Elementary:										
Central Elementary (1929)										
Square feet	76,643	76,643	76,643	76,643	76,643	76,643	76,643	76,643	76,643	76,643
Capacity	663	663	663	663	663	663	663	663	663	663
Enrollment	606	606	558	547	541	543	559	581	593	612
Percent of Capacity (1)	91%	91%	84%	83%	82%	82%	84%	88%	89%	92%
North Elementary (1956)										
Square feet	80,440	80,440	80,440	80,440	80,440	80,440	80,440	80,440	80,440	80,440
Capacity	666	666	666	666	666	666	666	666	666	666
Enrollment	404	433	471	528	570	554	547	585	620	628
Percent of Capacity (1)	61%	65%	71%	79%	86%	83%	82%	88%	93%	94%
South Elementary (1972)										
Square feet	86,643	86,643	86,643	86,643	86,643	86,643	86,643	86,643	86,643	86,643
Capacity	747	747	747	747	747	747	747	747	747	747
Enrollment	618	593	590	560	550	502	500	505	473	478
Percent of Capacity (1)	83%	79%	79%	75%	74%	67%	67%	68%	63%	64%
West Elementary (1955)										
Square feet	77,081	77,081	77,081	77,081	77,081	77,081	77,081	77,081	77,081	77,081
Capacity	667	667	667	667	667	667	667	667	667	667
Enrollment	694	677	685	655	638	604	578	591	600	606
Percent of Capacity (1)	104%	101%	103%	98%	96%	91%	87%	89%	90%	91%
East Elementary (1996)										
Square feet	87,414	87,414	87,414	87,414	87,414	87,414	87,414	87,414	87,414	87,414
Capacity	756	756	756	756	756	756	756	756	756	756
Enrollment	499	477	468	460	460	587	618	616	637	658
Percent of Capacity (1)	66%	63%	62%	61%	61%	78%	82%	81%	84%	87%
Intermediate Junior High (1978)										
Square feet	159,478	159,478	159,478	159,478	159,478	159,478	159,478	159,478	159,478	159,478
Capacity	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256
Enrollment	1,372	1,323	1,352	1,339	1,474	1,488	1,455	1,413	1,422	1,491
Percent of Capacity (1)	109%	105%	108%	107%	117%	118%	116%	113%	113%	119%
Kindergarten Center (1977)										
Square feet	29,488	29,488	29,488	29,488	29,488	29,488	29,488	29,488	29,488	29,488
Capacity	472	472	472	472	472	472	472	472	472	472
Enrollment	342	314	331	333	367	358	386	350	413	433
Percent of Capacity (1)	72%	67%	70%	71%	78%	76%	82%	74%	88%	92%

Source: District Records

(1) - Enrollment divided by Capacity
 Fairfield City School District, Ohio
 School Building Information
 Last Ten Fiscal Years
 Schedule 19 (continued)

School	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Junior High School: Middle (1961)										
Square feet	154,897	154,897	154,897	154,897	154,897	154,897	154,897	154,897	154,897	154,897
Capacity	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099
Enrollment	1,378	1,344	1,387	1,243	1,388	1,472	1,559	1,539	1,436	1,518
Percent of Capacity (1)	125%	122%	126%	113%	126%	134%	142%	140%	131%	138%
High School: Freshman Building (1952)										
Square feet	93,064	93,064	93,064	93,064	93,064	93,064	93,064	93,064	93,064	93,064
Capacity	557	557	557	557	557	557	557	557	557	557
Enrollment	664	688	704	733	759	726	751	819	669	813
Percent of Capacity (1)	119%	124%	126%	132%	136%	130%	135%	147%	120%	146%
Fairfield High School (1996)										
Square feet	330,978	330,978	330,978	330,978	330,978	330,978	330,978	330,978	330,978	330,978
Capacity	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Enrollment	1,902	1,875	1,902	1,949	1,960	1,966	2,009	1,982	1,844	2,375
Percent of Capacity (1)	95%	94%	95%	97%	98%	98%	100%	99%	92%	119%

Source: District Records

(1) - Enrollment divided by Capacity



Mary Taylor, CPA
Auditor of State

FAIRFIELD CITY SCHOOL DISTRICT

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 5, 2008**