

**LOVELAND CITY
SCHOOL DISTRICT, OHIO**

Single Audit Reports

June 30, 2007



Mary Taylor, CPA
Auditor of State

Board of Trustees
Loveland City School District
757 S. Lebanon Road
Loveland, Ohio 45140

We have reviewed the *Independent Auditors' Report* of the Loveland City School District, Hamilton 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 Loveland City School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 30, 2008

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LOVELAND CITY SCHOOL DISTRICT, OHIO

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LOVELAND CITY SCHOOL DISTRICT, OHIO

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>Receipts</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
<i>(Passed through Ohio Department of Education)</i>				
National School Lunch Program	LLP4	10.555	\$ <u>180,507</u>	<u>180,507</u>
Total U.S. Department of Agriculture			<u>180,507</u>	<u>180,507</u>
<u>U.S. Department of Education:</u>				
<i>(Passed through Ohio Department of Education)</i>				
Special Education Cluster:				
Special Education - Grants to States	6BSF	84.027	822,109	923,112
Special Education - Preschool Grants	PGS1	84.173	<u>17,892</u>	<u>17,892</u>
Total Special Education Cluster			<u>840,001</u>	<u>941,004</u>
Title I Grants to Local Educational Agencies	C1S1/C1SD	84.010	127,230	129,958
Safe and Drug-Free Schools and Communities	DRS1	84.186	8,990	9,843
Innovative Education Program Strategies	C2S1	84.298	5,651	7,169
Education Technology State Grants	TJS1	84.318	1,336	1,336
Improving Teacher Quality State Grants	TRS1	84.367	108,186	108,186
Vocational Education - Basic Grants to States	n/a	84.048	9,717	9,717
Hurricane Relief Act	n/a	84.938	<u>10,100</u>	<u>10,100</u>
Total U.S. Department of Education			<u>1,111,211</u>	<u>1,217,313</u>
Total Federal Awards			\$ <u>1,291,718</u>	<u>1,397,820</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

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

NOTE C - MATCHING REQUIREMENTS

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



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
Loveland City School District, Ohio:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Loveland 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 August 27, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the School District's financial statements 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 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 or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the 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 August 27, 2008.

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, Hackett & Co.

Cincinnati, Ohio
August 27, 2008



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
Loveland City School District, Ohio:

Compliance

We have audited the compliance of Loveland 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 August 27, 2008. 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
August 27, 2008

LOVELAND 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?	no
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:	
<i>Special Education Cluster:</i>	
<i>CFDA 84.027 – Special Education – Grants to States</i>	
<i>CFDA 84.173 – Special Education – Preschool Grants</i>	
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

None.

Section III - Federal Award Findings and Questioned Costs

None.

LOVELAND 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, no reportable conditions or material weaknesses with internal controls over compliance were reported in the prior year. However, one instance of noncompliance was reported in the prior year:

2006-1 Encumbrances

Ohio Revised Code Section 5705.41(D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and free from any previous encumbrances. During our testing of expenditures, we noted instances where the invoice dates occurred prior to the purchase order dates, indicating obligations were made prior to certification by the fiscal officer.

Status: Corrected.

Comprehensive Annual Financial Report



**Loveland City School District
Loveland, Ohio**

**For the fiscal year ending
June 30, 2007**

Loveland City School District
Loveland, Ohio

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

Prepared By:
Office Of The Treasurer

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Comprehensive Annual Financial Report

INTRODUCTION



**Loveland City School District
Loveland, Ohio
For the fiscal year ending June 30, 2007**



Loveland City School District

Office of the Treasurer
757 S. Lebanon Road Loveland, Ohio 45140
Telephone (513) 683-5600
Fax (513) 683-9149

August 31, 2008

To The Citizens and Board of Education
of the Loveland City School District:

The Comprehensive Annual Financial Report [CAFR] of the Loveland City School District [District] for the fiscal year ended June 30, 2007, is hereby submitted. This report, prepared by the Treasurer's office, includes an opinion from the Clark, Schaefer, Hackett & Co. and conforms to Generally Accepted Accounting Principles (GAAP) 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 will provide the taxpayers of the Loveland City School District with comprehensive financial data in a format that will enable them to gain an understanding of the District's financial affairs. Copies will be available upon request to taxpayers, financial rating services, banking institutions and other interested parties.

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

The District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory and career-technical levels; a broad range of cocurricular and extracurricular activities; and special education programs. Post-secondary enrollment options are also offered.

The District receives pass-through grants from the State and distributes these grants to parochial/private schools located within the District. This activity is included in the entity as the Auxiliary Services Special Revenue Fund because of the District's administrative involvement in the program. The parochial/private schools served are: St. Columban and Children's Meeting House Montessori School. While these organizations share operational and service similarity with the District, each is a legally separate and distinct entity. Because of their independent nature, none of these organizations are included in this report.

ECONOMIC CONDITION AND OUTLOOK

The District is just northeast of the city of Cincinnati. The school's community lies in the corners of the counties of Hamilton, Clermont and Warren and is comprised of approximately 10.6 square miles. The District surrounds the City of Loveland and overlaps portions of the townships of Symmes, Miami, Hamilton and Goshen.

Property tax revenues of the residential/agricultural class predominantly support Loveland City Schools. Through the continued conversion of agricultural land into upscale residential properties being inhabited by well-educated upper middle-class families, Loveland City Schools is secure in its economic future in that the community understands and supports the value of education not just for sustaining property values, but because of the intrinsic value it has brought to their own lives and their desire to insure this for the children.

The District is as stable as the region in which the community works. Since Loveland City Schools is the largest employer within the District’s boundaries, it is safe to say that the District’s economic stability is as broad based as the businesses in Cincinnati and surrounding areas, which employ these taxpayers.

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

THE DISTRICT AND ITS FACILITIES

The District now houses 4,695 students in one high school, one middle school, one intermediate school and three elementary schools.

CONSTRUCTED	SCHOOL ADDRESS	OCTOBER 2006 ENROLLMENT
1963	Loveland Early Childhood Center 6740 Loveland Miamiville Road	579
1957	Loveland Primary School 550 Loveland Maderia Road	617
1941	Loveland Elementary School 600 Loveland Madeira Road	714
2000	Loveland Intermediate School 757 South Lebanon Road	674
1962	Loveland Middle School 801 South Lebanon Road	734
1992	Loveland High School 1 Tiger Trail	1,377

ORGANIZATION OF THE SCHOOL DISTRICT

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

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

<u>BOARD MEMBER</u>	<u>BEGAN SERVICE</u>	<u>TERM EXPIRES</u>	<u>PROFESSION</u>
Dr. Kathryn Lorenz	November, 1991	December, 2007	Professor
Mrs. Christine Olsen	January, 2002	December, 2009	Business Manager
Dr. James L. Kolp	January, 2000	December, 2007	Physician
Dr. Judy McClanahan	January, 1998	December, 2009	Homemaker
Mrs. Linda Pennington	January, 1996	December, 2009	Homemaker

The Superintendent is the chief executive officer of the District and responsible directly to the Board of Education for educational and support operations. Dr. Kevin Boys was appointed Superintendent in July of 2002. Prior to his appointment in Loveland, Dr. Boys served as a teacher, principal, and assistant superintendent in Sycamore Community School District for 23 years. Dr. Boys graduated summa cum laude from the University of Cincinnati, received a Master of Education degree from Xavier University and earned his doctorate degree in Educational Leadership from Miami University. In the broader educational community, Dr. Boys serves on steering committees and writing teams for the Ohio Department of Education and was elected to represent area superintendents on the Buckeye Association of School Administrators' Executive Committee.

EMPLOYEE RELATIONS

The District currently has approximately 648 full-time employees. The number of employees has been steady for the last several years. During the 2007 fiscal year, the District paid from its General Fund \$23,426,397 in salaries and wages, and \$7,859,486 in fringe benefits, such as retirement contributions, workers' compensation and life and health benefits.

The District's teachers are represented for collective bargaining purposes by the Loveland Education Association [LEA]. The District has a collective bargaining agreement with LEA which expires June 30, 2008. The District's classified employees are represented for collective bargaining purposes by the Ohio Association of Public School Employees [OAPSE]. The District has a collective bargaining agreement with OAPSE which expires June 30, 2008.

SERVICES PROVIDED

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

Transportation is provided for over 5,624 students each day. The District fleet of buses travels over 3,426 miles each day transporting to 26 different sites. In addition to making more than 320 daily runs, the department transported both public and non-public students on 1,022 extra-curricular trips during the year.

The food service department served 316,639 plate lunches through the District's five kitchens. This is accomplished through the full operation of three kitchens (one kitchen services two adjoining buildings, each having their own dining room) and two satellite sites.

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

Health services are provided by district registered nurses and health aides at each of the six school sites.

The District offers regular instructional programs daily to students in grades K-12. There are approximately 51 students receiving career-technical education through the Great Oaks Institute of Technology and Career Development. Over 461 students receive special services, due to identified disabilities. In grades 3-8, approximately 120 students participated in the gifted program. The District presented 281 high school diplomas in 2007.

LOVELAND SCHOOLS

FOCUS STATEMENT

Loveland School District provides the experiences that empower each student to develop and use personal strengths to maximize individual potential.

Loveland Schools will continue to:

- Foster individual achievement according to desires, needs, interests and abilities
- Demonstrate flexibility in creatively meeting the needs of the school community
- Prioritize the allocation of resources accordingly

This is demonstrated by designation of academic "excellence," success of individual students, and continued financial support of the community.

LOVELAND SCHOOLS GUIDING PRINCIPLES

Student academic achievement is our primary product.

We are student focused:

- We seek to be recognized for student academic achievement
- We inspire and enable students in academic achievement
- We affirm students for academic performance

We build cooperative relationships with all parties who contribute to fulfilling our purpose. This includes students, staff, parents and community.

- Interests of school and community are inseparable and interdependent
- We show respect for all individuals and work to build confidence and trust
- We develop close, mutually productive, cooperative relationships with the community
- We communicate clearly, broadly and honestly with all stakeholders

We are a learning community:

- We believe that it is the responsibility of all individuals to continually develop themselves and other members of the learning community
- We value personal achievement
- We value professional achievement
- We recognize achievement is broader than academics alone

Ideas and concepts are evaluated as they relate to our vision and strategies:

- Both innovative and proven programs will contribute to the success of Loveland schools
- Research data is used to evaluate programs prior to their implementation
- Benchmarks are used to evaluate the performance of ongoing programs
- Flexibility is an important aspect for the use of resources in our school system

SUMMARY OF RESULTS

For the seventh consecutive year, the Loveland City School District has earned the state's highest designation on the Ohio Department of Education's state report card. The "Excellent" rating was achieved by meeting 29 of the state's 30 indicators and by achieving a performance index score over 100.

The performance index score is calculated for each school district in Ohio. The score is a weighted average of all Ohio Achievement tests. The most weight is given to the advanced students and the weights then decrease for each performance level (accelerated, proficient, basic, below basic). This creates a scale of 0 to 120 points, with 100 being the goal. Loveland's performance index score was down from last year's score of 105.2, but well over the 100 points required as a method of achieving the "excellent" rating.

Loveland students continue to score above the state average in all areas of the ACT.

In a 2005 Ohio Board of Regents report, "Making the Transition from High School to College in Ohio," Loveland High School had the smallest percentage of students (among all public schools in Hamilton County) requiring remedial course work in college.

Under the federal “No Child Left Behind” legislation, the final goal for all students is to reach the proficient level in reading and mathematics by 2013-2014. Until then, yearly goals are set requiring a specific percentage of students in 10 sub-groups, such as African American, Hispanic, White and those with special education needs on an Individualized Education Plan (IEP), to reach proficiency in these subjects. If any goal in any one of these sub-groups is missed, the district does not meet Adequate Yearly Progress (AYP) for the year. Loveland did not meet AYP for the 2004-2005 and 2005-2006 school years because the IEP sub-group did not meet a proficiency level in reading. However, during the 2006-2007 school year, concerted effort was made to address this growth area, and the District met AYP with all sub-groups.

In order to maintain excellence, meet increasingly difficult AYP goals, and continue to demonstrate to our stakeholders a strong return on its investment in our schools, the Board identified the following priorities to be initiated during the 2007-2008 school year:

1. Continue to align curriculum, instruction and assessment with rigorous state and national standards. Outcomes will include:
 - Refinement of short-cycle assessments in core subjects
 - Social Studies curriculum revision and text/materials adoption in K- 8
 - Improved results on Social Studies section of the Ohio Achievement Test
 - Staff understanding of Ohio’s value-added measure and how it can be used to improve individual student achievement
 - Continued implementation of the “Investigations” math program in grades K-5
2. Continue to implement an intervention system based on a strong core curriculum and a continuum of interventions. Outcomes will include:
 - Monitoring system for all students
 - Awareness of whole group, sub-group, and individual student needs
 - Articulation of a drop-out prevention system for high school students
3. Design a customer care program that emphasizes a helpful, welcoming approach throughout the school district.
4. Identify and implement different mechanisms for increasing community involvement in schools. Outcomes may include:
 - Technology-related continuing education opportunities for community members
 - Continuation of Drug and Substance Abuse Task Force
 - Implementation of additional formal and informal two-way communication between the public and school leaders

FINANCIAL INFORMATION

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

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

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 fixed 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. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted within three months.

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 accounting system used by the District provides financial reports, which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. In addition to the financial statements retained in the Treasurer's Office, each program manager can monitor their budgets by running interim financial reports.

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

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

CASH MANAGEMENT

The Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently investing available cash in obligations collateralized by the United States Government, or the State of Ohio issued instruments or insured by the Federal Deposit Insurance Corporation [FDIC]. The total amount of earnings on investments was \$1,486,121 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.

The District's investment policy is to minimize market risk while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by FDIC or collateralized. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

RISK MANAGEMENT

The District constantly faces the risk of loss of assets by fire, storm, theft, accident or other catastrophes. Generally, the District shifts the burden of such losses by entering into a casualty insurance contract whereby an insurance company, in consideration of a premium payment, assumes the risk of all or a portion of these losses. The Indiana Insurance Company provides insurance coverage on the buildings and contents, boiler and machinery, burglary/robbery/theft (inside and outside), and mobile instruction units. Utica also insures our fleet of vehicles and radio and communication equipment.

All employees, volunteers and booster groups are covered under the District's liability policy with Indiana Insurance Company. The limits of liability are \$4,000,000 for each occurrence and with a \$5,000,000 aggregate.

The Travelers Insurance Company insures the performance bonds. The Superintendent, Board President and Assistant Treasurer are each insured in the amount of \$50,000. In addition, the Treasurer and Business Manager are each insured in the amount of \$100,000. The District uses the State Workers' Compensation plan.

The District maintains a comprehensive insurance coverage with private carriers for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90% co-insured. 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. The District contracted with Indiana Insurance for property insurance, fleet insurance, and for liability insurance coverage. Coverage provided by Indiana Insurance are as follows:

Building and Contents – replacement cost (\$1,000 deductible)	\$74,209,062
Automobile Liability -	4,000,000
Uninsured Motorist -	1,000,000
General Liability	
Per Occurrence -	4,000,000
Total Per Year -	5,000,000

INDEPENDENT AUDIT

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

AWARDS

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2006. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

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

ASBO Certificate of Excellence in Financial Reporting

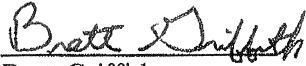
The Association of School Business Officials International [ASBO] awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted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

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2006. The District believes that the current Comprehensive Annual Financial Report will be submitted to ASBO for review, will conform to ASBO's principles and standards.

ACKNOWLEDGEMENTS

The preparation of the 2007 Comprehensive Annual Financial Report of the Loveland City School District was made possible by the combined efforts of the District's Finance Department and Plattenburg & Associates, Inc. The publication of this Comprehensive Annual Financial Report for the District ensures that the tax-payers of this community have and opportunity to review key financial statements.

Respectfully submitted,



Brett Griffith
Treasurer



Dr. Kevin Boys
Superintendent

LOVELAND CITY SCHOOL DISTRICT, OHIO

LIST OF PRINCIPAL OFFICIALS

June 30, 2007

BOARD OF EDUCATION

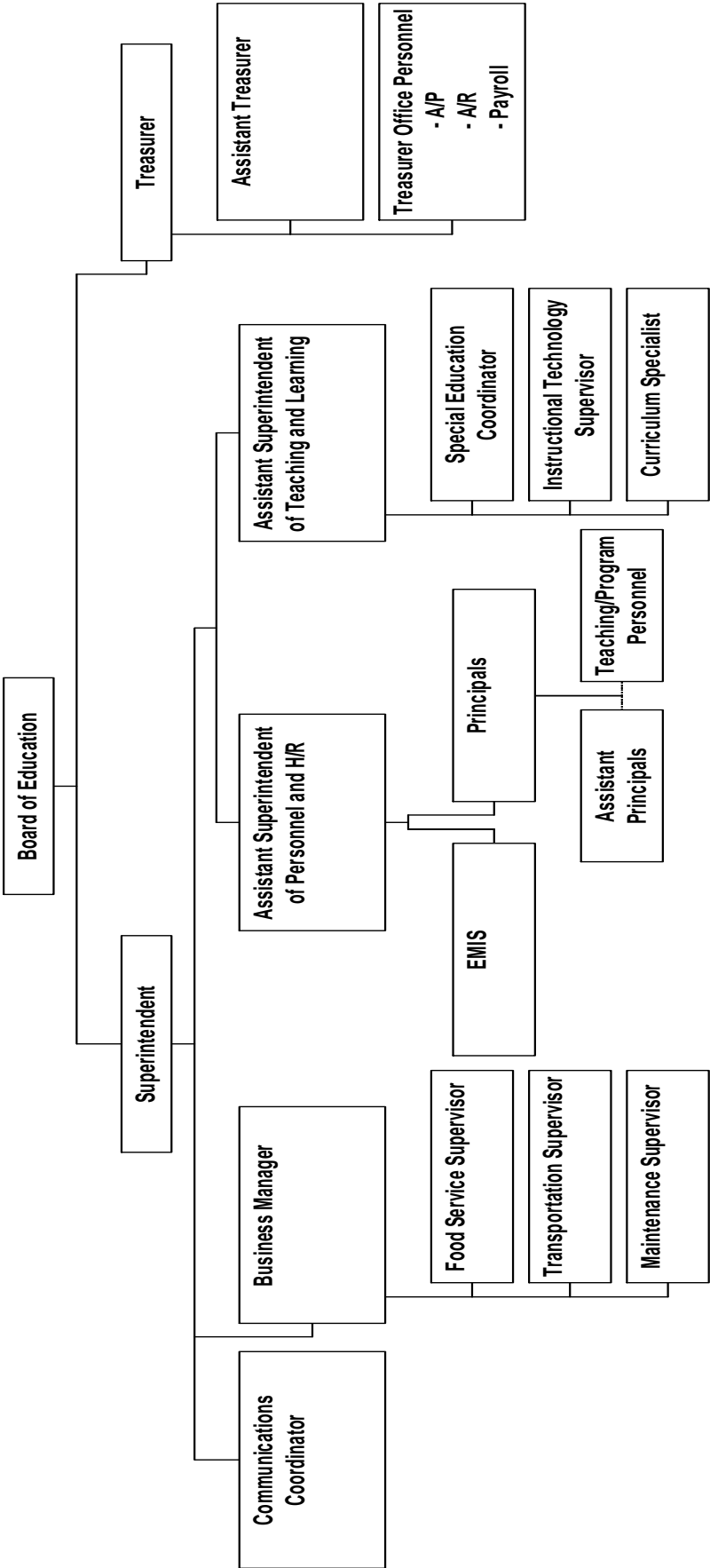
President	Dr. Kathryn Lorenz
Vice President	Dr. James Kolp
Board Member	Mrs. Christine Olsen
Board Member	Dr. Judy McClanahan
Board Member	Mrs. Linda Pennington

ADMINISTRATIVE OFFICIALS

Superintendent	Dr. Kevin Boys
Treasurer/CFO	Mr. Brett Griffith*

*** - Was hired on March 18, 2008**

Organizational Chart Loveland City School District



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Loveland 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

LOVELAND 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

Comprehensive Annual Financial Report

FINANCIAL



**Loveland City School District
Loveland, Ohio
For the fiscal year ending June 30, 2007**



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

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Loveland 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 Loveland 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 School District, 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 August 27, 2008, on our consideration of School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information on pages 3 through 11 and 44 through 45, respectively, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory 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
August 27, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

This discussion and analysis provides key information from management highlighting the overall financial performance of the Loveland City School District for the year ended June 30, 2007. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the School District's financial statements.

Financial Highlights

Major financial highlights for fiscal year 2007 are listed below:

- ✓ The assets of the School District exceeded its liabilities at year-end by \$31.6 million. Of this amount, \$8.6 million may be used to meet the government's ongoing obligations to citizens and creditors.
- ✓ In total, net assets increased by \$0.1 million.
- ✓ The School District had \$45.5 million in expenses related to governmental activities; only \$3.9 million of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$41.6 million, made up primarily of property taxes and State Foundation payments, was used to provide for these programs.
- ✓ The General Fund balance decreased by \$2.5 million from \$10.2 million at June 30, 2006 to \$7.8 million at June 30, 2007.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

LOVELAND CITY SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the School District's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all of the School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School District include instruction, support services, administration, operation and maintenance of plant, and extracurricular activities. The School District has no business-type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

LOVELAND CITY SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between government funds and governmental activities.

The School District accounts for its activities using many individual governmental funds. The most significant funds, known as major funds, are reported in separate columns in the governmental fund financial statements. These statements provide detailed information about the individual major funds – unlike the government-wide financial statements, which report on the School District as a whole. The School District has three major funds: the General Fund, Debt Service Fund and Permanent Improvement Fund. Data for the other governmental funds is combined into a single aggregated presentation.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit 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 School District's own programs.

Notes to the basic financial statements. The notes provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the budget for the General Fund. The combining statements for nonmajor governmental funds are presented immediately following the required supplementary information.

LOVELAND CITY SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A. Net assets at year-end

The following table presents a condensed summary of the School District's overall financial position at June 30, 2007:

Governmental Activities

		<u>FY07</u>	<u>FY06</u>
Current and other assets	\$	52,262,780	50,388,954
Capital assets		<u>51,351,476</u>	<u>51,876,318</u>
Total assets		<u>103,614,256</u>	<u>102,265,272</u>
Long-term liabilities outstanding		30,709,515	34,165,196
Other liabilities		<u>41,316,531</u>	<u>36,626,373</u>
Total liabilities		<u>72,026,046</u>	<u>70,791,569</u>
Net assets:			
Invested in capital assets, net of debt		11,296,649	6,801,351
Restricted:			
For capital projects		6,973,865	-
For debt service		4,651,654	5,836,458
For other purposes		18,681	842,754
Unrestricted		<u>8,647,361</u>	<u>17,993,140</u>
Total net assets	\$	<u><u>31,588,210</u></u>	<u><u>31,473,703</u></u>

The largest portion of the School District's net assets (36%) reflects its investment in capital assets, less any related debt to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The balance of unrestricted net assets (\$8,647,361) may be used to meet the government's ongoing obligations to citizens and creditors.

Current assets increased by approximately \$1.9 million which was primarily related to an increase in taxes receivable of \$3.8 million which was offset by a decline in cash of \$1.9 million. Taxes Receivable increased mainly due to reappraisals in Clermont and Hamilton counties taking full effect for Taxes Receivable recognized for fiscal year 2007. Equity in Pooled Cash and Investments decreased in 2007 as compared to 2006 as a result of both capital expenditures and retirement of long-term debt. Capital assets declined due to current year depreciation of \$2.3 million exceeding the School District's capital asset acquisitions of \$1.8 million.

LOVELAND CITY SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

Long-term liabilities decreased to making scheduled bond principal payments. The \$4.7 million increase in other liabilities is primarily related to an increase in unearned revenue. Deferred revenue generally increases as property tax receivables increase.

B. Governmental Activities during fiscal year 2007

The following table presents a condensed summary of the School District's activities during fiscal year 2007 and the resulting change in net assets:

	<u>FY07</u>	<u>FY06</u>
Revenues:		
Program revenues:		
Charges for services and sales	\$ 1,910,194	1,743,684
Operating grants and contributions	2,000,407	2,057,239
Capital grants and contributions	<u>36,081</u>	<u>16,723</u>
Total program revenues	<u>3,946,682</u>	<u>3,817,646</u>
General revenues:		
Taxes	24,872,716	27,502,511
Grants and entitlements	14,990,567	15,131,748
Investment earnings	1,486,121	626,199
Miscellaneous	<u>270,521</u>	<u>115,317</u>
Total general revenues	<u>41,619,925</u>	<u>43,375,775</u>
Total revenues	<u>45,566,607</u>	<u>47,193,421</u>
Expenses:		
Instruction	24,580,266	23,699,226
Support services:		
Pupil	2,227,812	2,042,010
Instructional staff	1,462,040	1,546,440
Board of Education	120,123	94,713
Administration	2,899,314	2,677,737
Fiscal	1,135,263	1,104,300
Business	228,251	202,662
Operation and maintenance of plant	3,779,703	3,514,549
Pupil transportation	3,182,483	3,421,326
Central	1,041,051	1,166,225
Non-instructional services	1,554,815	1,597,987
Interest on long-term debt	1,743,758	2,062,147
Food services	<u>1,497,221</u>	<u>1,052,383</u>
Total expenses	<u>45,452,100</u>	<u>44,181,705</u>
Change in net assets	<u>\$ 114,507</u>	<u>3,011,716</u>

LOVELAND CITY SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

Of the total governmental activities revenues of \$45,566,607, \$3,946,682 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, \$24,872,716 (60%) comes from property taxes and \$14,990,567 (36%) is from state and federal funding. The School District's operations are reliant upon its property tax levy and the state's foundation program.

Revenues decreased by approximately \$1.6 million due primarily to \$2.6 million decrease in taxes which was partially offset by an increase in investment earnings of nearly \$860,000. The decline in taxes is related to the amount that was available for advance at year end. Amounts available for advance at year end from the County Auditor are recognized as revenue and the amount available at June 30, 2007 was \$2.7 million less than the prior year. Investment earnings increased due to higher interest rates throughout the current fiscal year.

Total expenses increased slightly mainly due to general inflationary costs. The School District was able to limit expenses through a disciplined approach to the budgetary process. We are committed to making every tax dollar count.

Governmental Activities

The following table presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately 9% of the cost of the general government programs was recouped in program revenues. Instruction costs were \$24,580,266 but program revenue contributed to fund 4% of those costs. Thus, general revenues of \$23,585,851 were used to support the remainder of the instruction costs.

Governmental Activities

		<u>Total Cost of Services</u>	<u>Program Revenue</u>	<u>Revenues as a % of Total Costs</u>	<u>Net Cost of Services</u>
Instruction	\$	24,580,266	994,415	4%	23,585,851
Support services		16,076,040	628,543	4%	15,447,497
Non-instructional services		1,554,815	974,439	63%	580,376
Food service		1,497,221	1,349,285	90%	147,936
Interest on long-term debt		<u>1,743,758</u>	<u>-</u>	0%	<u>1,743,758</u>
Total	\$	<u>45,452,100</u>	<u>3,946,682</u>	<u>9%</u>	<u>41,505,418</u>

LOVELAND CITY SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S INDIVIDUAL FUNDS

Governmental funds

The School District has three major governmental funds: the General Fund, Debt Service Fund, and Permanent Improvement Fund. Assets of these funds comprise \$50,947,233 (98%) of the total \$52,129,394 governmental funds assets.

General Fund. Fund balance at June 30, 2007 was \$7,760,778, including \$2,762,754 of unreserved balance, which represents 8% of expenditures for fiscal year 2007. The primary reason for the decrease in fund balance is the decrease in amount of property taxes available for advance at year end.

Debt Service Fund. Fund balance at June 30, 2007 was \$5,636,322, which represents resources available to meet future debt service requirements. Fund balance decreased due to the required annual debt service of general obligation bonds exceeding current year property tax collections.

Permanent Improvement Fund. Fund balance at June 30, 2007 was (\$4,409,122) due to tax anticipation notes, which are fund liabilities, that were issued to fund capital projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

The schedule comparing the School District's original and final budgets and actual results are included in the required supplementary information. Significant differences between the original and final budget are as follows:

For the General Fund, final budgeted revenue was \$37,861,962, compared to original budget estimates of \$36,110,279. Of this \$1,751,683 difference, most was due to estimates for intergovernmental revenue. The final budget was adjusted upward for intergovernmental amounts expected to be received just prior to the year end; however, these amounts were actually received just after year end.

LOVELAND CITY SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. At June 30, 2007, the School District had invested in a broad range of capital assets, including land, buildings, equipment and vehicles. See Note 7 to the financial statements for more detail.

Governmental Activities
Capital Assets at Year-End
(Net of Depreciation)

	<u>FY07</u>	<u>FY06</u>
Land	\$ 1,436,356	1,436,356
Buildings and improvements	45,919,607	46,359,498
Equipment	<u>3,995,513</u>	<u>4,080,464</u>
Total	<u>\$ 51,351,476</u>	<u>51,876,318</u>

Capital assets declined due to current year depreciation of \$2.3 million exceeding the School District's capital asset acquisitions of \$1.8 million. The acquisitions consisted primarily of parking lot improvements/paving, High School kitchen renovations, replacement of doors, computers and other equipment.

Debt

During 2007, the School District issued \$12,000,000 in tax anticipation notes and retired \$13,500,000 of tax anticipation notes. In addition, the School District made its required annual payments of \$3,630,000 during the fiscal year.

As of June 30, 2007, the balance of outstanding tax anticipation notes is \$12,000,000 and the balance of outstanding general obligation bonds is \$26,606,239.

See Notes 12 and 13 to the financial statements.

ECONOMIC FACTORS

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.

LOVELAND CITY SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2007
Unaudited

A challenge facing the School District is the future of state funds. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The Court found the state's school funding system unconstitutional but declined to retain jurisdiction of the matter meaning the decision included no timeline for compliance or accountability for lack of compliance. The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

REQUESTS FOR ADDITIONAL INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's Office at the Loveland City School District, 757 South Lebanon Road, Loveland, Ohio 45140.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Statement of Net Assets

June 30, 2007

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and investments	\$ 20,188,639
Receivables:	
Taxes	31,253,480
Accounts	7,963
Intergovernmental	133,236
Interest	83,740
Supplies inventory	14,326
Restricted assets	336,785
Deferred charges	244,611
Nondepreciable capital assets	1,436,356
Depreciable capital assets, net	<u>49,915,120</u>
Total assets	<u>103,614,256</u>
Liabilities:	
Accounts payable	80,562
Accrued wages and benefits	4,104,148
Pension obligation payable	1,049,399
Unearned revenue	23,952,241
Accrued interest payable	130,181
Tax anticipation notes payable	12,000,000
Noncurrent liabilities:	
Due within one year	4,222,129
Due within more than one year	<u>26,487,386</u>
Total liabilities	<u>72,026,046</u>
Net Assets:	
Invested in capital assets, net of related debt	11,296,649
Restricted for:	
Capital projects	6,973,865
Debt service	4,651,654
Other purposes	18,681
Unrestricted	<u>8,647,361</u>
Total net assets	<u>\$ 31,588,210</u>

See accompanying notes to the basic financial statements.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Statement of Activities
Year Ended June 30, 2007

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$ 19,502,050	310,962	85,168	-	\$ (19,105,920)
Special education	4,488,797	-	518,299	-	(3,970,498)
Other	589,419	-	79,986	-	(509,433)
Support services:					
Pupil	2,227,812	-	277,464	-	(1,950,348)
Instructional staff	1,462,040	-	268,033	-	(1,194,007)
Board of Education	120,123	-	-	-	(120,123)
Administration	2,899,314	-	-	-	(2,899,314)
Fiscal	1,135,263	-	-	-	(1,135,263)
Business	228,251	-	-	-	(228,251)
Operation and					
maintenance of plant	3,779,703	-	-	-	(3,779,703)
Pupil transportation	3,182,483	-	-	36,081	(3,146,402)
Central	1,041,051	-	46,965	-	(994,086)
Non-instructional services:					
Extracurricular activities	1,026,859	444,365	-	-	(582,494)
Community service	527,956	-	530,074	-	2,118
Food service	1,497,221	1,154,867	194,418	-	(147,936)
Interest on long-term debt	1,743,758	-	-	-	(1,743,758)
Total Governmental Activities	\$ <u>45,452,100</u>	<u>1,910,194</u>	<u>2,000,407</u>	<u>36,081</u>	<u>(41,505,418)</u>
General Revenues:					
Property taxes, levied for general purposes					18,146,040
Property taxes, levied for debt service					4,096,981
Property taxes, levied for capital projects					2,629,695
Grants and entitlements not restricted to specific programs					14,990,567
Investment earnings					1,486,121
Miscellaneous					270,521
Total general revenues					<u>41,619,925</u>
Change in net assets					114,507
Net assets beginning of year					<u>31,473,703</u>
Net assets end of year					\$ <u><u>31,588,210</u></u>

See accompanying notes to the basic financial statements.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Balance Sheet
 Governmental Funds
 June 30, 2007

	<u>General</u>	<u>Debt Service Fund</u>	<u>Permanent Improvement Fund</u>	<u>Other Governmental Funds</u>
Assets:				
Equity in pooled cash and investments	\$ 7,594,677	4,560,822	6,999,040	1,034,100
Restricted cash	336,785	-	-	-
Receivables:				
Taxes	23,801,097	4,480,049	2,972,334	-
Accounts	7,464	-	-	499
Accrued interest	83,740	-	-	-
Intergovernmental	-	-	-	133,236
Supplies inventory	-	-	-	14,326
Interfund receivable	111,225	-	-	-
Total assets	<u>31,934,988</u>	<u>9,040,871</u>	<u>9,971,374</u>	<u>1,182,161</u>
Liabilities:				
Accounts payable	4,971	-	36,642	38,949
Accrued wages and benefits	3,801,081	-	19,258	283,809
Pension obligation payable	932,873	-	40,062	76,464
Interfund payable	-	-	-	111,225
Tax anticipation notes payable	-	-	12,000,000	-
Compensated absences payable	218,705	-	-	-
Deferred revenue	19,216,580	3,404,549	2,284,534	5,017
Total liabilities	<u>24,174,210</u>	<u>3,404,549</u>	<u>14,380,496</u>	<u>515,464</u>
Fund Balances:				
Reserved for:				
Encumbrances	18,839	-	215,057	43,422
Budget stabilization	336,785	-	-	-
Inventory	-	-	-	14,326
Property taxes	4,642,400	1,075,500	687,800	-
Unreserved, reported in:				
General Fund	2,762,754	-	-	-
Special Revenue Funds	-	-	-	608,949
Debt service	-	4,560,822	-	-
Capital Projects Funds	-	-	(5,311,979)	-
Total fund balances	<u>7,760,778</u>	<u>5,636,322</u>	<u>(4,409,122)</u>	<u>666,697</u>
Total liabilities and fund balances	\$ <u>31,934,988</u>	<u>9,040,871</u>	<u>9,971,374</u>	<u>1,182,161</u>

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2007

<p style="text-align: center;">Total Governmental Funds</p> <hr style="width: 100%;"/>														
	Total Governmental Fund Balances	\$ 9,654,675												
<p>20,188,639</p> <p style="padding-left: 20px;">336,785</p> <p>31,253,480</p> <p style="padding-left: 20px;">7,963</p> <p style="padding-left: 20px;">83,740</p> <p style="padding-left: 20px;">133,236</p> <p style="padding-left: 20px;">14,326</p> <p style="padding-left: 20px;">111,225</p> <hr style="width: 100%;"/> <p>52,129,394</p>	<p>Amounts reported for governmental activities in the statement of net assets are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p> <p>Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds.</p> <p>Deferred charges are not reported in the funds.</p> <p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.</p>	<p></p> <p>51,351,476</p> <p>958,439</p> <p>244,611</p>												
<p>80,562</p> <p>4,104,148</p> <p>1,049,399</p> <p style="padding-left: 20px;">111,225</p> <p>12,000,000</p> <p style="padding-left: 20px;">218,705</p> <hr style="width: 100%;"/> <p>24,910,680</p> <hr style="width: 100%;"/> <p>42,474,719</p>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">General obligation bonds</td> <td style="width: 20%; text-align: right;">28,299,438</td> <td style="width: 20%;"></td> </tr> <tr> <td>Compensated absences</td> <td style="text-align: right;">2,191,372</td> <td></td> </tr> <tr> <td>Accrued interest payable</td> <td style="text-align: right;"><u>130,181</u></td> <td></td> </tr> <tr> <td>Total</td> <td></td> <td style="text-align: right;"><u>(30,620,991)</u></td> </tr> </table>	General obligation bonds	28,299,438		Compensated absences	2,191,372		Accrued interest payable	<u>130,181</u>		Total		<u>(30,620,991)</u>	<p></p> <p></p> <p></p>
General obligation bonds	28,299,438													
Compensated absences	2,191,372													
Accrued interest payable	<u>130,181</u>													
Total		<u>(30,620,991)</u>												
	Net Assets of Governmental Activities	\$ <u>31,588,210</u>												
<p>277,318</p> <p>336,785</p> <p>14,326</p> <p>6,405,700</p> <p>2,762,754</p> <p>608,949</p> <p>4,560,822</p> <p>(5,311,979)</p> <hr style="width: 100%;"/> <p>9,654,675</p>														
<hr style="width: 100%;"/> <p>52,129,394</p>														

LOVELAND CITY SCHOOL DISTRICT, OHIO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2007

	General	Debt Service Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 18,038,233	4,071,360	2,611,519	-	24,721,112
Tuition and fees	310,962	-	-	-	310,962
Interest	1,039,968	-	388,270	6,842	1,435,080
Charges for services	-	-	-	1,154,867	1,154,867
Intergovernmental	14,081,559	576,041	369,048	1,978,467	17,005,115
Other local revenues	270,157	-	-	458,010	728,167
Total revenues	<u>33,740,879</u>	<u>4,647,401</u>	<u>3,368,837</u>	<u>3,598,186</u>	<u>45,355,303</u>
Expenditures:					
Current:					
Instruction:					
Regular	17,390,600	-	714,284	85,200	18,190,084
Special education	3,900,042	-	4,726	548,734	4,453,502
Other instruction	495,840	-	-	93,579	589,419
Support services:					
Pupil	1,917,056	-	604	301,764	2,219,424
Instructional staff	961,688	-	148,618	286,108	1,396,414
Board of Education	120,123	-	-	-	120,123
Administration	2,799,748	5,348	20,213	-	2,825,309
Fiscal	1,027,134	57,440	55,361	-	1,139,935
Business	218,890	-	4,177	-	223,067
Operation and maintenance of plant	2,965,166	-	676,972	-	3,642,138
Pupil transportation	2,912,846	-	211,447	-	3,124,293
Central	643,599	-	246,644	56,071	946,314
Non-instructional services:					
Extracurricular activities	703,752	-	-	358,420	1,062,172
Community service	117,639	-	-	565,111	682,750
Food service	-	-	-	1,494,021	1,494,021
Capital outlay	-	-	998,462	-	998,462
Debt Service:					
Principal	-	3,630,000	-	-	3,630,000
Interest and fiscal charges	-	1,134,493	513,750	-	1,648,243
Total expenditures	<u>36,174,123</u>	<u>4,827,281</u>	<u>3,595,258</u>	<u>3,789,008</u>	<u>48,385,670</u>
Excess of revenues over (under) expenditures	(2,433,244)	(179,880)	(226,421)	(190,822)	(3,030,367)
Other financing sources (uses):					
Transfers in	-	-	-	20,000	20,000
Transfers out	(20,000)	-	-	-	(20,000)
Total other financing sources (uses)	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	(2,453,244)	(179,880)	(226,421)	(170,822)	(3,030,367)
Fund balance, beginning of year	10,214,022	5,816,202	(4,182,701)	837,519	12,685,042
Fund balance, end of year	\$ <u>7,760,778</u>	<u>5,636,322</u>	<u>(4,409,122)</u>	<u>666,697</u>	<u>9,654,675</u>

See accompanying notes to the basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2007

Net Change in Fund Balances - Total Governmental Funds	\$	(3,030,367)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay		1,813,370
Depreciation expense		(2,338,212)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
		3,630,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		14,345
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		(76,073)
Amortization of bond issuance costs		(13,590)
Amortization of bond premiums		94,067
Bond accretion		(190,337)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Delinquent property taxes		151,604
Interest		57,883
Intergovernmental		<u>1,817</u>
Change in Net Assets of Governmental Activities	\$	<u>114,507</u>

LOVELAND CITY SCHOOL DISTRICT, OHIO

Statement of Net Assets

Fiduciary Funds

June 30, 2007

	<u>Agency Funds</u>
ASSETS	
Equity in pooled cash and investments	\$ <u>136,542</u>
Total assets	<u><u>136,542</u></u>
LIABILITIES	
Accounts payable	28,359
Due to student groups	<u>108,183</u>
Total liabilities	\$ <u><u>136,542</u></u>

See accompanying notes to the basic financial statements.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Loveland City School District, Ohio (the "School District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989 in its government-wide financial statements provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Reporting Entity

The School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District operates under a locally elected Board of Education (five members) and is responsible for the education of the residents of the School District.

The reporting entity is comprised of the primary government, which consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, and student related activities. Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District has no component units.

The School District has a parochial school within its boundaries. The Holy Family School is operated through the Saint Columbia Catholic Diocese. Current State legislation provides funding to this parochial school. These monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. The activity of these State monies by the School District is reflected in a special revenue fund for financial reporting purposes.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

The School District is associated with five organizations, three of which are defined as jointly governed organizations and two as insurance purchasing pools. These organizations include Great Oaks Institute of Technology and Career Development, Southwestern Ohio Computer Association, Hamilton/Clermont Cooperative Association/Unified Purchasing Association, Greater Cincinnati Insurance Consortium, and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 14 and 15.

B. Basis of Presentation

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District has no business-type activities.

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

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

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

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

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

C. Fund Accounting

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

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

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

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

Permanent Improvement Fund - The permanent improvement fund is used to account for the activity related to acquiring, constructing and improving permanent improvements as authorized by Chapter 5705, Revised Code.

Fiduciary Funds report on net assets. The School District's fiduciary funds consist of agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The student activities fund is used to account for assets and liabilities generated by student managed activities and programs. The Section 125 Plan fund accounts for monies voluntarily withheld from employees on a pre-tax basis to reimburse employees for medical and dental expenses not covered by group insurance.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

D. Basis of Accounting

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

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable except for unmatured principal and interest on general long-term debt which is recognized when due. Allocations of cost, such as depreciation, are not recognized in the governmental funds.

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

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

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

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

Deferred Revenue Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2007 which are intended to finance fiscal year 2008 operations have been recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

E. **Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

Tax Budget Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the each counties' County Budget Commission for rate determination.

Estimated Resources Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2007.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

Appropriations Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund levels of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolutions, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at the level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. The budget figures, which appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions. The Board passed supplemental appropriations during the fiscal year.

Encumbrances As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

Lapsing of Appropriations 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.

F. **Cash and Cash Equivalents**

To improve cash management, all cash received by the School District is pooled in central bank accounts. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments on the financial statements. During fiscal year 2007, the School District's investments were limited to US Agency securities and the State Treasury Assets Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2007.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

The Governmental Accounting Standards Board Statement No. 31 (GASB 31), "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", requires that investments, with certain exceptions, be recorded at their fair value and that changes in the fair value be reported in the operating statement. The School District recorded investments held at June 30, 2007 at fair value.

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

G. Inventory

Inventories of governmental funds are stated at cost, determined on a first-in, first-out basis and recorded as expenditures in the governmental funds when consumed.

H. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. The School District defines capital assets as those with an individual cost of more than \$500 and an estimated useful life in excess of one year. All capital assets are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their estimated fair values as of the date received. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements. Capital assets are reported as expenditures of the current period in the governmental fund financial statements.

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

Buildings and improvements	20-40 years
Equipment	3-15 years

I. Interfund Balances

On fund financials, receivables and payables resulting from short-term interfund loans are classified as "interfund receivable/payable." These amounts are eliminated in the governmental activities column of the statement of net assets. The effect of interfund activity has been eliminated from the government-wide financial statements.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

J. Compensated Absences

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

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

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, a liability is recorded for compensated absences only if they have matured, for example, as a result of employee resignations and/or retirements.

K. Accrued Liabilities and Long-Term Obligations

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

L. Fund Balance Reserves

The School District records reservations for portions of fund equity that are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balances indicate that portion of fund equity that is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes, supplies inventory and budget reserve set-asides.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statutes. The reserve for budget stabilization represents money set-aside to protect against cyclical changes in revenues and expenditures.

M. Restricted Assets

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

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

N. Net Assets

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

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

O. 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.

2. DEFICIT FUND BALANCES

At June 30, 2007, the following funds a deficit fund balance:

Permanent Improvement Fund	\$4,409,122
Nonmajor Governmental Funds:	
Career Education Fund	\$568
Management Information Fund	\$6,202
IDEA, Part B Fund	\$138,847
Title I Fund	\$25,375
Drug Free Schools Fund	\$1,436
EHA Preschool Handicapped Fund	\$4,543
Improving Teacher Quality Fund	\$18,622

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

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

3. DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

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

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

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

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

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a custodial credit risk policy. At year-end, \$11,611,631 of the School District's bank balance \$11,711,631 of was exposed to custodial credit risk since it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

Investments

The School District's investments at June 30, 2007 are as summarized as follows:

	<u>Fair Value</u>	<u>Average Maturity (Years)</u>
STAR Ohio	\$ 265,531	n/a
FHLB	4,981,142	1.20
FHLMC	<u>3,975,900</u>	1.08
	\$ <u><u>9,222,573</u></u>	

Credit Risk. It is the School District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. The School District's investments in FHLB and FHLMC securities were rated AAA by Standard & Poor's and Aaa by Moody's. Investments in STAR Ohio were rated AAAM by Standard & Poor's.

Concentration of Credit Risk. The School District's investments in FHLB and FHLMC securities represented 54% and 43%, respectively, of its total investments at June 30, 2007.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a failure of a counter party, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's investment securities are registered in the name of the School District.

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

4. PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half distributions occur in the first half of the following fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Public utility property taxes are assessed on tangible personal property at varying percentages of true value and on real property at 35% of true value.

Tangible personal property taxes are levied after April 1 on the value as of December 31 of the current year. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 was 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Clermont, Hamilton, and Warren Counties. The County Auditors periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2007, are available to finance fiscal year 2007 operations. The amount available for advance can vary based on the date the tax bills are sent. Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2007. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amounts available as advances at June 30, 2007, were \$4,642,400, \$1,075,500, and \$687,800 in the General Fund, Debt Service Fund, and Permanent Improvement Fund, respectively.

The assessed values upon which fiscal year 2007 taxes were collected are:

	<u>2006 Second- Half Collections</u>		<u>2007 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 1,195,762,959	97.63%	1,320,019,071	97.77%
Tangible Personal Property	<u>29,037,560</u>	2.37%	<u>30,058,106</u>	2.23%
Total Assessed Value	\$ <u>1,224,800,519</u>	100.00%	<u>1,350,077,177</u>	100.00%
Tax rate per \$1,000 of assessed valuation	\$74.88		\$74.88	

LOVELAND CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

6. INTERFUND TRANSACTIONS

On the fund financial statements, the General Fund has a receivable of \$111,225 due from non-major governmental funds. These interfund loans were made to provide operating capital.

During the year ended June 30, 2007, the General Fund made transfers of \$20,000 to non-major governmental funds. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

7. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2007 was as follows:

	Balance 7/1/06	Additions	Disposals	Balance 6/30/07
<i>Governmental Activities</i>				
Nondepreciable:				
Land	\$ 1,436,356	-	-	1,436,356
Depreciable:				
Buildings and improvements	76,400,790	972,670	-	77,373,460
Equipment	7,711,224	840,700	-	8,551,924
Subtotal	84,112,014	1,813,370	-	85,925,384
Totals at historical cost	85,548,370	1,813,370	-	87,361,740
Less accumulated depreciation:				
Buildings and improvements	30,041,292	1,412,561	-	31,453,853
Equipment	3,630,760	925,651	-	4,556,411
Total accumulated depreciation	33,672,052	2,338,212	-	36,010,264
Capital assets, net	\$ 51,876,318	(524,842)	-	51,351,476

LOVELAND CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular	\$	1,577,523
Special		19,840
Support services:		
Pupil		4,677
Instructional staff		53,486
School administration		36,054
Fiscal		8,812
Business		4,394
Operation and maintenance of plant		129,248
Pupil transportation		111,625
Central		232,656
Operation of non-instructional services		48,583
Extracurricular activities		111,314
		<hr/>
Total depreciation expense	\$	<u>2,338,212</u>

8. RISK MANAGEMENT

The School District faces the risk of loss of assets by fire, storm, theft, accident or other catastrophes. Generally, the School District shifts the burden of such losses by entering into a casualty insurance contract whereby an insurance company, in consideration of a premium payment, assumes the risk of all or a portion of these losses. The Indiana Insurance Company provides insurance coverage on the buildings and contents, boiler and machinery, burglary/robbery/theft (inside and outside), and mobile instruction units. Utica insures the School District's fleet of vehicles and radio and communication equipment.

9. DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the SERS, 300 East Broad, Columbus, Ohio 43215.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

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, which is currently 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts by the SERS' Retirement Board. The School District's required contributions to SERS for the fiscal years ended June 30, 2007, 2006, and 2005 were approximately \$989,000, \$847,000, and \$819,000 respectively; 45% has been contributed for fiscal years 2007, 2006 and 2005.

State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing, multiple-employer public employee retirement system. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

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 the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. 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 a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14%. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The School District's required contributions for pension obligations to STRS for the years ended June 30, 2007, 2006, and 2005 were approximately \$2,660,000, \$2,498,000 and \$2,226,000 respectively; 84% has been contributed for fiscal year 2007 and 100% for fiscal years 2006 and 2005. The unpaid contribution for fiscal year 2007 is recorded as a liability within the respective funds.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by SERS or STRS have an option to choose Social Security or SERS/STRS. The School District's liability is 6.2% of wages paid.

10. POSTEMPLOYMENT BENEFITS

The School 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 include hospitalization, physicians' fees, prescription drugs, and reimbursement of Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by state statute and are funded on a pay-as-you-go basis.

STRS has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. For the year ended June 30, 2007, the board allocated employer contributions equal to 1.00% of covered payroll to the Health Care Reserve Fund. For the School District, this amount was approximately \$190,000 during fiscal year 2007. STRS pays health care benefits from the Health Care Reserve Fund. The balance in the fund was \$3.5 billion at June 30, 2006. For the year ended June 30, 2006, net health care costs paid by STRS were \$282.7 million and STRS had 119,184 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. For this fiscal year, employer contributions to fund health care benefits were 3.42% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% 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 has been established at \$35,800. The surcharge rate added to the unallocated portion of the 14% employer contribution rate provides for maintenance of the asset target level for the health care fund.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care for the year ended June 30, 2006 were \$158.8 million and the target level was \$200.6 million. At June 30, 2006, SERS' net assets available for payment of health care benefits was \$295.6 million. SERS has approximately 59,492 participants currently receiving health care benefits. For the School District, this amount to fund health care benefits, including the surcharge, was approximately \$242,000 during the 2007 fiscal year.

11. EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Non-certified and exempt employees earn ten to twenty-five days of vacation per fiscal year, depending upon length of service while administrators receive ten to thirty days of vacation per year. Accumulated, unused vacation time is paid to non-certified and exempt employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, non-certified, and exempt employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to maximum of 293 days for administrators, 250 days for non-certified employees, and 240 days for teachers and exempt staff. Upon retirement, payment is made for 35 days, plus twenty-five percent of the employee's accumulated sick leave above 35 days.

12. NOTES PAYABLE

The School District issued tax anticipation notes for certain capital improvements. The note is shown as a liability on the fund financial statements in the Permanent Improvement fund. The changes in the School District's notes payable during fiscal year 2007 were as follows:

	Interest Rate	Issue Date	Maturity Date	Principal Outstanding 7/1/06	Additions	Reductions	Principal Outstanding 6/30/07
2006 Tax anticipation	4.00%	6/1/06	6/1/07	\$ 13,500,000	-	(13,500,000)	-
2007 Tax anticipation	4.00%	6/1/07	6/1/08	-	12,000,000	-	12,000,000
Total				\$ 13,500,000	12,000,000	(13,500,000)	12,000,000

LOVELAND CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

13. LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2007 were as follows:

	Principal Outstanding 7/1/06	Additions	Reductions	Principal Outstanding 6/30/07	Amounts Due in One Year
<i>Governmental Activities:</i>					
1999 General obligation bonds	\$ 7,444,467	-	(935,000)	6,509,467	970,000
2005 General obligation refunding bonds	21,085,000	-	(2,695,000)	18,390,000	2,975,000
2005 Capital appreciation bonds	1,516,435	190,337	-	1,706,772	-
Add premium on issuance	1,787,266	-	(94,067)	1,693,199	-
Compensated absences	2,332,028	470,546	(392,497)	2,410,077	277,129
Total	\$ 34,165,196	660,883	(4,116,564)	30,709,515	4,222,129

1999 General Obligation Bonds - On April 1, 1999, the School District issued general obligation bonds for the purpose of school improvements. The bonds pay interest at rates ranging from 4.0% to 5.0% and fully mature on December 1, 2015. A portion of these bonds was refunded in 2005, as discussed below.

2005 General Obligation Refunding Bonds - On April 1, 2005, the School District issued general obligation refunding bonds for the purpose of refunding a portion of the Series 1999 A1 and Series 1999 A2 general obligation bonds, discussed above. These bonds pay interest at rates ranging from 3.50% to 5.00% and fully mature on December 1, 2024.

The capital appreciation bonds were issued at \$1,326,249 and will mature in fiscal years 2013, 2014 and 2015. The maturity amounts of the capital appreciation bonds are \$1,145,000 in fiscal year 2013, \$1,225,000 in fiscal year 2014, and \$1,315,000 in fiscal year 2015. Accretion on the capital appreciation bonds for fiscal year 2007 was \$190,337.

LOVELAND CITY SCHOOL DISTRICT, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2007

Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2007 are as follows:

Fiscal Year Ending June 30,	<u>General Obligation Bonds</u>			<u>Capital Appreciation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 3,945,000	1,196,598	5,141,598	-	-	-
2009	3,577,248	1,306,549	4,883,797	-	-	-
2010	990,656	1,272,787	2,263,443	-	-	-
2011	1,057,922	1,277,269	2,335,191	-	-	-
2012	1,133,641	991,017	2,124,658	-	-	-
2013-2017	6,450,000	5,103,670	11,553,670	1,706,772	1,978,228	3,685,000
2018-2022	4,120,000	1,463,395	5,583,395	-	-	-
2023-2025	<u>3,625,000</u>	<u>282,625</u>	<u>3,907,625</u>	-	-	-
Total	\$ <u>24,899,467</u>	<u>12,893,910</u>	<u>37,793,377</u>	<u>1,706,772</u>	<u>1,978,228</u>	<u>3,685,000</u>

All general obligation debt is supported by the full faith and credit of the School District and will be repaid from the Debt Service Fund. Compensated absences will be paid from the fund from which the employees' salaries are paid. The School District's overall legal debt margin was \$13,427,641 with an unvoted debt margin of \$382,195 at June 30, 2007.

14. JOINTLY GOVERNED ORGANIZATIONS

Great Oak Institute of Technology and Career Development

The Great Oaks Institute of Technology and Career Development, a jointly governed organization, is a distinct political subdivision of the State of Ohio operating under the direction of a Board, consisting of one representative from each of the participating school district's elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. Great Oaks was formed for the purpose of providing vocational education opportunities to the students of the member school districts, which includes the students of the School District. The School District has no ongoing financial interest in, nor responsibility for Great Oaks. To obtain financial information, write to Great Oaks Institute of Technology and Career Development, at 3254 East Kemper Road, Cincinnati, Ohio 45241-1545.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

Southwestern Ohio Computer Association

The Southwestern Ohio Computer Association (SWOCA) 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 member schools of the three county consortium supports SWOCA based upon 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. To obtain financial information, write to SWOCA, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

Hamilton Clermont Cooperative Association/Unified Purchasing Association

The Hamilton Clermont Cooperative Association/Unified Purchasing Association is a jointly governed organization among a two county consortium of school districts. The Unified Purchasing Cooperative was organized under the Hamilton Clermont Cooperative Association to benefit member districts with a more economically sound purchasing mechanism for general school, office and cafeteria supplies. The Unified Purchasing Cooperative organization is governed by representatives from each of the governments that created the organization, but there is no ongoing financial interest or responsibility by the participating governments. Complete financial statements for the Hamilton Clermont Cooperative Association can be obtained from their administrative office at 7615 Harrison Avenue, Cincinnati, Ohio 45231.

15. INSURANCE PURCHASING POOLS

Greater Cincinnati Insurance Consortium

The Greater Cincinnati Insurance Consortium, an insurance purchasing pool, is a health trust formed to provide affordable and desirable dental, life, medical, and other disability group insurance for members' employees, eligible dependents and designated beneficiaries of such employees. The Board of Directors consists of one representative from each of the participating members and are elected by a vote of the majority of the member school districts. The School District pays premiums to a third-party administrator, Edward Paul Cerry, which in turn buys the insurance policies from various insurance companies. Upon termination, the School District shall be responsible for prompt payment of all plan liabilities accruing as a result of such termination and maintain no right to any assets of the Consortium. The School District may terminate participation in the Consortium for the benefit of its employees upon written notice to the Consortium delivered at least sixty days prior to the annual review date of the policy. Financial information can be obtained from the Greater Cincinnati Insurance Consortium, at 20600 Chagrin Boulevard, Shaker Heights, Ohio 44122.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

Ohio School Boards Association Workers' Compensation Group Rating Plan

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

16. CONTINGENCIES

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2007.

Litigation

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

Special Audit

The Auditor of State of Ohio initiated a special audit in October, 2007 in response to certain allegations in regards to the former Treasurer. The special audit has not yet been completed but, based on preliminary results, the School District is of the opinion that the special audit will not have a material effect, if any, on the financial condition of the School District.

17. REQUIRED SET-ASIDES

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

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements

Year Ended June 30, 2007

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

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside balance as of June 30, 2006	\$ (995,147)	-	336,785
Current year set-aside requirement	670,641	670,641	-
Less qualifying disbursements	<u>(222,431)</u>	<u>(790,436)</u>	<u>-</u>
Total	<u>(546,937)</u>	<u>(119,795)</u>	<u>336,785</u>
Balance carried to FY2008	<u>(546,937)</u>	<u>-</u>	<u>336,785</u>
Cash balance as of June 30, 2007	\$ <u>-</u>	<u>-</u>	<u>336,785</u>

Qualifying disbursements and carryover from prior years for textbooks resulted in for carryover to offset textbook requirements in future years. Qualifying disbursements and current year offsets for capital improvements during the year exceeded the amount required for the set-aside. However, the excess qualifying disbursements of the capital improvement set-aside may not be used to reduce the capital improvement set aside requirements of future years.

The Ohio General Assembly eliminated the requirement for the budget stabilization reserve and effective April 10, 2001, the Board of Education could choose to eliminate the reserve with the exception of rebates received from the Bureau of Workers Compensation. The School District chose not to reduce its budget stabilization reserve.

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REQUIRED SUPPLEMENTARY INFORMATION

LOVELAND CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes	\$ 20,243,098	20,300,351	19,982,404	(317,947)
Tuition and fees	162,200	164,953	117,101	(47,851)
Interest	500,000	823,800	823,800	-
Intergovernmental	14,896,981	16,243,901	14,255,920	(1,987,981)
Other local revenues	<u>308,000</u>	<u>328,957</u>	<u>276,947</u>	<u>(52,010)</u>
Total revenues	<u>36,110,279</u>	<u>37,861,962</u>	<u>35,456,173</u>	<u>(2,405,789)</u>
Expenditures:				
Current:				
Instruction:				
Regular	17,808,311	17,653,071	17,606,049	47,022
Special education	4,378,203	4,004,263	3,895,418	108,845
Other instruction	438,975	514,958	485,480	29,478
Support services:				
Pupil	1,936,343	2,014,166	1,957,017	57,150
Instructional staff	988,926	996,755	970,837	25,918
Board of Education	108,483	135,646	120,123	15,523
Administration	2,609,536	2,771,787	2,747,201	24,586
Fiscal	1,028,364	1,030,864	1,018,301	12,563
Business	190,688	215,103	213,912	1,191
Operation and maintenance of plant	2,967,037	3,150,221	2,848,848	301,374
Pupil transportation	2,680,782	2,859,732	2,840,095	19,637
Central	658,432	663,448	629,989	33,460
Operation of non-instructional services	264,065	135,953	135,953	-
Extracurricular activities	<u>603,680</u>	<u>700,389</u>	<u>699,139</u>	<u>1,250</u>
Total expenditures	<u>36,661,825</u>	<u>36,846,356</u>	<u>36,168,361</u>	<u>677,996</u>
Excess of revenues over (under) expenditures	(551,546)	1,015,605	(712,188)	(1,727,793)
Other financing sources (uses):				
Transfers out	(30,000)	(30,000)	(20,000)	10,000
Advances in	150,000	150,000	110,105	(39,895)
Advances out	(150,000)	(193,866)	(193,866)	-
Sale of assets	1,750	1,750	1,750	-
Refund of prior year expenditures	<u>182,000</u>	<u>185,590</u>	<u>185,590</u>	<u>-</u>
Total other financing sources (uses)	<u>153,750</u>	<u>113,474</u>	<u>83,579</u>	<u>(29,895)</u>
Net change in fund balance	(397,796)	1,129,079	(628,609)	(1,757,688)
Fund balance, beginning of year	8,545,885	8,545,885	8,545,885	
Prior year encumbrances appropriated	<u>5,911</u>	<u>5,911</u>	<u>5,911</u>	
Fund balance, end of year	\$ <u>8,154,000</u>	<u>9,680,875</u>	<u>7,923,187</u>	

See accompanying notes to required supplemental information.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Notes to Required Supplementary Information

Year Ended June 30, 2007

Note A Budgetary Basis of Accounting

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

Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP statements and the budgetary basis schedule:

	<u>General</u>
Net change in fund balance - GAAP Basis	\$ (2,453,244)
Increase / (decrease):	
Due to revenues	1,715,294
Due to expenditures	29,043
Due to other sources (uses)	103,579
Due to encumbrances	<u>(23,281)</u>
Net change in fund balance - Budget Basis	\$ <u>(628,609)</u>

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SUPPLEMENTAL SECTION
COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

Loveland City School District, Ohio

Nonmajor Special Revenue Funds:

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than private-purpose trusts or major capital projects) that are legally restricted to expenditure for specified purposes. The description of each Special Revenue Fund follows:

The **Public School Support Fund** accounts for specific local revenue sources generated by the individual school buildings. Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

The **Other Grants Fund** accounts for local fund which are provided to assist the School District with various programs.

The **Athletic Fund** accounts for student activity programs which have student participation in the activity, but do not have student management of the programs.

The **Auxiliary Service Fund** accounts for state funds which provide services and materials to pupils attending non-public schools within the boundaries of the School District as provided for in state law. Expenditures are primarily for educational supplies, materials, and testing.

The **Career Education Fund** accounts for state funds which are provided to introduce various career opportunities to students.

The **Management Information Systems Fund** accounts for state funds which are provided to assist the School District in implementing a staff, student and financial reporting system as mandated by the Omnibus Education Reform Act of 1989.

The **Entry Year Program Fund** accounts for state funds which are provided for entry-year program.

The **Network Connectivity Fund** accounts for state funds for networking connectivity.

The **SchoolNet Professional Development Fund** accounts for state funds which are provided for staff development in the area of technology.

The **Ohio Reads Grant Fund** accounts for state funds designated for reading programs.

The **Poverty Based Assistance Fund** accounts for state funds which are designated to assist economically disadvantaged children in the learning process.

The **Miscellaneous State Grants Fund** accounts for state funds which are designated for specific purposes but which are not classified elsewhere.

The **IDEA, Part B Fund** accounts for federal funds used to provide full educational opportunities to handicapped children at the preschool, elementary and secondary levels, assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

Loveland City School District, Ohio

Nonmajor Special Revenue Funds (continued):

The **Carl Perkins Fund** accounts for funds to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, postsecondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work study projects, including sex equity grants. Funds are administered by the Department of Education, Division of Vocational and Career Education.

The **Title I Fund** accounts for federal funds for services provided to meet special educational needs of educationally deprived children.

The **Title VI Fund** accounts for federal funds for programs for the at-risk students, instruction materials to improve the quality of instruction, programs of professional development, and programs to enhance personal excellence of students and student achievement.

The **Drug Free Schools Fund** accounts for federal funds supporting the establishment, operation and improvement of programs for drug abuse prevention, early intervention, rehabilitation referral and education in schools.

The **EHA Preschool Handicapped Fund** accounts for federal funds for programs for preschool handicapped children.

The **Improving Teacher Quality** accounts for federal funds used in improving the teachers of the School District.

The **Miscellaneous Federal Grants Fund** accounts for various grants received from the federal government that are not classified elsewhere.

The **Food Services Fund** accounts for the financial transactions related to the food service operation of the School District.

Fiduciary Funds:

The Fiduciary Funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The description of each Fiduciary Fund follows:

The **Student Activities Funds** account for the resources that belong to various student groups in the District. The funds account for sales and other revenue generating activities by student groups which have students involved in the management of the program.

The **Section 125 Plan Fund** accounts for monies voluntarily withheld from employees on a pre-tax basis to reimburse employees for medical and dental expenses covered by group insurance.

LOVELAND CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	Nonmajor Special Revenue Funds
Assets:	
Equity in pooled cash and investments	\$ 1,034,100
Receivables:	
Accounts	499
Intergovernmental	133,236
Supplies inventory	<u>14,326</u>
Total assets	<u><u>1,182,161</u></u>
Liabilities:	
Accounts payable	38,949
Accrued wages and benefits	283,809
Pension obligation payable	76,464
Interfund payable	111,225
Deferred revenue	<u>5,017</u>
Total liabilities	<u>515,464</u>
Fund Balances:	
Reserved for:	
Encumbrances	43,422
Supplies inventory	14,326
Unreserved, reported in:	
Special Revenue Funds	<u>608,949</u>
Total fund balances	<u><u>666,697</u></u>
Total liabilities and fund balances	\$ <u><u>1,182,161</u></u>

LOVELAND CITY SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2007

	Nonmajor Special Revenue Funds
Revenues:	
Interest	\$ 6,842
Charges for services	1,154,867
Intergovernmental	1,978,467
Other local revenues	458,010
Total revenues	<u>3,598,186</u>
Expenditures:	
Current:	
Instruction:	
Regular	85,200
Special	548,734
Other	93,579
Support services:	
Pupil	301,764
Instructional staff	286,108
Central	56,071
Non-instructional services:	
Extracurricular activities	358,420
Community services	565,111
Food services	1,494,021
Total expenditures	<u>3,789,008</u>
Excess of revenues over (under) expenditures	(190,822)
Other financing sources:	
Transfers in	<u>20,000</u>
Total other financing sources	<u>20,000</u>
Net change in fund balances	(170,822)
Fund balance, beginning of year	<u>837,519</u>
Fund balance, end of year	\$ <u><u>666,697</u></u>

LOVELAND CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2007

	Public School Support	Other Grants	Athletic	Auxiliary Service	Career Education
Assets:					
Equity in pooled cash and investments	\$ 150,951	8,057	257,955	80,971	-
Receivables:					
Accounts	275	-	-	-	-
Intergovernmental	-	-	-	-	-
Supplies inventory	-	-	-	-	-
Total assets	<u>151,226</u>	<u>8,057</u>	<u>257,955</u>	<u>80,971</u>	<u>-</u>
Liabilities:					
Accounts payable	-	-	1,400	37,549	-
Accrued wages and benefits	-	-	-	31,545	-
Pension obligation payable	-	-	-	4,753	-
Interfund payable	-	-	14,707	-	568
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>16,107</u>	<u>73,847</u>	<u>568</u>
Fund Balances:					
Fund Balances					
Reserved for:					
Encumbrances	-	-	-	43,422	-
Supplies inventory	-	-	-	-	-
Unreserved-undesignated	<u>151,226</u>	<u>8,057</u>	<u>241,848</u>	<u>(36,298)</u>	<u>(568)</u>
Total fund balances	<u>151,226</u>	<u>8,057</u>	<u>241,848</u>	<u>7,124</u>	<u>(568)</u>
Total liabilities and fund balances \$	<u>151,226</u>	<u>8,057</u>	<u>257,955</u>	<u>80,971</u>	<u>-</u>

<u>Management Information Systems</u>	<u>Entry Year Program</u>	<u>Network Connectivity</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Poverty Based Assistance</u>	<u>Misc. State Grants</u>
-	-	-	-	-	6,360	320
-	-	-	-	-	-	-
-	-	-	-	-	-	20,767
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,360</u>	<u>21,087</u>
-	-	-	-	-	-	-
6,202	-	-	-	-	-	-
-	-	-	-	-	-	140
-	-	-	-	-	-	15,750
-	-	-	-	-	-	5,017
<u>6,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,907</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(6,202)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,360</u>	<u>180</u>
<u>(6,202)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,360</u>	<u>180</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,360</u>	<u>21,087</u>

(Continued)

LOVELAND CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet (continued)

Nonmajor Special Revenue Funds

June 30, 2007

	<u>IDEA, Part B</u>	<u>Carl Perkins</u>	<u>Title I</u>	<u>Title VI</u>
Assets:				
Equity in pooled cash and investments	\$ -	-	-	-
Net receivables:				
Accounts	-	-	-	-
Intergovernmental	83,738	-	1,161	1,519
Supplies and inventory	-	-	-	-
Total assets	<u>83,738</u>	<u>-</u>	<u>1,161</u>	<u>1,519</u>
Liabilities:				
Accounts payable	-	-	-	-
Accrued wages and benefits	132,870	-	21,965	-
Pension obligation payable	25,537	-	3,109	-
Interfund loans payable	64,178	-	1,462	1,519
Deferred revenue	-	-	-	-
Total liabilities	<u>222,585</u>	<u>-</u>	<u>26,536</u>	<u>1,519</u>
Fund Balances:				
Fund Balances				
Reserved for:				
Encumbrances	-	-	-	-
Supplies inventory	-	-	-	-
Unreserved-undesignated	<u>(138,847)</u>	<u>-</u>	<u>(25,375)</u>	<u>-</u>
Total fund balances	<u>(138,847)</u>	<u>-</u>	<u>(25,375)</u>	<u>-</u>
Total liabilities and fund balances	<u>83,738</u>	<u>-</u>	<u>1,161</u>	<u>1,519</u>

<u>Drug Free Schools</u>	<u>EHA Preschool Handicapped</u>	<u>Improving Teacher Quality</u>	<u>Misc. Federal Grants</u>	<u>Food Service</u>	<u>TOTAL</u>
-	-	-	-	529,486	1,034,100
-	-	-	-	224	499
852	-	-	-	25,199	133,236
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,326</u>	<u>14,326</u>
<u>852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>569,235</u>	<u>1,182,161</u>
-	-	-	-	-	38,949
1,262	3,271	16,364	-	70,330	283,809
174	1,272	2,258	-	39,221	76,464
852	-	-	-	12,189	111,225
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,017</u>
<u>2,288</u>	<u>4,543</u>	<u>18,622</u>	<u>-</u>	<u>121,740</u>	<u>515,464</u>
-	-	-	-	-	43,422
-	-	-	-	14,326	14,326
<u>(1,436)</u>	<u>(4,543)</u>	<u>(18,622)</u>	<u>-</u>	<u>433,169</u>	<u>608,949</u>
<u>(1,436)</u>	<u>(4,543)</u>	<u>(18,622)</u>	<u>-</u>	<u>447,495</u>	<u>666,697</u>
<u>852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>569,235</u>	<u>1,182,161</u>

LOVELAND CITY SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

All Nonmajor Special Revenue Funds

Year Ended June 30, 2007

	Public School Support	Other Grants	Athletic	Auxiliary Service	Career Education
Revenues:					
Interest	\$ -	-	-	1,216	-
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	473,228	-
Other local revenues	243,106	13,281	201,259	-	-
Total revenues	<u>243,106</u>	<u>13,281</u>	<u>201,259</u>	<u>474,444</u>	<u>-</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	465	-	-	-
Special	-	250	-	-	-
Other	-	-	-	-	-
Support services:					
Pupil	-	625	-	-	-
Instructional staff	-	-	-	-	-
Central	-	5,036	-	-	-
Non-instructional services:					
Extracurricular activities	217,412	-	141,008	-	-
Community services	-	-	-	495,841	-
Food services	-	-	-	-	-
Total expenditures	<u>217,412</u>	<u>6,376</u>	<u>141,008</u>	<u>495,841</u>	<u>-</u>
Excess of revenues over (under) expenditures	25,694	6,905	60,251	(21,397)	-
Other financing sources:					
Transfers in	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	25,694	6,905	60,251	(21,397)	-
Fund balance, beginning of year	125,532	1,152	181,597	28,521	(568)
Fund balance, end of year	<u>\$ 151,226</u>	<u>8,057</u>	<u>241,848</u>	<u>7,124</u>	<u>(568)</u>

<u>Management Information Systems</u>	<u>Entry Year Program</u>	<u>Network Connectivity</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Poverty Based Assistance</u>	<u>Misc. State Grants</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
15,350	7,150	18,000	3,300	6,000	37,066	31,100
-	-	-	-	-	-	-
<u>15,350</u>	<u>7,150</u>	<u>18,000</u>	<u>3,300</u>	<u>6,000</u>	<u>37,066</u>	<u>31,100</u>
-	3,950	-	-	-	-	19,320
-	-	-	-	-	26,015	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	3,925	6,000	-	11,600
32,701	-	18,000	-	-	-	-
-	-	-	-	-	-	-
-	3,200	-	-	-	-	-
-	-	-	-	-	-	-
<u>32,701</u>	<u>7,150</u>	<u>18,000</u>	<u>3,925</u>	<u>6,000</u>	<u>26,015</u>	<u>30,920</u>
(17,351)	-	-	(625)	-	11,051	180
<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,649	-	-	(625)	-	11,051	180
(8,851)	-	-	625	-	(4,691)	-
<u>(6,202)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,360</u>	<u>180</u>

(Continued)

LOVELAND CITY SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Continued)

All Nonmajor Special Revenue Funds

Year Ended June 30, 2007

	IDEA, Part B	Carl Perkins	Title I	Title VI
Revenues:				
Interest	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	905,847	9,717	128,391	7,170
Miscellaneous	-	-	-	-
Total revenues	<u>905,847</u>	<u>9,717</u>	<u>128,391</u>	<u>7,170</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	9,717	-	-
Special	371,735	-	146,682	2,554
Other	-	-	-	-
Support services:				
Pupil	276,452	-	2,500	-
Instructional staff	259,053	-	-	3,611
Central	-	-	-	-
Non-instructional services:				
Extracurricular activities	-	-	-	-
Community services	57,514	-	6,859	1,005
Food services	-	-	-	-
Total expenditures	<u>964,754</u>	<u>9,717</u>	<u>156,041</u>	<u>7,170</u>
Excess of revenues over (under) expenditures	(58,907)	-	(27,650)	-
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(58,907)	-	(27,650)	-
Fund balance, beginning of year	(79,940)	-	2,275	-
Fund balance, end of year	<u>\$ (138,847)</u>	<u>-</u>	<u>(25,375)</u>	<u>-</u>

<u>Drug Free Schools</u>	<u>EHA Preschool Handicapped</u>	<u>Improving Teacher Quality</u>	<u>Misc. Federal Grants</u>	<u>Food Service</u>	<u>TOTAL</u>
-	-	-	-	5,626	6,842
-	-	-	-	1,154,867	1,154,867
9,842	17,892	108,186	11,436	188,792	1,978,467
-	-	-	-	364	458,010
<u>9,842</u>	<u>17,892</u>	<u>108,186</u>	<u>11,436</u>	<u>1,349,649</u>	<u>3,598,186</u>
3,446	-	38,643	9,659	-	85,200
-	248	-	1,250	-	548,734
7,640	-	85,939	-	-	93,579
-	22,187	-	-	-	301,764
-	-	1,919	-	-	286,108
-	-	-	334	-	56,071
-	-	-	-	-	358,420
192	-	307	193	-	565,111
-	-	-	-	1,494,021	1,494,021
<u>11,278</u>	<u>22,435</u>	<u>126,808</u>	<u>11,436</u>	<u>1,494,021</u>	<u>3,789,008</u>
(1,436)	(4,543)	(18,622)	-	(144,372)	(190,822)
-	-	-	-	-	20,000
-	-	-	-	-	20,000
(1,436)	(4,543)	(18,622)	-	(144,372)	(170,822)
-	-	-	-	591,867	837,519
<u>(1,436)</u>	<u>(4,543)</u>	<u>(18,622)</u>	<u>-</u>	<u>447,495</u>	<u>666,697</u>

LOVELAND CITY SCHOOL DISTRICT, OHIO
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
Year Ended June 30, 2007

	Beginning Balance 7/1/06	Additions	Deductions	Ending Balance 6/30/07
STUDENT ACTIVITIES FUND				
Assets:				
Equity in pooled cash and investments \$	<u>116,648</u>	<u>135,400</u>	<u>143,865</u>	<u>108,183</u>
Liabilities:				
Accounts payable	275	-	275	-
Due to student groups	<u>116,373</u>	<u>135,675</u>	<u>143,865</u>	<u>108,183</u>
	<u>116,648</u>	<u>135,675</u>	<u>144,140</u>	<u>108,183</u>
<hr/>				
SECTION 125 PLAN FUND				
Assets:				
Equity in pooled cash and investments	<u>23,877</u>	<u>74,922</u>	<u>70,440</u>	<u>28,359</u>
Liabilities:				
Due to others	<u>23,877</u>	<u>74,922</u>	<u>70,440</u>	<u>28,359</u>
<hr/>				
TOTAL				
Assets:				
Equity in pooled cash and investments	<u>140,525</u>	<u>210,322</u>	<u>214,305</u>	<u>136,542</u>
Liabilities:				
Accounts payable	275	-	275	-
Due to others	23,877	74,922	70,440	28,359
Due to student groups	<u>116,373</u>	<u>135,675</u>	<u>143,865</u>	<u>108,183</u>
\$	<u>140,525</u>	<u>210,597</u>	<u>214,580</u>	<u>136,542</u>

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Debt Service Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Taxes	\$ 4,568,767	4,568,732	(35)
Intergovernmental	<u>776,041</u>	<u>576,041</u>	<u>(200,000)</u>
Total revenues	<u>5,344,808</u>	<u>5,144,773</u>	<u>(200,035)</u>
Expenditures:			
Current:			
Support services:			
Administration	5,348	5,348	-
Fiscal	57,440	57,440	-
Debt service:			
Repayment of debt	<u>4,764,493</u>	<u>4,764,493</u>	<u>-</u>
Total expenditures	<u>4,827,281</u>	<u>4,827,281</u>	<u>-</u>
Net change in fund balance	517,527	317,492	(200,035)
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>4,243,330</u>	<u>4,243,330</u>	
Fund balance, end of year	\$ <u><u>4,760,857</u></u>	<u><u>4,560,822</u></u>	

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Permanent Improvement Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Taxes	\$ 2,916,273	2,908,706	(7,567)
Earnings on investments	392,311	392,311	-
Intergovernmental	<u>554,048</u>	<u>369,048</u>	<u>(185,000)</u>
Total revenues	<u>3,862,632</u>	<u>3,670,065</u>	<u>(192,567)</u>
Expenditures:			
Current:			
Instruction:			
Regular	778,574	723,359	55,215
Special	10,000	4,726	5,274
Support services:			
Pupil	620	604	16
Instructional staff	152,315	148,618	3,697
Administration	27,691	27,530	161
Fiscal services	55,598	55,361	237
Business	3,986	3,986	-
Operations and maintenance	807,030	794,590	12,440
Pupil transportation	206,947	206,947	-
Central	245,434	243,240	2,194
Facilities acquisition and construction	1,398,682	1,388,676	10,006
Debt service:			
Repayment of debt	<u>2,013,750</u>	<u>2,013,750</u>	<u>-</u>
Total expenditures	<u>5,700,627</u>	<u>5,611,387</u>	<u>89,240</u>
Net change in fund balance	(1,837,995)	(1,941,322)	(103,327)
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>8,795,437</u>	<u>8,795,437</u>	
Fund balance, end of year	\$ <u><u>6,957,442</u></u>	<u><u>6,854,115</u></u>	

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Public School Support Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Classroom materials and fees	249,960	196,222	(53,738)
Other local revenues	\$ 59,138	46,885	(12,253)
Total revenues	<u>309,098</u>	<u>243,107</u>	<u>(65,991)</u>
Expenditures:			
Current:			
Support Services:			
Operation and maintenance	10,000	-	10,000
Extracurricular activities	297,887	217,412	80,475
Total expenditures	<u>307,887</u>	<u>217,412</u>	<u>90,475</u>
Excess revenues over expenditures	1,211	25,695	24,484
Other financing sources:			
Operating transfers in	3,154	-	(3,154)
Total other financing sources	<u>3,154</u>	<u>-</u>	<u>(3,154)</u>
Net change in fund balance	4,365	25,695	21,330
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>125,256</u>	<u>125,256</u>	
Fund balance, end of year	\$ <u>129,621</u>	<u>150,951</u>	

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis)

Other Grants Fund

Year Ended June 30, 2007

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other local revenues	\$ 13,281	13,281	-
Total revenues	<u>13,281</u>	<u>13,281</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	2,397	465	1,932
Special	250	250	-
Support Services:			
Pupils	2,500	625	1,875
Central	<u>4,688</u>	<u>4,688</u>	<u>-</u>
Total expenditures	<u>9,835</u>	<u>6,028</u>	<u>3,807</u>
Excess revenues over expenditures	3,446	7,253	3,807
Other financing uses:			
Other financing uses	<u>(350)</u>	<u>(350)</u>	<u>-</u>
Total other financing uses	<u>(350)</u>	<u>(350)</u>	<u>-</u>
Net change in fund balance	3,096	6,903	3,807
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>1,154</u>	<u>1,154</u>	
Fund balance, end of year	\$ <u>4,250</u>	<u>8,057</u>	

LOVELAND CITY SCHOOL DISTRICT, OHIOSchedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis)

Athletic Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Extracurricular activities	\$ 213,266	199,865	(13,401)
Other local revenues	<u>2,000</u>	<u>1,394</u>	<u>(606)</u>
Total revenues	<u>215,266</u>	<u>201,259</u>	<u>(14,007)</u>
Expenditures:			
Current:			
Extracurricular activities	<u>175,686</u>	<u>139,607</u>	<u>36,079</u>
Total expenditures	<u>175,686</u>	<u>139,607</u>	<u>36,079</u>
Net change in fund balance	39,580	61,652	22,072
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>196,303</u>	<u>196,303</u>	
Fund balance, end of year	\$ <u><u>235,883</u></u>	<u><u>257,955</u></u>	

LOVELAND CITY SCHOOL DISTRICT, OHIOSchedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis)

Auxiliary Services Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Earnings on investment	\$ 1,260	1,248	(12)
Intergovernmental	<u>473,228</u>	<u>473,228</u>	<u>-</u>
Total revenues	<u>474,488</u>	<u>474,476</u>	<u>(12)</u>
Expenditures:			
Current:			
Community services	<u>544,775</u>	<u>544,775</u>	<u>-</u>
Total expenditures	<u>544,775</u>	<u>544,775</u>	<u>-</u>
Net change in fund balance	(70,287)	(70,299)	(12)
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>70,299</u>	<u>70,299</u>	
Fund balance, end of year	\$ <u><u>12</u></u>	<u><u>-</u></u>	

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Management Information Fund

Year Ended June 30, 2007

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 15,350	15,350	-
Total revenues	<u>15,350</u>	<u>15,350</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Central	38,450	35,350	3,100
Total expenditures	<u>38,450</u>	<u>35,350</u>	<u>3,100</u>
Excess revenues under expenditures	(23,100)	(20,000)	3,100
Other financing sources (uses):			
Transfers in	20,000	20,000	-
Advances in	3,100	-	(3,100)
Total other financing sources (uses)	<u>23,100</u>	<u>20,000</u>	<u>(3,100)</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Early Entry Program Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 7,150	7,150	-
Total revenues	<u>7,150</u>	<u>7,150</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	3,950	3,950	-
Community services	<u>3,200</u>	<u>3,200</u>	<u>-</u>
Total expenditures	<u>7,150</u>	<u>7,150</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis)

Network Connectivity Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 18,000	18,000	-
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Central	18,000	18,000	-
Total expenditures	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

SchoolNet Professional Development Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ <u>3,925</u>	<u>3,300</u>	<u>(625)</u>
Total revenues	<u>3,925</u>	<u>3,300</u>	<u>(625)</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	<u>3,925</u>	<u>3,925</u>	<u>-</u>
Total expenditures	<u>3,925</u>	<u>3,925</u>	<u>-</u>
Net change in fund balance	-	(625)	(625)
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>625</u>	<u>625</u>	
Fund balance, end of year	\$ <u>625</u>	<u>-</u>	

LOVELAND CITY SCHOOL DISTRICT, OHIOSchedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis)

Ohio Reads Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 6,000	6,000	-
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	6,000	6,000	-
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	

LOVELAND CITY SCHOOL DISTRICT, OHIOSchedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis)

Poverty Based Assistance Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 37,066	37,066	-
Total revenues	<u>37,066</u>	<u>37,066</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special	37,066	34,571	2,495
Total expenditures	<u>37,066</u>	<u>34,571</u>	<u>2,495</u>
Net change in fund balance	-	2,495	(2,495)
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>3,865</u>	<u>3,865</u>	
Fund balance, end of year	\$ <u>3,865</u>	<u>6,360</u>	

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Miscellaneous State Grants Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 36,117	15,350	(20,767)
Total revenues	<u>36,117</u>	<u>15,350</u>	<u>(20,767)</u>
Expenditures:			
Current:			
Instruction:			
Regular	24,517	19,180	5,337
Support services:			
Instructional staff	<u>11,600</u>	<u>11,600</u>	<u>-</u>
Total expenditures	<u>36,117</u>	<u>30,780</u>	<u>5,337</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(15,430)</u>	<u>(15,430)</u>
Other financing sources:			
Advances in	<u>15,750</u>	<u>15,750</u>	<u>-</u>
Total other financing sources	<u>15,750</u>	<u>15,750</u>	<u>-</u>
Net change in fund balance	15,750	320	(15,430)
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>15,750</u>	<u>320</u>	

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis)

IDEA, Part B Fund

Year Ended June 30, 2007

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 905,847	822,109	(83,738)
Total revenues	<u>905,847</u>	<u>822,109</u>	<u>(83,738)</u>
Expenditures:			
Current:			
Instruction:			
Special	375,311	373,020	2,291
Support services:			
Pupil	296,985	279,780	17,205
Instructional staff	250,219	250,154	65
Community services	<u>57,514</u>	<u>57,514</u>	<u>-</u>
Total expenditures	<u>980,029</u>	<u>960,468</u>	<u>19,561</u>
Excess revenues under expenditures	<u>(74,182)</u>	<u>(138,359)</u>	<u>(64,177)</u>
Other financing sources (uses):			
Operating transfers in	37,356	37,356	-
Advances in	134,178	134,178	-
Operating transfers out	(37,356)	(37,356)	-
Advances out	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>64,178</u>	<u>64,178</u>	<u>-</u>
Net change in fund balance	(10,004)	(74,181)	(64,177)
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>74,181</u>	<u>74,181</u>	
Fund balance, end of year	\$ <u><u>64,177</u></u>	<u><u>-</u></u>	

LOVELAND CITY SCHOOL DISTRICT, OHIOSchedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis)

Carl Perkins Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ <u>9,717</u>	<u>9,717</u>	<u>-</u>
Total revenues	<u>9,717</u>	<u>9,717</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	<u>9,717</u>	<u>9,717</u>	<u>-</u>
Total expenditures	<u>9,717</u>	<u>9,717</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis)

Title I Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 129,179	127,230	(1,949)
Total revenues	<u>129,179</u>	<u>127,230</u>	<u>(1,949)</u>
Expenditures:			
Current:			
Instruction:			
Special	121,761	121,761	-
Support services:			
Pupil	2,500	2,500	-
Community services	<u>7,670</u>	<u>6,705</u>	<u>965</u>
Total expenditures	<u>131,931</u>	<u>130,966</u>	<u>965</u>
Excess revenues under expenditures	(2,752)	(3,736)	(984)
Other financing sources (uses):			
Operating transfers in	1,009	1,009	-
Advances in	21,515	21,515	-
Operating transfers out	(1,009)	(1,009)	-
Advances out	<u>(20,053)</u>	<u>(20,053)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,462</u>	<u>1,462</u>	<u>-</u>
Net change in fund balance	(1,290)	(2,274)	(984)
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>2,274</u>	<u>2,274</u>	
Fund balance, end of year	\$ <u>984</u>	<u>-</u>	

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis)

Title VI Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ <u>7,169</u>	<u>5,650</u>	<u>(1,519)</u>
Total revenues	<u>7,169</u>	<u>5,650</u>	<u>(1,519)</u>
Expenditures:			
Current:			
Instruction:			
Special	2,554	2,554	-
Support Services:			
Instructional staff	3,611	3,611	-
Community services	<u>1,004</u>	<u>1,004</u>	<u>-</u>
Total expenditures	<u>7,169</u>	<u>7,169</u>	<u>-</u>
Excess of revenues over (under) expenditures	-	(1,519)	(1,519)
Other financing sources (uses):			
Advances in	1,519	1,519	-
Advances out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,519</u>	<u>1,519</u>	<u>-</u>
Net change in fund balance	1,519	-	(1,519)
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>1,519</u>	<u>-</u>	

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis)

Drug Free Schools Fund
Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 9,843	8,991	(852)
Total revenues	<u>9,843</u>	<u>8,991</u>	<u>(852)</u>
Expenditures:			
Current:			
Instruction:			
Regular	2,185	2,185	-
Other	7,466	7,466	-
Community services	192	192	-
Total expenditures	<u>9,843</u>	<u>9,843</u>	<u>-</u>
Excess of revenues over (under) expenditures	-	(852)	(852)
Other financing sources:			
Advances in	852	852	-
Total other financing sources	<u>852</u>	<u>852</u>	<u>-</u>
Net change in fund balance	852	-	(852)
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>852</u>	<u>-</u>	

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

EHA Preschool Handicapped Fund

Year Ended June 30, 2007

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 17,892	17,892	-
Total revenues	<u>17,892</u>	<u>17,892</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special	248	248	-
Support Services:			
Pupil	<u>17,644</u>	<u>17,644</u>	<u>-</u>
Total expenditures	<u>17,892</u>	<u>17,892</u>	<u>-</u>
Excess revenues over expenditures	-	-	-
Other financing sources (uses):			
Advances in	5,000	5,000	-
Advances out	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budget Basis)
 Improving Teacher Quality Fund
 Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 108,186	108,186	-
Total revenues	<u>108,186</u>	<u>108,186</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	20,021	20,021	-
Other	85,939	85,939	-
Support Services:			
Instructional staff	1,919	1,919	-
Community services	307	307	-
Total expenditures	<u>108,186</u>	<u>108,186</u>	<u>-</u>
Excess revenues over expenditures	-	-	-
Other financing sources (uses):			
Advances in	15,000	15,000	-
Advances out	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

LOVELAND CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budget Basis)
 Miscellaneous Federal Grants Fund
 Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 11,436	11,436	-
Total revenues	<u>11,436</u>	<u>11,436</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	9,309	9,309	-
Special	1,250	1,250	-
Support Services:			
Central	334	334	-
Community services	193	193	-
Total expenditures	<u>11,086</u>	<u>11,086</u>	<u>-</u>
Excess revenues over expenditures	<u>350</u>	<u>350</u>	<u>-</u>
Other financing sources (uses):			
Advances in	53	53	-
Advances out	(53)	(53)	-
Other financing uses	(350)	(350)	-
Total other financing sources (uses)	<u>(350)</u>	<u>(350)</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

LOVELAND CITY SCHOOL DISTRICT, OHIOSchedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis)

Food Service Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Charges for services	\$ 1,254,477	1,155,371	(99,106)
Earnings on investments	5,921	5,921	-
Intergovernmental	<u>185,507</u>	<u>185,451</u>	<u>(56)</u>
Total revenues	<u>1,445,905</u>	<u>1,346,743</u>	<u>(99,162)</u>
Expenditures:			
Current:			
Food services	<u>1,481,497</u>	<u>1,460,480</u>	<u>21,017</u>
Total expenditures	<u>1,481,497</u>	<u>1,460,480</u>	<u>21,017</u>
Net change in fund balance	(35,592)	(113,737)	(78,145)
Fund balance, beginning of year (includes prior year encumbrances appropriated)	<u>643,223</u>	<u>643,223</u>	
Fund balance, end of year	\$ <u>607,631</u>	<u>529,486</u>	

Comprehensive Annual Financial Report

STATISTICAL



**Loveland City School District
Loveland, Ohio
For the fiscal year ending June 30, 2007**

STATISTICAL SECTION

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

Contents

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

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

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

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

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

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

LOVELAND 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	\$10,834,725	\$9,144,576	\$408,992	\$6,801,351	\$11,296,649
Restricted	4,763,056	5,104,223	6,370,017	6,679,212	11,644,200
Unrestricted	6,502,362	8,238,086	21,682,978	17,993,140	8,647,361
Total Net Assets	<u>\$22,100,143</u>	<u>\$22,486,885</u>	<u>\$28,461,987</u>	<u>\$31,473,703</u>	<u>\$31,588,210</u>

Source: District Records

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

LOVELAND 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	\$18,645,800	\$19,815,982	\$21,240,499	\$23,699,226	\$24,580,266
Pupil	1,502,941	1,245,841	1,786,572	2,042,010	2,227,812
Instructional Staff	1,074,812	1,322,927	1,198,281	1,546,440	1,462,040
General Administration	167,305	113,613	131,085	94,713	120,123
School Administration	1,920,831	2,548,614	2,683,054	2,677,737	2,899,314
Fiscal	807,397	867,669	963,721	1,104,300	1,135,263
Business	159,869	179,241	181,412	202,662	228,251
Operation and Maintenance	3,187,598	3,023,853	3,141,681	3,514,549	3,779,703
Pupil Transportation	2,396,177	2,534,200	2,763,732	3,421,326	3,182,483
Central	755,115	1,192,090	976,129	1,166,225	1,041,051
Operation of Non-Instructional Services	617,664	1,623,593	1,586,249	1,871,250	2,025,177
Extracurricular Activities	963,397	896,560	1,030,666	779,120	1,026,859
Interest and Fiscal Charges	1,893,792	1,802,179	3,045,971	2,062,147	1,743,758
Total Government Expenses	<u>34,092,698</u>	<u>37,166,362</u>	<u>40,729,052</u>	<u>44,181,705</u>	<u>45,452,100</u>
Program Revenues					
Governmental Activities:					
Charges for Services					
Instruction	478,964	313,725	455,851	328,718	310,962
School Administration	0	17,682	17,902	18,556	0
Operation and Maintenance	0	360	0	13,821	0
Operation of Non-Instructional Services	0	748,562	891,833	1,002,667	1,154,867
Extracurricular Activities	374,121	398,735	394,651	379,922	444,365
Operating Grants and Contributions	1,708,381	1,298,339	1,898,746	2,057,239	2,000,407
Capital Grants and Contributions	121,422	31,894	66,605	16,723	36,081
Total Government Revenues	<u>2,682,888</u>	<u>2,809,297</u>	<u>3,725,588</u>	<u>3,817,646</u>	<u>3,946,682</u>
Net (Expense)/Revenue	<u>(\$31,409,810)</u>	<u>(\$34,357,065)</u>	<u>(\$37,003,464)</u>	<u>(\$40,364,059)</u>	<u>(\$41,505,418)</u>

Source: District Records

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

LOVELAND 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	(\$31,409,810)	(\$34,357,065)	(\$37,003,464)	(\$40,364,059)	(\$41,505,418)
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes					
Property Taxes Levied for General Purposes	19,474,618	17,601,551	21,882,960	19,406,760	18,146,040
Property Taxes Levied for Debt Service Purposes	4,187,788	3,748,223	4,470,981	4,564,989	4,096,981
Property Taxes Levied for Capital Projects Purposes	0	0	1,775,235	3,530,762	2,629,695
Grants and Entitlements Not Restricted to Specific Programs	12,717,708	13,189,791	14,157,737	15,131,748	14,990,567
Unrestricted Contributions	250	800	700	900	0
Investment Earnings	380,512	174,877	387,232	626,199	1,486,121
Refunds and Reimbursements	0	42,458	0	0	0
Other Revenues	220,422	7,995	118,572	114,417	270,521
Total Governmental Activities	36,981,298	34,765,695	42,793,417	43,375,775	41,619,925
Change in Net Assets	\$5,571,488	\$408,630	\$5,789,953	\$3,011,716	\$114,507

Source: District Records

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

LOVELAND 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	\$1,930,824	\$3,428,506	\$3,572,626	\$3,536,533	\$3,601,748	\$5,220,522	\$3,975,749	\$7,012,185	\$6,929,593	\$4,998,024
Unreserved	(1,948,912)	(1,750,711)	(2,086,539)	(370,647)	2,120,410	3,740,208	2,448,428	3,975,097	3,284,429	2,762,754
Total General Fund	(18,088)	1,677,795	1,486,087	3,165,886	5,722,158	8,960,730	6,424,177	10,987,282	10,214,022	7,760,778
All Other Governmental Funds										
Reserved	1,608,184	39,193,976	5,858,949	3,726,072	3,871,269	1,272,070	1,001,263	1,923,277	3,585,205	2,036,105
Unreserved, Reported in:										
Capital Project Funds	(659,632)	(5,694,277)	9,256,935	(50,446)	94,597	1,810	(242,635)	(2,872,184)	(6,168,006)	(5,311,979)
Debt Service Funds	0	0	0	0	0	3,166,400	3,522,973	4,196,268	4,243,330	4,560,822
Special Revenue Funds	194,204	365,620	434,749	276,408	289,261	148,711	410,855	519,532	810,491	608,949
Total all Other Governmental Funds	\$1,142,756	\$33,865,319	\$15,550,633	\$3,952,034	\$4,255,127	\$4,588,991	\$4,692,456	\$3,766,893	\$2,471,020	\$1,893,897

Source: District Records

N/A - Information not available

LOVELAND 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	\$12,203,891	\$16,840,088	\$16,643,303	\$18,545,475	\$20,699,621	\$23,662,407	\$20,661,541	\$27,962,577	\$27,613,408	\$24,721,112
Tuition and Fees	157,186	167,470	191,408	213,793	378,214	461,584	313,019	466,461	341,004	310,962
Investment Earnings	250,145	1,263,204	1,402,912	631,474	170,120	380,511	174,877	387,232	626,199	1,435,080
Intergovernmental	8,645,958	9,796,991	10,240,032	11,866,867	13,447,996	14,191,269	14,891,887	16,123,090	17,202,509	17,005,115
Extracurricular Activities	185,620	208,221	259,791	282,595	332,900	374,121	312,232	381,591	365,652	0
Charges for Services	0	0	0	0	0	0	835,065	891,833	1,002,667	1,154,867
Other Revenues	156,679	257,388	146,506	199,001	76,343	238,051	70,001	139,621	181,919	728,167
Total Revenues	\$21,599,479	\$28,533,362	\$28,883,952	\$31,739,205	\$35,105,194	\$39,307,943	\$37,258,622	\$46,352,405	\$47,333,358	\$45,355,303

Source: District Records

N/A - Information not available

LOVELAND 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	\$12,534,535	\$13,094,484	\$14,132,424	\$14,536,253	\$16,065,374	\$17,324,289	\$18,401,566	\$19,862,561	\$22,728,376	\$23,233,005
Pupil	891,587	1,036,092	1,037,188	1,308,205	1,351,322	1,494,411	1,237,559	1,813,374	2,123,539	2,219,424
Instructional Staff	386,239	423,143	601,782	842,038	889,198	1,087,749	1,331,324	1,165,906	1,440,184	1,396,414
General Administration	52,313	68,693	71,143	75,350	129,904	167,305	113,613	131,085	94,713	120,123
School Administration	1,029,080	1,642,150	1,358,632	1,547,594	1,683,073	2,024,861	2,469,072	2,762,858	2,654,272	2,825,309
Fiscal	455,785	606,456	645,289	738,434	776,322	802,846	868,328	983,679	1,132,186	1,139,935
Business	240,643	367,364	330,552	864,997	227,838	198,268	181,582	179,100	203,973	223,067
Operation and Maintenance	1,838,625	2,010,723	1,950,989	2,360,949	2,741,794	3,126,398	3,147,837	3,120,016	3,415,630	3,642,138
Pupil Transportation	1,237,924	1,868,038	2,006,894	2,087,218	2,364,990	2,922,541	2,628,621	2,636,610	3,481,937	3,124,293
Central	387,430	404,190	657,219	985,470	802,662	910,325	972,989	734,587	922,000	946,314
Operation of Non-Instructional Services	305,862	276,071	457,226	623,860	549,281	617,947	1,578,188	1,562,119	1,834,523	2,176,771
Extracurricular Activities	369,019	464,361	705,947	862,616	900,567	964,335	904,637	1,027,671	1,017,070	1,062,172
Capital Outlay	474,990	2,146,091	21,238,690	11,086,754	569,727	0	603,270	2,360,095	1,801,929	998,462
Debt Service:										
Principal Retirement	682,000	538,000	1,704,036	1,686,976	1,914,439	2,180,325	3,590,657	2,758,459	4,551,107	3,630,000
Interest and Fiscal Charges	941,430	1,331,875	2,151,335	2,056,511	2,053,263	1,914,276	1,882,554	1,319,462	2,001,052	1,648,243
Total Expenditures	\$21,827,462	\$26,277,731	\$49,049,346	\$41,663,225	\$33,019,754	\$35,735,876	\$39,911,797	\$42,417,582	\$49,402,491	\$48,385,670

Debt Service as a Percentage of Noncapital Expenditures 7.60% 7.75% 13.86% 12.24% 12.23% 11.46% 13.92% 10.18% 13.76% 11.14%

Source: District Records

N/A - Information not available

LOVELAND 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)										
Payments to Refunded Bond Escrow Agent	\$0	(\$14,972,897)	\$0	\$0	\$0	\$0	\$0	(\$26,862,582)	\$0	\$0
Proceeds of Refunding Bonds	0	14,972,897	0	0	0	0	0	24,981,249	0	0
Refunding Bond Premium	0	0	0	0	0	0	0	1,881,333	0	0
Proceeds of Notes	0	0	0	0	304,000	0	0	0	0	0
Proceeds of Capital Leases	0	0	1,650,000	0	0	0	0	0	0	0
Sale of Capital Assets	0	9,000	0	5,220	469,925	0	0	0	0	0
Premium and Accrued Interest on Bonds Sold	0	153,815	0	0	0	0	0	0	0	0
Proceeds of bonds	0	32,000,000	0	0	0	0	0	0	0	0
Other Financing Sources	0	0	9,000	0	0	0	0	0	0	0
Transfers In	500,000	11,793,317	20,364,445	0	172,073	62,404	9,794	27,083	22,336	20,000
Transfers (Out)	(500,000)	(11,793,317)	(20,364,445)	0	(172,073)	(62,404)	(9,794)	(27,083)	(22,336)	(20,000)
Total Other Financing Sources (Uses)	0	32,162,815	1,659,000	5,220	773,925	0	0	0	0	0
Net Change in Fund Balances	(\$227,983)	\$34,418,446	(\$18,506,394)	(\$9,918,800)	\$2,859,365	\$3,572,067	(\$2,653,175)	\$3,934,823	(\$2,069,133)	(\$3,030,367)

Source: District Records

N/A - Information not available

LOVELAND CITY SCHOOL DISTRICT, OHIO
 Assessed Value and Actual Value of Taxable Property -- Hamilton County
 Last Ten Calendar Years
 Schedule 8

Calendar Year	Real Property	Tangible Personal Property	Public Utilities Personal	Total	Total	Total
	Assessed Value	Assessed Value	Assessed Value	Assessed Value	Estimated Acual Value	Direct Rate
1997	\$219,814,917	\$16,643,020	\$8,817,740	\$245,275,677	\$700,787,649	60.14
1998	227,573,268	16,248,230	9,107,560	252,929,058	722,654,451	59.58
1999	271,162,629	16,460,700	9,002,550	296,625,879	847,502,511	64.21
2000	277,711,340	14,170,440	8,016,530	299,898,310	856,852,314	63.79
2001	284,132,521	16,290,910	5,438,400	305,861,831	873,890,946	70.14
2002	308,674,782	12,805,430	5,767,140	327,247,352	934,992,434	70.14
2003	312,505,423	12,662,240	6,028,140	331,195,803	946,273,723	60.49
2004	317,718,674	10,363,160	5,729,070	333,810,904	953,745,440	69.89
2005	366,268,445	7,772,370	5,798,490	379,839,305	1,085,255,157	74.88
2006	368,771,500	7,880,750	5,542,840	382,195,090	1,091,985,971	74.88

Source: County Auditor

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.

LOVELAND CITY SCHOOL DISTRICT, OHIO
 Assessed Value and Actual Value of Taxable Property -- Clermont County
 Last Ten Calendar Years
 Schedule 8

Calendar Year	Real Property	Tangible Personal Property	Public Utilities Personal	Total	Total	Total
	Assessed Value	Assessed Value	Assessed Value	Assessed Value	Estimated Actual Value	Direct Rate
1997	\$406,368,429	\$8,449,952	\$9,169,093	\$423,987,474	\$1,211,392,783	59.68
1998	446,392,914	8,107,060	9,029,200	463,529,174	1,324,369,069	59.12
1999	491,461,514	7,993,200	9,311,293	508,766,008	1,453,617,165	63.75
2000	561,672,000	7,824,796	8,918,733	578,415,529	1,652,615,798	63.33
2001	598,303,714	9,030,760	8,877,827	616,212,301	1,760,606,574	69.68
2002	634,811,771	10,069,440	6,453,440	651,334,651	1,860,956,147	69.68
2003	730,897,629	10,611,120	6,852,240	748,360,989	2,138,174,253	69.68
2004	765,695,057	9,078,016	6,914,880	781,687,953	2,233,394,152	69.43
2005	804,490,114	7,699,716	6,599,440	818,789,270	2,339,397,915	74.42
2006	922,466,171	9,007,720	6,603,093	938,076,984	2,680,219,954	74.42

Source: County Auditor

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.

LOVELAND CITY SCHOOL DISTRICT, OHIO
 Assessed Value and Actual Value of Taxable Property -- Warren County
 Last Ten Calendar Years
 Schedule 8

Calendar Year	Real Property	Tangible Personal Property	Public Utilities Personal	Total	Total	Total
	Assessed Value	Assessed Value	Assessed Value	Assessed Value	Estimated Acual Value	Direct Rate
1997	\$11,096,571	\$332,600	\$629,829	\$12,059,000	\$34,454,286	60.14
1998	13,965,428	380,000	639,125	14,984,553	42,813,009	59.58
1999	15,011,228	384,960	641,977	16,038,165	45,823,329	64.21
2000	16,156,028	753,880	661,250	17,571,158	50,203,309	63.79
2001	18,907,942	1,535,120	597,363	21,040,425	60,115,500	70.14
2002	19,387,171	919,360	423,329	20,729,860	59,228,171	70.14
2003	20,418,714	924,280	379,363	21,722,357	62,063,877	70.14
2004	23,352,485	837,960	387,000	24,577,445	70,221,271	69.89
2005	25,004,400	766,760	400,784	26,171,944	74,776,983	74.88
2006	28,781,400	604,476	419,227	29,805,103	85,157,437	74.74

Source: County Auditor

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.

LOVELAND CITY SCHOOL DISTRICT, OHIO
 Direct and Overlapping Property Tax Rates -- Hamilton County
 Last Ten Calendar Years
 Schedule 9

Calendar Year	District Direct Rates	Overlapping Rates				
		Hamilton County	Special District	Symmes Township	City of Loveland	Great Oaks Joint Vocational School
1997	60.14	19.44	1.03	11.00	10.00	2.70
1998	59.58	19.01	1.03	11.00	10.00	2.70
1999	64.21	19.54	1.03	11.90	10.00	2.70
2000	63.79	20.83	1.03	11.75	10.00	2.70
2001	70.14	18.89	1.03	11.75	10.00	2.70
2002	70.14	20.44	1.03	11.75	12.00	2.70
2003	60.49	21.87	1.03	13.45	12.00	2.70
2004	69.89	20.48	1.03	13.45	11.72	2.70
2005	74.88	20.03	1.03	12.80	11.00	2.70
2006	74.88	20.81	1.03	12.17	12.00	2.70

Source: County Auditor

LOVELAND CITY SCHOOL DISTRICT, OHIO
 Direct and Overlapping Property Tax Rates -- Clermont County
 Last Ten Calendar Years
 Schedule 9

Calendar Year	District Direct Rates	Overlapping Rates				
		Clermont County	City of Loveland	Goshen Township	Miami Township	Great Oaks Joint Vocational School
1997	59.68	9.25	9.55	17.60	22.11	2.70
1998	59.12	9.25	9.55	17.60	22.11	2.70
1999	63.75	9.25	9.55	17.60	22.11	2.70
2000	63.33	9.25	9.55	17.60	22.11	2.70
2001	69.68	9.25	9.55	17.60	22.11	2.70
2002	69.68	9.35	11.55	17.60	22.11	2.70
2003	69.68	8.60	11.55	21.60	22.11	2.70
2004	69.43	9.35	11.55	21.60	22.11	2.70
2005	74.42	9.35	11.00	21.60	22.11	2.70
2006	74.42	9.35	11.55	21.60	26.01	2.70

Source: County Auditor

LOVELAND CITY SCHOOL DISTRICT, OHIO
 Direct and Overlapping Property Tax Rates -- Warren County
 Last Ten Calendar Years
 Schedule 9

Calendar Year	District Direct Rates	Overlapping Rates			
		Warren County	City of Loveland	Great Oaks Joint Vocational School	Warren Co Special District
1997	60.14	5.00	9.72	2.70	1.00
1998	59.58	5.00	9.72	2.70	1.00
1999	64.21	4.75	9.72	2.70	1.00
2000	63.79	4.00	9.72	2.70	1.00
2001	70.14	4.00	9.72	2.70	1.00
2002	70.14	4.00	11.72	2.70	1.00
2003	70.14	4.96	11.72	2.70	1.00
2004	69.89	6.53	11.72	2.70	1.00
2005	74.88	6.46	11.72	2.70	1.00
2006	74.74	6.71	10.07	2.70	1.00

Source: County Auditor

LOVELAND CITY SCHOOL DISTRICT, OHIO
Principal Property Tax Payers -- Hamilton County
Current Calendar Year and Prior Calendar Year (1)
Schedule 10

2006		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
SST Bearing Corporation	\$656,600	0.17%
DSG CANUSA	624,210	0.16%
Bway Corporation	516,450	0.14%
Roberds Converting Co Inc	482,570	0.13%
SST Conveyor Systems Inc	459,290	0.12%
MCCC Sportswear Inc	419,820	0.11%
Kroger Limited PTSP 1	405,280	0.11%
Buffers & Biochemical Corporation	400,180	0.11%
Time Warner Entertainment Co LP	325,970	0.09%
McCabe Do It Center	312,810	0.08%
	<u>\$4,603,180</u>	<u>1.22%</u>

2005		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Bway Corporation	\$1,580,860	0.42%
SST Bearing Corporation	846,070	0.22%
Roberds Converting Co Inc	618,680	0.16%
DSG CANUSA	591,200	0.16%
Buffers & Biochemical Corporation	585,050	0.15%
MCCC Sportswear Inc	563,030	0.15%
Kroger Limited PTSP 1	521,510	0.14%
Webster Packaging Corp	429,200	0.11%
SST Conveyor Systems Inc	395,380	0.10%
McCabe Do It Center	311,670	0.08%
	<u>\$6,442,650</u>	<u>1.69%</u>

Source: County Auditor

(1) - Current year and Prior year information only available

LOVELAND CITY SCHOOL DISTRICT, OHIO
Principal Property Tax Payers -- Clermont County
Current Calendar Year and Prior Calendar Year (1)
Schedule 10

2006		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Clermont Golf Ltd.	\$2,412,780	0.26%
White Pillars Development Co.	1,567,680	0.17%
Paxton Holdings LLC	1,270,450	0.14%
Zicka Walker Homes @ Eagles	1,229,420	0.13%
O'Bannon Creek Golf Course	909,410	0.10%
Arrowhead Apartments IV	812,000	0.09%
Arrowhead Apartments Phase III	812,000	0.09%
Sugar Tree Development LLC	749,040	0.08%
Double Eagle Properties LLC	744,040	0.08%
Arrowhead Apartments 2	710,510	0.08%
	<u>\$11,217,330</u>	<u>1.22%</u>

2005		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Clermont Golf Ltd.	\$2,412,780	0.29%
Double Eagle Properties LLC	996,800	0.12%
O'Bannon Creek Golf Club	909,410	0.11%
Arrowhead Apartments IV	812,000	0.10%
Arrowhead Apartments Phase III	812,000	0.10%
Arrowhead Apartments 2	710,510	0.09%
Arrowhead Apartments Ltd.	710,510	0.09%
Zicka Walker Homes @ Eagles	475,980	0.06%
Dales Way Investment LLC	425,370	0.05%
Johnson, Edgar J.	360,250	0.04%
	<u>\$8,625,610</u>	1.05%

Source: County Auditor

(1) - Current year and Prior year information only available

LOVELAND CITY SCHOOL DISTRICT, OHIO
Principal Property Tax Payers -- Warren County
Current Calendar Year and Seven Years Ago
Schedule 10

2006		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
Loveland Management	\$488,670	1.87%
Cinergy	267,990	1.02%
Cincinnati Bell	75,390	0.29%
Mike Ward Landscaping	66,040	0.25%
Rand Loveland	46,340	0.18%
Dayton Power & Light	33,610	0.13%
	<u>\$978,040</u>	<u>3.74%</u>
1999		
Taxpayer	Assessed Value	Percentage of Total Assessed Value
M J Schottenstein	\$402,760	2.51%
Cincinnati Gas & Electric	335,070	2.09%
S & G Investments	314,620	1.96%
Midwestern Plumbing Service	108,220	0.67%
Cincinnati Bell	95,190	0.59%
CSX Transportation	75,210	0.47%
Mike Ward Landscaping	38,260	0.24%
Dayton Power & Light	34,100	0.21%
Columbus Southern Power Co	25,370	0.16%
Surroundings Inc	15,470	0.10%
	<u>\$1,444,270</u>	<u>9.00%</u>

Source: County Auditor

LOVELAND CITY SCHOOL DISTRICT, OHIO
Property Tax Levies and Collections -- Hamilton County
Last Ten Calendar Years
Schedule 11

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$6,497,212	\$6,285,178	96.74%	\$147,576	\$6,432,754	99.01%
1998	6,728,922	6,563,918	97.55%	137,433	6,701,351	99.59%
1999	8,474,593	8,118,095	95.79%	184,047	8,302,142	97.97%
2000	8,733,579	8,180,005	93.66%	233,122	8,413,127	96.33%
2001	12,145,374	12,664,271	104.27%	238,599	12,902,870	106.24%
2002	14,349,867	13,159,950	91.71%	641,393	13,801,343	96.18%
2003	14,270,095	13,234,281	92.74%	377,911	13,612,192	95.39%
2004	14,469,470	13,332,515	92.14%	488,372	13,820,887	95.52%
2005	16,565,745	15,156,463	91.49%	577,364	15,733,827	94.98%
2006	17,318,948	15,740,196	90.88%	660,748	16,400,944	94.70%

Source: County Auditor

LOVELAND CITY SCHOOL DISTRICT, OHIO
Property Tax Levies and Collections -- Clermont County
Last Ten Calendar Years
Schedule 11

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$6,335,504	\$6,037,324	95.29%	\$112,560	\$6,149,884	97.07%
1998	6,554,593	6,295,205	96.04%	104,892	6,400,096	97.64%
1999	8,245,668	7,775,618	94.30%	140,526	7,916,144	96.00%
2000	9,438,968	8,987,954	95.22%	199,861	9,187,815	97.34%
2001	9,880,381	8,293,430	83.94%	234,557	8,527,987	86.31%
2002	10,701,394	10,216,289	95.47%	231,942	10,448,231	97.63%
2003	11,130,943	10,585,319	95.10%	265,927	10,851,246	97.49%
2004	13,188,411	12,669,306	96.06%	212,857	12,882,163	97.68%
2005	13,922,577	13,416,682	96.37%	218,988	13,635,671	97.94%
2006	14,538,313	14,014,403	96.40%	230,027	14,244,430	97.98%

Source: County Auditor

LOVELAND CITY SCHOOL DISTRICT, OHIO
Property Tax Levies and Collections -- Warren County
Last Ten Calendar Years
Schedule 11

Calendar Year	Taxes Levied for the Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$171,232	\$171,849	100.36%	\$2,416	\$174,265	101.77%
1998	203,301	203,066	99.88%	1,632	204,698	100.69%
1999	203,302	201,468	99.10%	1,609	203,077	99.89%
2000	246,135	238,275	96.81%	2,232	240,507	97.71%
2001	269,518	253,862	94.19%	7,727	261,589	97.06%
2002	328,001	319,800	97.50%	2,914	322,714	98.39%
2003	346,626	342,247	98.74%	6,696	348,943	100.67%
2004	318,435	314,333	98.71%	6,482	320,815	100.75%
2005	366,977	362,507	98.78%	5,497	368,004	100.28%
2006	456,663	444,704	97.38%	4,097	448,801	98.28%

Source: County Auditor

LOVELAND 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	Per Capita
	General Obligation Bonds	Tax Anticipation Notes	Capital Leases			
1998	\$13,565,000	\$0	\$0	\$13,565,000	0.04%	\$12
1999	45,140,734	0	0	45,140,734	0.12%	\$38
2000	43,520,734	0	1,565,964	45,086,698	0.12%	\$38
2001	41,965,734	0	1,433,988	43,399,722	0.11%	\$37
2002	40,190,734	0	1,294,548	41,485,282	0.10%	\$35
2003	39,608,734	0	1,147,223	40,755,957	0.10%	\$34
2004	36,173,734	0	991,566	37,165,300	0.08%	\$31
2005	35,461,067	15,000,000	827,107	51,288,174	0.11%	N/A
2006	31,833,168	13,500,000	0	45,333,168	N/A	\$37
2007	28,299,438	12,000,000	0	40,299,438	N/A	N/A

Source: District Records

N/A - Information not available

(1) - On the calendar year basis

LOVELAND CITY SCHOOL DISTRICT, OHIO
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2007
 Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Clermont County	\$14,967,670	8.08%	\$1,209,388
Hamilton County	120,540,000	1.82%	2,193,828
Warren County	337,400	0.19%	641
Loveland City	6,775,000	86.58%	5,865,795
Goshen Township	2,650,000	9.51%	252,015
Hamilton Township	4,725,975	0.98%	46,315
Miami Township	5,530,000	27.23%	1,505,819
Symmes Township	6,780,000	28.91%	1,960,098
Great Oaks Career Center Joint Vocational School District	12,265,000	3.73%	457,485
Subtotal, Overlapping Debt	174,571,045		13,491,383
District Direct Debt	27,169,810	100.00%	27,169,810
Total Direct and Overlapping Debt	\$201,740,855		\$40,661,193

Source: Ohio Municipal Advisory Council

LOVELAND CITY SCHOOL DISTRICT, OHIO

Legal Debt Margin Information

Last Ten Fiscal Years

Schedule 14

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value (1)	\$741,424,999
Debt limit (9% of assessed value)	66,728,250
Debt applicable to limit	27,169,810
Legal debt margin	<u>\$39,558,440</u>

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit	N/A	\$36,863,729	\$40,102,229	\$45,731,696	\$47,523,255	\$48,660,192	\$54,275,434	\$55,395,841	\$65,173,841	\$66,728,250
Total Net Debt Applicable to Limit	N/A	13,565,000	46,550,734	43,520,734	41,965,734	41,551,734	38,170,734	35,895,734	30,799,810	27,169,810
Legal Debt Margin	N/A	\$23,298,729	(\$6,448,505)	\$2,210,962	\$5,557,521	\$7,108,458	\$16,104,700	\$19,500,107	\$34,374,031	\$39,558,440

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

	N/A	36.80%	116.08%	95.17%	88.31%	85.39%	70.33%	64.80%	47.26%	40.72%
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Source: District Records

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

N/A - Information not available

LOVELAND CITY SCHOOL DISTRICT, OHIO
 Demographic and Economic Statistics -- Hamilton County
 Last Ten Calendar Years
 Schedule 15

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
1997	859,490	\$25,264,828	\$29,395	3.70%
1998	855,976	27,144,490	31,712	3.60%
1999	849,917	27,420,292	32,262	3.60%
2000	845,303	28,329,667	33,567	3.70%
2001	838,887	29,136,541	34,742	4.00%
2002	830,349	30,010,701	36,156	5.50%
2003	822,610	30,636,366	37,256	5.60%
2004	814,611	32,111,846	39,467	5.70%
2005	806,652	33,087,346	39,937	5.70%
2006	822,596	N/A	N/A	5.00%

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

N/A - Information not available

LOVELAND CITY SCHOOL DISTRICT, OHIO
 Demographic and Economic Statistics -- Clermont County
 Last Ten Calendar Years
 Schedule 15

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
1997	170,952	\$4,045,083	\$23,662	4.20%
1998	173,634	4,328,158	24,927	3.60%
1999	176,389	4,829,257	27,378	3.70%
2000	178,659	5,177,032	29,063	3.60%
2001	180,937	5,319,190	29,491	4.00%
2002	183,314	5,490,118	30,048	5.40%
2003	185,704	5,635,054	30,437	5.50%
2004	188,614	5,950,404	31,641	5.40%
2005	N/A	6,126,644	32,190	5.40%
2006	192,706	N/A	N/A	5.10%

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

N/A - Information not available

LOVELAND CITY SCHOOL DISTRICT, OHIO
Demographic and Economic Statistics -- Warren County
Last Ten Fiscal Years
Schedule 15

Calendar Year	Population (1)	Personal Income (Thousands of Dollars) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
1997	139,428	\$3,725,625	\$26,721	3.10%
1998	145,427	4,113,058	28,283	3.00%
1999	152,448	4,501,708	29,529	2.90%
2000	161,322	4,946,103	30,660	3.30%
2001	167,507	5,286,564	31,512	3.60%
2002	175,041	5,521,565	31,522	4.50%
2003	182,330	5,786,295	31,699	4.70%
2004	189,276	6,213,055	32,745	4.50%
2005	N/A	6,597,227	33,524	4.40%
2006	201,871	N/A	N/A	4.90%

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

N/A - Information not available

LOVELAND CITY SCHOOL DISTRICT, OHIO
 Principal Employers -- Hamilton County
 Current Year (1)
 Schedule 16

<u>2006 (2)</u>		
<u>Taxpayer</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>
University of Cincinnati	15,400	3.72%
Kroger	15,100	3.65%
Health Alliance Greater Cincinnati	13,750	3.32%
Proctor & Gamble	12,250	2.96%
Tri Health Inc	8,900	2.15%
Children Hospital Medical Center	8,875	2.14%
5/3 Bank	8,850	2.14%
G.E. Aviation	7,100	1.72%
Mercy Health Partners	6,750	1.63%
Hamilton County	6,180	1.49%
	<u>103,155</u>	<u>24.93%</u>
Total County Employment	413,800	

Source: County Chamber of Commerce

(1) - Only current fiscal year information available

(2) - Data current as of December 2005

LOVELAND CITY SCHOOL DISTRICT, OHIO
 Principal Employers -- Clermont County
 Current Year (1)
 Schedule 16

<u>2006 (2)</u>		
<u>Taxpayer</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>
Batavia Transmissions, LLC	1,700	1.68%
The Midland Company	1,000	0.99%
International Paper	750	0.74%
Cincinnati Milacron	620	0.61%
Mercy Hospital-Clermont	606	0.60%
UGS PLM Solutions	600	0.59%
Duke Energy	450	0.45%
Total Quality Logistics, Inc. (TQL)	400	0.40%
Hill Top Research	350	0.35%
Indiana Insurance Co.	330	0.33%
	<u>6,806</u>	<u>6.73%</u>
Total County Employment	101,100	

Source: County Chamber of Commerce

(1) - Only current fiscal year information available

(2) - Data current as of July 2006

LOVELAND CITY SCHOOL DISTRICT, OHIO
Principal Employers -- Warren County
Current Year (1)
Schedule 16

<u>2006 (2)</u>		
<u>Taxpayer</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>
Financial & Credit Services Group	2,250	2.29%
Anthem	2,243	2.28%
Procter & Gamble	2,100	2.13%
Middletown Regional Hospital	1,900	1.93%
Cintas Corporation	1,800	1.83%
Luxottica Retail	1,166	1.18%
Advics Manufacturing	650	0.66%
Sumco	623	0.63%
Pioneer Automotive	621	0.63%
Quebecor World	553	0.56%
	<u>13,906</u>	<u>14.13%</u>
Total County Employment	98,400	

Source: County Chamber of Commerce

(1) - Only current fiscal year information available

(2) - Data current as of January 2006

LOVELAND CITY SCHOOL DISTRICT, OHIO
 Full-Time - Equivalent District Employees by Type
 Last Five Fiscal Years (1)
 Schedule 17

	Fiscal Year				
	2003	2004	2005	2006	2007
Supervisory					
Instructional Administrators (Athletic Director)	1	1	1	1	2
Non-Instructional Administrators	2	2	4	4	4
Assistant Principal	1	3	3	3	3
Principals	6	6	6	6	6
Supervisors/Directors	2	3	3	4	4
Treasurer	0	0	0	0	1
Coordinator	3	3	4	4	6
Total Supervisory	15	18	21	22	26
Instruction					
Elementary Classroom Teachers	124	125	127	128	121
Secondary Classroom Teachers	52	52	50	50	53
Educational Service Teachers (Art, Music, PE)	29	33	33	37	29
Intervention Specialists	28	27	29	33	28
Regular Ed Tutors / Reading Intervention Teachers	7	9	9	10	7
Classroom Aides	45	53	55	56	53
Total Instruction	285	299	303	314	291
Student Services					
Guidance Counselors	7	10	8	10	9
Psychologists	2	1	3	3	3
Librarians	3	3	3	3	3
Other Professional / Non-Instructional (Building Coordinators)	4	3	3	3	3
Technicians	6	6	6	7	7
Media Aides	4	4	4	4	3
Health Aides	5	6	6	6	5
Nurses	3	4	4	4	3
Total Student Services	34	37	37	40	36
Support Administration					
Clerical	26	27	27	28	27
Custodians	34	39	37	40	33
Bus Drivers	47	59	70	87	72
Mechanics / Maintenance Workers	4	4	5	5	5
Total Support Administration	111	129	139	160	137
Grand Total	445	483	500	536	490

Source: State Department of Education

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

LOVELAND CITY SCHOOL DISTRICT, OHIO
 Operating Statistics
 Last Ten Fiscal Years
 Schedule 18

Fiscal Year	Enrollment	Operating Expenditure (1)	Cost Per Pupil		Percentage Change	Expenses (3)	Cost Per Pupil (4)	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
			(2)	(4)							
1998	3,202	N/A	N/A	N/A	N/A	N/A	N/A	N/A	168	19	5.30%
1999	3,445	\$22,261,765	\$6,462	N/A	N/A	N/A	N/A	N/A	179	19	4.00%
2000	4,149	\$23,955,285	5,774	-10.65%	N/A	N/A	N/A	N/A	197	21	5.80%
2001	4,321	26,832,984	6,210	7.55%	N/A	N/A	N/A	N/A	211	20	N/A
2002	4,399	28,482,325	6,475	4.26%	N/A	N/A	N/A	N/A	226	19	N/A
2003	4,552	31,641,275	6,951	7.36%	\$34,092,698	\$7,490	N/A	N/A	227	20	7.10%
2004	4,569	33,835,316	7,405	6.54%	37,166,362	8,134	8.61%	8.61%	225	20	7.60%
2005	4,661	35,979,566	7,719	4.24%	40,729,052	8,738	7.42%	7.42%	240	19	8.20%
2006	4,898	41,048,403	8,381	8.57%	44,181,705	9,020	3.23%	3.23%	236	21	7.40%
2007	4,940	42,108,965	8,524	1.71%	45,452,100	9,201	2.00%	2.00%	276	18	8.90%

Source: District Records

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

(2) - Operating Expenditure by Enrollment

(3) - Expenses is Total Expenses from Schedule 2

(4) - Expenses by Enrollment

N/A - Information not available

LOVELAND 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										
LECC (PreK, K, 5 rooms of gr.1)										
Square feet	47,450	47,450	47,450	47,450	47,450	47,450	47,450	47,450	47,450	47,450
Capacity	650	650	650	650	650	650	650	570	550	550
Enrollment	450	420	419	434	480	474	448	518	579	599
LPS (1/2 grade 1 & 2)										
Square feet	50,805	50,805	75,750	75,750	75,750	75,750	75,750	75,750	75,750	75,750
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	509	625	668	627	597	669	702	643	614	614
Wing (1/2 grade 2, 1/2 grade 3)										
Square feet	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700	14,700
Capacity	260	260	260	260	260	260	260	260	260	260
Enrollment	165	235	282	277	269	297	319	287	247	(2)
LES (1/2 grade 3, grade 4)										
Square feet	59,455	59,455	59,455	59,455	59,455	59,455	59,455	59,455	59,455	59,455
Capacity	425	425	425	425	425	425	425	425	425	425
Enrollment	556	610	614	650	672	628	617	644	714	712
LIS (grade 5, grade 6)										
Square feet	(1)	(1)	124,710	124,710	124,710	124,710	124,710	124,710	124,710	124,710
Capacity	(1)	(1)	725	725	725	725	725	725	725	725
Enrollment	(1)	(1)	588	640	641	667	694	675	674	672
Junior High School										
LMS (grade 7 & 8)										
Square feet	93,215	93,215	104,560	104,560	104,560	104,560	104,560	104,560	104,560	104,560
Capacity	600	600	750	750	750	750	750	750	750	750
Enrollment	570	587	593	563	581	658	661	690	734	726
High School										
LHS (grade 9-12)										
Square feet	151,707	151,707	205,670	205,670	205,670	205,670	205,670	205,670	205,670	205,670
Capacity	1,100	1,100	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Enrollment	952	968	985	1,130	1,159	1,159	1,128	1,204	1,336	1,370

Source: District Records

(1) - LIS was completed and opened in fiscal year 2000

(2) - Student overages will be housed in Wing



Mary Taylor, CPA
Auditor of State

LOVELAND CITY SCHOOL DISTRICT

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 14, 2008**