



Mary Taylor, CPA
Auditor of State

**NORWOOD CITY SCHOOL DISTRICT
HAMILTON COUNTY**

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**NORWOOD CITY SCHOOL DISTRICT
HAMILTON COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2007**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Food Distribution Program	N/A	10.550	\$0	\$31,926	\$0	\$31,926
Nutrition Cluster:						
School Breakfast Program		10.553	\$223,446		\$223,446	
Summer Food Program		10.559	71,764		71,764	
Fresh Fruit & Vegetable Program		10.582	22,497		22,497	
S National School Lunch Program		10.555	358,561		358,561	
Total Nutrition Cluster			<u>676,268</u>	<u>-</u>	<u>676,268</u>	<u>-</u>
Total U.S. Department of Agriculture			676,268	31,926	676,268	31,926
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)	6B-SF	84.027	606,350		582,297	
Special Education - Preschool Grant	PG-S1	84.173	16,081		16,313	
Total Special Education Cluster			<u>622,431</u>	<u>-</u>	<u>598,610</u>	<u>-</u>
Grants to Local Educational Agencies (ESEA Title I)	C1-S1	84.010	425,660		541,906	
Drug-Free Schools Grant	DR-S1	84.186	12,913		15,822	
Innovative Educational Program Strategies	C2-S1	84.298	4,150		4,274	
Technology Literacy Challenge Fund Grants	TJ-S1	84.318	3,085		3,900	
Improving Teacher Quality	TR-S1	84.367	179,740		164,918	
<i>Passed Through Great Oaks Institute of Technology and Career Development</i>						
Vocational Education - Basic Grants to State	N/A	84.048	7,599		8,226	
<i>Passed Through Hamilton County Educational Service Center</i>						
English Language Acquisition Grants	N/A	84.365	27,554		29,075	
Total Department of Education			<u>1,283,132</u>	<u>-</u>	<u>1,366,731</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<i>Passed Through Ohio Department of Mentally Retarded and Developmental Disabilities:</i>						
Medical Assistance Program	N/A	93.778	12,828		12,828	
Totals			<u>\$ 1,972,228</u>	<u>\$ 31,926</u>	<u>\$ 2,055,827</u>	<u>\$ 31,926</u>

**NORWOOD CITY SCHOOL DISTRICT
HAMILTON COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2007**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE D – FOOD DONATION PROGRAM

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

NOTE E - 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.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Norwood City School District
Hamilton County
2132 Williams Avenue
Norwood, Ohio 45212

To the Board of Trustees:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Norwood City School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 14, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated December 14, 2007, we reported certain matters related to noncompliance we deemed immaterial.

Norwood City School District
Hamilton County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management, Board of Trustees, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

December 14, 2007



Mary Taylor, CPA

Auditor of State

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

Norwood City School District
Hamilton County
2132 Williams Avenue
Norwood, Ohio 45212

To the Board of Trustees:

Compliance

We have audited the compliance of Norwood City School District, Hamilton County, Ohio (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply its major federal program for the year ended June 30, 2007. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2007.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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.

Federal Awards Expenditures Schedule

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Norwood City School District as of and for the year ended June 30, 2007, and have issued our report thereon dated December 14, 2007. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

December 14, 2007

**NORWOOD CITY SCHOOL DISTRICT
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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*Comprehensive Annual
Financial Report*

*For the Fiscal Year Ended
June 30, 2007*

Expecting Excellence

NORWOOD, OHIO

**NORWOOD CITY SCHOOL DISTRICT
NORWOOD, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Prepared by:
Treasurer's Office

Tony Wright, Treasurer

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**NORWOOD CITY SCHOOL DISTRICT, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2007**

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 FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

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**NORWOOD CITY SCHOOL DISTRICT, OHIO
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**NORWOOD CITY SCHOOL DISTRICT, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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December 14, 2007

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

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the Norwood City School District (District) for the fiscal year ended June 30, 2007. This report was prepared by the Treasurer's office, and contains financial statements, supplemental statements and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2006-07 fiscal year. Responsibility for the accuracy, completeness, and fairness of the report rests with the District. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report was prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and represents the District's continuing commitment to provide accurate financial information to the Board and the citizens of the Norwood City School District.

This report has been divided into three sections:

The Introductory Section includes this transmittal letter, a list of principal officials, the District organization chart, a list of consultants and advisors, and a map of the State of Ohio.

The Financial Section includes the unqualified opinion of our independent auditors, the Ohio Auditor of State, management's discussion and analysis, basic financial statements, notes to the basic financial statements, and the combining statements for nonmajor funds and other schedules that provide detailed information relative to the basic financial statements.

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

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

In addition to these general activities, the District acts as the fiscal agent for state funds distributed to non-public chartered schools located within the District boundaries. The District serves Holy Trinity and Norwood Christian Academy in this category. While these organizations are similar in operations and services provided, they are distinct and separate entities. These State subsidies are therefore presented as special revenue funds within this report.

ORGANIZATION OF THE DISTRICT

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

The current Board members, their terms and years on the Board as of June 30, 2007, are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Mr. Rick Guy	Jan. 2004 - Dec. 2007	6-1/2
Ms. Carolyn Atwood	Jan. 2006 - Dec. 2009	4-1/2
Ms. Debora Gay	Jan. 2004 - Dec. 2007	6-1/2
Mr. Scott Faulkner	Jan. 2006 - Dec. 2009	1/2
Mr. Ken Miracle	Jan. 2006 - Dec. 2009	1/2

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Mr. Steve Collier was appointed Superintendent effective August 1, 2003 and his current contract expires July 31, 2010.

The Treasurer is the chief financial officer of the District and is directly responsible to the Board for all financial operations, investments, custody of all District funds and assets, and serves as Secretary to the Board. Mr. Tony Wright was initially appointed Treasurer effective January 1, 2007, and his current contract will expire on December 31, 2008.

THE COMMUNITY

The District is located in Norwood, Ohio, Hamilton County, in a community located northeast of downtown Cincinnati. The city and District are surrounded by the City of Cincinnati. The District is conveniently located in the metropolitan Cincinnati area, with Interstate 71 at the eastern side of the city. The Norwood Lateral serves as a link between Interstate 71 and Interstate 75, and crosses the city on an east to west basis. Interstate 75, the most traveled interstate in the United States, is located approximately 1 mile to the west of Norwood. This access to major interstates is leading to an economic and housing renaissance in the City of Norwood.

The community is steadfastly committed to preserving its mature, small-town character within a major metropolitan area. The District operates four elementary schools (K-6), one middle school (7-8), and a high school (9-12).

The District enjoys strong community support. Families are attracted to the area because children are able to attend schools in their own neighborhood. All students of the District are within walking distance to the schools. Consequently, the District does not provide school bus service to its students served in its six instructional facilities with the exception of disabled students. The elementary and middle school buildings were built between the 1890's and 1920. The high school was constructed in 1972 with many modern conveniences desired in today's buildings. The buildings have been well maintained and updated. A strong emphasis on basic skills, small class sizes and dedicated staff members provide an environment conducive to learning.

ECONOMIC CONDITION AND OUTLOOK

Norwood was predominately a manufacturing city until the early 1980's when General Motors closed its plant located within the city and District. The community has evolved into a diverse mix of manufacturing, financial, service-oriented, retail and professional office types of businesses. This evolution has proven to steady Norwood's economy.

During the past year, the City of Norwood continued to pursue economic development, redevelopment and revitalization initiatives in spite of a slumping national and regional economy. The City of Norwood has experienced several successful office developments and efforts continued to expand the City's economic base with emphasis on office development.

The District lies in a built-out and landlocked community. Further economic development will occur due to redevelopment of existing sites. The District works closely with the economic development department at the City of Norwood to keep abreast of potential projects and to foster a relationship of joint benefit for the city and the District. The strategic location of the City along the Norwood Lateral, which links Interstates 71 and 75, will continue to make the community attractive for business relocation and continued commercial and retail development.

THE DISTRICT AND ITS FACILITIES

The District served approximately 2,400 students during the 2007 fiscal year in one senior high school (9-12), which was constructed in 1972; one middle school (7-8), constructed in 1914, with an addition in 1928; and the following elementary schools: Allison Street Elementary School (K-6), constructed in 1896, with additions in 1918 and 1933, Norwood View Elementary School (K-6), constructed in 1917, with an addition in 1954, Sharpsburg Elementary (K-6), constructed in 1911, and Williams Avenue Elementary School (PK-6) constructed in 1917, with an addition in 1950. The central administration is also housed in the same facility as Williams Avenue Elementary School

EMPLOYEE RELATIONS

The District currently employs approximately 358 full-time and part-time employees. The number of employees has been decreasing slightly due to a drop in enrollment. The enrollment has been dropping steadily for the past twenty years. It is projected the District's enrollment will decrease over the next 10 years.

The Norwood Teachers Association (NTA) represents the District teachers, educational specialists, tutors and counselors. A two-year agreement on language, salary and fringe benefits was ratified on June 21, 2006. The new agreement will expire on the day prior to school starting in 2008.

The District's classified employees consisting of food service workers, clerical staff, maintenance and educational aides are represented by Ohio Council 8, AFSCME 3136. A two-year agreement on language, salary and fringe benefits was ratified on January 11, 2007, retroactive to July 1, 2006. The new agreement will expire on the day prior to school starting in 2008.

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 of accounting as prescribed by State statute. The budgetary basis of accounting differs from generally accepted

accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

Internal Controls

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and, (2) the valuation of cost and benefits requires estimates and judgments by management.

Federal and State Assistance

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

Budgetary Controls

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriation balances are reviewed prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Financial Reporting

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

Government-wide financial statements – These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements of the District include only governmental activities.

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

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

Management is responsible for preparing a Management Discussion and Analysis of the District. This discussion is located in the financial section of this report following the audit opinion, and provides an assessment of the District finances for 2007 and a discussion of current issues that affect the outlook for the future.

Cash Management

The District operates a cash management program designed to provide safety, liquidity and yield in that order. Funds are invested in certificates of deposit, in the Ohio State Director of Finance and Business's Investment Pool (Star Ohio), U.S. Treasury Notes and Bonds, and US Treasury Bills. A more detailed description of the District's investment functions is provided in Note 3 to the financial statements.

Risk Management

The District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, property loss and boiler and machinery coverage are purchased from insurance companies licensed to do business in the State of Ohio. The maximum deductible amount for this coverage is \$1,000 per loss incurred.

For fiscal year 2007, the District participated in the Ohio Association of School Business Officials Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 7). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley Uniservice Inc. provided administrative, cost control and actuarial services to the GRP.

OTHER INFORMATION

Independent Audit

The State of Ohio requires an annual audit by either the Auditor of State or by an independent public accounting firm. The Ohio Auditor of State conducted the District's audit for fiscal year 2007. The Independent Accountants' Report on the District's basic financial statements, combining and individual fund statements and schedules is included in the financial section of this comprehensive annual financial report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to governmental units for the publication of a Comprehensive Annual Financial Report.

In order to be awarded a Certificate of Achievement for excellence in financial reporting a governmental unit must publish a Comprehensive Annual Financial Report, the contents of which are easily readable, efficiently organized and conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The District believes our current report conforms to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

Acknowledgments

The preparation of the 2007 comprehensive annual financial report of the Norwood City School District was made possible by the efforts of the Treasurer's office. The members of the Treasurer's office have my sincere gratitude for their professional, efficient and dedicated service.

Finally, without the support, commitment, and leadership of the Board of Education the preparation of this report would not have been possible.

Respectfully submitted,



Tony J. Wright
Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Norwood 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.



Oliver S. Cox

President

Jeffrey R. Emery

Executive Director

**NORWOOD CITY SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2007**

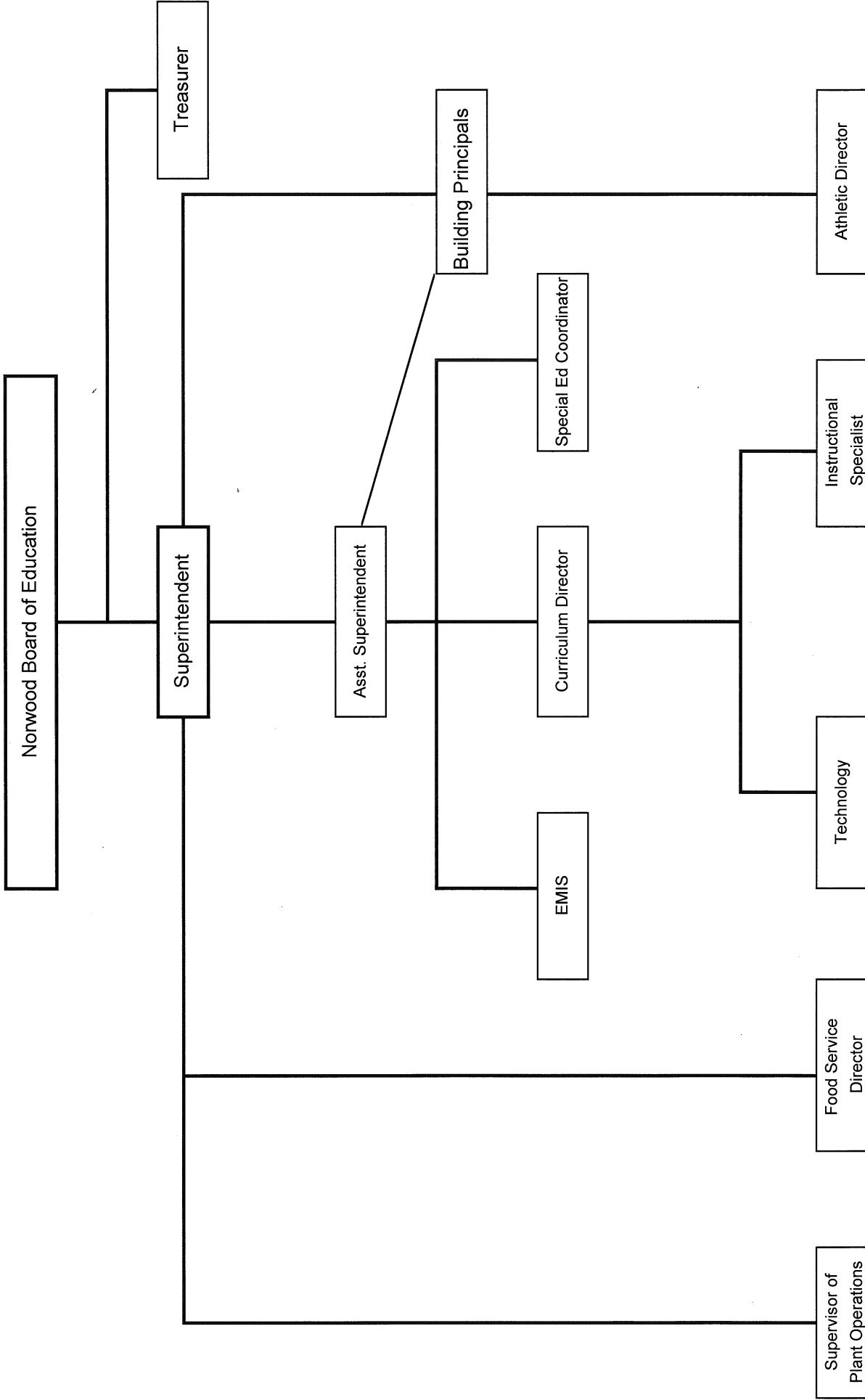
ELECTED OFFICIALS

President, Board of Education	Rick Guy
Vice President, Board of Education	Debora Gay
Board Member	Carolyn Atwood
Board Member	Ken Miracle
Board Member	Scott Faulkner

ADMINISTRATIVE OFFICIALS

Superintendent	Steve L. Collier
Treasurer	Tony Wright
Assistant Superintendent	Karla Berger
Director of Curriculum and Instruction	Kris Chesson
Director of Educational Management Information System	Amy Bowman
Supervisor of Special Education	Leslie Held
Director of Athletics	Jason Testerman
Director of Food Service	Stacia Perry
Supervisor of Plant Operations	James Helmeccamp
High School Principal	Dr. Terri Holden
Middle School Principal	Matt Freeman
Allison Elementary Principal	Scott Counts
Norwood View Elementary Principal	Sandy White
Sharpsburg Elementary Principal	Brad Winterod
Williams Avenue Elementary	Tom Kitchen

Norwood City Schools Organizational Chart 2006-2007



**NORWOOD CITY SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
June 30, 2007**

Architects

Voorhis, Slone, Welsh and Crossland
414 Reading Road
Mason, OH 45040

Independent Auditor

Mary Taylor, CPA
Auditor of State
88 East Broad Street
Columbus, OH 45215

Investment Advisor

RBC
300 Mercantile Library Building
414 Walnut Street
Cincinnati, OH 45202

Official Depositories

Fifth Third Bank
Fountain Square Plaza
Cincinnati, OH 45202

Worker Compensation/Unemployment

Sheakley Uniservice, Inc.
100 Merchant Street, Suite 100
Cincinnati, OH 45246

Bond Counsel

Peck, Shaffer & Williams
425 Walnut Street
Cincinnati, OH 45202

Insurance Advisor

Horan & Associates
Montgomery Road
Cincinnati, OH

Legal Counsel

Ennis, Roberts & Fischer
121 W. Ninth Street
Cincinnati, OH 45202

State Treasury Asset Reserve of Ohio
1228 Euclid Avenue
Cleveland, OH 44115



F I N A N C I A L

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Norwood City School District
Hamilton County
2132 Williams Avenue
Norwood, Ohio 45212

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Norwood City School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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 Norwood City School District, Hamilton County, Ohio, as of June 30, 2007, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2007, on our consideration of the 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis and the budgetary comparison for the General Fund are not a required part of the basic financial statements but are supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual non-major fund statement schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining and individual non-major fund statement schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Mary Taylor, CPA
Auditor of State

December 14, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

This discussion and analysis provides key information from management highlighting the overall financial performance of the Norwood 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 \$10.5 million. Of this amount, \$6.4 million may be used to meet the School District's ongoing obligations to citizens and creditors.
- ✓ In total, net assets decreased by \$337 thousand.
- ✓ The School District had \$28.0 million in expenses related to governmental activities; only \$4.6 million of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$23.2 million, made up primarily of property taxes and State Foundation payments, provided the majority of funding for these programs.
- ✓ The General Fund balance decreased by \$2.9 million from \$9.0 million at June 30, 2006 to \$6.1 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.

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).

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

The governmental activities of the School District are principally supported through taxes and intergovernmental revenue, and include instruction, support services, administration, operation and maintenance of plant, and extracurricular 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.

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. 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.

NORWOOD 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 and 2006:

	Governmental Activities	
	<u>FY07</u>	<u>Restated FY06</u>
Current and other assets	\$ 19,598,239	23,642,493
Capital assets	<u>7,269,575</u>	<u>7,452,046</u>
Total assets	<u>26,867,814</u>	<u>31,094,539</u>
Long-term liabilities outstanding	5,990,651	8,973,241
Other liabilities	<u>10,418,986</u>	<u>11,347,562</u>
Total liabilities	<u>16,409,637</u>	<u>20,320,803</u>
Net assets:		
Invested in capital assets, net of debt	2,452,560	2,401,750
Restricted:		
For capital purposes	1,126,771	1,415,302
Other purposes and scholarship	483,547	451,014
Unrestricted	<u>6,395,299</u>	<u>6,527,590</u>
Total net assets	\$ <u>10,458,177</u>	<u>10,795,656</u>

A significant portion of the School District's net assets (23%) 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 (\$6,395,299) may be used to meet the government's ongoing obligations to citizens and creditors.

In fiscal year 2007, the School District's assets decreased by about \$4.2 million. There are three main reasons for this occurrence, the first being the School District used approximately \$2.9 million of unspent lease-purchase proceeds to pay down principal on the outstanding debt. Secondly, taxes receivable decreased by about \$800,000 due to the phase out of tangible personal property tax. Finally, the School District has experienced negative changes in net assets for the past three fiscal years and has been using its reserved cash balance to meet general obligations. Total liabilities also decreased significantly due mainly to the prepayment on the lease-purchase agreements, which is discussed in more detail in the notes to the financial statements.

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

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 2006 and the resulting change in net assets:

	<u>FY07</u>	<u>FY06</u>
Revenues:		
Program revenues:		
Charges for services and sales	\$ 605,724	585,997
Operating grants and contributions	3,957,814	3,835,786
Capital grants and contributions	<u>-</u>	<u>-</u>
Total program revenues	<u>4,563,538</u>	<u>4,421,783</u>
General revenues:		
Property taxes	12,986,172	13,746,864
Grants and entitlements	9,156,400	8,294,393
Investment earnings	684,024	534,763
Miscellaneous	<u>334,249</u>	<u>433,849</u>
Total general revenues	<u>23,160,845</u>	<u>23,009,869</u>
Total revenues	<u>27,724,383</u>	<u>27,431,652</u>
Expenses:		
Instruction	16,441,463	16,209,725
Support services:		
Pupil	1,565,186	1,664,399
Instructional staff	1,435,336	1,430,967
Board of Education	26,879	18,167
Administration	2,007,053	1,909,164
Fiscal	625,640	650,547
Operation and maintenance of plant	2,645,406	2,719,032
Pupil transportation	401,229	393,358
Central	355,659	383,932
Non-instructional services	928,336	860,879
Interest on long-term debt	363,164	233,251
Food services	<u>1,266,511</u>	<u>1,223,724</u>
Total expenses	<u>28,061,862</u>	<u>27,697,145</u>
Change in net assets	\$ <u><u>(337,479)</u></u>	<u><u>(265,493)</u></u>

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

Of the total governmental activities revenues of \$27,724,383, \$4,563,538 (16%) 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, 56% (\$12,986,172) comes from property tax levies and 40% (\$9,156,400) is from state funding. The School District's operations are reliant upon its property tax levy and the state's foundation program.

Property taxes decreased and grants and entitlements increased due to the phase out of the tangible personal property tax and the resulting increase in reimbursement from the State for the lost tax revenues.

The School District benefited from the Federal Reserve Board's numerous increases in short-term interest rates by increasing its investment earnings by close to \$150,000.

Total expenses for the School District increased slightly during fiscal year 2007. This was due primarily to a negotiated 3% increase in wages and an increase in benefits of about 4.7%.

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 16% of the cost of the general government programs was recouped in program revenues. Instruction costs were \$16,441,463 but program revenue contributed to fund 13% of those costs. Thus, general revenues of \$14,257,151 were used to support the remainder of the instruction costs.

Governmental Activities

		<u>Total Cost of Services</u>	<u>Program Revenue</u>	Revenues as a % of <u>Total Costs</u>	<u>Net Cost of Services</u>
Instruction	\$	16,441,463	2,184,312	13%	14,257,151
Support services		9,062,388	680,710	8%	8,381,678
Non-instructional services		928,336	436,298	47%	492,038
Food service		1,266,511	1,262,218	100%	4,293
Interest on long-term debt		<u>363,164</u>	<u>-</u>	0%	<u>363,164</u>
Total	\$	<u>28,061,862</u>	<u>4,563,538</u>	<u>16%</u>	<u>23,498,324</u>

NORWOOD 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 two major governmental funds: the General Fund and Capital Projects Fund. Assets of these funds comprise \$18,742,044 (95%) of the total \$19,753,658 governmental funds assets.

General Fund. Fund balance at June 30, 2007 was \$6,109,353, including \$1,388,346 of unreserved balance, which represents 5% of expenditures for fiscal year 2007. There are two main reasons for the decrease in fund balance. First, the primary reason is that about \$2.6 million of unspent lease-purchase proceeds were used to pay down principal on the outstanding debt. Secondly, the School District was again in a deficit spending position for fiscal year 2007. The School District's revenues are increasing at a slower rate than inflation causing the School District to use its fund balance to meet general obligations.

Capital Projects Fund. Fund balance at June 30, 2007 was \$1,126,771. The General Fund transferred \$25,000 to the Capital Projects Fund to provide resources for improvements to school buildings. This fund has been used to upgrade the HVAC system at Norwood High School as well as paying back principal on the lease-purchase agreements.

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 are as follows:

In fiscal year 2007, a significant difference in revenues related to intergovernmental receipts. The difference is primarily due to the timing of Federal reimbursement to Food Services for breakfast and lunch. Food Services did not receive the final two months of reimbursement until fiscal year 2008, therefore resulting in a difference between original and final budgets. On the expenditure side, a significant difference exists for regular instruction. This difference is primarily a result of a large textbook adoption, an increase in tuition paid to community schools and other school districts, and severances paid on a significant number of retirements. A final significant difference between original and final budgets exists in advances out. Advances were under projected for the year. Part of this difference is because the District was awarded two new grants for fiscal 2007 that required advances at the end of every month since expenditures were not reimbursed until the following month for each grant.

NORWOOD 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 \$7,269,575 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. The total increase in the School District's investment in capital assets for the current fiscal year was approximately 6%. See Note 6 to the financial statements for more detail.

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

	<u>FY07</u>	<u>FY06</u>
Land	\$ 524,809	567,609
Land improvements	12,172	13,514
Buildings and improvements	6,443,396	5,001,059
Furniture and equipment	266,949	312,394
Vehicles	3,379	20,158
Construction in progress	<u>18,870</u>	<u>1,537,312</u>
Total	<u>\$ 7,269,575</u>	<u>7,452,046</u>

Major capital asset events during the current fiscal year included playground equipment being installed at an elementary building, renovation of offices at an elementary and the middle school, roof replaced at the high school, and new entry doors at the high school and middle school.

Debt

In the year ended June 30, 2007, the School District made its scheduled payments under two lease purchase agreements and paid back unspent proceeds to reduce the principal balance of the debt. The outstanding balance of these agreements is \$4,828,000 at June 30, 2007. See Note 11 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 will begin being phased out in 2006 and will be eliminated by 2009. The tax on telephone and telecommunications 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 to be reimbursed fully for the lost revenue; in the following seven years, the reimbursements are phased out. For fiscal year 2007, tangible personal property taxes made up 16% of all revenues.

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

Construction of an office park complex was initiated in fiscal year 2006 on a previous vacant lot. The completion of the project will be completed in three phases. Phase one was completed in 2007. The completion date of the remaining two phases has not yet been determined. The School District will receive payment in lieu of taxes from the City of Norwood on the incremental increase in value on the property after January 1, 2007. It is anticipated that the first payments will be received in the second half of fiscal year 2008 and will continue through the end of 2036.

In September 2007, the Federal Reserve cut the Fed Funds rate from 5.25% to 4.75%. It is likely that rates may be cut even further before the end of 2007. This will have a significant impact on the School District's investment earnings.

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 Norwood City School District, 2132 Williams Avenue, Norwood, Ohio 45212.

NORWOOD CITY SCHOOL DISTRICT, OHIO

Statement of Net Assets

June 30, 2007

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and investments	\$ 5,803,473
Cash and cash equivalents with fiscal agent	10,985
Receivables:	
Taxes	13,197,552
Accounts	45,729
Intergovernmental	446,335
Interest	82,492
Supplies inventory	8,540
Prepays	3,133
Nondepreciable capital assets	586,479
Depreciable capital assets, net	<u>6,683,096</u>
Total assets	<u>26,867,814</u>
Liabilities:	
Accounts payable	71,535
Accrued wages and benefits	2,285,661
Pension obligation payable	577,238
Unearned revenue	7,484,552
Noncurrent liabilities:	
Due within one year	175,726
Due within more than one year	<u>5,814,925</u>
Total liabilities	<u>16,409,637</u>
Net Assets:	
Invested in capital assets, net of related debt	2,452,560
Restricted for:	
Capital projects	1,126,771
Other purposes	400,431
Scholarship:	
Nonexpendable	70,000
Expendable	13,116
Unrestricted	<u>6,395,299</u>
Total net assets	<u>\$ 10,458,177</u>

See accompanying notes to the basic financial statements.

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NORWOOD CITY SCHOOL DISTRICT, OHIO

Statement of Activities
Year Ended June 30, 2007

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$ 12,810,427	71,119	1,417,969	\$ (11,321,339)
Special education	3,107,078	-	691,074	(2,416,004)
Other instruction	523,958	-	4,150	(519,808)
Support services:				
Pupil	1,565,186	-	405,695	(1,159,491)
Instructional staff	1,435,336	-	195,306	(1,240,030)
Board of Education	26,879	-	-	(26,879)
Administration	2,007,053	-	49,680	(1,957,373)
Fiscal	625,640	-	-	(625,640)
Operation and maintenance of plant	2,645,406	-	1,539	(2,643,867)
Pupil transportation	401,229	-	2,222	(399,007)
Central	355,659	-	26,268	(329,391)
Non-instructional services:				
Extracurricular activities	661,291	129,300	-	(531,991)
Community service	267,045	-	306,998	39,953
Food Service	1,266,511	405,305	856,913	(4,293)
Interest on long-term debt	363,164	-	-	(363,164)
Total Governmental Activities	\$ 28,061,862	605,724	3,957,814	(23,498,324)
General Revenues:				
Property taxes, levied for general purposes				12,986,172
Grants and entitlements not restricted to specific programs				9,156,400
Revenue in lieu of taxes				184,814
Investment earnings				684,024
Miscellaneous				149,435
Total general revenues				23,160,845
Change in net assets				(337,479)
Net assets beginning of year, restated (Note 2)				10,795,656
Net assets end of year				\$ 10,458,177

See accompanying notes to the basic financial statements.

NORWOOD CITY SCHOOL DISTRICT, OHIO

Balance Sheet
 Governmental Funds
 June 30, 2007

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 3,918,646	1,122,903	761,924	5,803,473
Cash and cash equivalents with fiscal agent	10,985	-	-	10,985
Receivables:				
Taxes	13,197,552	-	-	13,197,552
Accounts	45,729	-	-	45,729
Accrued interest	75,727	6,406	359	82,492
Intergovernmental	197,004	-	249,331	446,335
Prepays	3,133	-	-	3,133
Supplies and inventory	8,540	-	-	8,540
Interfund receivable	155,419	-	-	155,419
Total assets	<u>17,612,735</u>	<u>1,129,309</u>	<u>1,011,614</u>	<u>19,753,658</u>
Liabilities:				
Accounts payable	69,945	-	1,590	71,535
Accrued wages and benefits	2,052,669	-	232,992	2,285,661
Pension obligation payable	548,278	-	28,960	577,238
Interfund payable	-	-	155,419	155,419
Compensated absences payable	91,216	-	-	91,216
Deferred revenue	8,741,274	2,538	49,292	8,793,104
Total liabilities	<u>11,503,382</u>	<u>2,538</u>	<u>468,253</u>	<u>11,974,173</u>
Fund Balances:				
Reserved for:				
Encumbrances	227,874	258,284	20,241	506,399
Property taxes	4,490,000	-	-	4,490,000
Prepays	3,133	-	-	3,133
Unreserved, reported in:				
General Fund	1,388,346	-	-	1,388,346
Special Revenue Funds	-	-	440,004	440,004
Capital Projects Funds	-	868,487	-	868,487
Permanent Fund	-	-	83,116	83,116
Total fund balances	<u>6,109,353</u>	<u>1,126,771</u>	<u>543,361</u>	<u>7,779,485</u>
Total liabilities and fund balances	<u>\$ 17,612,735</u>	<u>1,129,309</u>	<u>1,011,614</u>	<u>19,753,658</u>

See accompanying notes to the basic financial statements.

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

Total Governmental Fund Balances \$ 7,779,485

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

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds. 7,269,575

Other long-term assets are not available to pay for current-period
 expenditures and therefore are not reported in the funds. 1,308,552

Long-term liabilities are not due and payable in the current period
 and therefore are not reported in the funds:

Compensated absences	1,071,435	
Lease-purchase agreement	<u>4,828,000</u>	
Total		<u>(5,899,435)</u>

Net Assets of Governmental Activities \$ 10,458,177

NORWOOD CITY SCHOOL DISTRICT, OHIO

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

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 12,986,172	-	-	12,986,172
Tuition and fees	71,119	-	-	71,119
Interest	489,878	163,955	6,856	660,689
Charges for services	405,305	-	-	405,305
Revenue in lieu of taxes	184,814	-	-	184,814
Intergovernmental	10,026,141	-	3,095,859	13,122,000
Other local revenues	68,570	-	279,385	347,955
Total revenues	<u>24,231,999</u>	<u>163,955</u>	<u>3,382,100</u>	<u>27,778,054</u>
Expenditures:				
Current:				
Instruction:				
Regular	11,224,183	1,981	1,458,785	12,684,949
Special education	2,353,267	-	746,671	3,099,938
Other instruction	520,155	-	3,803	523,958
Support services:				
Pupil	1,209,668	-	345,847	1,555,515
Instructional staff	1,253,569	-	210,111	1,463,680
Board of Education	26,545	-	-	26,545
Administration	1,944,258	6,058	46,812	1,997,128
Fiscal	641,640	-	-	641,640
Operation and maintenance of plant	2,468,648	65,421	8,334	2,542,403
Pupil transportation	398,824	-	2,405	401,229
Central	289,508	-	82,708	372,216
Non-instructional services:				
Extracurricular activities	412,737	-	134,553	547,290
Community service	7,019	-	332,224	339,243
Food service	1,259,436	-	-	1,259,436
Capital outlay	229,867	-	-	229,867
Debt Service:				
Principal	2,596,129	273,871	-	2,870,000
Interest and fiscal charges	233,009	130,155	-	363,164
Total expenditures	<u>27,068,462</u>	<u>477,486</u>	<u>3,372,253</u>	<u>30,918,201</u>
Excess of revenues over (under) expenditures	<u>(2,836,463)</u>	<u>(313,531)</u>	<u>9,847</u>	<u>(3,140,147)</u>
Other financing sources (uses):				
Transfers in	-	25,000	43,100	68,100
Transfers out	(68,100)	-	-	(68,100)
Total other financing sources (uses)	<u>(68,100)</u>	<u>25,000</u>	<u>43,100</u>	<u>-</u>
Net change in fund balance	(2,904,563)	(288,531)	52,947	(3,140,147)
Fund balance, beginning of year, restated (Note 2)	9,013,916	1,415,302	490,414	10,919,632
Fund balance, end of year	\$ <u>6,109,353</u>	<u>1,126,771</u>	<u>543,361</u>	<u>7,779,485</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 \$ (3,140,147)

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	193,408
Depreciation expense	(375,879)

Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,870,000
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Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	168,810
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	<u>(53,671)</u>
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Change in Net Assets of Governmental Activities	\$ <u>(337,479)</u>
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NORWOOD CITY SCHOOL DISTRICT, OHIO

Statement of Net Assets

Fiduciary Funds

June 30, 2007

		Private Purpose Trust	Agency Funds
ASSETS			
Equity in pooled cash and investments	\$	47,187	42,658
Accrued interest receivable		364	-
Total assets		<u>47,551</u>	<u>42,658</u>
LIABILITIES			
Due to student groups		-	16,761
Due to others		-	25,897
Total liabilities		<u>-</u>	<u>42,658</u>
NET ASSETS			
Held in trust for scholarships	\$	<u>47,551</u>	

See accompanying notes to the basic financial statements.

NORWOOD CITY SCHOOL DISTRICT, OHIO

Statement of Changes in Net Assets

Fiduciary Funds

Year Ended June 30, 2007

	<u>Private- Purpose Trust Funds</u>
Additions:	
Contributions	\$ 26,257
Interest	<u>2,090</u>
Total additions	<u>28,347</u>
Deductions:	
Community gifts, awards and scholarships	<u>21,870</u>
Total deductions	<u>21,870</u>
Change in net assets	6,477
Net assets, beginning of year, restated	<u>41,074</u>
Net assets, end of year	\$ <u><u>47,551</u></u>

See accompanying notes to the basic financial statements.

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

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.

Activities for Holy Trinity Parochial School are also included in the reporting entity to the extent that state legislation provides funding to this parochial school. The money is received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. This activity is reflected in a special revenue fund for financial reporting purposes.

The School District is associated with three organizations, two of which are defined as jointly governed organizations and one as an insurance purchasing pool. These organizations include Southwest Ohio Computer Association, Great Oaks Institute of Technology and Career Development and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 12 and 13.

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

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.

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.

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

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.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition of capital assets or construction of major capital facilities.

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

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.

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

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, private-purpose trust and agency 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.

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.

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

E. Equity in Pooled Cash and Investments

Cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the balance sheet.

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

During fiscal year 2007, the District's investments were limited to obligations of the US Treasury and other direct issuances of federal agencies, government money market funds and STAR Ohio. Investments are reported at fair value, which is based on quoted market prices.

The State Treasury Asset Reserve of 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.

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.

F. Inventory

Inventories of governmental funds are stated at cost, determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental funds when consumed rather than when purchased.

G. 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 \$1,000 and an estimated useful life in excess of one year. All capital assets are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their estimated fair values as of the date received. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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:

Land improvements	10 years
Buildings and improvements	10-30 years
Equipment and furniture	3-5 years
Vehicles	5 years

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

H. 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.

I. 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 only for the portion of unpaid compensated absences that have matured, for example, as a result of employee resignations and retirements.

J. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities those, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term notes, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

K. 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 and property taxes. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statutes.

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

L. Net Assets

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

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

M. 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. RESTATEMENTS

During the year the School District reclassified a fund which was previously reported as a private-purpose trust fund to a special revenue fund. The restatement had the following effects:

	Governmental Activities	Private Purpose Trust
Net assets - June 30, 2006	\$ 10,773,736	62,994
Reclassification of trust funds as special revenue funds	<u>21,920</u>	<u>(21,920)</u>
Net assets - June 30, 2006, restated	\$ <u>10,795,656</u>	<u>41,074</u>
	Other Governmental Funds	
Fund balance - June 30, 2006	\$ 468,494	
Reclassification of trust funds as special revenue funds	<u>21,920</u>	
Fund Balance - June 30, 2006, restated	\$ <u>490,414</u>	

NORWOOD 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 any 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;

NORWOOD 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's custodial credit risk policy requires that deposits be collateralized as required by ORC Chapter 135. At year-end, \$1,608,315 of the School District's bank balance of \$1,734,202 was exposed to custodial credit risk since it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School District's name. ORC Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

NORWOOD 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>	<u>Concentration of Credit Risk</u>
FHLB	\$ 2,095,250	0.85	45.2%
FNMA	1,148,409	0.93	24.8%
FHLMC	1,026,712	0.07	22.2%
Investment with First American Govt. Obligation Mutual Fund	10,985	n/a	0.2%
Star Ohio	333,801	n/a	7.2%
US Money Market Fund	20,588	n/a	0.4%
	<u>\$ 4,635,745</u>		<u>100.0%</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 investment policy does not address concentration of credit risk. The School District's investments in FHLB, FNMA and FHLMC securities were rated AAA by Standard & Poor's and Aaa by Moody's. The School District's investments in the U.S. Money Market Funds were rated AAA by Standard & Poor's. Investments in STAR Ohio were rated AAAM by Standard & Poor's. The investment with First American Government Obligation Fund is not rated.

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 five years.

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

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.

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 Hamilton County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County 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 amount available as an advance at June 30, 2007 was \$4,490,000 in the General Fund.

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

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	\$ 352,711,310	82.49%	347,644,340	85.87%
Tangible Personal Property	<u>74,862,200</u>	17.51%	<u>57,192,070</u>	14.13%
Total Assessed Value	\$ <u>427,573,510</u>	100.00%	<u>404,836,410</u>	100.00%
Tax rate per \$1,000 of assessed valuation		\$51.45		\$51.47

5. INTERFUND TRANSACTIONS

On the fund financial statements, the General Fund has a receivable of \$155,419 that consists of amounts due from non-major governmental funds. These interfund loans were made to provide operating capital. These amounts are eliminated in the governmental activities column of the statement of net assets.

During the year ended June 30, 2007, the General Fund made transfers of \$25,000 and \$43,100 to the Capital Projects Fund and non-major governmental funds, respectively. 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.

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

6. 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	\$ 567,609	-	(42,800)	524,809
Construction in progress	1,537,312	18,870	(1,537,312)	18,870
Depreciable:				
Land improvements	18,897	-	-	18,897
Buildings and improvements	14,188,300	1,664,628	-	15,852,928
Vehicles	164,103	-	-	164,103
Equipment and furniture	3,838,541	90,022	-	3,928,563
Subtotal	<u>18,209,841</u>	<u>1,754,650</u>	<u>-</u>	<u>19,964,491</u>
Totals at historical cost	<u>20,314,762</u>	<u>1,773,520</u>	<u>(1,580,112)</u>	<u>20,508,170</u>
Less accumulated depreciation:				
Land improvements	5,383	1,342	-	6,725
Buildings and improvements	9,187,241	222,291	-	9,409,532
Vehicles	143,945	16,779	-	160,724
Equipment and furniture	<u>3,526,147</u>	<u>135,467</u>	<u>-</u>	<u>3,661,614</u>
Total accumulated depreciation	<u>12,862,716</u>	<u>375,879</u>	<u>-</u>	<u>13,238,595</u>
Capital assets, net	<u>\$ 7,452,046</u>	<u>1,397,641</u>	<u>(1,580,112)</u>	<u>7,269,575</u>

NORWOOD 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	\$ 177,669
Special	539
Support services:	
Pupil	301
Instructional staff	1,875
General administration	334
School administration	2,375
Operation and maintenance of plant	67,184
Community service	3,026
Extracurricular activities	115,501
Food service	<u>7,075</u>
Total depreciation expense	<u>\$ 375,879</u>

7. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2007, the School District contracted with Ohio School Plan for general liability insurance with a \$5,000,000 aggregate limit covering all employees and volunteers of the School District.

Ohio School Plan also provides property and fleet insurance and property holds a \$1,000 deductible and the maintenance vehicles have a \$500 deductible for comprehensive and collision and a \$1,000,000 limit per occurrence. The Ohio Farmer's Insurance Company maintains a \$20,000 performance bond for the Board President and Superintendent and maintains a \$100,000 public official bond for the Treasurer. Ohio School Plan maintains a \$10,000 employee dishonesty blanket bond for all employees.

Settled claims have not exceeded coverage in any of the past three years. There has been no significant reduction in the coverage from last year.

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

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 13). The GRP is intended to reduce the School District's premium by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

8. 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.

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 \$434,000, \$398,000, and \$396,000 respectively; 92% has been contributed for 2007 and 100% for fiscal years 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.

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

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. 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.

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 \$1,738,000, \$1,710,000 and \$1,713,000 respectively; 91% 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.

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

9. 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 \$124,000 during fiscal year 2007. STRS pays health care benefits from the Health Care Reserve Fund. The balance in the fund was \$3.5 million at June 30, 2007. For the year ended June 30, 2007, 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.

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, 2007 were \$158.8 million and the target level was \$200.6 million. At June 30, 2007, 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 \$87,000 during the 2007 fiscal year.

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

10. EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements, Board resolutions and State laws. Eligible classified employees and administrators earn ten to twenty-five days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators who are not on a twelve-month contract do not earn vacation time.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month for a total of 15 sick days of leave for each year under contract. During regular employment, sick leave may be accumulated, up to a maximum of 250 days for teachers, 310 days for administrators and 260 days for classified. Upon retirement, severance pay is based upon one-fourth of the accrual of sick days up to a maximum of 50 days for teachers, 60 days for administrators and 45 days for classified.

11. 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>					
Lease-purchase agreement	\$ 7,698,000	-	(2,870,000)	4,828,000	-
Compensated absences	1,275,241	129,625	(242,215)	1,162,651	175,726
Total	\$ 8,973,241	129,625	(3,112,215)	5,990,651	175,726

In the year ended June 30, 2003, the School District entered into a lease-purchase agreement for the renovation of Shea Stadium and the construction of a new track and synthetic field. The School District is leasing the improvements from Rickenbacker Port Authority. Rickenbacker Port Authority retained title to the project during the lease term. Rickenbacker Port Authority assigned National City Bank as trustee. The renovations made to Shea Stadium have been completed. The School District made annual principal payments with monthly interest payments to National City Bank. Interest rates were variable and could be converted to a fixed rate every 7 days. The lease was renewable annually and expires in 2031.

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

In the year ended June 30, 2004, the School District entered into a second similar lease purchase agreement for building renovations in the amount of \$5,564,000 which expires in 2023. These agreements were recorded in a manner similar to a capital lease payable.

During the year ended June 30, 2007, the School District combined both lease-purchase agreements and used unspent proceeds to pay down outstanding balances. The new lease-purchase agreement matures on December 1, 2031 and pays interest at 5.26% annually. At June 30, 2007, the fiscal agent is still holding \$10,985.

All general obligation debt is supported by the full faith and credit of the School District. Lease-purchase agreement payments will be made from the General Fund and Capital Projects 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 \$36,435,277 with an unvoted debt margin of \$404,836 at June 30, 2007.

The following is a schedule of future minimum lease payments under the capital leases, together with the net present value of the minimum lease payments as of June 30, 2007:

Year Ending <u>June 30</u>	
2008	\$ 238,721
2009	367,246
2010	366,214
2011	365,885
2012	364,257
2013-2017	1,803,839
2018-2022	1,793,384
2023-2027	1,766,494
2028-2031	<u>1,741,647</u>
Minimum lease payments	8,807,687
Less amount representing interest and fees	<u>3,979,687</u>
Present value of minimum lease payments	<u>\$ 4,828,000</u>

12. JOINTLY GOVERNED ORGANIZATIONS

The Great Oaks Institute of Technology and Career Development

The Great Oaks Institute of Technology and Career Development, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the participating school district's elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. Great Oaks was formed for the purpose of providing vocational education opportunities to the students of the member school districts, which includes the students of the School District. The School District has no ongoing financial

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

interest in nor responsibility for Great Oaks. To obtain financial information, write to Great Oaks at 3254 East Kemper Road, Cincinnati, Ohio 45241.

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.

13. INSURANCE PURCHASING POOL

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.

14. 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.

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

15. 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. 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>
Set-aside balance as of June 30, 2006	\$ (2,058,456)	-
Current year set-aside requirement	375,418	375,418
Less qualifying disbursements	<u>(818,756)</u>	<u>(1,870,922)</u>
Total	<u>(2,501,794)</u>	<u>(1,495,504)</u>
Balance carried to FY2008	<u>(2,501,794)</u>	-
Cash balance as of June 30, 2007	\$ <u>-</u>	<u>-</u>

Since the School District had offsets and qualifying disbursements during the year that reduced the set aside amount for textbooks and instructional materials to below zero, these extra amounts could be used to reduce the set aside requirements of future years but the School District has elected not to carry the excess forward. 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.

16. DEFICIT FUND BALANCES

The following special revenue funds had deficit balances at June 30, 2007:

Educational Management Information Systems	\$7,220
Preschool	\$393

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

NORWOOD CITY SCHOOL DISTRICT, OHIO

Required Supplemental Information
 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	\$ 12,822,135	12,986,172	12,986,172	-
Tuition and fees	42,935	39,867	39,867	-
Charges for services	432,194	401,313	401,313	-
Interest	519,666	482,535	482,535	-
Revenue in lieu of taxes	10,139,538	9,845,541	9,848,983	3,442
Intergovernmental	269,771	250,495	250,495	-
Total revenues	<u>24,226,239</u>	<u>24,005,923</u>	<u>24,009,365</u>	<u>3,442</u>
Expenditures:				
Current:				
Instruction:				
Regular	10,744,337	11,329,642	11,329,642	-
Special education	2,538,318	2,595,433	2,337,731	257,702
Other instruction	554,051	555,001	521,180	33,821
Support services:				
Pupil	1,337,921	1,362,322	1,267,380	94,942
Instructional staff	1,326,940	1,348,631	1,231,360	117,271
Board of Education	35,858	39,686	29,503	10,183
Administration	1,837,750	1,920,735	1,899,420	21,315
Fiscal	623,734	651,284	644,014	7,270
Operation and maintenance of plant	2,536,825	2,586,218	2,510,886	75,332
Pupil transportation	431,959	443,733	419,709	24,024
Central	311,537	325,132	324,736	396
Non-instructional services:				
Community services	6,500	7,109	7,109	-
Food services	1,256,739	1,201,736	1,201,736	-
Extracurricular activities	504,352	420,007	418,873	1,134
Capital outlay	2,929,104	3,124,450	3,124,450	-
Total expenditures	<u>26,975,925</u>	<u>27,911,119</u>	<u>27,267,729</u>	<u>643,390</u>
Excess of revenues over expenditures	(2,749,686)	(3,905,196)	(3,258,364)	646,832
Other financing sources (uses):				
Transfers out	(80,000)	(77,241)	(68,100)	(9,141)
Advances in	1,090,869	1,012,924	1,012,924	-
Advances out	(425,214)	(1,107,377)	(1,107,377)	-
Other sources	228,892	212,537	212,537	-
Total other financing sources (uses)	<u>814,547</u>	<u>40,843</u>	<u>49,984</u>	<u>(9,141)</u>
Net change in fund balance	(1,935,139)	(3,864,353)	(3,208,380)	637,691
Fund balance, beginning of year	6,339,384	6,339,384	6,339,384	
Prior year encumbrances appropriated	535,386	535,386	535,386	
Fund balance, end of year	\$ <u>4,939,631</u>	<u>3,010,417</u>	<u>3,666,390</u>	

See accompanying notes to required supplemental information.

NORWOOD 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	\$ (2,904,563)
Increase / (decrease):	
Due to revenues	(222,634)
Due to expenditures	336,119
Due to other sources (uses)	118,084
Due to encumbrances	<u>(535,386)</u>
Excess of revenues and other sources over (under) expenditures and other uses - Budget Basis	\$ <u>(3,208,380)</u>

NORWOOD CITY SCHOOL DISTRICT
COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

Nonmajor Governmental Funds

The Special Revenue Funds are used to account for revenue sources that are legally restricted to expenditure for specified purposes. The following are descriptions of each Special Revenue Fund:

Public School Support:

To account for local revenue sources generated by individual school buildings. Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

Local Grant:

To account for monies for grant monies provided from local organizations, foundations or charities for a particular purpose or activity.

District Managed Student Activity:

To account for those student activity programs which have student participation in the activity but do not have student management in the programs.

Auxiliary Services:

To account for monies which provide services and materials to pupils attending non-public schools within the District's boundaries. These monies are received and disbursed on behalf of the non-public school by the Treasurer of the District, as directed by the non-public school.

Poverty Based Assistance:

To account for state funds which are designated to assist economically disadvantaged children in the learning process.

Educational Management Information System:

To account for expenditures made in conjunction with the implementation of a system to gather student, staff and financial information to comply with Senate Bill 140.

K-12 Network Subsidy:

A fund to account for money appropriated for Ohio Educational Computer Network Connections.

E-Tech Professional Development:

To account for a state subsidy designed to provide professional development in the area of technology.

Nonmajor Governmental Funds (Continued)

Ohio Reads:

This fund accounts for state monies and operating expenditures associated with the administering the Ohio Reads Program. The program is intended to improve reading outcomes, particularly on the fourth grade proficiency test.

High Schools that Work:

To account for state grant for vocational education.

Miscellaneous State Grants:

This fund accounts for various monies received from State agencies which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

Erate:

To account for funds to be used for telecommunications.

Title VIB:

To account for funds used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least-restrictive, alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Career Development:

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

Title III:

To account for federal funds provided for students whose native language is not English.

Title I:

To account for federal funds whose purpose is to provide financial assistance to enable state and local educational agencies to meet the special needs of educationally deprived children.

Title V:

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

**Nonmajor Governmental Funds
(Continued)**

Drug Free:

To account for federal funds used to implement programs to educate and encourage students to live their lives free of drug dependency.

Preschool:

To account for federal funds received for the purpose of assisting in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at preschool.

Title IIA:

To account for federal funds designed to reduce class sizes in grades 1-3, so that pupil to teacher ratio is reduced.

Miscellaneous Federal Grants:

This fund accounts for various federal projects not specified by a particular fund. Each project is maintained in a specific cost center.

Special Revenue:

To account for federal funds received for the purchase of fresh fruit and vegetables for food services.

Entry Year Teachers:

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

Capital Projects Fund:

To account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, and for major renovation projects including equipment purchases. The following is a description of the District's nonmajor capital projects fund:

Permanent Fund:

The District records the activity of a trust fund in a Permanent Fund which is used to account for monies set aside as an investment for public school purposes. The income from the Permanent Fund may be expended, but the principal must remain intact.

NORWOOD CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2007

		Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$	679,167	82,757	761,924
Receivables:				
Intergovernmental		249,331	-	249,331
Accrued interest		-	359	359
Total assets		<u>928,498</u>	<u>83,116</u>	<u>1,011,614</u>
Liabilities:				
Accounts payable		1,590	-	1,590
Accrued wages and benefits		232,992	-	232,992
Pension obligation payable		28,960	-	28,960
Deferred revenue		49,292	-	49,292
Interfund loans payable		155,419	-	155,419
Total liabilities		<u>468,253</u>	<u>-</u>	<u>468,253</u>
Fund Balances:				
Reserved for:				
Encumbrances		20,241	-	20,241
Unreserved, reported in:				
Special Revenue Funds		440,004	-	440,004
Permanent Fund		-	83,116	83,116
Total fund balances		<u>460,245</u>	<u>83,116</u>	<u>543,361</u>
Total liabilities and fund balances	\$	<u>928,498</u>	<u>83,116</u>	<u>1,011,614</u>

NORWOOD 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	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:			
Interest	\$ 2,583	4,273	6,856
Intergovernmental	3,095,859	-	3,095,859
Other local revenues	<u>277,200</u>	<u>2,185</u>	<u>279,385</u>
Total revenues	<u>3,375,642</u>	<u>6,458</u>	<u>3,382,100</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,458,785	-	1,458,785
Special	746,671	-	746,671
Other	3,803	-	3,803
Support services:			
Pupil	345,847	-	345,847
Instructional staff	210,111	-	210,111
School administration	46,812	-	46,812
Operations and maintenance	8,334	-	8,334
Pupil transportation	2,405	-	2,405
Central	82,708	-	82,708
Community services	332,224	-	332,224
Non-instructional services:			
Extracurricular activities	<u>134,553</u>	<u>-</u>	<u>134,553</u>
Total expenditures	<u>3,372,253</u>	<u>-</u>	<u>3,372,253</u>
Excess of revenues over (under) expenditures	<u>3,389</u>	<u>6,458</u>	<u>9,847</u>
Other financing sources (uses):			
Transfers in	<u>43,100</u>	<u>-</u>	<u>43,100</u>
Net change in fund balances	46,489	6,458	52,947
Fund balance, beginning of year, restated	<u>413,756</u>	<u>76,658</u>	<u>490,414</u>
Fund balance, end of year	<u>\$ 460,245</u>	<u>83,116</u>	<u>543,361</u>

NORWOOD CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2007

	Public School Support	Local Grant	District Managed Student Activity	Auxiliary Service	Poverty Based Assistance
Assets:					
Equity in pooled cash and investments	\$ 63,447	26,321	15,214	9,034	415,173
Receivables:					
Intergovernmental	-	-	-	-	-
Total assets	<u>63,447</u>	<u>26,321</u>	<u>15,214</u>	<u>9,034</u>	<u>415,173</u>
Liabilities:					
Accounts payable	250	-	1,340	-	-
Accrued wages and benefits	-	-	-	-	147,464
Pension obligation payable	-	-	-	176	16,880
Deferred revenue	-	-	-	-	-
Interfund loans payable	-	-	9,026	-	-
Total liabilities	<u>250</u>	<u>-</u>	<u>10,366</u>	<u>176</u>	<u>164,344</u>
Fund Balances:					
Fund Balances					
Reserved for:					
Encumbrances	5,212	1,008	335	848	-
Unreserved-undesignated	57,985	25,313	4,513	8,010	250,829
Total fund balances	<u>63,197</u>	<u>26,321</u>	<u>4,848</u>	<u>8,858</u>	<u>250,829</u>
Total liabilities and fund balances	<u>\$ 63,447</u>	<u>26,321</u>	<u>15,214</u>	<u>9,034</u>	<u>415,173</u>

<u>Educational Management Information Systems</u>	<u>K-12 Network Subsidy</u>	<u>E-Tech Professional Development</u>	<u>Ohio Reads Grant</u>	<u>High Schools that Work</u>	<u>Misc. State Grants</u>
397	-	-	22,353	6,820	2,001
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,603</u>
<u>397</u>	<u>-</u>	<u>-</u>	<u>22,353</u>	<u>6,820</u>	<u>149,604</u>
-	-	-	-	-	-
4,401	-	-	-	-	-
3,216	-	-	-	-	-
-	-	-	-	-	46,726
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,858</u>
<u>7,617</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,584</u>
-	-	-	10,768	1,800	-
<u>(7,220)</u>	<u>-</u>	<u>-</u>	<u>11,585</u>	<u>5,020</u>	<u>2,020</u>
<u>(7,220)</u>	<u>-</u>	<u>-</u>	<u>22,353</u>	<u>6,820</u>	<u>2,020</u>
<u>397</u>	<u>-</u>	<u>-</u>	<u>22,353</u>	<u>6,820</u>	<u>149,604</u>

(Continued)

NORWOOD CITY SCHOOL DISTRICT, OHIO

Combining Balance Sheet (continued)

Nonmajor Special Revenue Funds

June 30, 2007

	E-rate	Title VIB	Career Development	Title III	Title I	Title V
Assets:						
Equity in pooled cash and investments	\$ 3,146	77,743	416	1,092	-	182
Net receivables:						
Intergovernmental	-	14,471	-	4,238	56,317	-
Total assets	<u>3,146</u>	<u>92,214</u>	<u>416</u>	<u>5,330</u>	<u>56,317</u>	<u>182</u>
Liabilities:						
Accounts payable	-	-	-	-	-	-
Accrued wages and benefits	-	46,302	-	-	15,013	-
Pension obligation payable	-	3,490	-	560	2,270	-
Deferred revenue	-	-	-	672	-	-
Interfund loans payable	-	-	-	-	33,327	-
Total liabilities	<u>-</u>	<u>49,792</u>	<u>-</u>	<u>1,232</u>	<u>50,610</u>	<u>-</u>
Fund Balances:						
Fund Balances						
Reserved for:						
Encumbrances	-	-	270	-	-	-
Unreserved-undesignated	3,146	42,422	146	4,098	5,707	182
Total fund balances	<u>3,146</u>	<u>42,422</u>	<u>416</u>	<u>4,098</u>	<u>5,707</u>	<u>182</u>
Total liabilities and fund balances	<u>\$ 3,146</u>	<u>92,214</u>	<u>416</u>	<u>5,330</u>	<u>56,317</u>	<u>182</u>

<u>Drug Free Schools</u>	<u>Preschool</u>	<u>Title II-A</u>	<u>Misc. Federal Grants</u>	<u>Special Revenue</u>	<u>Entry Year Teachers</u>	<u>TOTAL</u>
1,644	2,258	7,513	-	24,413	-	679,167
<u>-</u>	<u>-</u>	<u>12,099</u>	<u>4,503</u>	<u>-</u>	<u>10,100</u>	<u>249,331</u>
<u>1,644</u>	<u>2,258</u>	<u>19,612</u>	<u>4,503</u>	<u>24,413</u>	<u>10,100</u>	<u>928,498</u>
-	-	-	-	-	-	1,590
-	2,651	17,161	-	-	-	232,992
-	-	2,368	-	-	-	28,960
-	-	-	1,894	-	-	49,292
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,108</u>	<u>-</u>	<u>10,100</u>	<u>155,419</u>
<u>-</u>	<u>2,651</u>	<u>19,529</u>	<u>4,002</u>	<u>-</u>	<u>10,100</u>	<u>468,253</u>
-	-	-	-	-	-	20,241
<u>1,644</u>	<u>(393)</u>	<u>83</u>	<u>501</u>	<u>24,413</u>	<u>-</u>	<u>440,004</u>
<u>1,644</u>	<u>(393)</u>	<u>83</u>	<u>501</u>	<u>24,413</u>	<u>-</u>	<u>460,245</u>
<u>1,644</u>	<u>2,258</u>	<u>19,612</u>	<u>4,503</u>	<u>24,413</u>	<u>10,100</u>	<u>928,498</u>

NORWOOD 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	Local Grant	District Managed Student Activity	Auxiliary Service	Poverty Based Assistance
Revenues:					
Interest	-	-	-	345	-
Intergovernmental	-	-	-	102,336	1,292,923
Other local revenues	126,719	18,681	129,300	-	-
Total revenues	<u>126,719</u>	<u>18,681</u>	<u>129,300</u>	<u>102,681</u>	<u>1,292,923</u>
Expenditures:					
Current:					
Instruction:					
Regular	59,317	2,247	-	-	1,202,261
Special	28,297	-	-	-	43,555
Other	-	-	-	-	-
Support services:					
Pupil	3,210	-	-	-	-
Instructional staff	9,453	6,593	-	-	41,816
School administration	-	-	-	-	-
Operations and maintenance	-	-	7,057	-	470
Pupil transportation	-	-	-	-	-
Central	-	-	-	-	-
Community services	1,971	-	-	171,209	-
Non-instructional services:					
Extracurricular activities	10,749	1,312	122,492	-	-
Total expenditures	<u>112,997</u>	<u>10,152</u>	<u>129,549</u>	<u>171,209</u>	<u>1,288,102</u>
Excess of revenues over (under) expenditures	13,722	8,529	(249)	(68,528)	4,821
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	13,722	8,529	(249)	(68,528)	4,821
Fund balance, beginning of year	49,475	17,792	5,097	77,386	246,008
Fund balance, end of year	<u>\$ 63,197</u>	<u>26,321</u>	<u>4,848</u>	<u>8,858</u>	<u>250,829</u>

<u>Educational Management Information Systems</u>	<u>K-12 Network Subsidy</u>	<u>E-Tech Professional Development</u>	<u>Ohio Reads Grant</u>	<u>High Schools that Work</u>	<u>Misc. State Grants</u>
-	-	-	-	-	-
8,268	18,000	3,300	110,100	28,500	150,138
-	-	-	-	-	-
<u>8,268</u>	<u>18,000</u>	<u>3,300</u>	<u>110,100</u>	<u>28,500</u>	<u>150,138</u>
-	-	-	46,045	3,637	15,492
-	-	-	-	-	6,355
-	-	-	-	-	-
-	-	-	-	-	-
-	-	5,737	18,968	11,652	-
-	-	-	10,155	-	-
-	-	-	-	-	807
-	-	-	-	-	-
64,708	18,000	-	-	-	-
-	-	-	9,333	-	126,280
-	-	-	-	-	-
<u>64,708</u>	<u>18,000</u>	<u>5,737</u>	<u>84,501</u>	<u>15,289</u>	<u>148,934</u>
(56,440)	-	(2,437)	25,599	13,211	1,204
<u>43,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>43,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(13,340)	-	(2,437)	25,599	13,211	1,204
<u>6,120</u>	<u>-</u>	<u>2,437</u>	<u>(3,246)</u>	<u>(6,391)</u>	<u>816</u>
<u>(7,220)</u>	<u>-</u>	<u>-</u>	<u>22,353</u>	<u>6,820</u>	<u>2,020</u>

(Continued)

NORWOOD CITY SCHOOL DISTRICT, OHIO

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

All Nonmajor Special Revenue Funds

Year Ended June 30, 2006

	E-rate	Title VIB	Career Development	Title III	Title I
Revenues:					
Interest	-	-	-	-	-
Intergovernmental	-	620,821	7,599	31,120	481,977
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>620,821</u>	<u>7,599</u>	<u>31,120</u>	<u>481,977</u>
Expenditures:					
Current:					
Instruction:					
Regular	5,282	-	-	-	-
Special	-	181,496	-	16,812	434,693
Other	-	-	-	-	-
Support services:					
Pupil	-	319,206	5,821	-	-
Instructional staff	-	33,808	-	500	50,457
School administration	-	36,657	-	-	-
Operations and maintenance	-	-	-	-	-
Pupil transportation	-	-	2,405	-	-
Central	-	-	-	-	-
Community services	-	10,797	-	-	12,269
Non-instructional services:					
Extracurricular activities	-	-	-	-	-
Total expenditures	<u>5,282</u>	<u>581,964</u>	<u>8,226</u>	<u>17,312</u>	<u>497,419</u>
Excess of revenues over (under) expenditures	(5,282)	38,857	(627)	13,808	(15,442)
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(5,282)	38,857	(627)	13,808	(15,442)
Fund balance, beginning of year	8,428	3,565	1,043	(9,710)	21,149
Fund balance, end of year	<u>\$ 3,146</u>	<u>42,422</u>	<u>416</u>	<u>4,098</u>	<u>5,707</u>

<u>Title V</u>	<u>Drug Free Schools</u>	<u>Preschool</u>	<u>Title II-A</u>	<u>Misc. Federal Grants</u>	<u>Special Revenue</u>	<u>Entry Year Teachers</u>	<u>TOTAL</u>
-	-	-	-	-	2,238	-	2,583
4,150	12,913	16,081	191,839	5,694	-	10,100	3,095,859
-	-	-	-	-	2,500	-	277,200
<u>4,150</u>	<u>12,913</u>	<u>16,081</u>	<u>191,839</u>	<u>5,694</u>	<u>4,738</u>	<u>10,100</u>	<u>3,375,642</u>
-	649	-	119,785	3,050	1,020	-	1,458,785
-	-	-	35,463	-	-	-	746,671
3,803	-	-	-	-	-	-	3,803
-	-	16,385	-	-	1,225	-	345,847
-	15,173	-	5,004	850	-	10,100	210,111
-	-	-	-	-	-	-	46,812
-	-	-	-	-	-	-	8,334
-	-	-	-	-	-	-	2,405
-	-	-	-	-	-	-	82,708
365	-	-	-	-	-	-	332,224
-	-	-	-	-	-	-	134,553
<u>4,168</u>	<u>15,822</u>	<u>16,385</u>	<u>160,252</u>	<u>3,900</u>	<u>2,245</u>	<u>10,100</u>	<u>3,372,253</u>
(18)	(2,909)	(304)	31,587	1,794	2,493	-	3,389
-	-	-	-	-	-	-	43,100
-	-	-	-	-	-	-	43,100
(18)	(2,909)	(304)	31,587	1,794	2,493	-	46,489
200	4,553	(89)	(31,504)	(1,293)	21,920	-	413,756
<u>182</u>	<u>1,644</u>	<u>(393)</u>	<u>83</u>	<u>501</u>	<u>24,413</u>	<u>-</u>	<u>460,245</u>

NORWOOD CITY SCHOOL DISTRICT, OHIO
Combining Statement of Changes in Fiduciary Assets
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	\$ 20,427	104,895	108,561	16,761
Liabilities:				
Due to student groups	20,427	104,895	108,561	16,761
<hr/>				
EMPLOYEE INSURANCE ROTARY				
Assets:				
Equity in pooled cash and investments	262,856	2,855,219	3,092,178	25,897
Liabilities:				
Due to others	262,856	2,855,219	3,092,178	25,897
<hr/>				
TOTAL				
Assets:				
Equity in pooled cash and investments	283,283	2,960,114	3,200,739	42,658
Liabilities:				
Due to others	262,856	2,855,219	3,092,178	25,897
Due to student groups	20,427	104,895	108,561	16,761
\$	283,283	2,960,114	3,200,739	42,658

**INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP BASIS) AND ACTUAL**

NORWOOD 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:			
From local sources:			
Classroom materials and fees	\$ 73,864	73,864	-
Other local revenues	<u>56,844</u>	<u>56,844</u>	<u>-</u>
Total revenues	<u>130,708</u>	<u>130,708</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	102,986	63,921	39,065
Special	30,000	28,296	1,704
Other instruction	300	-	300
Support Services:			
Pupils	4,336	3,210	1,126
Instructional staff	12,544	9,453	3,091
Community services	5,536	2,971	2,565
Extracurricular activities	<u>19,287</u>	<u>10,749</u>	<u>8,538</u>
Total expenditures	<u>174,989</u>	<u>118,600</u>	<u>56,389</u>
Excess of revenues over (under) expenditures	(44,281)	12,108	56,389
Other financing sources:			
Other financing source	<u>1,900</u>	<u>1,898</u>	<u>(2)</u>
Total other financing sources (uses)	<u>1,900</u>	<u>1,898</u>	<u>(2)</u>
Net change in fund balance	(42,381)	14,006	56,387
Fund balance, beginning of year	42,381	42,381	
Prior year encumbrances appropriated	<u>1,851</u>	<u>1,851</u>	
Fund balance, end of year	\$ <u>1,851</u>	<u>58,238</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budget Basis)
 Local Grant Fund
 Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Other local revenues	\$ 18,680	18,680	-
Total revenues	<u>18,680</u>	<u>18,680</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	4,522	2,247	2,275
Support Services:			
Pupils	11	-	11
Instructional staff	24,416	6,594	17,822
Operation and maintenance of plant	5,500	1,008	4,492
Extracurricular activities	2,000	1,312	688
Total expenditures	<u>36,449</u>	<u>11,161</u>	<u>25,288</u>
Net change in fund balance	(17,769)	7,519	25,288
Fund balance, beginning of year	17,768	17,768	
Prior year encumbrances appropriated	<u>24</u>	<u>24</u>	
Fund balance, end of year	\$ <u>23</u>	<u>25,311</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis)
District Managed Student Activity
Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
From local sources:			
Other local revenues	\$ 129,333	129,333	-
Total revenues	<u>129,333</u>	<u>129,333</u>	<u>-</u>
Expenditures:			
Current:			
Support Services:			
Operation and maintenance - plant	7,057	7,057	-
Extracurricular activities	<u>136,008</u>	<u>122,699</u>	<u>13,309</u>
Total expenditures	<u>143,065</u>	<u>129,756</u>	<u>13,309</u>
Excess of revenues over (under) expenditures	(13,732)	(423)	13,309
Other financing sources:			
Advances in	28,244	28,244	-
Advances out	<u>(33,203)</u>	<u>(33,203)</u>	<u>-</u>
Total other financing (uses)	<u>(4,959)</u>	<u>(4,959)</u>	<u>-</u>
Net change in fund balance	(18,691)	(5,382)	13,309
Fund balance, beginning of year	18,691	18,691	
Prior year encumbrances appropriated	<u>1,572</u>	<u>1,572</u>	
Fund balance, end of year	\$ <u>1,572</u>	<u>14,881</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO
Schedule 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:			
Interest	\$ 345	345	-
Intergovernmental	<u>102,336</u>	<u>102,336</u>	<u>-</u>
Total revenues	<u>102,681</u>	<u>102,681</u>	<u>-</u>
Expenditures:			
Current:			
Community services	<u>103,811</u>	<u>102,825</u>	<u>986</u>
Total expenditures	<u>103,811</u>	<u>102,825</u>	<u>986</u>
Excess of revenues over (under) expenditures	(1,130)	(144)	986
Other financing sources (uses):			
Advances in	1,022	1,022	-
Advances out	(1,022)	(1,022)	-
Other financing uses	<u>(7,011)</u>	<u>(69,220)</u>	<u>(62,209)</u>
Total other financing sources (uses)	<u>(7,011)</u>	<u>(69,220)</u>	<u>(62,209)</u>
Net change in fund balance	(8,141)	(69,364)	(61,223)
Fund balance, beginning of year	8,141	8,141	
Prior year encumbrances appropriated	<u>69,409</u>	<u>69,409</u>	
Fund balance, end of year	\$ <u>69,409</u>	<u>8,186</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Poverty Based Assistance

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 1,292,924	1,292,923	(1)
Total revenues	<u>1,292,924</u>	<u>1,292,923</u>	<u>(1)</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,220,251	1,188,253	31,998
Special	43,555	43,555	-
Support services:			
Instructional Staf	424,992	41,816	383,176
Operation & Maintenance	470	470	-
Total expenditures	<u>1,689,268</u>	<u>1,274,094</u>	<u>415,174</u>
Excess of revenues over (under) expenditures	(396,344)	18,829	415,173
Fund balance, beginning of year	396,344	396,344	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>415,173</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budget Basis)
 Educational Management Information Systems Fund
 Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 8,268	8,268	-
Total revenues	<u>8,268</u>	<u>8,268</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Central	<u>62,934</u>	<u>62,538</u>	<u>396</u>
Total expenditures	<u>62,934</u>	<u>62,538</u>	<u>396</u>
Excess of revenues over (under) expenditures	(54,666)	(54,270)	396
Other financing sources (uses):			
Transfers in	<u>43,100</u>	<u>43,100</u>	<u>-</u>
Net change in fund balance	(11,566)	(11,170)	396
Fund balance, beginning of year	11,567	11,567	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>1</u>	<u>397</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budget Basis)
 K-12 Network Subsidy Fund
 Year Ended June 30, 2007

	Final Budget	Actual	Variance from Final Budget
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	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budget Basis)
 Etech Professional Development Fund
 Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 3,300	3,300	-
Total revenues	<u>3,300</u>	<u>3,300</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	<u>5,737</u>	<u>5,737</u>	<u>-</u>
Total expenditures	<u>5,737</u>	<u>5,737</u>	<u>-</u>
Net change in fund balance	(2,437)	(2,437)	-
Fund balance, beginning of year	2,437	2,437	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Ohio Reads Grant Fund

Year Ended June 30, 2007

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 110,100	110,100	-
Total revenues	<u>110,100</u>	<u>110,100</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	66,082	50,585	15,497
Support services:			
Instructional staff	28,750	28,534	216
Administration	20,000	10,155	9,845
Community services	12,127	9,952	2,175
Total expenditures	<u>126,959</u>	<u>99,226</u>	<u>27,733</u>
Excess of revenues over (under) expenditures	(16,859)	10,874	27,733
Other financing sources:			
Advances out	(37,832)	(37,832)	-
Advances in	15,372	15,732	360
Total other financing sources	<u>(22,460)</u>	<u>(22,100)</u>	<u>360</u>
Net change in fund balance	(39,319)	(11,226)	28,093
Fund balance, beginning of year	1,127	1,127	
Prior year encumbrances appropriated	<u>21,684</u>	<u>21,684</u>	
Fund balance, end of year	\$ <u>(16,508)</u>	<u>11,585</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis)
High Schools that Work Fund
Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 28,500	28,500	-
Total revenues	<u>28,500</u>	<u>28,500</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	5,658	3,637	2,021
Support services:			
Instructional staff	<u>13,250</u>	<u>14,154</u>	<u>(904)</u>
Total expenditures	<u>18,908</u>	<u>17,791</u>	<u>1,117</u>
Excess of revenues over (under) expenditures	9,592	10,709	1,117
Other financing sources (uses):			
Advances in	1,199	1,199	-
Advances out	<u>(9,792)</u>	<u>(9,792)</u>	<u>-</u>
Total other financing sources (uses)	<u>(8,593)</u>	<u>(8,593)</u>	<u>-</u>
Net change in fund balance	999	2,116	1,117
Fund balance, beginning of year	(1,000)	(1,000)	
Prior year encumbrances appropriated	<u>3,902</u>	<u>3,902</u>	
Fund balance, end of year	\$ <u>3,901</u>	<u>5,018</u>	

NORWOOD 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	\$ 202,111	49,261	(152,850)
Total revenues	<u>202,111</u>	<u>49,261</u>	<u>(152,850)</u>
Expenditures:			
Current:			
Instruction:			
Regular	15,492	15,492	-
Special	6,355	6,355	-
Support services:			
Operation and maintenance - plant	807	807	-
Community services	128,281	126,281	2,000
Total expenditures	<u>150,935</u>	<u>148,935</u>	<u>2,000</u>
Excess of revenues over (under) expenditures	<u>51,176</u>	<u>(99,674)</u>	<u>(150,850)</u>
Other financing sources (uses):			
Advances in	17,677	170,527	152,850
Advances out	<u>(69,669)</u>	<u>(69,669)</u>	<u>-</u>
Total other financing sources (uses)	<u>(51,992)</u>	<u>100,858</u>	<u>152,850</u>
Net change in fund balance	(816)	1,184	2,000
Fund balance, beginning of year	816	816	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>2,000</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budget Basis)
 Erate Fund
 Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Other local revenues	\$ -	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Instruction			
Regular	<u>8,428</u>	<u>5,282</u>	<u>3,146</u>
Total expenditures	<u>8,428</u>	<u>5,282</u>	<u>3,146</u>
Net change in fund balance	(8,428)	(5,282)	3,146
Fund balance, beginning of year	8,428	8,428	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>3,146</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Title VI-B Fund

Year Ended June 30, 2007

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 606,350	606,350	-
Total revenues	<u>606,350</u>	<u>606,350</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special	179,490	179,490	-
Support Services:			
Pupils	325,265	325,265	-
Instructional staff	30,088	30,088	-
Administration	36,656	36,656	-
Pupil transportation	-	-	-
Community services	10,797	10,797	-
Total expenditures	<u>582,296</u>	<u>582,296</u>	<u>-</u>
Excess of revenues over (under) expenditures	24,054	24,054	-
Other financing sources (uses):			
Advances in	52,679	52,679	-
Advances out	<u>(52,679)</u>	<u>(52,679)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	24,054	24,054	-
Fund balance, beginning of year	53,690	53,690	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>77,744</u>	<u>77,744</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis)
Career Development Fund
Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 7,599	7,599	-
Total revenues	<u>7,599</u>	<u>7,599</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	893	-	893
Support Services:			
Pupils	5,608	6,091	(483)
Pupil transportation	1,990	2,404	(414)
Total expenditures	<u>8,491</u>	<u>8,495</u>	<u>(4)</u>
Excess of revenues over expenditures	(892)	(896)	(4)
Other financing sources (uses):			
Advances in	32	32	-
Advances out	(32)	(32)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(892)	(896)	(4)
Fund balance, beginning of year	893	893	
Prior year encumbrances appropriated	<u>150</u>	<u>150</u>	
Fund balance, end of year	\$ <u>151</u>	<u>147</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Title III

Year Ended June 30, 2007

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 27,554	27,554	-
Total revenues	<u>27,554</u>	<u>27,554</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special	28,574	28,574	-
Support Services:			
Instructional staff	500	500	-
Total expenditures	<u>29,074</u>	<u>29,074</u>	<u>-</u>
Excess of revenues over (under) expenditures	(1,520)	(1,520)	-
Other financing sources (uses):			
Advances in	6,995	6,995	-
Advances ou	<u>(6,995)</u>	<u>(6,995)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,520)	(1,520)	-
Fund balance, beginning of year	2,613	2,613	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>1,093</u>	<u>1,093</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Title I

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 425,660	425,660	-
Total revenues	<u>425,660</u>	<u>425,660</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special	471,875	476,482	(4,607)
Support Services:			
Instructional staff	51,882	49,864	2,018
Community services	<u>17,999</u>	<u>15,560</u>	<u>2,439</u>
Total expenditures	<u>541,756</u>	<u>541,906</u>	<u>(150)</u>
Excess of revenues over expenditures	(116,096)	(116,246)	(150)
Other financing sources (uses):			
Transfers in	2,479	2,479	-
Transfers out	(2,479)	(2,479)	-
Advances in	62,085	62,085	-
Advances out	<u>(28,757)</u>	<u>(28,757)</u>	<u>-</u>
Total other financing sources (uses)	<u>33,328</u>	<u>33,328</u>	<u>-</u>
Net change in fund balance	(82,768)	(82,918)	(150)
Fund balance, beginning of year	82,768	82,768	
Prior year encumbrances appropriated	<u>150</u>	<u>150</u>	
Fund balance, end of year	\$ <u>150</u>	<u>-</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budget Basis)
Title V Fund
Year Ended June 30, 2007

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 4,150	4,150	-
Total revenues	<u>4,150</u>	<u>4,150</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Other	3,909	3,909	-
Community services	283	364	(81)
Total expenditures	<u>4,192</u>	<u>4,273</u>	<u>(81)</u>
Excess of revenues over (under) expenditures	<u>(42)</u>	<u>(123)</u>	<u>(81)</u>
Other financing sources (uses):			
Advances in	7,489	7,489	-
Advances out	<u>(7,489)</u>	<u>(7,489)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(42)	(123)	(81)
Fund balance, beginning of year	42	42	
Prior year encumbrances appropriated	<u>264</u>	<u>264</u>	
Fund balance, end of year	\$ <u>264</u>	<u>183</u>	

NORWOOD 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	\$ 12,914	12,914	-
Total revenues	<u>12,914</u>	<u>12,914</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	649	649	-
Support Services:			
Instructional staff	<u>12,525</u>	<u>15,173</u>	<u>(2,648)</u>
Total expenditures	<u>13,174</u>	<u>15,822</u>	<u>(2,648)</u>
Excess of revenues over (under) expenditures	(260)	(2,908)	(2,648)
Other financing sources:			
Advances in	702	702	-
Advances out	<u>(702)</u>	<u>(702)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(260)	(2,908)	(2,648)
Fund balance, beginning of year	260	260	
Prior year encumbrances appropriated	<u>4,294</u>	<u>4,294</u>	
Fund balance, end of year	\$ <u>4,294</u>	<u>1,646</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budget Basis)
 Preschool Fund
 Year Ended June 30, 2007

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 16,081	16,081	-
Total revenues	<u>16,081</u>	<u>16,081</u>	<u>-</u>
Expenditures:			
Current:			
Support Services:			
Pupil	18,571	16,313	2,258
Total expenditures	<u>18,571</u>	<u>16,313</u>	<u>2,258</u>
Excess of revenues over (under) expenditures	(2,490)	(232)	2,258
Other financing sources (uses):			
Advances in	1,972	1,972	-
Advances out	<u>(1,972)</u>	<u>(1,972)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(2,490)	(232)	2,258
Fund balance, beginning of year	2,490	2,490	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>2,258</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budget Basis)
 Title II-A Fund
 Year Ended June 30, 2007

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 179,739	179,739	-
Total revenues	<u>179,739</u>	<u>179,739</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	124,881	124,881	-
Special	34,673	34,673	-
Support services:			
Instructional staff	<u>5,005</u>	<u>5,364</u>	<u>(359)</u>
Total expenditures	<u>164,559</u>	<u>164,918</u>	<u>(359)</u>
Excess of revenues over (under) expenditures	15,180	14,821	(359)
Other financing sources (uses):			
Advances in	56,969	56,969	-
Advances out	<u>(64,840)</u>	<u>(64,840)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,871)</u>	<u>(7,871)</u>	<u>-</u>
Net change in fund balance	7,309	6,950	(359)
Fund balance, beginning of year	201	201	
Prior year encumbrances appropriated	<u>359</u>	<u>359</u>	
Fund balance, end of year	\$ <u>7,869</u>	<u>7,510</u>	

NORWOOD 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	\$ 3,085	3,085	-
Total revenues	<u>3,085</u>	<u>3,085</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	3,050	3,050	-
Support services:			
Instructional staff	-	850	(850)
Community services	250	-	250
Total expenditures	<u>3,300</u>	<u>3,900</u>	<u>(600)</u>
Excess of revenues over (under) expenditures	(215)	(815)	(600)
Other financing sources (uses):			
Advances in	2,107	2,107	-
Advances out	<u>(2,324)</u>	<u>(2,324)</u>	<u>-</u>
Total other financing sources (uses)	<u>(217)</u>	<u>(217)</u>	<u>-</u>
Net change in fund balance	(432)	(1,032)	(600)
Fund balance, beginning of year	432	432	
Prior year encumbrances appropriated	<u>600</u>	<u>600</u>	
Fund balance, end of year	\$ <u>600</u>	<u>-</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Budget Basis)
 Special Revenue Fund
 Year Ended June 30, 2007

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other local revenue	\$ 4,738	4,738	-
Total revenues	<u>4,738</u>	<u>4,738</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	25,433	1,020	24,413
Support services:			
Pupil	<u>1,225</u>	<u>1,225</u>	<u>-</u>
Total expenditures	<u>26,658</u>	<u>2,245</u>	<u>24,413</u>
Net change in fund balance	(21,920)	2,493	24,413
Fund balance, beginning of year	19,970	19,970	
Prior year encumbrances appropriated	<u>1,950</u>	<u>1,950</u>	
Fund balance, end of year	\$ <u>-</u>	<u>24,413</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Entry Year Teachers Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ -	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	10,100	10,100	-
Total expenditures	<u>10,100</u>	<u>10,100</u>	<u>-</u>
Excess of revenues over (under) expenditures	(10,100)	(10,100)	-
Other financing sources:			
Advances in	10,600	10,600	-
Advances out	<u>-</u>	<u>(500)</u>	<u>500</u>
Total other financing sources	<u>10,600</u>	<u>10,100</u>	<u>500</u>
Net change in fund balance	500	-	500
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>500</u>	<u>-</u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Capital Projects Fund

Year Ended June 30, 2007

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Earnings on investments	\$ 164,818	164,818	-
Total revenues	<u>164,818</u>	<u>164,818</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	1,981	1,981	-
Support services:			
Administration	6,058	6,058	
Operation and maintenance of plant	213,456	206,301	7,155
Facilities acquisition and construction	572,818	546,130	26,688
Total expenditures	<u>794,313</u>	<u>760,470</u>	<u>33,843</u>
Excess of revenues over (under) expenditures	(629,495)	(595,652)	33,843
Other financing sources:			
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balance	(604,495)	(570,652)	33,843
Fund balance, beginning of year	1,265,667	1,265,667	
Prior year encumbrances appropriated	<u>169,604</u>	<u>169,604</u>	
Fund balance, end of year	\$ <u><u>830,776</u></u>	<u><u>864,619</u></u>	

NORWOOD CITY SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Budget Basis)

Permanent Fund

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Earnings on investments	\$ 4,241	4,241	-
Total revenues	<u>4,241</u>	<u>4,241</u>	<u>-</u>
Expenditures:			
Current:			
Community services	<u>7,021</u>	-	<u>7,021</u>
Total expenditures	<u>7,021</u>	<u>-</u>	<u>7,021</u>
Excess of revenues over expenditures	<u>(2,780)</u>	<u>4,241</u>	<u>7,021</u>
Other financing sources:			
Other financing sources	<u>2,185</u>	<u>2,185</u>	<u>-</u>
Total other financing sources	<u>2,185</u>	<u>2,185</u>	<u>-</u>
Net change in fund balance	(595)	6,426	7,021
Fund balance, beginning of year	76,330	76,330	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>75,735</u></u>	<u><u>82,756</u></u>	

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Statistical Section

This part of Local School 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 School District's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	83-88
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).	89-95
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.	96-99
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.	100-101
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.	102-110

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.

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

TABLE 1

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Invested in Capital Assets, Net of Related Debt	\$1,881,692	\$2,118,790	\$2,050,568	\$2,401,750	\$2,452,560
Restricted for:					
Capital Projects	2,196,638	1,711,890	1,707,357	1,440,002	1,126,771
Debt Service	0	0	0	0	0
Set Asides	0	0	0	0	0
Other Purposes	44,827	65,404	92,920	357,819	400,431
Scholarships					
Nonexpendable	70,000	70,000	70,000	70,000	70,000
Expendable	5,110	5,869	5,632	6,658	13,116
Unrestricted (Deficit)	<u>7,327,268</u>	<u>6,537,753</u>	<u>7,112,752</u>	<u>6,497,507</u>	<u>6,395,299</u>
Total Net Assets	<u><u>\$11,525,535</u></u>	<u><u>\$10,509,706</u></u>	<u><u>\$11,039,229</u></u>	<u><u>\$10,773,736</u></u>	<u><u>\$10,458,177</u></u>

Norwood City School District, Ohio
Changes in Net Assets of Governmental Activities
Last Five Fiscal Years
(accrual basis of accounting)

For a school district with no business-type activities

TABLE 2

	2003	2004	2005	2006	2007
Expenses					
Instruction	\$15,026,351	\$14,895,705	\$16,463,319	\$16,209,725	\$16,441,463
Pupil Support	1,535,738	1,418,782	1,562,969	1,664,399	1,565,186
Instructional Staff Support	1,505,140	1,435,265	1,506,496	1,430,967	1,435,336
Board of Education	33,960	34,641	42,542	18,167	26,879
Administration	1,772,971	2,078,777	1,899,765	1,909,164	2,007,053
Fiscal	583,667	675,922	624,657	650,547	625,640
Operation and Maintenance of Plant	2,502,737	2,763,796	2,880,753	2,719,032	2,783,829
Pupil Transportation	122,635	285,865	401,789	393,358	401,229
Central	593,327	481,557	396,397	383,932	355,659
Operation of Food Services	1,352,092	1,150,679	1,147,156	1,223,724	1,266,511
Non-instructional services	1,476,709	1,018,385	883,659	860,879	928,336
Interest and Fiscal Charges	78,355	225,139	241,229	233,251	224,741
<i>Total Expenses</i>	<u>26,583,682</u>	<u>26,464,513</u>	<u>28,050,731</u>	<u>27,697,145</u>	<u>28,061,862</u>
Program Revenues					
Charges for Services and Sales	\$810,048	\$638,712	\$553,288	585,997	605,724
Operating Grants and Contributions	3,383,164	3,211,099	3,465,770	3,835,786	3,957,814
Capital grants and contributions			24,150	0	0
<i>Total Program Revenues</i>	<u>4,193,212</u>	<u>3,849,811</u>	<u>4,043,208</u>	<u>4,421,783</u>	<u>4,563,538</u>
Net Expense	<u>(\$22,390,470)</u>	<u>(\$22,614,702)</u>	<u>(\$24,007,523)</u>	<u>(\$23,275,362)</u>	<u>(\$23,498,324)</u>

(continued)

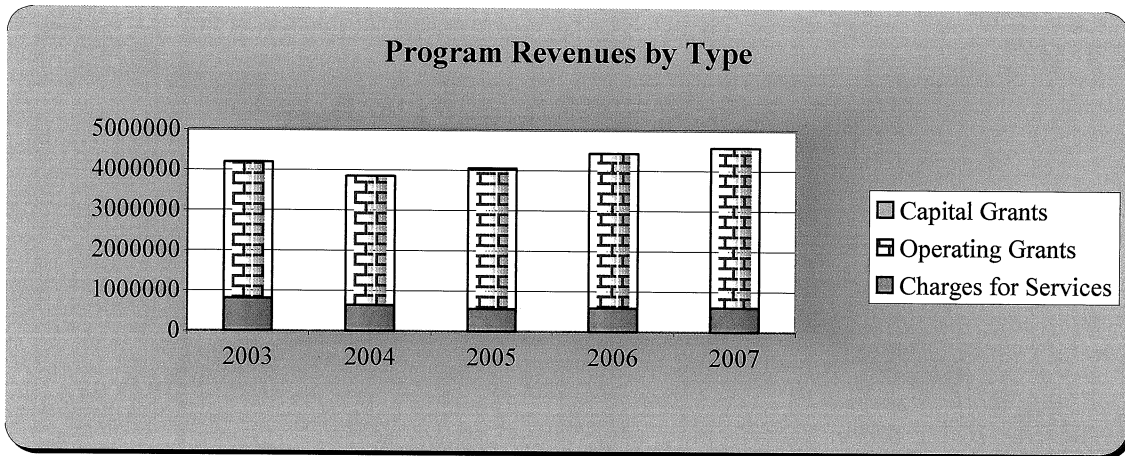
Norwood City School District, Ohio
Changes in Net Assets of Governmental Activities (continued)
Last Five Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007
General Revenues					
Property Taxes Levied for:					
General Purposes	\$13,287,060	\$12,039,610	\$15,182,526	\$13,746,864	\$12,986,172
Grants and Entitlements not					
Restricted to Specific Programs	8,729,398	9,075,443	8,687,111	8,294,393	9,156,400
Revenue in lieu of taxes	-	-	-	-	184,814
Investment Earnings	269,923	201,007	384,816	534,763	684,024
Miscellaneous	290,366	282,813	282,593	433,849	149,435
Total General Revenues	22,576,747	21,598,873	24,537,046	23,009,869	23,160,845
Change in Net Assets	\$186,277	(\$1,015,829)	\$529,523	(\$265,493)	(\$337,479)

Norwood City School District, Ohio
Program Revenues of Governmental Activities by Function
Last Five Fiscal Years
(accrual basis of accounting)

TABLE 3

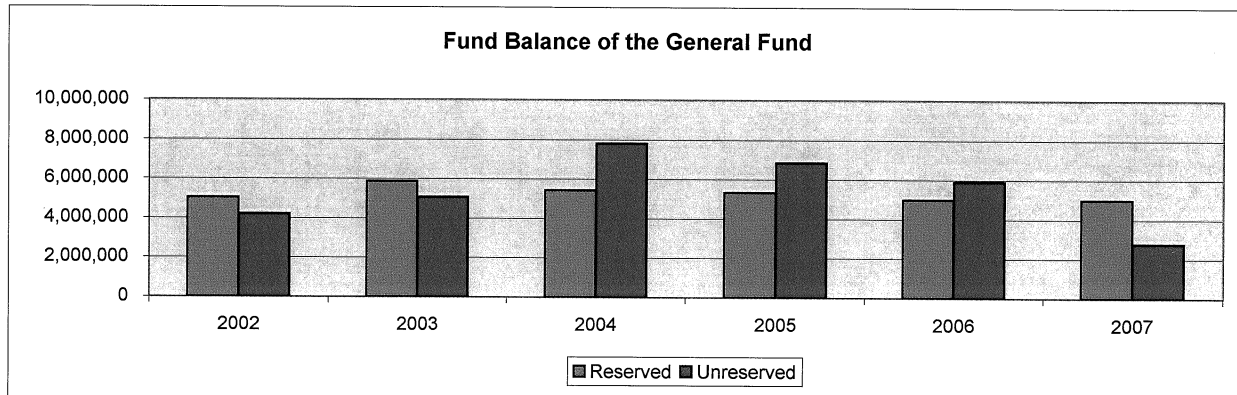
<i>Governmental Activities</i>	2003	2004	2005	2006	2007
<i>Function</i>					
Instruction	\$2,030,635	\$1,897,209	\$1,714,797	\$1,002,261	\$2,184,312
Support services	686,038	440,868	715,895	1,832,179	680,710
Non-instructional services	337,337	378,085	335,297	320,542	436,298
Food service	1,139,202	1,133,649	1,277,219	1,266,801	1,262,218
<i>Total Program Revenues</i>	<u>\$4,193,212</u>	<u>\$3,849,811</u>	<u>\$4,043,208</u>	<u>\$4,421,783</u>	<u>\$4,563,538</u>



Norwood City School District, Ohio
Fund Balances, Governmental Funds
Last Six Fiscal Years
(modified accrual basis of accounting)

TABLE 4

	2002	2003	2004	2005	2006	2007
General Fund						
Reserved	\$3,547,244	\$5,126,637	\$5,115,748	\$5,157,154	\$4,750,449	\$4,721,007
Unreserved	3,479,979	3,410,042	6,228,419	5,016,412	4,263,467	1,388,346
<i>Total General Fund</i>	<u>7,027,223</u>	<u>8,536,679</u>	<u>11,344,167</u>	<u>10,173,566</u>	<u>9,013,916</u>	<u>6,109,353</u>
All Other Governmental Funds						
Reserved	1,499,098	748,447	322,883	183,217	241,935	278,525
Unreserved, Undesignated, Reported in:						
Special Revenue Funds	575,541	(4,782)	(23,777)	222,708	294,805	440,004
Debt Service Funds	-	-	-	-	-	-
Capital Projects Funds	83,204	1,591,518	1,531,980	1,544,339	1,270,398	868,487
Permanent Funds	73,577	75,110	75,869	75,632	76,658	83,116
<i>Total All Other Governmental Funds</i>	<u>2,231,420</u>	<u>2,410,293</u>	<u>1,906,955</u>	<u>2,025,896</u>	<u>1,883,796</u>	<u>1,670,132</u>
<i>Total Governmental Funds</i>	<u>\$9,258,643</u>	<u>\$10,946,972</u>	<u>\$13,251,122</u>	<u>\$12,199,462</u>	<u>\$10,897,712</u>	<u>\$7,779,485</u>



Norwood City School District, Ohio
Changes in Fund Balances, Governmental Funds
Last Six Years
(modified accrual basis of accounting)

TABLE 5

	2002	2003	2004	2005	2006	2007
Revenues						
Property and Other Local Taxes	12,739,569	14,153,575	11,339,509	14,994,170	13,412,321	12,986,172
Intergovernmental	13,378,774	12,791,145	12,149,669	12,311,320	12,065,187	13,122,000
Interest	645,949	270,538	192,356	387,927	537,876	660,689
Tuition and Fees	84,782	49,484	52,609	71,978	61,599	71,119
Charges for Services	501,696	478,813	441,319	387,748	393,600	405,305
Revenue in lieu of taxes	-	-	-	-	-	184,814
Other local revenues	1,621,263	572,117	471,838	340,471	548,942	347,955
<i>Total Revenues</i>	<u>28,972,033</u>	<u>28,315,672</u>	<u>24,647,300</u>	<u>28,493,614</u>	<u>27,019,525</u>	<u>27,778,054</u>
Expenditures						
Current:						
Instruction:						
Regular	10,932,452	11,817,271	11,487,611	12,357,818	12,102,681	12,684,843
Special	2,702,515	2,879,853	2,756,964	3,310,763	3,145,904	3,099,938
Other instruction	390,885	349,878	582,580	702,701	716,768	524,064
Support Services:						
Pupil	1,280,894	1,575,295	1,429,282	1,562,325	1,664,099	1,555,515
Instructional Staff	1,255,052	1,496,177	1,439,812	1,501,872	1,431,074	1,463,680
Board of Education	26,356	33,387	34,068	41,969	17,833	26,545
Administration	1,709,874	1,775,526	2,102,751	1,897,390	1,906,789	1,997,128
Fiscal	587,877	609,128	667,017	622,984	650,547	641,640
Operation and Maintenance of Plant	2,540,635	2,622,099	2,435,344	2,725,936	2,868,923	2,542,403
Pupil Transportation	101,056	122,642	285,865	401,789	393,358	401,229
Central	457,606	627,526	461,363	386,128	383,932	372,216
Operation of Non-Instructional Services	970,037	960,270	377,943	239,337	198,031	339,243
Operation of Food Services	1,156,022	1,294,426	1,164,733	1,144,983	1,216,649	1,259,436
Extracurricular Activities	432,717	477,210	569,821	509,982	548,449	547,290
Capital Outlay	434,191	2,836,993	1,634,857	1,505,120	557,692	368,290
Debt Service:						
Principal Retirement	0	69,000	252,000	292,000	301,000	2,870,000
Interest and Fiscal Charges	0	78,355	225,139	241,229	233,251	224,741
<i>Total Expenditures</i>	<u>24,978,169</u>	<u>29,625,036</u>	<u>27,907,150</u>	<u>29,444,326</u>	<u>28,336,980</u>	<u>30,918,201</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,993,864</u>	<u>(1,309,364)</u>	<u>(3,259,850)</u>	<u>(950,712)</u>	<u>(1,317,455)</u>	<u>(3,140,147)</u>
Other Financing Sources (Uses)						
Sale of Capital Assets	3,000	0	0	36,644	15,705	0
Inception of Capital Lease	0	2,997,693	5,564,000	0	0	0
Transfers In	125,000	135,000	208,232	146,350	65,000	68,100
Transfers Out	(125,000)	(135,000)	(208,232)	(146,350)	(65,000)	(68,100)
<i>Total Other Financing Sources (Uses)</i>	<u>3,000</u>	<u>2,997,693</u>	<u>5,564,000</u>	<u>36,644</u>	<u>15,705</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$3,996,864</u>	<u>\$1,688,329</u>	<u>\$2,304,150</u>	<u>(\$914,068)</u>	<u>(\$1,301,750)</u>	<u>(\$3,140,147)</u>
Debt Service as a Percentage of						
Noncapital Expenditures	0.0%	0.6%	1.8%	1.9%	1.9%	10.1%

Norwood City School District, Ohio
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

TABLE 6

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
1998	131,590,600	80,053,040	604,696,114	18,816,890	27,096,322
1999	131,605,860	80,591,360	606,277,771	18,483,600	26,616,384
2000	154,550,920	85,731,590	686,521,457	18,178,810	26,177,486
2001	153,440,590	94,500,770	708,403,886	16,167,600	23,281,344
2002	153,266,950	110,251,830	752,910,800	14,749,910	21,239,870
2003	181,093,300	114,303,360	843,990,457	15,828,170	22,792,565
2004	179,894,970	115,415,150	843,743,200	16,342,550	23,533,272
2005	179,991,580	116,656,750	847,566,657	16,407,440	23,626,717
2006	228,729,760	123,981,550	1,007,746,600	16,924,950	24,373,488
2007	223,253,060	124,391,280	993,269,543	16,081,240	23,158,468

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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 machinery and equipment and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source: Office of the County Auditor, Hamilton County, Ohio

Tangible Personal Property				
General Business		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
59,576,640	\$238,306,560	290,037,170	870,098,996	33.33%
60,868,750	\$243,475,000	291,549,570	876,369,155	33.27%
63,305,930	\$253,223,720	321,767,250	965,922,663	33.31%
62,575,880	\$250,303,520	326,684,840	981,988,750	33.27%
67,012,950	\$279,220,625	345,281,640	1,053,371,295	32.78%
67,908,560	\$282,952,333	379,133,390	1,149,735,355	32.98%
57,716,820	\$240,486,750	369,369,490	1,107,763,222	33.34%
58,496,940	\$243,737,250	371,552,710	1,114,930,624	33.33%
57,937,250	\$231,749,000	427,573,510	1,263,869,088	33.83%
27,544,258	\$110,177,032	391,269,838	1,126,605,043	34.73%

Norwood City School District, Ohio
Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Years

TABLE 7

Tax year Collection	Norwood City School District	Hamilton County	City of Norwood	Great Oaks Joint Vocational School	Total
1998	\$48.82	\$19.01	\$11.40	\$2.70	\$81.93
1999	48.57	19.54	11.40	2.70	82.21
2000	52.80	20.83	11.40	2.70	87.73
2001	52.95	21.47	11.40	2.70	88.52
2002	49.90	21.87	11.40	2.70	85.87
2003	50.96	21.51	11.40	2.70	86.57
2004	51.08	21.06	11.40	2.70	86.24
2005	48.75	20.81	11.40	2.70	83.66
2006	48.77	20.81	11.40	2.70	83.68

Source: Hamilton County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor

Norwood City School District, Ohio
Property Tax Levies and Collections (1)
Last Ten Years

TABLE 8

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
1997	11,002,151	10,617,906	96.51	456,557	11,074,463	100.66
1998	10,900,275	10,594,422	97.19	725,439	11,319,861	103.85
1999	11,012,017	10,702,287	97.19	368,921	11,071,208	100.54
2000	11,587,641	10,812,025	93.31	391,842	11,203,867	96.69
2001	13,486,181	13,049,312	96.76	868,344	13,917,656	103.20
2002	14,196,171	13,571,297	95.60	482,962	14,054,259	99.00
2003	13,838,077	13,660,996	98.72	720,731	14,381,727	103.93
2004	14,166,770	13,520,918	95.44	488,209	14,009,127	98.89
2005	11,924,033	11,534,018	96.73	617,753	12,151,770	101.91
2006	13,931,414	13,135,756	94.29	620,349	13,756,105	98.74

Source: Office of the County Auditor, Hamilton County, Ohio

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.

(2) The 2007 information cannot be presented because all collections have not been made by June 30, 2007.

(3) The County does not identify delinquent tax collections by tax year.

Norwood City School District, Ohio
Principal Taxpayers
Real Estate Tax

TABLE 9

Name of Taxpayer	Assessed Value	Percent of Real Property Assessed Value
Cincinnati Trophy, LLC	\$21,358,200	6.14%
Rookwood Commons LLS	12,129,640	3.49%
Rookwood Pavilion, LTD	10,201,520	2.93%
Rookwood Towers, LLC	5,647,390	1.62%
HK New Plan Exchange	3,977,720	1.14%
Xuprop Company Norwood	2,984,650	0.86%
EM Industries Inc.	1,880,610	0.54%
Brahma Investment Group	1,820,000	0.52%
SS Norwood LLC	1,666,890	0.48%
Brundrett Properties LTD	1,568,160	0.45%
Totals	<u>\$63,234,780</u>	<u>18.19%</u>
Total Assessed Valuation	<u>\$347,644,340</u>	

(1) The amounts presented represent the assessed values upon which 2006 collections were based.

Source: Office of the County Auditor, Hamilton County, Ohio

Norwood City School District, Ohio
Principal Taxpayers
Tangible Personal Property Tax

TABLE 10

Name of Taxpayer	Assessed Value	Percent of Tangible Personal Property Assessed Value
Shepard Chemical Co.	\$5,836,040	21.19%
US Playing Card Company	4,701,050	17.07%
EMD Chemicals Inc.	3,947,110	14.33%
C W Zumbiel Company	3,702,130	13.44%
Smurfit Stone Container Enterprises Inc.	1,989,930	7.22%
United Dairy Farmers Inc.	1,886,290	6.85%
Walgreen Company	717,760	2.61%
Northland Motors Inc.	591,440	2.15%
BCSI Inc.	565,170	2.05%
Aramark Uniform & Apparel Inc.	553,280	2.01%
Total	\$24,490,200	88.91%
Total Assessed Valuation	27,544,258	

(1) The amounts presented represent the assessed values upon which 2006 collections were based.

Source: Office of the County Auditor, Hamilton County, Ohio

Norwood City School District, Ohio

Principal Taxpayers

Public Utilities Tax

TABLE 11

Name of Taxpayer	Assessed Value	Percent of Public Utility Assessed Value
Cincinnati Gas & Electric Company	\$11,508,000	70.68%
Cincinnati Bell Telephone Company	2,831,320	17.39%
Cincinnati Bell Any Distance Inc.	674,920	4.15%
Norfolk Southern Combined RR Subsidiaries	246,960	1.52%
New Par	244,220	1.50%
Time Warner Telecom of Ohio LP	181,500	1.11%
CSX Transportation Inc.	142,010	0.87%
Voicestream Columbus Inc.	134,310	0.82%
Cincinnati Bell Wireless LLC	97,540	0.60%
Sprintcom Inc.	73,900	0.45%
Total	\$16,134,680	99.09%
Total Assessed Valuation	16,282,350	

(1) The amounts presented represent the assessed values upon which 2006 collections were based.

Source: Office of the County Auditor, Hamilton County, Ohio

Norwood City School District, Ohio
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

TABLE 12

Fiscal Year	General Bonded Debt	Captial Leases	Percentage of Personal Income	Debt per Capita
1998	\$ 1,170,000	\$ 130,858	0.50%	\$ 54.95
1999	990,000	91,128	0.41%	45.67
2000	810,000	96,780	0.23%	41.84
2001	810,000	232,148	0.27%	48.08
2002	-	113,664	0.03%	5.24
2003	-	2,979,000	0.76%	137.44
2004	-	8,291,000	2.11%	382.51
2005	-	7,999,000	2.04%	369.04
2006	-	7,698,000	1.96%	355.16
2007	-	4,828,000	1.23%	222.75

Norwood City School District, Ohio
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities*
June 30, 2007

TABLE 13

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Overlapping Debt:			
Payable from Property Taxes			
Hamilton County	\$120,540,100	1.93%	\$2,326,424
Norwood City	\$9,837,541	99.95%	9,832,622
Great Oaks Career Center School District	<u>\$12,265,000</u>	2.04%	<u>250,206</u>
Total Overlapping Debt	\$142,642,641		\$12,409,252
Direct Debt	<u>0</u>	100.00%	<u>0</u>
Total Direct and Overlapping Debt	<u><u>\$142,642,641</u></u>		<u><u>\$12,409,252</u></u>

Source: Ohio Municipal Advisory Council

Norwood City School District, Ohio
Computation of Legal Debt Margin
Last Ten Fiscal Years

TABLE 14

	1998	1999	2000	2001
Tax Valuation	<u>\$290,037,170</u>	<u>\$291,549,570</u>	<u>\$321,767,250</u>	<u>\$326,684,840</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>\$26,103,345</u>	<u>\$26,239,461</u>	<u>\$28,959,053</u>	<u>\$29,401,636</u>
Amount of Debt Applicable to Debt Limit General Obligation Bonds Less Amount Available in Debt Service	<u>1,170,000</u>	<u>990,000</u>	<u>810,000</u>	<u>810,000</u>
Amount of Debt Subject to Limit	<u>1,170,000</u>	<u>990,000</u>	<u>810,000</u>	<u>810,000</u>
Legal Debt Margin	<u>\$24,933,345</u>	<u>\$25,249,461</u>	<u>\$28,149,053</u>	<u>\$28,591,636</u>
Legal Debt Margin as a Percentage of the Debt Limit	95.52%	96.23%	97.20%	97.25%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$290,037	\$291,550	\$321,767	\$326,685
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$290,037</u>	<u>\$291,550</u>	<u>\$321,767</u>	<u>\$326,685</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

Source: Hamilton County Auditor and School District Financial Records

(1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>\$345,281,640</u>	<u>\$379,133,390</u>	<u>\$369,369,490</u>	<u>\$371,552,710</u>	<u>\$427,573,510</u>	<u>\$391,269,838</u>
<u>\$31,075,348</u>	<u>\$34,122,005</u>	<u>\$33,243,254</u>	<u>\$33,439,744</u>	<u>\$38,481,616</u>	<u>\$35,214,285</u>
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$31,075,348</u>	<u>\$34,122,005</u>	<u>\$33,243,254</u>	<u>\$33,439,744</u>	<u>\$38,481,616</u>	<u>\$35,214,285</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$345,282	\$379,133	\$369,369	\$371,553	\$427,574	\$391,270
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$345,282</u>	<u>\$379,133</u>	<u>\$369,369</u>	<u>\$371,553</u>	<u>\$427,574</u>	<u>\$391,270</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Norwood City School District, Ohio
Demographic and Economic Statistics
Last Ten Years

TABLE 15

Year	Population (1)	Personal Income (1) (in thousands)	Per Capita Personal Income	Unemployment Rate (2)
1998	23,674	260,722	11,013	4.50%
1999	23,674	260,722	11,013	4.50%
2000	21,675	392,491	18,108	4.10%
2001	21,675	392,491	18,108	4.30%
2002	21,675	392,491	18,108	5.80%
2003	21,675	392,491	18,108	6.00%
2004	21,675	392,491	18,108	6.00%
2005	21,675	392,491	18,108	6.00%
2006	21,675	392,491	18,108	6.10%
2007	21,675	392,491	18,108	5.40%

Sources: 1) 1990 Census and 2000 Census
2) Ohio Department of Job and Family Services

Norwood City School District, Ohio
Principal Employers

TABLE 16

Employer	Nature of Business	Rank
U.S. Playing Card	Consumer Goods Manufacturing	1
Siemens Automation	Capital Goods	2
Broadwing - Cincinnati Bell Telephone	Communications	3
Zumbiel Box Company	Corrugated Box Manufacturer	4
United Dairy Farmers	Dairy Products Manufacturer	5
Norwood Board of Education	Public School	6
City of Norwood	Municipal Government	7
EM Industries	Chemical Manufacturing	8
Aramark Services	Uniform Supplies and Cleaning	9

Source: City of Norwood

Norwood City School District, Ohio
School District Employees by Function/Program
Last Two Fiscal Years

TABLE 17

Function/Program	2005	2006	2007
Regular Instruction			
Preschool Classroom Teachers	2.00	2.00	2.00
Elementary Classroom Teachers	92.00	90.00	93.00
Middle School Classroom Teachers	26.00	26.00	24.00
High School Classroom Teachers	41.00	40.00	41.00
Special Instruction			
Classroom Teachers	19.00	18.50	20.00
Gifted Education Teachers	2.00	2.00	2.00
English as Second Language	2.00	2.50	3.00
Pupil Support Services			
Guidance Counselors	7.00	7.00	6.00
Librarians	6.00	6.00	6.00
Psychologists	4.00	3.00	3.00
Speech and Language Pathologists	3.00	2.00	2.00
Occupational Therapist	1.00	1.00	1.00
Physical Therapist	1.00	1.00	0.00
Nurse	6.00	6.00	6.00
Planetarium	1.00	1.00	1.00
Educational Aids	38.00	39.00	40.00
Administrators			
Elementary	4.00	4.00	4.00
Middle School	1.00	2.00	2.00
High School	4.00	4.00	4.00
Central Office	6.00	6.00	6.00
Staff Support			
Elementary	4.00	4.00	4.00
Middle School	1.00	1.00	1.00
High School	4.00	4.00	4.00
Central Office	7.50	7.50	7.00
Operation of Plant			
Maintenance	9.00	9.00	10.00
Food Service Program	28.00	28.00	29.00
	<u>319.50</u>	<u>316.50</u>	<u>321.00</u>

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year.

Norwood City School District, Ohio

*Operating Statistics
Last Five Fiscal Years*

TABLE 18

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio
2003	\$26,583,682	2,835	\$9,377	0.00%	207	13.7
2004	26,464,513	2,659	9,953	6.14%	205	13.0
2005	28,050,731	2,564	10,940	9.92%	203	12.6
2006	27,697,145	2,527	10,960	0.19%	196	12.9
2007	28,061,862	2,323	12,080	10.21%	195	11.9

Source: School District Records.

Norwood City School District, Ohio

*Building Statistics
Last Ten Fiscal Years*

TABLE 19

	1998	1999	2000	2001
Allison Elementary School				
Constructed in 1896				
Total Building Square Footage	65,100	65,100	65,100	65,100
Enrollment Grades K-6	Unavailable	Unavailable	Unavailable	Unavailable
Student Capacity	524	524	524	524
 Sharpsburg Elementary and Primary Schools				
Constructed in 1911 and 1959				
Total Building Square Footage	88,676	88,676	88,676	88,676
Enrollment Grades K-6	Unavailable	Unavailable	Unavailable	Unavailable
Student Capacity	553	553	553	553
 View Elementary School				
Constructed in 1917				
Total Building Square Footage	80,400	80,400	80,400	80,400
Enrollment Grades K-6	Unavailable	Unavailable	Unavailable	Unavailable
Student Capacity	643	643	643	643

2002	2003	2004	2005	2006	2007
65,100	65,100	65,100	65,100	65,100	65,100
303	310	356	344	374	367
524	524	524	524	524	524
88,676	88,676	88,676	88,676	88,676	88,676
363	339	339	195	290	264
553	553	553	553	553	553
80,400	80,400	80,400	80,400	80,400	80,400
358	351	376	379	378	374
643	643	643	643	643	643

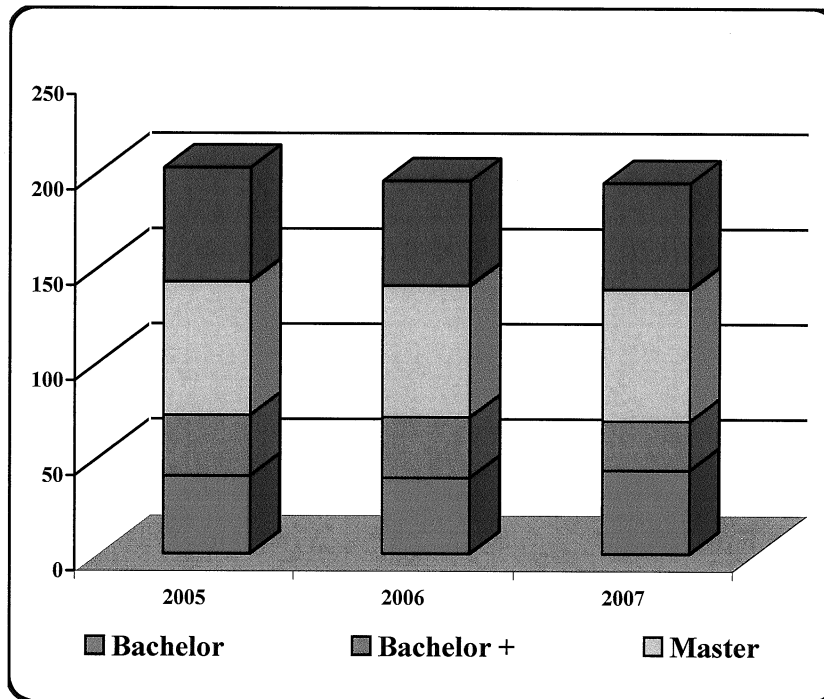
	1998	1999	2000	2001
Williams Elementary School				
Constructed in 1894				
Total Building Square Footage	86,400	86,400	86,400	86,400
Enrollment Grades K-6	Unavailable	Unavailable	Unavailable	Unavailable
Student Capacity	666	666	666	666
Middle School				
Constructed in 1914				
Total Building Square Footage	140,380	140,380	140,380	140,380
Enrollment Grades 7-8	Unavailable	Unavailable	Unavailable	Unavailable
Student Capacity	971	971	971	971
High School				
Constructed in 1972				
Total Building Square Footage	165,780	165,780	165,780	165,780
Enrollment Grades 9-12	Unavailable	Unavailable	Unavailable	Unavailable
Student Capacity	1,028	1,028	1,028	1,028

2002	2003	2004	2005	2006	2007
86,400	86,400	86,400	86,400	86,400	86,400
260	229	269	256	242	223
666	666	666	666	666	666
140,380	140,380	140,380	140,380	140,380	140,380
728	674	422	424	380	358
971	971	971	971	971	971
165,780	165,780	165,780	165,780	165,780	165,780
844	811	767	757	695	737
1,028	1,028	1,028	1,028	1,028	1,028

Norwood City School District, Ohio
Full-Time Equivalent Teachers by Education
Last Three Fiscal Years

TABLE 20

Degree	2005	2006	2007
Bachelor's Degree	41	40	44
Bachelor + 18	32	32	26
Master's Degree	70	69	69
Master + 18	26	24	26
Master + 30	34	31	30
Total	203	196	195



Source: School District Records.

Norwood City School District, Ohio
Teachers' Salaries
Last Six Fiscal Years

TABLE 21

<u>Fiscal Year</u>	<u>Minimum Salary (1)</u>	<u>Maximum Salary (2)</u>	<u>Average Salary Comparable Districts (3)</u>	<u>Statewide Average Salary (4)</u>
2002	28,455	62,695	Unavailable	43,755
2003	29,664	65,360	Unavailable	45,645
2004	30,616	67,452	Unavailable	47,659
2005	31,914	70,319	49,555	49,438
2006	32,951	72,604	Unavailable	50,772
2007	33,940	74,782	Unavailable	53,536

(1) Starting teacher with no experience.

(2) Teacher with a Masters degree and more than 30 years experience.

(3) Provided by the State Department of Education.

(4) Provided by the State Department of Education.

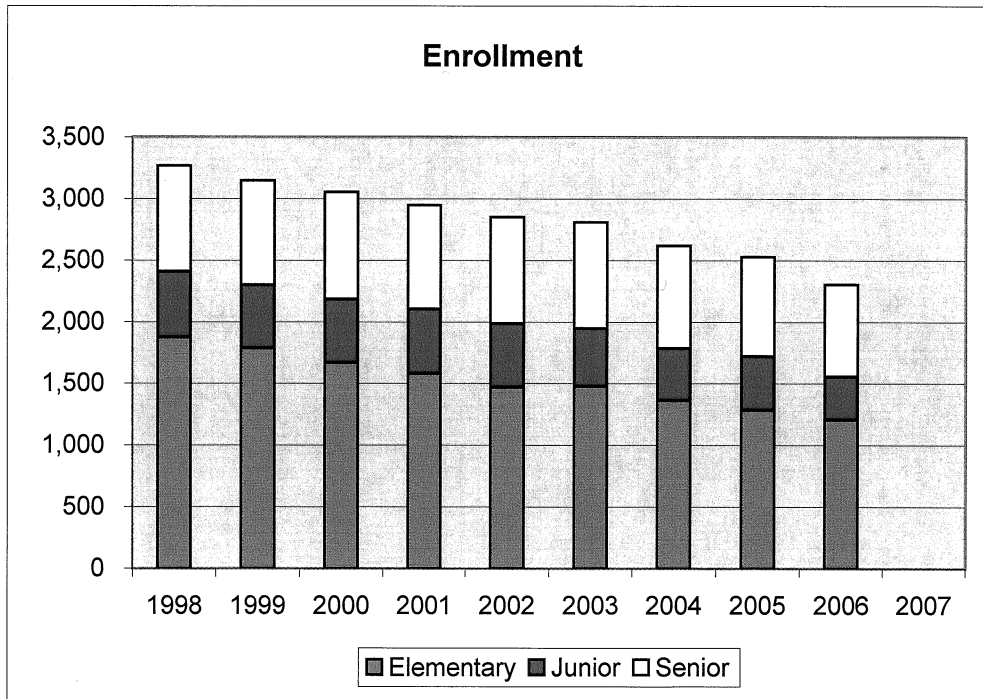
Norwood City School District, Ohio

Enrollment Statistics

Last Ten Fiscal Years

TABLE 22

<u>Fiscal Year</u>	<u>Elementary Schools</u>	<u>Junior High Schools</u>	<u>Senior High Schools</u>	<u>Total</u>
1998	1,875	533	860	3,268
1999	1,786	513	849	3,148
2000	1,668	516	871	3,055
2001	1,579	524	844	2,947
2002	1,470	515	865	2,850
2003	1,478	469	862	2,809
2004	1,362	422	836	2,620
2005	1,286	434	807	2,527
2006	1,207	348	749	2,304
2007	1,228	358	737	2,323



Source: School Districts Records



Mary Taylor, CPA
Auditor of State

NORWOOD 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
FEBRUARY 12, 2008**