



**Auditor of State
Betty Montgomery**

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Federal Awards Receipts and Expenditures Schedule.....	1
Notes to the Federal Awards Receipts and Expenditures Schedule	2
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters as Required by <i>Government Auditing Standards</i>	3
Independent Accountants' Report on Compliance with Requirements Applicable to the Major Federal Programs, on Internal Control Over Compliance in Accordance with OMB Circular A-133 and on the Federal Awards Receipts and Expenditures Schedule.....	5
Schedule of Findings	7

THIS PAGE INTENTIONALLY LEFT BLANK

CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2005

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program		10.550	\$0	\$39,219	\$0	\$39,219
National School Breakfast Program	05-PU 2004	10.553	11,647	0	11,647	0
	05-PU 2005	10.553	36,847	0	36,847	0
<i>Total National School Breakfast Program</i>			48,494	0	48,494	0
National School Lunch Program	LL-P4-2004	10.555	69,028	0	69,028	0
	LL-P4-2005	10.555	220,686	0	220,686	0
<i>Total National School Lunch Program</i>			289,714	0	289,714	0
TOTAL U.S. DEPARTMENT OF AGRICULTURE - NUTRITION CLUSTER			338,208	39,219	338,208	39,219
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies						
Title I Grants to Local Educational Agencies	C1-S1 - 2004	84.010	74,263	0	90,351	0
Title I Grants to Local Educational Agencies	C1-S1 - 2005	84.010	462,396	0	442,774	0
<i>Total Title 1 Grants to Local Educational Agencies</i>			536,659	0	533,125	0
Special Education Cluster:						
Special Education Grants to States	6B-SD - 2004 - P	84.027	14,425	0	21,693	0
Special Education Grants to States	6B-SD - 2005	84.027	14,457	0	15,510	0
Special Education Grants to States	6B-SF - 2004	84.027	92,450	0	51,963	0
Special Education Grants to States	6B-SF - 2005	84.027	426,803	0	389,360	0
<i>Total Special Education Grants to States</i>			548,135	0	478,526	0
Special Education - Preschool Grant	PG-S1 - 2004	84.173	2,777	0	4,988	0
Special Education - Preschool Grant	PG-S1 - 2005	84.173	12,217	0	12,217	0
<i>Total Special Education - Preschool Grant</i>			14,994	0	17,205	0
<i>Total Special Education Cluster</i>			563,129	0	495,731	0
Safe and Drug-Free Schools State Grants						
Safe and Drug-Free Schools State Grants	DR-S1 - 2004	84.186	(774)	0	1,478	0
Safe and Drug-Free Schools State Grants	DR-S1 - 2005	84.186	15,960	0	14,421	0
<i>Total Safe and Drug-Free Schools State Grants</i>			15,186	0	15,899	0
State Grants for Innovative Educational Program Strategies						
State Grants for Innovative Educational Program Strategies	C2-S1 - 2004	84.298	1,351	0	1,862	0
State Grants for Innovative Educational Program Strategies	C2-S1 - 2005	84.298	10,092	0	9,890	0
<i>Total State Grants for Innovative Educational Program Strategies</i>			11,443	0	11,752	0
Education Technology State Grants						
Education Technology State Grants	TJ-S1 - 2004	84.318	(3,276)	0	0	0
Education Technology State Grants	TJ-S1 - 2005	84.318	18,057	0	15,481	0
<i>Total Education Technology State Grants</i>			14,781	0	15,481	0
Improving Teacher Quality State Grants						
Improving Teacher Quality State Grants	TR-S1 - 2004	84.367	(761)	0	17,930	0
Improving Teacher Quality State Grants	TR-S1 - 2005	84.367	116,585	0	110,142	0
<i>Total Improving Teacher Quality State Grants</i>			115,824	0	128,072	0
TOTAL U.S. DEPARTMENT OF EDUCATION			1,257,022	0	1,200,060	0
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Passed Through Ohio Department of MRDD:</i>						
Medical Assistance Program		93.778	3,434	0	3,434	0
Totals			\$1,598,664	\$39,219	\$1,541,702	\$39,219

The accompanying notes to this schedule are an integral part of this schedule.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
JUNE 30, 2005**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and 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

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 nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

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

NOTE C- TRANSFERS DUE TO ODE ADMINISTRATIVE ACTION

The District transferred between the 2004 grant award to the 2005 grant award during fiscal year 2005 for the following: CFDA #'s 84.010-\$16,343, 84.186-\$774, 84.318-\$3,276, and 84.367-\$3,803. However, the transfer of \$3,803 for CFDA #84.367 was offset by a \$3,040 receipt received during fiscal year 2005, which resulted in the negative receipt on the federal schedule for CFDA #84.367 of (\$761). This was due to the revised Comprehensive Continuous Improvement Plan Strategy (CCIP) as of July, 2002 which is an attempt to promote consistency between fiscal periods, allows the local agencies to manage one Ohio Department of Education project at a time, and eliminates refunds to Ohio Department of Education.



Auditor of State Betty Montgomery

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

Circleville City School District
Pickaway County
388 Clark Drive
Circleville, Ohio 43113

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Circleville City School District, Pickaway County, Ohio, (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 27, 2005, wherein we noted that the District adopted Governmental Accounting Standards Board Statement No. 40 and Technical Bulletin 2004-2. 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 in order 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. In a separate letter to the District's management dated December 27, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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 such 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 27, 2005, we reported other matters related to noncompliance we deemed immaterial.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

Circleville City School District
Pickaway 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, the Board of Education, 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 "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 27, 2005



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAMS, ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND ON THE
FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE**

Circleville City School District
Pickaway County
388 Clark Drive
Circleville, Ohio 431113

To the Board of Education:

Compliance

We have audited the compliance of Circleville City School District, Pickaway 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 to its major federal programs for the year ended June 30, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs. 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 District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2005.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

Internal Control Over Compliance

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

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

Federal Awards Receipts and Expenditures Schedule

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Circleville City School District, Pickaway County, Ohio, (the District) as of and for the year ended June 30, 2005, and have issued our report thereon dated December 27, 2005, wherein we noted that the District adopted Governmental Accounting Standards Board Statement No. 40 and Technical Bulletin 2004-2. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards receipts and 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, the Board of Education, federal awarding agencies and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

December 27, 2005

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY
JUNE 30, 2005**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505**

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 weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions 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: Special Education Grants to States – 84.027 Special Education – Preschool Grant– 84.173
<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.

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

CIRCLEVILLE CITY
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2005

PREPARED BY
TREASURER'S DEPARTMENT
CYNTHIA J. RITTER, TREASURER/CFO

388 CLARK DRIVE

CIRCLEVILLE, OHIO 43113

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

TABLE OF CONTENTS

TITLE PAGE

TABLE OF CONTENTS i-iii

I. INTRODUCTORY SECTION

Letter of Transmittal I 1-5
 List of Principal Officers I 6
 Organizational Chart I 7
 Certificate of Achievement for Excellence in Financial Reporting I 8
 Certificate of Excellence in Financial Reporting I 9

II. FINANCIAL SECTION

INDEPENDENT ACCOUNTANTS' REPORT F 1-2
 MANAGEMENT'S DISCUSSION AND ANALYSIS F 3-14

BASIC FINANCIAL STATEMENTS:

Government-Wide Financial Statements:

Statement of Net Assets F 15
 Statement of Activities F 16

Fund Financial Statements:

Balance Sheet - Governmental Funds F 17
 Reconciliation of Total Governmental Fund Balances to Net Assets
 of Governmental Activities F 18
 Statement of Revenues, Expenditures and Changes in Fund
 Balances - Governmental Funds F 19
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities F 20
 Statement of Revenues, Expenditures and Changes in Fund
 Balance - Budget and Actual (Non GAAP Budgetary Basis) - General Fund F 21
 Statement of Net Assets - Proprietary Fund F 22
 Statement of Revenues, Expenses and Changes in
 Net Assets - Proprietary Fund F 23
 Statement of Cash Flows - Proprietary Fund F 24

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Statement of Fiduciary Net Assets - Fiduciary Funds	F 25
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds.....	F 26
Notes to the Basic Financial Statements.....	F 27-53
Combining Statements and Individual Fund Schedules:	
Combining Statements - Fund Descriptions	F 54-57
General Fund	F 58
Combining Statements – Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds.....	F 59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	F 60
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	F 61-64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	F 65-69
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Food Service	F 70
Special Trust Fund.....	F 71
Public School Support	F 72
Other Grants.....	F 73
DECA Scholarship.....	F 74
District Managed Student Activity	F 75
Auxiliary Services.....	F 76
Management Information Systems	F 77
Disadvantaged Pupil Impact Aid	F 78
Data Communications.....	F 79
School Net Professional Development	F 80
Entry Year.....	F 81
Summer Intervention	F 82
Miscellaneous State Grants.....	F 83
Title VI - B.....	F 84
Title I	F 85
Title VI	F 86
Drug-Free School Grant.....	F 87
EHA Preschool Grant	F 88
Improving Teacher Quality.....	F 89
Miscellaneous Federal Grants.....	F 90
Debt Service	F 91
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Permanent Improvement	F 92
School Net	F 93

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Internal Service Fund:

Individual Fund Schedules of Revenues, Expenses and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):

Self Insurance	F 94
----------------------	------

Combining Statements - Fiduciary Funds:

Combining Statement of Fiduciary Net Assets - Fiduciary Funds	F 95
---	------

Individual Fund Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):

Scholarship Trust	F 96
-------------------------	------

Statement of Changes in Assets and Liabilities - Agency Fund	F 97
--	------

III. STATISTICAL SECTION

Summary of Expenses/Expenditures by Function and Other Financing Uses - General Governmental Funds - Last Ten Fiscal Years	S 1-2
---	-------

Summary of Revenues by Source - General Governmental Funds - Last Ten Fiscal Years	S 3-4
---	-------

Property Tax Levies and Collections - Real, Public Utility, and Tangible Personal Property Tax - Last Ten Calendar Years	S 5
---	-----

Assessed and Estimated Actual Value of Taxable Property - Last Ten Tax Years	S 6
---	-----

Property Tax Rates - Direct and Overlapping Governments - Last Ten Tax Years	S 7
---	-----

Demographic Statistics - Last Ten Years.....	S 8
--	-----

Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita - Last Ten Fiscal Years	S 9
--	-----

Computation of Legal Debt Margin	S 10
--	------

Computation of Direct and Overlapping Debt	S 11
--	------

Ratio of Annual General Obligation Debt Service to General Fund Expenditures - Last Ten Fiscal Years	S 12
---	------

Major Taxpayers - 2004 Tax Year	S 13
---------------------------------------	------

Attendance Data - Last Ten School Years.....	S 14
--	------

School District Employees (Full and Part-time) as of June 30, 2005.....	S 15
--	------

Schedule of Property and Casualty Insurance as of June 30, 2005	S 16
--	------

THIS PAGE IS INTENTIONALLY LEFT BLANK

INTRODUCTORY SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK



Circleville City Schools

388 Clark Drive, Circleville, Ohio 43113

(740) 474-4340 • Fax: (740) 474-6600

December 27, 2005

Members of the Board of Education and Residents of the Circleville City School District:

The Comprehensive Annual Financial Report (CAFR) of the Circleville City School District (the "District") for the fiscal year ended June 30, 2005 is hereby submitted. The CAFR includes financial statements and other financial and statistical data and conforms to accounting principles generally accepted in the United States of America (GAAP) as they apply to governmental entities, in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in three sections as follows:

1. **Introductory Section** - This section contains a Table of Contents, Letter of Transmittal, List of Principal Officers, Organizational Chart of the District, Certificate of Achievement for Excellence in Financial Reporting and Certificate of Excellence in Financial Reporting.
2. **Financial Section** - This section begins with the Independent Accountants' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, the combining statements by fund type, and other schedules providing detailed information relative to the basic financial statements.
3. **Statistical Section** - This section presents selected financial and demographic information generally present on a multi-year basis.

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 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 their implementation; and (2) the valuation of costs and benefits requires estimates and judgments by management.

State statute requires an annual audit by independent accountants. The Ohio Auditor of State's office conducted the audit. The audit has been conducted in accordance with generally accepted auditing standards, generally accepted government auditing standards, and include a review of internal controls and test of compliance with Federal and State laws and regulations. The Independent Accountant's Report is included in this CAFR.

CIRCLEVILLE CITY SCHOOLS WILL MAXIMIZE THE ACHIEVEMENT OF EACH STUDENT IN A SAFE ENVIRONMENT

Circleville High School
380 Clark Drive
Circleville, Ohio 43113
740-474-4846

Everts Middle School
520 South Court Street
Circleville, Ohio 43113
740-474-2345

Atwater Elementary School
870 Atwater Avenue
Circleville, Ohio 43113
740-474-4706

Court Elementary School
1250 South Court Street
Circleville, Ohio 43113
740-474-2495

Mound Elementary School
424 East Mound Street
Circleville, Ohio 43113
740-474-3940

Nicholas Elementary School
410 Nicholas Drive
Circleville, Ohio 43113
740-474-7311

As a part of the District's independent audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the school district has complied with applicable laws and regulations. The results of the District's independent audit for the fiscal year ended June 30, 2005 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

This transmittal letter is designed to provide historical information about the District, as well as compliment the required Management's Discussion and Analysis (MD&A). Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. The District's MD&A, which focuses on the government-wide statements, can be found immediately following the Independent Accountant's Report.

PROFILE OF CIRCLEVILLE CITY SCHOOL DISTRICT

The District ranks as the 215th largest by total enrollment among the 860 public and community school districts in the State. As of the current school year (2004-2005), the October enrollment head count was 2,448 students. Most of these students attend one of the District's six schools. The District is host to several satellite programs for the Pickaway-Ross Career Technical Center, in which the District is a part of the vocational programs at that school District. The District is not considered a component unit of another government.

The District has 267 full and part time employees. The District employs 164 certified staff members and 12 administrators. Additionally, the District employs 89 full-time and part-time non-teaching staff members and 2 non-certified supervisors.

The District offers a variety of educational programs for all segments of the community. Circleville High School offers several vocational programs through the Pickaway Ross Joint Vocational School District as well as a wide range of college preparatory and technology preparatory courses. The District provides extensive special education services, as well as co-op classes with the other districts in Pickaway County.

A full range of extracurricular programs and activities are available to students in the Middle School and High School. All District schools have libraries and multi-purpose rooms and curricular offerings specific to each building needs as designed by the buildings faculty and administration.

Each elementary building has very active Parent Teacher Boosters Organizations, which provide many of the extra activities for the students, as well as providing for communication between the parents, community members and school officials.

The District has active Music Boosters, Athletic Boosters and Academic Boosters that support the students in the Middle School and High School with various activities as well as providing for communication between the members, parents, and community and school officials.

Classroom teachers at all levels are supported by specialists in media, guidance, art, instrumental and vocal music, physical education and curriculum development. A comprehensive interscholastic sports program is offered to students in grades seven through twelve. All elementary schools have full-time media aides and certified media specialists staff the secondary schools. A school nurse, one full-time school psychologist and a part-time school psychologist, four counselors, and a gifted coordinator offer direction and support of services for all students.

Overlapping Governmental Entities

The major political subdivisions or other governmental entities that overlap the territory of the District are listed below. The state percentage is that percentage of the tax valuation of the overlapping entity that is located within the District.

1. A portion (31.55%) of Pickaway County (functions allocated to counties by Ohio law, such as elections, health and human services, and judicial).
2. The City of Circleville (100%) (municipal corporation responsibilities)

Each of these entities operates independently, with its own separate budget, taxing power, and sources of revenue. Both Pickaway County and the City of Circleville levy property taxes within the ten-mill limitation (subject to available statutory allocation of the 10 mills).

Employees

A statewide public employee bargaining law applies generally to public employee relations and collective bargaining. The starting salary for the 2004-2005 school year is \$30,507 for a teacher with a Bachelor’s degree and no experience, and the maximum salary for a teacher with a Master’s degree plus 25 graduate hours and 25 years experience is \$63,253.

The District’s certificated staff, excluding administration and psychologist, are members of the Circleville Education Association (CEA), a labor organization affiliated with the Ohio Education Association. The current contract between the Board of Education and the CEA expired October 31, 2005.

All of the District’s support staff employees, including secretarial, custodial, maintenance, transportation and aides, are not part of any labor organization. The support staff elects representatives from each classification to serve on the Superintendent’s Labor Relation Board, which meets four times per year.

Facilities

The District’s classroom and other facilities are as follows:

Facility	Construction Date & Improvements	Number of Classrooms	Capacity	ADM as of June 2005	Sound Insurable Value
Elementary <i>Atwater</i>	1951, 1956, 1966, 1970	16	300	398	3,207,000
<i>Court</i>	1956, 1962	16	250	266	2,956,250
<i>High Street</i>	Rental Property	4	60	53	
<i>Mound</i>	1956, 1965	14	200	243	2,875,000
<i>Nicholas</i>	1962, 1972	15	200	219	3,954,900
Middle School <i>Everts</i>	1916, 1952, 1954	45	585	580	14,496,300
High School <i>Circleville</i>	1966, 1987	44	574	743*	22,334,550

*Includes students enrolled at the Pickaway-Ross Career Technical Center

MAJOR INITIATIVES

Major Initiative for the Year

The District is focusing on the implementation of the *Baldrige in Education Initiative* in order to meet student and community needs. Everything the District is doing is being viewed through the Baldrige lens in an attempt to align our continuous improvement efforts.

Baldrige in Education Initiative is a partnership of twenty-four (24) national educational and business organizations working to help states, districts and communities accelerate and sustain continuous improvement in student achievement and system performance. The District Baldrige Leadership Team includes teachers, administrators, school board members, students, parents, and community members. In turn, each building has established a Building Leadership Team that coordinates improvement efforts at the building level.

Major Initiatives for the Future

Student Performance. The District has shown steady improvement through data used to determine rankings on District's Local Report Card (LRC) that is issued by the Ohio Department of Education. Falling in the "Continuous Improvement" range of criteria met on the LRC, data shows that scores are improving in virtually every category. The students and staff of the District are now setting their sights on meeting additional standards needed to earn an "Effective" rating. Although continuous improvement strategies take time to pay off in results, it is evident the District has responded to state mandated accountability measures that were enacted through the state legislature.

Baldrige in Education Initiative. All six of the District's schools have teachers who have voluntarily implemented Baldrige quality improvement tools to continuously improve student performance. District wide, all schools have mission statements and goals aligned to the District mission and goals. Baldrige classrooms have a classroom mission statement and goals aligned with the building and District goals. Students in Baldrige classrooms have developed personal goals and use personal data folders to improve their performance. The District teachers continue to receive Baldrige training from teacher practitioners who are brought into the District from North Carolina, Georgia, Indiana, and Florida.

Technology. The District is continually exploring ways to upgrade all areas of technology. Staffing for technology will be reviewed, and improvements throughout the District will be made through purchases of hardware and software, as well as infrastructure upgrades, as finances permit.

LOCAL ECONOMY

The District is located in Pickaway County, in Central Ohio, approximately 35 miles south of Columbus. The entire District is located within Pickaway County and falls within the corporate boundaries of the City of Circleville. Circleville is the county seat for Pickaway County.

The District is served by diversified transportation facilities including access to several State highways. The District is served by Norfolk and Southern and CSX Railroad systems.

The Circleville Herald daily newspaper serves the District, as does the Columbus Dispatch. The District is within the broadcast area of all major television stations in Central Ohio and numerous radio stations.

LONG-TERM FINANCIAL PLANNING

Faced with the challenges of providing adequate resources necessary to meet student needs, the loss of state funding, and budget cuts made by the District due to the failure of the operating tax levies placed on the ballot over the past year, it is important for the District to effectively and efficiently manage its resources. Now that the voters within the District approved the 7.9 mill current expense operating levy and the 3/4% income tax levy in November 2005, the District will be better able to plan for the future.

The District is in the process of changing the way that they prepare the annual budgets so that all expenditures are used for the purpose of increased academic progress. Even the business side of the District will work toward the improvement of student achievement. The District is determined to be very fiscally sound for the voters of Circleville.

AWARDS AND ACKNOWLEDGEMENTS

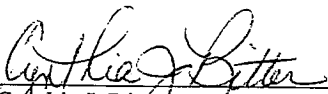
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2004. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principals and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The District has also received a Certificate of Excellence in Financial Reporting in School Districts from the Association of School Business Officials (ASBO) for the District's comprehensive annual financial report for the fiscal year ended June 30, 2004. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

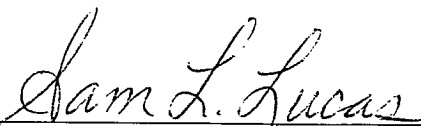
The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated services of the Treasurer's office staff. In addition, we acknowledge our consultants, Julian & Grube, Inc., provided us with expert technical assistance in all phases of preparing the report. The assistance of the Pickaway County Auditor's office in providing information is also appreciated. Finally, we wish to acknowledge the cooperation of the team from the Ohio Auditor of State's office, who conducted a thorough audit of our finances.

In closing, without the leadership and support of the Board of Education of the District, preparation of this report would not have been possible.

Sincerely,



Cynthia J. Ritter, Treasurer/CFO



Sam L. Lucas, Superintendent

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

LIST OF PRINCIPAL OFFICERS

Board of Education

Name	Began Service As a Board Member January 1	Present Term Expires December 31	Vocation in Private Life
Todd Stevens	2004	2007	President – Stevens Mortgage Inc.
Michael Whitten	2004	2007	Teacher – Teays Valley Local Schools
Thomas Scherer	June 29, 1998	2007	Compliance Director - Nationwide Financial
Daniel Bradhurst**	2003	2005	Chief Administrator for Pickaway County Commissioners
Christine Williams*	2003	2005	Vice President of International – Too Brands Inc.

** President

*Vice President

Superintendent/CEO

Sam L. Lucas

Treasurer/CFO

Cynthia J. Ritter

Central Office Administrative Staff

Thomas Patterson

Assistant Superintendent

Mary Mace Miller

Special Needs Coordinator

Sherry Kneece

Curriculum Director

Lisa Heins

Gifted Coordinator

Daniel Chrismer

School Psychologist

Mark Merkle

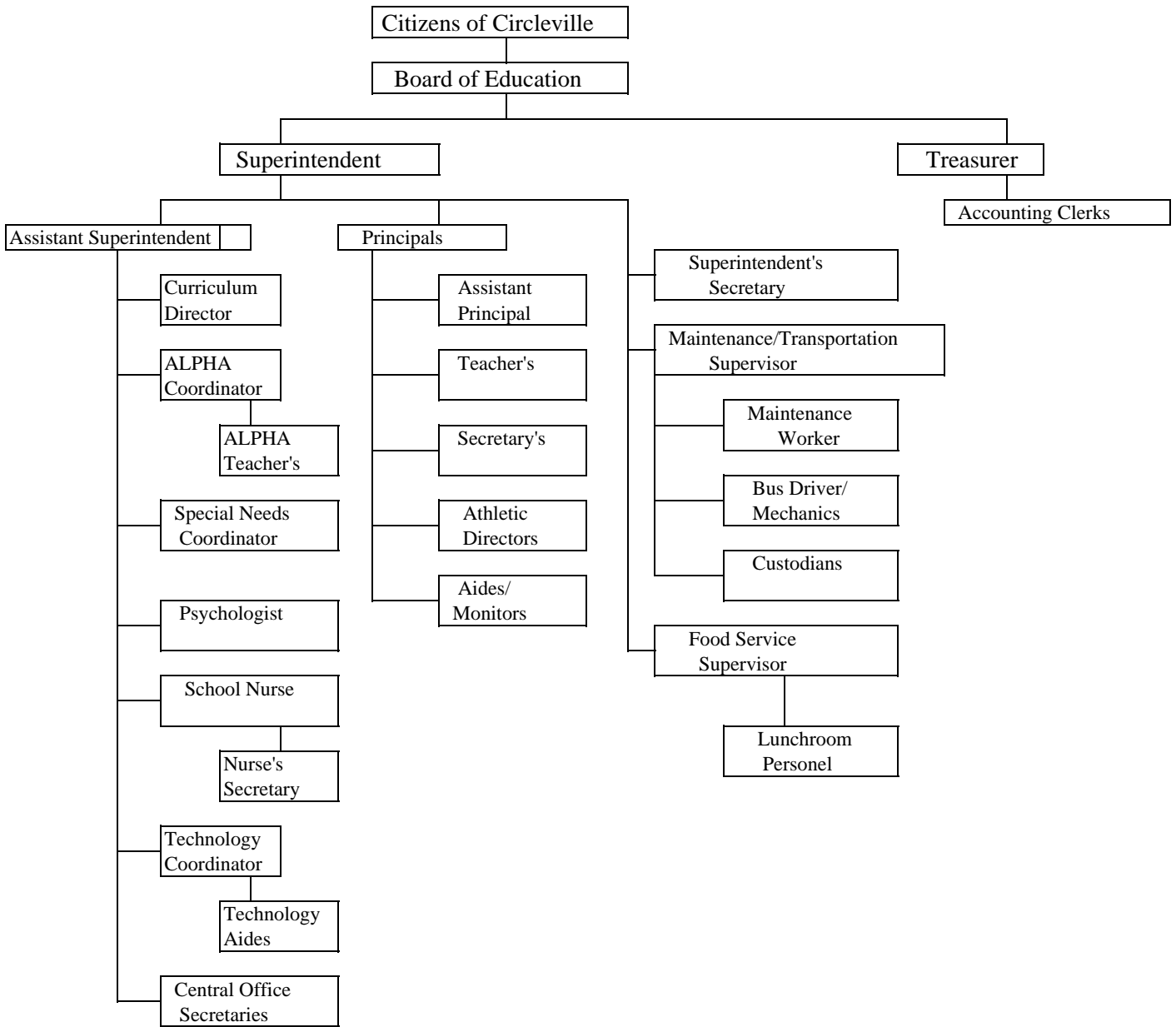
Maintenance/Transportation Supervisor

Suzannah Craycraft

Food Service Director

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

ORGANIZATIONAL CHART
JUNE 30, 2005



Certificate of Achievement for Excellence in Financial Reporting

Presented to
Circleville City School District,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

Circleville City School District

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2004

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

President

Executive Director

THIS PAGE IS INTENTIONALLY LEFT BLANK

FINANCIAL SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Circleville City School District
Pickaway County
388 Clark Drive
Circleville, Ohio 43113

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Circleville City School District, Pickaway County, Ohio, (the District), as of and for the year ended June 30, 2005, 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 that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Circleville City School District, Pickaway County, Ohio, as of June 30, 2005 and the respective changes in financial position and cash flows, where applicable, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2005, the District implemented the Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures* and Technical Bulletin 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2005, 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 is not a required part of the basic financial statements but is 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 nonmajor fund statements and schedules and the statistical tables provides additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and 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 the statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

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

Betty Montgomery
Auditor of State

December 27, 2005

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED**

The discussion and analysis of the Circleville City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2005. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2005 are as follows:

- In total, net assets of governmental activities increased \$741,916 which represents a 20.64% increase from 2004.
- General revenues accounted for \$16,784,073 in revenue or 81.83% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,727,910 or 18.17% of total revenues of \$20,511,983.
- The District had \$19,770,067 in expenses related to governmental activities; only \$3,727,910 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$16,784,073 were adequate to provide for these programs.
- The District's major funds are the general fund and permanent improvement fund. The general fund had \$16,292,526 in revenues and \$16,403,304 in expenditures. During fiscal 2005, the general fund's deficit fund balance increased \$105,169 from \$432,416 to \$537,585. The permanent improvement fund had \$750,925 in revenue and \$643,642 in expenditures. During fiscal year 2005, the permanent improvement's fund balance increased from \$407,520 to \$514,803.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund and permanent improvement fund are the only major funds

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2005?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the Governmental Activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The District's statement of net assets and statement of activities can be found on pages F15-F16 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page F11. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's only major funds are the general fund and permanent improvement fund.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages F17-F21 of this report.

Proprietary Funds

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for medical and dental self-insurance. The basic proprietary fund financial statements can be found on pages F22-F24 of this report.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages F25 and F26. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F27-F53 of this report.

The District as a Whole

The Statement of Net Assets provides the perspective of the District as a whole. The table below provides a summary of the District's net assets for 2005 compared to fiscal 2004.

	Net Assets	
	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
<u>Assets</u>		
Current and other assets	\$ 11,735,134	\$ 13,094,401
Capital assets	<u>4,732,184</u>	<u>5,057,280</u>
Total assets	<u>16,467,318</u>	<u>18,151,681</u>
<u>Liabilities</u>		
Current liabilities	9,539,482	11,622,579
Long-term liabilities	<u>2,591,522</u>	<u>2,934,704</u>
Total liabilities	<u>12,131,004</u>	<u>14,557,283</u>
<u>Net Assets</u>		
Invested in capital assets, net of debt	3,787,184	3,732,280
Restricted	2,063,910	1,855,552
Unrestricted (deficit)	<u>(1,514,780)</u>	<u>(1,993,434)</u>
Total net assets	<u>\$ 4,336,314</u>	<u>\$ 3,594,398</u>

Net assets increased \$741,916 or 20.64%, due to an increase of \$141,716 in delinquent taxes, a decrease in intergovernmental payable of \$522,809 due to a positive cash balance with the Ross County Insurance Consortium for fiscal 2005, and the reduction of staff levels.

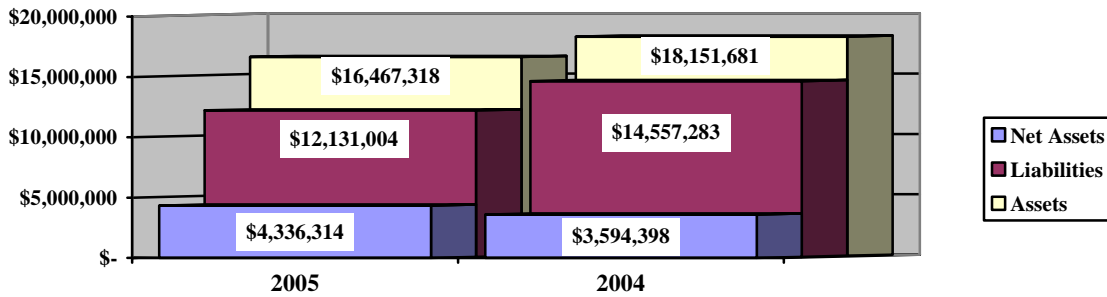
**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED**

At year-end, capital assets represented 28.74% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2005, were \$3,787,184. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$2,063,910, represents resources that are subject to external restriction on how they may be used.

Governmental Activities



**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

The table below shows the changes in net assets for governmental activities for fiscal year 2005 compared to fiscal year 2004.

Change in Net Assets

	Governmental Activities	
	2005	2004
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 1,190,436	\$ 1,128,694
Operating grants and contributions	2,517,419	2,405,338
Capital grants and contributions	20,055	-
General revenues:		
Property taxes	8,743,127	7,775,365
Grants and entitlements	7,884,608	8,140,272
Other	156,338	269,316
	<u>20,511,983</u>	<u>19,718,985</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	9,389,458	10,221,695
Special	2,364,992	2,674,603
Vocational	14,344	14,326
Support services:		
Pupil	1,010,904	1,096,268
Instructional staff	1,170,319	1,589,505
Board of Education	113,762	85,045
Administration	1,573,847	1,775,395
Fiscal	477,989	512,733
Operations and maintenance	1,700,607	1,939,146
Pupil transportation	614,749	778,810
Central	-	3,368
Operation of non-instructional services	16,444	16,918
Food service operations	765,066	813,751
Extracurricular activities	414,966	475,157
Intergovernmental pass through	60,505	33,195
Interest and fiscal charges	82,115	108,652
	<u>19,770,067</u>	<u>22,138,567</u>
Changes in net assets	741,916	(2,419,582)
Net assets at beginning of year	<u>3,594,398</u>	<u>6,013,980</u>
Net assets at end of year	<u>\$ 4,336,314</u>	<u>\$ 3,594,398</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED**

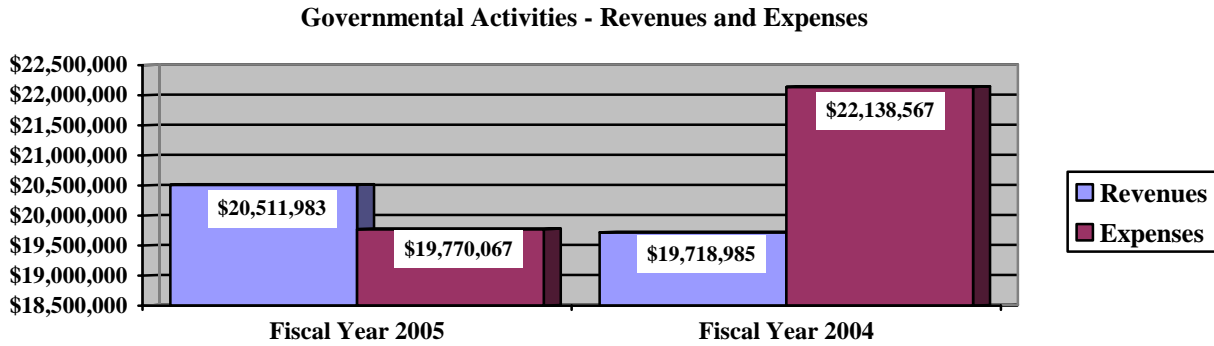
Governmental Activities

Net assets of the District's governmental activities increased \$741,916. Total governmental expenses of \$19,770,067 were offset by program revenues of \$3,727,910 and general revenues of \$16,784,073. Program revenues supported 18.86% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These two revenue sources represent 81.06% of total governmental revenue. Real estate property is reappraised every six years. The latest reappraisal by Pickaway County was in 2005. Although recent growth had a positive effect on the District's tax base, the full tax revenue impact has not been realized due to H.B. 920. This state law, enacted in 1976, does not allow for revenue increases caused by inflationary growth of real property values. Increases in valuation prompt corresponding annual reductions in the "effective millage", the tax rates applied to real property. Thus, although District tax valuation continues to grow, this built-in revenue limitation requires the District to request additional school operating revenue by placing a levy on the ballot periodically (every three to five years, on average).

The District's financial condition improved in 2005 due to reduction in spending levels.

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2005 and 2004.



**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2005 compared to 2004. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements.

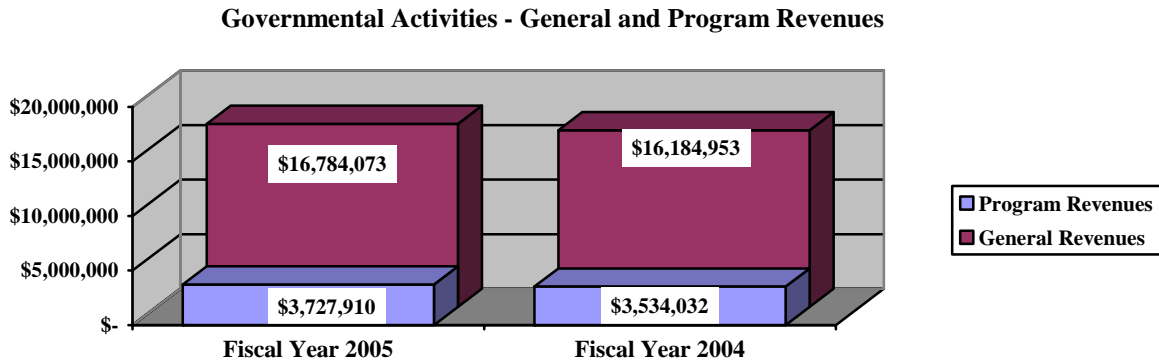
Governmental Activities				
	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>	Total Cost of Services <u>2004</u>	Net Cost of Services <u>2004</u>
Program expenses:				
Instruction:				
Regular	\$ 9,389,458	\$ 8,073,583	\$ 10,221,695	\$ 9,150,105
Special	2,364,992	1,648,201	2,674,603	1,976,503
Vocational	14,344	14,344	14,326	14,326
Support services:				
Pupil	1,010,904	859,489	1,096,268	982,209
Instructional staff	1,170,319	805,484	1,589,505	1,164,869
Board of Education	113,762	113,762	85,045	85,045
Administration	1,573,847	1,477,803	1,775,395	1,654,606
Fiscal	477,989	477,989	512,733	512,733
Operations and maintenance	1,700,607	1,673,746	1,939,146	1,881,631
Pupil transportation	614,749	614,749	778,810	778,810
Central	-	-	3,368	3,368
Operation of non-instructional services	16,444	11,924	16,918	11,710
Food service operations	765,066	(49,453)	813,751	10,093
Extracurricular activities	414,966	231,100	475,157	276,538
Intergovernmental pass through	60,505	7,321	33,195	(6,663)
Interest and fiscal charges	<u>82,115</u>	<u>82,115</u>	<u>108,652</u>	<u>108,652</u>
Total expenses	<u>\$ 19,770,067</u>	<u>\$ 16,042,157</u>	<u>\$ 22,138,567</u>	<u>\$ 18,604,535</u>

The dependence upon tax and other general revenues for governmental activities is apparent, 82.73% of instruction activities in fiscal 2005 are supported through taxes and other general revenues. For all governmental activities, general revenue support is 81.14%. The District's taxpayers, as a whole, are by far the primary support for the District's students.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

The graph below presents the District's governmental activities revenue for fiscal year 2005 and 2004.



The District's Funds

The District's governmental funds (as presented on the balance sheet on page F17) reported a combined fund balance of \$1,171,321, which is lower than last year's total of \$1,363,204. The June 30, 2004 fund balances have been restated as described in Note 3.A. to the basic financial statements. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2005 and 2004.

	Fund Balance June 30, 2005	Restated Fund Balance June 30, 2004	Increase (Decrease)
General	\$ (537,585)	\$ (432,416)	\$ (105,169)
Permanent Improvement	514,803	407,520	107,283
Other Governmental	<u>1,194,103</u>	<u>1,388,100</u>	<u>(193,997)</u>
Total	<u>\$ 1,171,321</u>	<u>\$ 1,363,204</u>	<u>\$ (191,883)</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

General Fund

The District's general fund deficit balance increased \$105,169. The increase in fund deficit balance can be attributed to an increase in compensated absences payable for the payout of employees announcing their retirement. Expenditures were more than revenues for fiscal 2005 by \$110,778. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	<u>2005</u> <u>Amount</u>	<u>2004</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 7,811,976	\$ 6,856,367	13.94 %
Earnings on investments	92,066	69,417	32.63 %
Intergovernmental	7,811,732	8,069,320	(3.19) %
Other revenues	<u>576,752</u>	<u>597,756</u>	(3.51) %
 Total	 <u>\$ 16,292,526</u>	 <u>\$ 15,592,860</u>	 4.49 %
<u>Expenditures</u>			
Instruction	\$ 10,220,170	\$ 10,360,398	(1.35) %
Support services	5,887,362	6,112,817	(3.69) %
Extracurricular activities	<u>295,772</u>	<u>313,515</u>	(5.66) %
 Total	 <u>\$ 16,403,304</u>	 <u>\$ 16,786,730</u>	 (2.28) %

Permanent Improvement Fund

The District's permanent improvement fund balance increased \$107,283. The increase in fund balance can be attributed to reduced spending levels and an increase in revenues. The table that follows assists in illustrating the financial activities and fund balance of the permanent improvement fund.

	<u>2005</u> <u>Amount</u>	<u>2004</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 678,049	\$ 614,909	10.27 %
Intergovernmental	<u>72,876</u>	<u>67,740</u>	7.58 %
 Total	 <u>\$ 750,925</u>	 <u>\$ 682,649</u>	 10.00 %
<u>Expenditures</u>			
Instruction	\$ 157,558	\$ 231,776	(32.02) %
Support services	<u>486,084</u>	<u>627,760</u>	(22.57) %
 Total	 <u>\$ 643,642</u>	 <u>\$ 859,536</u>	 (25.12) %

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

General Fund Budgeting Highlights

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

During the course of fiscal 2005, the District amended its general fund budget several times. For the general fund, final budgeted revenues were \$16,450,000, which approximates the original budgeted revenues estimate of \$16,286,170. Actual revenues for fiscal 2005 were \$16,429,346. This represents a \$143,176 increase over original revenues. This increase is primarily due to an increase in tax revenue.

General fund original appropriations of \$16,945,870 were increased to \$17,125,273 in the final appropriations. The actual budget basis expenditures and other financing uses for fiscal year 2005 totaled \$16,802,281, which was \$322,992 less than the final budget appropriations. The increases in appropriations were caused by the District's health insurance rates increasing at a pace greater than estimated and increased administrative costs associated with the collection of delinquent taxes by the County Auditor. The decrease in actual expenditures over budgeted is due to salary costs proving to be lower than anticipated in the final budget. There were also decreases in the amount of actual utilities that were paid compared to the estimates in the appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2005, the District had \$4,732,184 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. This entire amount is reported in governmental activities. The following table shows fiscal 2005 balances compared to 2004:

	Capital Assets at June 30	
	(Net of Depreciation)	
	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
Land	\$ 200,638	\$ 200,638
Land improvements	340,817	420,074
Building and improvements	3,790,042	3,979,305
Furniture and equipment	282,714	376,157
Vehicles	<u>117,973</u>	<u>81,106</u>
Total	<u>\$ 4,732,184</u>	<u>\$ 5,057,280</u>

The overall decrease in capital assets is due to depreciation expense of \$444,183 exceeding capital outlays of \$119,087 in the current period.

See Note 8 to the basic financial statements for detail.

Debt Administration

At June 30, 2005, the District had \$945,000 in general obligation bonds and general obligation notes outstanding. Of this total, \$385,000 is due within one year and \$560,000 is due within greater than one year. The following table summarizes the bonds and notes outstanding.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED

Outstanding Debt, at Year End

	<u>Governmental Activities 2005</u>	<u>Governmental Activities 2004</u>
General obligation bonds:		
Building bonds	\$ 750,000	\$ 1,000,000
Renovation bonds	<u>90,000</u>	<u>120,000</u>
Total bonds	<u>840,000</u>	<u>1,120,000</u>
General obligation notes:		
Energy conservation	<u>105,000</u>	<u>205,000</u>
Total	<u>\$ 945,000</u>	<u>\$ 1,325,000</u>

At June 30, 2005, the District had \$840,000 outstanding in general obligation bonds. On April 1, 1987, the District issued \$5,000,000 in building bonds and on May 1, 1988, the District issued \$500,000 in renovation bonds for the purpose of constructing and equipping a new central office and for the improvement and addition to the new high school building. The building bonds bear an annual interest rate of 7.50% and the renovation bonds bear an annual interest rate of 7.25%.

The general obligation notes were issued on July 10, 1996, in the amount of \$830,000, for the purpose of providing energy conservation. The notes mature on June 1, 2006, and bear an interest rate of 5.4%.

At June 30, 2005, the District's overall legal debt margin was \$24,895,126 with an unvoted debt margin of \$274,427.

See Note 9 to the basic financial statements for detail on the District's debt administration.

Current Financial Related Activities

The finances are perpetual for fiscal year 2005. The District replaced the two levies that equaled 16.8 mills into a single levy for the next five years. This increase is approximately \$600,000 for fiscal year 2005.

The challenge for the District's Management is to continue to provide the resources necessary to meet student needs and be able to stay within the five-year forecast. The five-year forecast is utilized by management in order to effectively and efficiently manage the District's resources to their fullest.

Since the District relies on the State for approximately 48.31% of the general operating revenues, one of the largest challenges facing the District is that of state funding. The State of Ohio was found by the Supreme Court in March 1997 to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable." Since 1997, the State has directed its tax revenue growth toward school districts with little property tax wealth. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decision that Ohio's current school-funding plan is unconstitutional.

Due to the state budget and the cuts to primary and secondary education the District forecast has been substantially decreased. In 2005, the District received 3.14% decrease in basic formula aid compared to the 3.77% increase in 2004 and the 8.88% increase in 2003. At this time the District is greatly concerned on any amount of state funding for the future.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
UNAUDITED**

Along with decreases in funding from the state, the City of Circleville has a decreasing economy. In March 2004, Thomson Consumer Electronics announced that it would be closing the Circleville plant. Thomson Consumer was the largest employer and taxpayer within the school district. By the summer of 2005 Thomson Consumer eliminated all of the equipment, machinery and inventory from the plant and began to tear down the building in September 2005.

The delinquent real estate taxes are increasing since many of the Thomson Consumer employees are not able to find other jobs in the area. These delinquencies are contributing to the Districts financial shortfalls.

Due to the loss of state funds, Real Estate Taxes and Personal Property taxes the Board of Education placed a 9.9 mill five (5) year operating levy on the special election ballot August 3, 2004. Unfortunately the levy was defeated by 72% of the voters.

Prior to the August election the District made \$1.1 million in cuts during the 2005 fiscal year to begin as of July 1, 2004, which was prior to the adoption of the permanent appropriations. These cuts were in the areas of instruction, support services, transportation and administration.

The Board of Education and administration feel that the need for a levy is crucial for financial stability of the District. A 9.9 mill levy was placed on the November 2, 2004 general election ballot. Since the levy did not pass in November 2004, the District made another set of cuts for approximately two million dollars for fiscal year 2006.

The Board of Education and administration made cuts in all areas of the district. The board finance committee and administration looked at every area that could be cut and proposed lay-offs for over 20 staff members. At the same time in order to not have as many lay-off's the board offered a Supplementary Retirement Plan for anyone that was eligible to retire under the guidelines of STRS or SERS. The plan was estimated to save the District \$240,000 the first year, however, the savings for fiscal year 2006 will be closer to \$1,340,000. By implementing this plan the District was able to offer positions to all but one employee that had been laid off and to not cut as many programs as first proposed with the cuts.

During 2005 the Board of Education has placed on the ballot operating levies in May, August and November. The Board of Education listened to the public and split the 9.9 mill levy into two different levies an 8.9 mill operating levy and a 0.50% Income tax levy. These levies were defeated by 53%. In August the Board only placed the 8.9mill operating levy on the ballot and it was defeated by 58%. The Board could not place the income tax levy on the August ballot since State Law mandates that income tax is only allowed to be placed on the ballot twice a year and one of those times must be the November general election.

The 7.9 mill operating levy and a 0.75% Earned Income Only Income Tax levy were approved at the November Election by the taxpayers of Circleville. The Earned Income Only has only been available for school districts though out the state to place on the ballot since the adoption of HB66, the State Budget Bill for the current biennium.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Cynthia J. Ritter, Treasurer/CFO at Circleville City School District, 388 Clark Drive, Circleville, Ohio, 43113.

**BASIC
FINANCIAL STATEMENTS**

THIS PAGE IS INTENTIONALLY LEFT BLANK

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF NET ASSETS
JUNE 30, 2005

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents. . .	\$ 2,996,055
Cash and cash equivalents with fiscal agent . .	160,506
Receivables:	
Property taxes	8,191,104
Accounts	16,268
Intergovernmental	289,251
Accrued interest	6,180
Prepayments	56,303
Materials and supplies inventory	19,467
Capital assets:	
Land	200,638
Depreciable capital assets, net	4,531,546
Total capital assets	4,732,184
 Total assets	 16,467,318
 Liabilities:	
Accounts payable.	136,383
Accrued wages and benefits	1,898,380
Pension obligation payable.	425,797
Intergovernmental payable	68,694
Deferred revenue	6,768,746
Accrued interest payable	5,438
Claims payable	236,044
Long-term liabilities:	
Due within one year.	643,309
Due in more than one year	1,948,213
 Total liabilities	 12,131,004
 Net Assets:	
Invested in capital assets, net of related debt.	3,787,184
Restricted for:	
Capital projects	604,582
Debt service.	1,031,268
Locally funded programs	22,407
State funded programs	5,714
Federally funded programs	133,574
Student activities	139,605
Public school support.	31,560
Other purposes	95,200
Unrestricted (deficit).	(1,514,780)
 Total net assets.	 \$ 4,336,314

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 9,389,458	\$ 517,291	\$ 778,529	\$ 20,055
Special	2,364,992	-	716,791	-
Vocational	14,344	-	-	-
Support services:				
Pupil	1,010,904	-	151,415	-
Instructional staff	1,170,319	-	364,835	-
Board of education.	113,762	-	-	-
Administration.	1,573,847	-	96,044	-
Fiscal.	477,989	-	-	-
Operations and maintenance.	1,700,607	26,737	124	-
Pupil transportation	614,749	-	-	-
Operation of non-instructional services	16,444	2,207	2,313	-
Food service operations.	765,066	460,335	354,184	-
Extracurricular activities	414,966	183,866	-	-
Intergovernmental pass through.	60,505	-	53,184	-
Interest and fiscal charges.	82,115	-	-	-
Totals.	\$ 19,770,067	\$ 1,190,436	\$ 2,517,419	\$ 20,055
 General Revenues:				
Property taxes levied for:				
General purposes				7,902,388
Debt service.				111,386
Capital outlay.				729,353
Grants and entitlements not restricted to specific programs				7,884,608
Investment earnings				92,356
Miscellaneous				63,982
				16,784,073
				741,916
				3,594,398
				\$ 4,336,314

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 930,713	\$ 490,540	\$ 1,458,966	\$ 2,880,219
Receivables:				
Property taxes	7,309,812	881,234	58	8,191,104
Accounts	15,945	-	323	16,268
Intergovernmental	-	-	272,557	272,557
Accrued interest	6,180	-	-	6,180
Interfund loans	4,293	-	-	4,293
Materials and supplies inventory	11,571	-	7,896	19,467
Prepayments	56,303	-	-	56,303
Restricted assets:				
Equity in pooled cash and cash equivalents	82,071	-	-	82,071
Total assets	<u>\$ 8,416,888</u>	<u>\$ 1,371,774</u>	<u>\$ 1,739,800</u>	<u>\$ 11,528,462</u>
Liabilities:				
Accounts payable	\$ 68,941	\$ 51,930	\$ 15,512	\$ 136,383
Accrued wages and benefits	1,597,972	-	300,408	1,898,380
Compensated absences payable	238,213	-	726	238,939
Pension obligation payable	377,677	-	48,120	425,797
Intergovernmental payable.	58,280	-	10,414	68,694
Interfund loan payable	-	-	4,293	4,293
Deferred revenue.	6,613,390	805,041	166,224	7,584,655
Total liabilities	<u>8,954,473</u>	<u>856,971</u>	<u>545,697</u>	<u>10,357,141</u>
Fund Balances:				
Reserved for encumbrances	116,344	111,004	3,837	231,185
Reserved for prepayments	56,303	-	-	56,303
Reserved for materials and supplies inventory.	11,571	-	7,896	19,467
Reserved for property tax unavailable for appropriation	577,207	68,294	-	645,501
Reserved for budget stabilization	82,071	-	-	82,071
Reserved for debt service.	-	-	1,036,706	1,036,706
Unreserved, undesignated (deficit), reported in:				
General fund.	(1,381,081)	-	-	(1,381,081)
Special revenue funds	-	-	144,686	144,686
Capital projects funds	-	335,505	978	336,483
Total fund balances (deficit)	<u>(537,585)</u>	<u>514,803</u>	<u>1,194,103</u>	<u>1,171,321</u>
Total liabilities and fund balances	<u>\$ 8,416,888</u>	<u>\$ 1,371,774</u>	<u>\$ 1,739,800</u>	<u>\$ 11,528,462</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2005

Total governmental fund balances		\$ 1,171,321
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		4,732,184
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	\$ 649,687	
Grants	<u>166,222</u>	
Total		815,909
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		(25,079)
In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, interest is expensed when due.		(5,438)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(840,000)	
General obligation notes	(105,000)	
Compensated absences	<u>(1,407,583)</u>	
Total		<u>(2,352,583)</u>
Net assets of governmental activities		<u><u>\$ 4,336,314</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
From local sources:				
Taxes	\$ 7,811,976	\$ 678,049	\$ 111,386	\$ 8,601,411
Tuition.	416,124	-	-	416,124
Charges for services	-	-	456,744	456,744
Earnings on investments.	92,066	-	290	92,356
Extracurricular.	18,457	-	207,454	225,911
Classroom materials and fees	59,122	-	-	59,122
Other local revenues.	83,049	-	27,018	110,067
Intergovernmental - state	7,808,298	72,876	871,969	8,753,143
Intergovernmental - federal.	3,434	-	1,627,527	1,630,961
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	16,292,526	750,925	3,302,388	20,345,839
Expenditures:				
Current:				
Instruction:				
Regular	8,439,957	157,558	848,128	9,445,643
Special.	1,780,213	-	669,040	2,449,253
Support Services:				
Pupil.	919,300	22,973	124,483	1,066,756
Instructional staff	893,634	-	326,339	1,219,973
Board of education	113,762	-	-	113,762
Administration.	1,512,970	-	87,104	1,600,074
Fiscal	474,055	8,717	4,545	487,317
Operations and maintenance.	1,419,217	396,533	209	1,815,959
Pupil transportation	554,424	57,861	-	612,285
Operation of non-instructional services	-	-	4,150	4,150
Food service operations	-	-	789,756	789,756
Extracurricular activities.	295,772	-	118,130	413,902
Intergovernmental pass through	-	-	60,505	60,505
Debt service:				
Principal retirement	-	-	380,000	380,000
Interest and fiscal charges	-	-	84,207	84,207
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	16,403,304	643,642	3,496,596	20,543,542
Net change in fund balances	(110,778)	107,283	(194,208)	(197,703)
Fund balances (deficit), July 1 (restated).	(432,416)	407,520	1,388,100	1,363,204
Increase in reserve for inventory	5,609	-	211	5,820
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficit), June 30	<u>\$ (537,585)</u>	<u>\$ 514,803</u>	<u>\$ 1,194,103</u>	<u>\$ 1,171,321</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Net change in fund balances - total governmental funds \$ (197,703)

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. This is the amount by which depreciation expense exceeds capital outlays in the current period.

Capital asset additions	\$	119,087	
Current year depreciation		(444,183)	
Total			(325,096)

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

Taxes		141,716	
Intergovernmental revenue		24,428	
Total			166,144

Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.

5,820

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

380,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

2,092

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.

91,403

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

619,256

Change in net assets of governmental activities \$ 741,916

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 7,735,139	\$ 7,812,950	\$ 7,913,484	\$ 100,534
Tuition	452,049	456,596	436,802	(19,794)
Earnings on investments	74,253	75,000	79,151	4,151
Extracurricular activities	17,821	18,000	18,457	457
Classroom materials and fees	60,194	60,800	58,884	(1,916)
Other local revenue	141,576	143,000	69,729	(73,271)
Intergovernmental - state	7,715,182	7,792,793	7,808,298	15,505
Intergovernmental - federal	49,502	50,000	3,434	(46,566)
	<u>16,245,716</u>	<u>16,409,139</u>	<u>16,388,239</u>	<u>(20,900)</u>
Expenditures:				
Current:				
Instruction:				
Regular	8,515,933	8,606,088	8,589,342	16,746
Special	1,842,866	1,862,376	1,793,018	69,358
Support services:				
Pupils	880,603	889,926	898,741	(8,815)
Instructional staff	957,573	967,711	916,616	51,095
Board of education	133,450	134,863	124,977	9,886
Administration	1,549,823	1,566,231	1,539,683	26,548
Fiscal	528,203	533,795	477,667	56,128
Operations and maintenance	1,501,173	1,517,066	1,460,002	57,064
Pupil transportation	620,925	627,499	586,169	41,330
Extracurricular activities	304,801	308,028	300,803	7,225
Debt service:				
Principal retirement	98,952	100,000	100,000	-
Interest and fiscal charges	11,568	11,690	10,970	720
	<u>16,945,870</u>	<u>17,125,273</u>	<u>16,797,988</u>	<u>327,285</u>
Excess of revenues over (under) expenditures	<u>(700,154)</u>	<u>(716,134)</u>	<u>(409,749)</u>	<u>306,385</u>
Other financing sources (uses):				
Advances in	40,454	40,861	40,861	-
Advances (out)	-	-	(4,293)	(4,293)
Refund of prior year's expenditures	-	-	246	246
	<u>40,454</u>	<u>40,861</u>	<u>36,814</u>	<u>(4,047)</u>
Net change in fund balance	(659,700)	(675,273)	(372,935)	302,338
Fund balance, July 1	<u>1,060,954</u>	<u>1,060,954</u>	<u>1,060,954</u>	<u>-</u>
Prior year encumbrances appropriated	<u>133,596</u>	<u>133,596</u>	<u>133,596</u>	<u>-</u>
Fund balance, June 30	<u>\$ 534,850</u>	<u>\$ 519,277</u>	<u>\$ 821,615</u>	<u>\$ 302,338</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2005

	<u>Governmental Activities - Internal Service Fund</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 33,765
Cash and cash equivalents with fiscal agent .	160,506
Receivables:	
Intergovernmental receivable	<u>16,694</u>
 Total assets	 <u>210,965</u>
Liabilities:	
Claims payable.	<u>236,044</u>
 Total liabilities	 <u>236,044</u>
Net assets:	
Unrestricted (deficit)	<u>(25,079)</u>
 Total net assets (deficit)	 <u><u>\$ (25,079)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Governmental Activities - Internal Service Fund</u>
Operating revenues:	
Charges for services.	\$ 2,298,497
Total operating revenues	<u>2,298,497</u>
Operating expenses:	
Claims and administrative services	<u>1,679,241</u>
Total operating expenses	<u>1,679,241</u>
Change in net assets.	619,256
Net assets (deficit), July 1	<u>(644,335)</u>
Net assets (deficit), June 30	<u><u>\$ (25,079)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Governmental Activities - Internal Service Fund</u>
Cash flows from operating activities:	
Cash received from charges for services	\$ 2,298,497
Cash payments for claims and administrative services	<u>(2,118,227)</u>
Net cash provided by operating activities.	<u>180,270</u>
Net increase in cash and cash equivalents.	180,270
Cash and cash equivalents, July 1	<u>14,001</u>
Cash and cash equivalents, June 30	<u><u>\$ 194,271</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 619,256
Changes in assets and liabilities:	
Increase in due from other governments	(16,694)
Decrease in due to other governments	(375,619)
Decrease in claims payable.	<u>(46,673)</u>
Net cash provided by operating activities	<u><u>\$ 180,270</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2005

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash		
and cash equivalents	\$ 42,205	\$ 96,257
Cash in segregated accounts	1,180	-
	43,385	96,257
Total assets	<u>43,385</u>	<u>\$ 96,257</u>
Liabilities:		
Accounts payable	-	\$ 1,556
Due to students	-	94,701
	-	96,257
Total liabilities	<u>-</u>	<u>\$ 96,257</u>
Net Assets:		
Held in trust for scholarships	43,385	
	<u>43,385</u>	
Total net assets	<u>\$ 43,385</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 38
Gifts and contributions.	4,128
Total additions.	4,166
Deductions:	
Scholarships awarded	2,750
Change in net assets	1,416
Net assets, July 1	41,969
Net assets, June 30	\$ 43,385

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Circleville City School District (the "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 District is a city school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (five members) and is responsible for the provision of public education to residents of the District.

The District ranks as the 215th largest by enrollment among the 860 public and community school districts in the State. The District employs 12 administrators, 89 non-certified, 164 certified employees and 2 non-certified supervisors to provide services to approximately 2,448 students and community groups. The District provides regular instruction, special instruction, and vocational programs through the Pickaway Ross Joint Vocational School District. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services. The District co-operates with the Pickaway County Educational Service Center, a separate entity, for curricular services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, preschool and student related activities of the District.

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

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

JOINTLY GOVERNED ORGANIZATIONS

South Central Ohio Computer Association

The District is a participant in the South Central Ohio Computer Association (“SCOCA”) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Jackson, Vinton, Pickaway, Gallia, Ross, and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, plus a representative of the fiscal agent. The District paid SCOCA \$35,687 for services provided during the year. Financial information can be obtained from their fiscal agent, the Pike County Joint Vocational School District, Tonya Cooper, who serves as Treasurer, at P.O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

Ross County School Employees Insurance Consortium

The District is a member of the Ross County School Employees Insurance Consortium (the “Consortium”), a claims servicing pool consisting of fourteen school districts within Ross County and its surrounding area. Medical/surgical insurance is administered through a third party administrator, Medical Mutual of Ohio. The Consortium’s business and affairs are managed by a Council consisting of one representative for each participating school. The participating school districts pay an administrative fee to the fiscal agent to cover the costs of administering the Consortium. To obtain financial information, write to Westfall Local School District, Scott Glandon, who serves as Treasurer, at 19463 Pherson Pike, Williamsport, Ohio 43164.

Central Ohio Special Education Regional Resource Center

The Central Ohio Special Education Regional Resource Center (COSERRC) is a jointly governed organization operated by a Governing Board that is composed of superintendents of member school districts in central Ohio which comprise sixty percent of the Board, two parents of children with disabilities, one representative of a chartered nonpublic school, one representative of a county board of Mental Retardation and Development Disabilities, representatives of universities and students and persons with disabilities representations. COSERRC assists the District in complying with mandates of Public Law 99-456 for educating children with disabilities. There is no financial commitment made by the districts involved in COSERRC. COSERRC is not dependent upon the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for the COSERRC.

School Study Council of Ohio

The School Study Council of Ohio (“SSCO”), created in 1965 is a non-profit organization of fifty-six school districts, eleven educational service centers, four colleges of education, and eight related educational schools and agencies from thirty counties. It is owned and governed by the member organizations with a Board of Trustees representing member organizations. The District’s Superintendent represents the District on the Board of Trustees. Their mission is to enable district improvement through planning assistance, professional development, funding and related resource acquisition, research, system assessment and impact evaluation, leadership development, and other personalized technical assistance. The District has no ongoing financial interest or ongoing financial responsibility to the Council. To obtain the SSCO annual report, write to the School Study Council of Ohio, 4795 Evanswood Drive, Floor 3, Columbus, Ohio 43229-7216.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

PUBLIC ENTITY RISK POOL

Workers' Compensation

The District participates in the Ohio Association of School Business Officials (OASBO)/ Sheakley UniServe Workers' Compensation Group Rating Program (GRP). The GRP is sponsored by OASBO and administered by Sheakley UniServe, Inc. 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 District pays a fee to the GRP to cover the costs of administering the program.

B. Fund Accounting

The District uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

GOVERNMENTAL FUNDS

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

Permanent Improvement Fund - The permanent improvement fund is used to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Section 5705 of the Ohio Revised Code.

Other governmental funds of the District are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds; (b) for the accumulation of resources for, and the repayment of, general long-term debt principal, interest and related costs; and (c) for grants and other resources whose use is restricted to a particular purpose.

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no enterprise funds. The following is a description of the District's internal service fund:

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides medical and dental benefits to employees.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is a private purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student activities.

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal Service fund operating activity is eliminated to avoid overstatement of revenues and expenses.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the full accrual economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net assets.

Fund Financial Statements - Fund financial statements report detailed information about the 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, and all nonmajor funds are aggregated into one column. The internal service fund is presented in a single column on the face of the proprietary fund statement. Fiduciary funds are reported by fund type.

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

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's internal service fund is charges for services. Operating expenses for internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The private purpose trust fund is reported using the economic resources measurement focus. The agency fund does not report a measurement focus as it does not report operations.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). 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 District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, tuition, grants, student fees and rentals.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

E. Budgets

The District is required by state statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2005 is as follows.

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the board-adopted budget is filed with the Pickaway County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original and final budgeted amount in the budgetary statement reflect the amounts set forth in the original and final Amended Certificate issued for fiscal year 2005.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures.

Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed appropriations totals.

5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

7. Appropriation amounts are as originally adopted, which are the permanent appropriations, or as amended by the Board of Education throughout the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. Individual building and/or departments may transfer funds within their budgets upon review and approval of the Treasurer, if the line item transfer does not exceed \$10,000. All supplemental appropriations were legally enacted. The final budget figures, which appear in the statements of budgetary comparisons, represent the permanent appropriation amounts plus all supplemental appropriations legally enacted during the year. During the year, supplemental appropriations were legally enacted by the Board, none were significant.
8. At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

F. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds, including the proprietary fund, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the basic financial statements.

During fiscal year 2005, investments were limited to federal agency securities, a U.S. Government money market fund, and the State Treasury Asset Reserve (STAR Ohio). Investments are reported at fair value, which is based on quoted market prices.

The District has invested funds in STAR Ohio during fiscal year 2005. STAR Ohio is an investment pool managed by the State Treasurer's Office, which 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, 2005.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenues credited to the general fund during fiscal year 2005, amounted to \$92,066, which includes \$61,035 assigned from other District funds.

For presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the Treasurer's investments at year-end is provided in Note 4.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method. On fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis and is expensed when purchased.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

H. Capital Assets

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

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	15 years
Buildings and improvements	40 - 50 years
Furniture and equipment	5 - 15 years
Vehicles	10 years

I. Interfund Balances

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

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. Compensated Absences

Compensated absences of the District consist of vacation leave and severance liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2005, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees with at least ten years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2005, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

K. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the internal service fund are reported on the proprietary fund financial statements.

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

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Fund Balance Reserves

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, prepayments, inventories of materials and supplies, property tax unavailable for appropriation, budget stabilization and debt service. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriation under State statute.

N. Parochial Schools

New Hope Christian School and A Child's Place School operate within the District's boundaries. Current state legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as directed by the parochial schools. These activities are reported as a governmental activity of the District.

O. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include the amount required by state statute to be set aside to create a reserve for budget stabilization. See Note 16 for details.

P. Estimates

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

Q. Net Assets

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

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

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund.

S. Interfund Activity

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

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2005.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2005, the District has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures" and GASB Technical Bulletin 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers".

GASB Statement No. 40 establishes and modified disclosure requirements related to investment risks: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modified disclosure requirements for custodial credit risk on deposits.

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plans.

The implementation of GASB Statement No. 40 did not have an effect on the financial statements of the District, however additional note disclosure can be found in Note 4. The implementation of GASB Technical Bulletin No. 2004-2 had the following effect on the fund balances of the major and non-major funds of the District as they were previously reported as of June 30, 2004:

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

	<u>General</u>	<u>Nonmajor</u>	<u>Total</u>
Fund Balances, June 30, 2004	\$ (301,053)	\$ 1,831,974	\$ 1,530,921
GASB Technical Bulletin No. 2004-2	(131,363)	(36,354)	(167,717)
Restated Fund Balance, June 30, 2004	\$ (432,416)	\$ 1,795,620	\$ 1,363,204

B. Deficit Fund Balances/Net Assets

Fund balances at June 30, 2005 included the following individual fund deficits:

	<u>Deficit</u>
<u>Major Fund</u>	
General	\$ 537,585
<u>Nonmajor Funds</u>	
Disadvantaged Pupil Impact Aid	105,837
Summer Intervention	5,162
Title I	61,649
Title VI	21
Self Insurance Fund	25,079

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficits in the nonmajor funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances results from adjustments for accrued liabilities.

C. Budgetary

Appropriation and carryover encumbrances exceeded estimated resources during the year in the Auxiliary Services, Management Information Systems, Summer Intervention, Miscellaneous State Grants, Title VI-B, Title I, EHA Preschool Grant, and Improving Teacher Quality special revenue funds, in the amount of \$2,437, \$1,000, \$6,498, \$9,630, \$9,720, \$12,195, \$223, and \$8,165, respectively.

At year-end, appropriations and carryover encumbrances exceeded estimated resources in the Title I and Miscellaneous Federal Grants special revenue funds in the amount of \$10,002 and \$327, respectively.

At year-end, budgetary expenditures exceeded appropriations in the Auxiliary Services fund in the amount of \$2,145.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

State statutes classify monies held by the 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 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 of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim moneys are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. 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 passbook accounts.

Protection of District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), 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 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 and 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;
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 Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time: and,

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

8. Under limited circumstances, corporate debt interests rated in either of the two highest 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 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.

A. Cash on Hand

At year-end, the District had \$7,150 in undeposited cash on hand which is included on the financial statements of the District as part of "Equity in Pooled Cash and Cash Equivalents."

B. Deposits with Financial Institutions

At June 30, 2005, the carrying amount of all District deposits was \$246,783, which includes \$160,506 cash with fiscal agent. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2005, \$746,332 of the District's bank balance of \$847,512 was exposed to custodial risk as discussed below, while \$101,180 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

C. Investments

As of June 30, 2005, the District had the following investments and maturities:

<u>Investment type</u>	<u>Balance at Fair Value</u>	<u>Investment Maturities 6 months or less</u>
FNMA	\$ 299,343	\$ 299,343
U.S. Government money market	9,360	9,360
STAR Ohio	2,733,567	2,733,567
	<u>\$ 3,042,270</u>	<u>\$ 3,042,270</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

The weighted average maturity of investments is .02 years.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: The District's investments, except for STAR Ohio, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio a AAAm money market rating.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2005:

<u>Investment type</u>	<u>Fair Value</u>	<u>% to Total</u>
FNMA	\$ 299,343	9.84
U.S. Government money market	9,360	0.31
STAR Ohio	<u>2,733,567</u>	<u>89.85</u>
	<u>\$ 3,042,270</u>	<u>100.00</u>

D. Reconciliation of Cash and Investment to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of June 30, 2005:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 246,783
Investments	3,042,270
Cash on hand	<u>7,150</u>
Total	<u>\$ 3,296,203</u>
<u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 3,156,561
Private-purpose trust funds	43,385
Agency funds	<u>96,257</u>
Total	<u>\$ 3,296,203</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund balances consisted of the following at June 30, 2005, as reported on the fund statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 4,293

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2005 are reported on the Statement of Net Assets.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax 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 District. Real property tax revenue received in calendar 2005 represents collections of calendar year 2004 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed value listed as of January 1, 2004, the lien date. Assessed values for real property taxes are established by state law at thirty-five 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 tax revenue received in calendar 2005 represents collections of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 became a lien December 31, 2003, were levied after April 1, 2004 and are collected in 2005 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2005 (other than public utility property) represents the collection of 2005 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the value as of December 31, 2004. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. 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 District prior to June 30.

The District receives property taxes from Pickaway County. The Pickaway County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2005, are available to finance fiscal year 2006 operations. The amount available to be advanced can vary based on the date tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2005 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 6 - PROPERTY TAXES - (Continued)

The amount available as an advance at June 30, 2005 was \$577,207 in the general fund and \$68,294 in the permanent improvement fund. These amounts have been recorded as revenue. The amount available as an advance at June 30, 2004 was \$548,088 in the general fund and \$43,683 in the permanent improvement fund.

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

The assessed values upon which the fiscal year 2005 taxes were collected are:

	2005 First Half Collections		2004 Second Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 214,130,060	78.03	\$ 212,522,200	75.55
Public utility personal	10,676,470	3.89	10,957,690	3.90
Tangible personal property	<u>49,620,362</u>	<u>18.08</u>	<u>57,814,626</u>	<u>20.55</u>
Total	<u>\$ 274,426,892</u>	<u>100.00</u>	<u>\$ 281,294,516</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 47.45		\$ 47.45	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2005 consisted of taxes, accounts (billings for user charged services and student fees), intergovernmental grants and entitlements, and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the Statement of Net Assets follows:

Governmental Activities

Property taxes	\$ 8,191,104
Accounts	16,268
Intergovernmental	289,251
Accrued interest	<u>6,180</u>
Total	<u>\$ 8,502,803</u>

Receivables have been disaggregated on the face of the financial statements. All receivables are expected to be collected within one year.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	<u>Balance 06/30/04</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 06/30/05</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 200,638	\$ -	\$ -	\$ 200,638
<i>Capital assets, being depreciated:</i>				
Land improvements	1,235,433	-	-	1,235,433
Building and improvements	9,336,328	-	-	9,336,328
Furniture and equipment	2,496,690	54,037	-	2,550,727
Vehicles	694,646	65,050	-	759,696
Total capital assets, being depreciated	<u>13,763,097</u>	<u>119,087</u>	<u>-</u>	<u>13,882,184</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(815,359)	(79,257)	-	(894,616)
Building and improvements	(5,357,023)	(189,263)	-	(5,546,286)
Furniture and equipment	(2,120,533)	(147,480)	-	(2,268,013)
Vehicles	(613,540)	(28,183)	-	(641,723)
Total accumulated depreciation	<u>(8,906,455)</u>	<u>(444,183)</u>	<u>-</u>	<u>(9,350,638)</u>
Governmental activities capital assets, net	<u>\$ 5,057,280</u>	<u>\$ (325,096)</u>	<u>\$ -</u>	<u>\$ 4,732,184</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 302,662
Special	18,568
Vocational	14,344
<u>Support Services:</u>	
Pupil	2,074
Instructional staff	31,489
Administration	17,015
Fiscal	2,652
Operations and maintenance	7,646
Pupil transportation	28,183
Non-instructional services	12,294
Food service operations	6,192
Extracurricular	<u>1,064</u>
Total depreciation expense	<u>\$ 444,183</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 9 - LONG-TERM OBLIGATIONS

A. The District's long-term obligations during the year consist of the following:

	Balance at			Balance at	Amounts
	<u>6/30/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>06/30/05</u>	<u>Due in</u>
					<u>One Year</u>
Governmental Activities:					
General obligation bonds payable	\$ 1,120,000	\$ -	\$ (280,000)	\$ 840,000	\$ 280,000
General obligation notes payable	205,000	-	(100,000)	105,000	105,000
Compensated absences:					
Severance	1,445,408	148,190	(110,718)	1,482,880	238,939
Vacation leave	<u>164,296</u>	<u>163,642</u>	<u>(164,296)</u>	<u>163,642</u>	<u>19,370</u>
Total compensated absences	<u>1,609,704</u>	<u>311,832</u>	<u>(275,014)</u>	<u>1,646,522</u>	<u>258,309</u>
Total governmental activities long-term liabilities	<u>\$ 2,934,704</u>	<u>\$ 311,832</u>	<u>\$ (655,014)</u>	<u>\$ 2,591,522</u>	<u>\$ 643,309</u>

Compensated Absences: Compensated absences will be paid from the fund which the employee's salaries are paid.

General Obligation Bonds: The \$840,000 of outstanding general obligation bonds relate to a project in 1987 in which the District issued \$5,000,000 in building bonds and in 1988 \$500,000 in renovation bonds. These bonds were issued for the purpose of constructing and equipping a new central office and addition to the high school and improving the site thereof at an interest rate of 7.5% and 7.25% respectively. These bonds mature December, 2007, and are in full compliance with the general laws of the State of Ohio, particularly Sections 133.01 to 133.48, inclusive, of the Revised Code and Section 133.09 thereof.

The annual maturities of the general obligation bonds as of June 30, 2005, and related interest payments are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 280,000	\$ 52,312	\$ 332,312
2007	280,000	31,388	311,388
2008	<u>280,000</u>	<u>10,463</u>	<u>290,463</u>
Total	<u>\$ 840,000</u>	<u>\$ 94,163</u>	<u>\$ 934,163</u>

General Obligation Notes: Energy conservation notes were issued by the District in the amount of \$830,000 in July 1996. The note issue carries an interest rate of 5.4%. The annual maturities of the general obligation notes (energy conservation notes) as of June 30, 2005, and related interest payments are as follows:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	<u>\$ 105,000</u>	<u>\$ 5,670</u>	<u>\$ 110,670</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

B. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The effects of these debt limitations at June 30, 2005, are a voted debt margin of \$24,895,126 (including available funds of \$1,036,706) and an unvoted debt margin of \$274,427. Additionally, the District has unvoted debt margin related to energy conservation debt of \$2,364,842.

NOTE 10 - COMPENSATED ABSENCES

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and state laws. Only administrative and support personnel who are under a full year contract (260 days) are eligible for vacation time. The administrators are generally granted 20 days of vacation per year.

Classified employees earn 10 to 20 days of vacation per year, depending upon length of service. Vacation time, which is unused as of the employee's anniversary date, can be carried over to a subsequent year, with a maximum of 3 years accrual (60 days). Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment.

The classified personnel accumulate vacation based on the following schedule:

<u>Years Service</u>	<u>Vacation Days</u>
1 - 6	10
7 - 10	15
11 - 15	18
16 - beyond	20

Each employee earns sick leave at the rate of one and quarter days per month. Sick leave shall accumulate during active employment on a continuous year-to-date basis. Maximum sick leave accumulation for all employees is 252 days.

For all employees, retirement severance is paid to each employee retiring from the District at a per diem rate of the annual salary at the time of retirement, if the employee has been employed by the District for a minimum of 10 consecutive years at the time of retirement. Any employee receiving retirement severance pay shall be entitled to a dollar amount equivalent to one-fourth of 140 days of all accumulated sick leave credited to that employee, or 35 day's pay, plus 1 day's pay for each 6 accrued sick leave days exceeding 140 days, not to exceed a total of 54 days of severance pay.

In April 2005, the District approved participation in an Internal Revenue Service 403 (B) Retirement Plan. Under this plan, all employees who retire at the age of 55 or older, are required to have their severance pay paid into an Accumulated Leave Plan through ING Financial Advisers, LLC. Upon retirement, the District will made five annual payments, which equal the employee's total severance, into an annuity with ING Financial Advisers, LLC on behalf of the employee.

For employees who retire under the age of 55, a one time lump sum payment of the total severance is made by the District to the employee.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 11 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The District has addressed these various types of risk by purchasing a comprehensive insurance policy through commercial carriers.

General liability insurance is maintained in the amount of \$1,000,000 for each occurrence and \$3,000,000 in the aggregate. In addition, the District maintains a \$3,000,000 umbrella liability policy.

The District maintains fleet insurance in the amount of \$1,000,000 for any one accident or loss and \$3,000,000 for excess auto liability.

The District maintains replacement cost insurance on buildings and contents in the amount of \$40,898,710.

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

B. Employee Medical Insurance

The District has established an internal service "self-insurance" fund, in conjunction with a formalized risk management program, in an effort to minimize risk exposure and control claims and premium costs. This self-insurance fund was established October 19, 1984, for the purpose of accumulating balances sufficient to self-insure medical and dental treatments. The District pays the entire amount of dental premium contributions.

On July 1, 1998, the District joined the Ross County School Employees Insurance Consortium (RCSEIC) to self-insure its medical claims. RCSEIC currently includes 14 member school districts. Contributions are determined by the consortium's board of directors and are remitted monthly to the consortium's fiscal agent, who then pays all incurred claims. Thus, actual cash "reserves" are held by the fiscal agent.

Medical Mutual of Ohio, a third party administrator, services all health/medical claims submitted by employees and Core Source, a third party administrator, services all dental claims submitted by employees. An excess coverage insurance policy covers individual medical claims in excess of \$100,000 per employee consortium-wide.

The claims liability of \$236,044 reported in the internal service fund at June 30, 2005, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. Changes in claims activity for the past two fiscal years are as follows:

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 11 - RISK MANAGEMENT - (Continued)

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2005	\$ 282,717	\$ 2,071,554	\$ (2,118,227)	\$ 236,044
2004	322,020	1,839,932	(1,879,235)	282,717

C. Workers' Compensation Rating Program

For fiscal year 2005, the District participated in the OASBO/Sheakley UniServe Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. 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 tiered into groups based upon past workers' compensation experience. Within each tiered group, a common premium rate is applied to all school districts within that group. 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 their tiered group. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniServe provides administrative, cost control, and actuarial services to the GRP.

NOTE 12 - DEFINED BENEFIT PENSION PLAN

A. School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, or by calling (614) 222-5853.

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14% of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2005, 10.57% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004, and 2003 were \$224,797, \$205,086 and \$179,936, respectively; 46.63% has been contributed for fiscal year 2005 and 100% for the fiscal years 2004 and 2003. \$119,973 represents the unpaid pension contribution for fiscal year 2005 and is recorded as a liability within the respective funds.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 12 - DEFINED BENEFIT PENSION PLAN - (Continued)

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing, multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371, by calling (614) 227-4090, or by visiting the STRS website at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds 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 District is required to contribute at an actuarially determined rate. The current District rate is 14% of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal years 2005 and 2004, 13% of annual covered salary was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employee contributions. The District's required contributions for pension obligations to the DB plan for the fiscal years ended June 30, 2005, 2004, and 2003 were \$1,286,920, \$1,298,587, and \$1,228,818, respectively; 83.75% has been contributed for fiscal year 2005 and 100% for the fiscal years 2004 and 2003. \$209,170 represents the unpaid contribution for fiscal year 2005 and is recorded as a liability within the respective funds. Contributions to the DC and Combined Plans for fiscal 2005 were \$2,517 made by plan members and \$717 made by the District.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 12 - DEFINED BENEFIT PENSION PLAN - (Continued)

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement Systems/State Teachers Retirement System. As of June 30, 2005, certain members of the Board of Education have elected Social Security. The Board's liability is 6.2% of wages paid.

NOTE 13 - POSTEMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through STRS, and to retired non-certified employees and their dependents through SERS. Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Benefit provisions and the obligations to contribute are established by STRS and SERS based on authority granted by state statute. Both STRS and SERS are funded on a pay-as-you-go-basis.

The State Teachers Retirement Board 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 fiscal year 2005, the State Teachers Retirement Board allocated employer contributions equal to 1% of covered payroll to the Health Care Stabilization Fund. For the District, this amount equaled \$98,994 during fiscal 2005.

STRS pays health care benefits from the Health Care Stabilization Fund. The balance in the Health Care Stabilization Fund was \$3.1 billion at June 30, 2004 (the latest information available). For the fiscal year ended June 30, 2004 (the latest information available), net health care costs paid by STRS were \$268.739 million and STRS had 111,853 eligible benefit recipients.

For SERS, coverage is made available to service retirees with 10 or more years of qualifying service credit, and disability and survivor benefit recipients. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status. A safety net is in place for retirees whose household income falls below federal poverty levels. Premiums are reduced by 50% for those who apply.

For fiscal year 2005, employer contributions to fund health care benefits were 3.43% 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 2005, the minimum pay has been established at \$27,400. The surcharge, 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, before premium deduction. Gross expenses for health care at June 30, 2004 (the latest information available) were \$223.444 million and the target level was \$335.2 million. At June 30, 2004, (the latest information available) SERS had net assets available for payment of health care benefits of \$300.8 million and SERS had approximately 62,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled \$118,336 during the 2005 fiscal year.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund 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 the GAAP basis are that:

- (a) Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis); and
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance

	<u>General Fund</u>
Budget basis	\$ (372,935)
Net adjustment for revenue accruals	(95,713)
Net adjustment for expenditure accruals	212,218
Net adjustment for other sources/uses	(36,814)
Adjustment for encumbrances	182,466
GAAP basis	\$ (110,778)

NOTE 15 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District at June 30, 2005.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 15 - CONTINGENCIES - (Continued)

B. Litigation

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

C. School Funding Decision

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the state's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...".

The District is currently unable to determine what effect, if any, this decision will have on its future state funding and on its financial operations.

NOTE 16 - STATUTORY RESERVES

The District is required by state law to set-aside certain general fund revenue amounts, as defined by statute, into various reserves. These reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2005, the reserve activity was as follows:

	<u>Instructional Materials</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside cash balance as of June 30, 2004	\$ (575,615)	\$ -	\$ 82,071
Current year set-aside requirement	350,999	350,999	-
Current year offsets	-	-	-
Qualifying disbursements	<u>(363,619)</u>	<u>(393,128)</u>	<u>-</u>
Total	<u>\$ (588,235)</u>	<u>\$ (42,129)</u>	<u>\$ 82,071</u>
Balance carried forward to FY 2006	<u>\$ (588,235)</u>	<u>\$ -</u>	<u>\$ 82,071</u>

Although the District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero for the capital acquisition reserve, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carried forward to the next fiscal year.

A schedule of the Governmental Fund restricted assets at June 30, 2005 follows:

Amount restricted for BWC refunds	<u>\$ 82,071</u>
Total restricted assets	<u>\$ 82,071</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 17 - SUBSEQUENT EVENTS

On November 8, 2005, the District passed a 0.75% income tax levy and a 7.9 mill property tax levy to be used for current operating expenses.

THIS PAGE IS INTENTIONALLY LEFT BLANK

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

THIS PAGE IS INTENTIONALLY LEFT BLANK

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING STATEMENTS - FUND DESCRIPTIONS

Nonmajor Special Revenue Funds

Special revenue funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's special revenue funds follows:

Food Service Section 3313.81, Revised Code

A fund which is used to account for all revenues and expenditures related to the provision of food services, including breakfast and lunch for students and staff of the District.

Special Trust Section 5705.12, Revised Code

A fund which is used to account for trust agreements in which the principal and income are used to support District programs.

Public School Support Section 5705.12, Revised Code

A fund provided to account for specific local revenue sources (i.e. profits from vending machines, sales of pictures, etc.), that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

Other Grants Sections 5705.09 and 5705.13, Revised Code

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

DECA Scholarship Section 3315.40, Revised Code

A fund provided to account for the proceeds of any bequest, gift, or endowment given to the District or without conditions for limitations. Monies in the fund shall only be expended by resolution adopted by a majority of the members of the board for operating or capital costs or any existing or new and innovative program designed to enhance or promote education within the District, such as scholarships for students or teachers.

District Managed Student Activity Section 3313.062

A fund provided to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services Current Budget Bill, Appropriation line item 200-511

A fund use to account for monies which provide services and materials to pupils attending non-public schools within the school district.

Management Information Systems Current Budget Bill, Appropriation line item 200-446

A fund provided to account for hardware and software development, or other costs associated with the requirements of the management information system.

Disadvantaged Pupil Impact Aid Current Budget Bill

A fund used to account for monies received for disadvantaged pupil impact aid.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING STATEMENTS - FUND DESCRIPTIONS

Nonmajor Special Revenue Funds - (Continued)

<i>Data Communications</i>	Section 5705.09, Revised Code
A fund provided to account for money appropriated for Ohio Educational Computer Network Connections.	
<i>SchoolNet Professional Development</i>	Section 5705.09, Revised Code
A fund provided to account for a limited number of professional development subsidy grants.	
<i>Entry Year Program</i>	Current Budget Bill Appropriation item 200-410
A fund used to implement entry-year programs pursuant to Section 3317.024(T) of the Revised Code.	
<i>Summer Intervention</i>	State line item Appropriation 200-513
A fund used to account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Revised Code.	
<i>Miscellaneous State Grants</i>	Section 5705.12, Revised Code
A fund used to account 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.	
<i>Title VI-B</i>	Catalog of Federal Domestic Assistance #84.027
To account for Federal monies which assist states in the identification of handicapped children, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.	
<i>Title I</i>	Catalog of Federal Domestic Assistance #84.010
To account for funds which provide financial assistance to State and local educational agencies to meet the special needs of educationally deprived children.	
<i>Title VI</i>	Catalog of Federal Domestic Assistance #84.151
To account for Federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, and in-service and staff development.	
<i>Drug-Free School Grant</i>	Catalog of Federal Domestic Assistance #84.186
To provide funds to local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.	
<i>EHA Preschool Grant</i>	Catalog of Federal Domestic Assistance #84.173
This fund accounts for monies received to address the improvement and expansion of services for the handicapped children ages three through five years old.	

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING STATEMENTS - FUND DESCRIPTIONS

Nonmajor Special Revenue Funds - (Continued)

Improving Teacher Quality

Catalog of Federal Domestic Assistance #84.340 and 84.367

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

Miscellaneous Federal Grants

Section 5705.12, Revised Code

A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate cost center must be used for each grant and be approved by the Auditor of State.

Nonmajor Debt Service Fund

The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest and certain long-term obligations from governmental resources when the government is obligated in some manner for payment.

Nonmajor Capital Project Fund

The capital projects fund accounts for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and trust funds). A description of the District's capital project fund follows:

SchoolNet

Section 5705.09, Revised Code

A fund provided to account for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

Internal Service Fund

Self Insurance

A fund used to account for a self-insurance program which provides medical and dental benefits to employees.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING STATEMENTS - FUND DESCRIPTIONS

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

Private Purpose Trust Fund

Scholarship Trust Fund

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The principal and income from such a fund may be expended.

Agency Fund

Student Managed Activity

Section 3315.062, Revised Code

A fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

GENERAL FUND

The general fund is used to account for resources traditionally associated with a school district which are not required legally or by sound financial management to be accounted for in another fund. These activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation, and administration.

Since there is only one general fund and the legal level of budgetary control is not greater than that presented in the basic financial statements, no additional financial statements are presented here.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents. . .	\$ 421,340	\$ 1,036,648	\$ 978	\$ 1,458,966
Receivables:				
Property taxes	-	58	-	58
Accounts.	323	-	-	323
Intergovernmental	272,557	-	-	272,557
Materials and supplies inventory	7,896	-	-	7,896
Total assets.	<u>\$ 702,116</u>	<u>\$ 1,036,706</u>	<u>\$ 978</u>	<u>\$ 1,739,800</u>
Liabilities:				
Accounts payable.	\$ 15,512	\$ -	\$ -	\$ 15,512
Accrued wages and benefits	300,408	-	-	300,408
Compensated absences payable.	726	-	-	726
Pension obligation payable.	48,120	-	-	48,120
Intergovernmental payable	10,414	-	-	10,414
Interfund loan payable	4,293	-	-	4,293
Deferred revenue.	166,224	-	-	166,224
Total liabilities.	<u>545,697</u>	<u>-</u>	<u>-</u>	<u>545,697</u>
Fund Balances:				
Reserved for encumbrances.	3,837	-	-	3,837
Reserved for materials and supplies inventory	7,896	-	-	7,896
Reserved for debt service	-	1,036,706	-	1,036,706
Unreserved, undesignated, reported in:				
Special revenue funds	144,686	-	-	144,686
Capital projects.	-	-	978	978
Total fund balances.	<u>156,419</u>	<u>1,036,706</u>	<u>978</u>	<u>1,194,103</u>
Total liabilities and fund balances	<u>\$ 702,116</u>	<u>\$ 1,036,706</u>	<u>\$ 978</u>	<u>\$ 1,739,800</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
From local sources:				
Taxes	\$ -	\$ 111,386	\$ -	\$ 111,386
Charges for services	456,744	-	-	456,744
Earnings on investments	290	-	-	290
Extracurricular	207,454	-	-	207,454
Other local revenues	27,018	-	-	27,018
Intergovernmental - state	851,914	-	20,055	871,969
Intergovernmental - federal	1,627,527	-	-	1,627,527
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	3,170,947	111,386	20,055	3,302,388
Expenditures:				
Current:				
Instruction:				
Regular	828,725	-	19,403	848,128
Special	669,040	-	-	669,040
Support services:				
Pupil	124,483	-	-	124,483
Instructional staff	326,339	-	-	326,339
Administration	87,104	-	-	87,104
Fiscal	-	4,545	-	4,545
Operations and maintenance	209	-	-	209
Operation of non-instructional services	4,150	-	-	4,150
Food service operations	789,756	-	-	789,756
Extracurricular activities	118,130	-	-	118,130
Intergovernmental pass through	60,505	-	-	60,505
Debt service:				
Principal retirement	-	380,000	-	380,000
Interest and fiscal charges	-	84,207	-	84,207
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	3,008,441	468,752	19,403	3,496,596
Net change in fund balances	162,506	(357,366)	652	(194,208)
Fund balances, July 1 (restated)	(6,298)	1,394,072	326	1,388,100
Increase in reserve for inventory	211	-	-	211
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances, June 30	<u>\$ 156,419</u>	<u>\$ 1,036,706</u>	<u>\$ 978</u>	<u>\$ 1,194,103</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2005

	Food Service	Special Trust	Public School Support	Other Grants
Assets:				
Equity in pooled cash and cash equivalents.	\$ 116,635	\$ 4,416	\$ 31,560	\$ 22,407
Receivables:				
Accounts.	-	-	-	-
Intergovernmental	-	-	-	-
Materials and supplies inventory	7,896	-	-	-
Total assets.	\$ 124,531	\$ 4,416	\$ 31,560	\$ 22,407
Liabilities:				
Accounts payable.	\$ -	\$ -	\$ -	\$ -
Accrued wages and benefits	51,671	-	-	-
Compensated absences payable.	726	-	-	-
Pension obligation payable.	33,115	-	-	-
Intergovernmental payable	1,665	-	-	-
Interfund loan payable	-	-	-	-
Deferred revenue.	-	-	-	-
Total liabilities.	87,177	-	-	-
Fund Balances:				
Reserved for encumbrances.	-	-	-	-
Reserved for materials and supplies inventory	7,896	-	-	-
Unreserved, undesignated, reported in:				
Special revenue funds	29,458	4,416	31,560	22,407
Total fund balances (deficits).	37,354	4,416	31,560	22,407
Total liabilities and fund balances	\$ 124,531	\$ 4,416	\$ 31,560	\$ 22,407

<u>DECA Scholarship</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>SchoolNet Professional Development</u>	<u>Summer Intervention</u>
\$ 13,129	\$ 139,282	\$ 5,008	\$ 9,628	\$ 5,280	\$ 1,525
-	323	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 13,129</u>	<u>\$ 139,605</u>	<u>\$ 5,008</u>	<u>\$ 9,628</u>	<u>\$ 5,280</u>	<u>\$ 1,525</u>
\$ -	\$ -	\$ 5,008	\$ -	\$ -	\$ -
-	-	-	99,465	-	6,490
-	-	-	-	-	-
-	-	-	12,504	-	-
-	-	-	3,496	-	197
-	-	-	-	-	-
-	-	-	-	-	-
-	-	5,008	115,465	-	6,687
-	1,318	1	-	-	-
-	-	-	-	-	-
<u>13,129</u>	<u>138,287</u>	<u>(1)</u>	<u>(105,837)</u>	<u>5,280</u>	<u>(5,162)</u>
<u>13,129</u>	<u>139,605</u>	<u>-</u>	<u>(105,837)</u>	<u>5,280</u>	<u>(5,162)</u>
<u>\$ 13,129</u>	<u>\$ 139,605</u>	<u>\$ 5,008</u>	<u>\$ 9,628</u>	<u>\$ 5,280</u>	<u>\$ 1,525</u>

-- Continued

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2005

	Miscellaneous State Grants	Title VI-B	Title I	Title VI
Assets:				
Equity in pooled cash and cash equivalents.	\$ 1,208	\$ 40,683	\$ 19,624	\$ 201
Receivables:				
Accounts.	-	-	-	-
Intergovernmental	-	108,411	104,402	1,813
Materials and supplies inventory	-	-	-	-
Total assets.	\$ 1,208	\$ 149,094	\$ 124,026	\$ 2,014
Liabilities:				
Accounts payable.	\$ 774	\$ 4,283	\$ 5,235	\$ -
Accrued wages and benefits	-	51,384	73,335	1,951
Compensated absences payable.	-	-	-	-
Pension obligation payable.	-	2,097	404	-
Intergovernmental payable	-	2,042	2,299	84
Interfund loan payable	-	4,293	-	-
Deferred revenue.	-	20,641	104,402	-
Total liabilities.	774	84,740	185,675	2,035
Fund Balances:				
Reserved for encumbrances.	-	41	2,258	-
Reserved for materials and supplies inventory	-	-	-	-
Unreserved, undesignated, reported in:				
Special revenue funds	434	64,313	(63,907)	(21)
Total fund balances (deficits).	434	64,354	(61,649)	(21)
Total liabilities and fund balances	\$ 1,208	\$ 149,094	\$ 124,026	\$ 2,014

<u>Drug-Free School Grant</u>	<u>EHA Preschool Grant</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 1,539	\$ 197	\$ 6,442	\$ 2,576	\$ 421,340
-	-	-	-	323
2,097	33,529	16,750	5,555	272,557
-	-	-	-	7,896
<u>\$ 3,636</u>	<u>\$ 33,726</u>	<u>\$ 23,192</u>	<u>\$ 8,131</u>	<u>\$ 702,116</u>
\$ -	\$ -	\$ 126	\$ 86	\$ 15,512
-	-	16,112	-	300,408
-	-	-	-	726
-	-	-	-	48,120
-	-	631	-	10,414
-	-	-	-	4,293
2,097	33,529	-	5,555	166,224
<u>2,097</u>	<u>33,529</u>	<u>16,869</u>	<u>5,641</u>	<u>545,697</u>
-	-	219	-	3,837
-	-	-	-	7,896
<u>1,539</u>	<u>197</u>	<u>6,104</u>	<u>2,490</u>	<u>144,686</u>
<u>1,539</u>	<u>197</u>	<u>6,323</u>	<u>2,490</u>	<u>156,419</u>
<u>\$ 3,636</u>	<u>\$ 33,726</u>	<u>\$ 23,192</u>	<u>\$ 8,131</u>	<u>\$ 702,116</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Food Service</u>	<u>Special Trust</u>	<u>Public School Support</u>	<u>Other Grants</u>
Revenues:				
From local sources:				
Charges for services	\$ 456,744	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Extracurricular	-	-	43,103	-
Other local revenues	3,591	2,207	5,347	13,550
Intergovernmental - state	14,814	-	-	-
Intergovernmental - federal	339,370	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue.	814,519	2,207	48,450	13,550
Expenditures:				
Current:				
Instruction:				
Regular.	-	-	51,020	10,523
Special	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff.	-	-	-	253
Administration	-	-	-	-
Operation and maintenance.	-	-	-	-
Operation of non-instructional services	-	1,610	-	-
Food service operations	789,756	-	-	-
Extracurricular activities.	-	-	1,284	-
Intergovernmental pass through	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	789,756	1,610	52,304	10,776
Net change in fund balances	24,763	597	(3,854)	2,774
Fund balances (deficits), July 1 (restated)	12,380	3,819	35,414	19,633
Increase in reserve for inventory	211	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficits), June 30	<u>\$ 37,354</u>	<u>\$ 4,416</u>	<u>\$ 31,560</u>	<u>\$ 22,407</u>

<u>DECA Scholarship</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Management Information Systems</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>Data Communications</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
290	-	-	-	-	-
-	164,351	-	-	-	-
-	2,323	-	-	-	-
-	-	53,184	7,526	709,138	18,000
-	-	-	-	-	-
<u>290</u>	<u>166,674</u>	<u>53,184</u>	<u>7,526</u>	<u>709,138</u>	<u>18,000</u>
-	-	-	-	700,146	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	18,000
-	-	-	7,457	-	-
-	-	-	-	-	-
-	-	-	-	-	-
250	116,596	-	-	-	-
-	-	60,505	-	-	-
<u>250</u>	<u>116,596</u>	<u>60,505</u>	<u>7,457</u>	<u>700,146</u>	<u>18,000</u>
40	50,078	(7,321)	69	8,992	-
13,089	89,527	7,321	(69)	(114,829)	-
-	-	-	-	-	-
<u>\$ 13,129</u>	<u>\$ 139,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (105,837)</u>	<u>\$ -</u>

-- Continued

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>SchoolNet Professional Development</u>	<u>Entry Year Program</u>	<u>Summer Intervention</u>	<u>Miscellaneous State Grants</u>
Revenues:				
From local sources:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Extracurricular	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	4,140	-	42,767	2,345
Intergovernmental - federal	-	4,400	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue.	4,140	4,400	42,767	2,345
Expenditures:				
Current:				
Instruction:				
Regular.	-	-	53,125	-
Special	-	4,400	-	-
Support services:				
Pupil	-	-	-	2,344
Instructional staff.	-	-	-	-
Administration	-	-	-	-
Operation and maintenance.	-	-	-	-
Operation of non-instructional services	-	-	-	-
Food service operations	-	-	-	-
Extracurricular activities.	-	-	-	-
Intergovernmental pass through	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	4,400	53,125	2,344
Net change in fund balances	4,140	-	(10,358)	1
Fund balances (deficits), July 1 (restated)	1,140	-	5,196	433
Increase in reserve for inventory	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficits), June 30	\$ 5,280	\$ -	\$ (5,162)	\$ 434

<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug-Free School Grant</u>	<u>EHA Preschool Grant</u>	<u>Improving Teacher Quality</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
556,308	536,660	13,255	15,186	14,994	132,573
<u>556,308</u>	<u>536,660</u>	<u>13,255</u>	<u>15,186</u>	<u>14,994</u>	<u>132,573</u>
9,911	-	-	4,000	-	-
147,682	424,124	-	-	2,937	89,897
-	96,539	1,862	9,501	14,237	-
247,922	2,112	9,845	-	-	32,825
79,647	-	-	-	-	-
-	-	-	209	-	-
-	1,766	-	774	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>485,162</u>	<u>524,541</u>	<u>11,707</u>	<u>14,484</u>	<u>17,174</u>	<u>122,722</u>
71,146	12,119	1,548	702	(2,180)	9,851
(6,792)	(73,768)	(1,569)	837	2,377	(3,528)
-	-	-	-	-	-
<u>\$ 64,354</u>	<u>\$ (61,649)</u>	<u>\$ (21)</u>	<u>\$ 1,539</u>	<u>\$ 197</u>	<u>\$ 6,323</u>

-- Continued

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues:		
From local sources:		
Charges for services	\$ -	\$ 456,744
Earnings on investments	-	290
Extracurricular	-	207,454
Other local revenues	-	27,018
Intergovernmental - state	-	851,914
Intergovernmental - federal	14,781	1,627,527
	<u>14,781</u>	<u>1,627,527</u>
 Total revenue	<u>14,781</u>	<u>3,170,947</u>
 Expenditures:		
Current:		
Instruction:		
Regular	-	828,725
Special	-	669,040
Support services:		
Pupil	-	124,483
Instructional staff	15,382	326,339
Administration	-	87,104
Operation and maintenance	-	209
Operation of non-instructional services	-	4,150
Food service operations	-	789,756
Extracurricular activities	-	118,130
Intergovernmental pass through	-	60,505
	<u>15,382</u>	<u>3,008,441</u>
 Total expenditures	<u>15,382</u>	<u>3,008,441</u>
 Net change in fund balances	<u>(601)</u>	<u>162,506</u>
 Fund balances (deficits), July 1	3,091	(6,298)
Increase in reserve for inventory	-	211
	<u>-</u>	<u>211</u>
 Fund balances (deficits), June 30	<u>\$ 2,490</u>	<u>\$ 156,419</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 434,505	\$ 477,200	\$ 456,744	\$ (20,456)
Earnings on investments				
Other local revenues	1,730	1,900	4,048	2,148
Intergovernmental - state	12,656	13,900	14,814	914
Intergovernmental - federal	<u>292,109</u>	<u>320,813</u>	<u>338,207</u>	<u>17,394</u>
Total revenues	<u>741,000</u>	<u>813,813</u>	<u>813,813</u>	<u>-</u>
Expenditures:				
Current:				
Food service operations:				
Salaries and wages	268,307	268,307	267,407	900
Fringe benefits	151,474	151,474	143,032	8,442
Purchased services	3,465	3,465	4,302	(837)
Materials and supplies	348,477	348,477	337,881	10,596
Capital outlay	<u>2,500</u>	<u>2,500</u>	<u>1,793</u>	<u>707</u>
Total expenditures	<u>774,223</u>	<u>774,223</u>	<u>754,415</u>	<u>19,808</u>
Net change in fund balance	(33,223)	39,590	59,398	19,808
Fund balance, July 1	57,180	57,180	57,180	-
Prior year encumbrances appropriated . . .	<u>57</u>	<u>57</u>	<u>57</u>	<u>-</u>
Fund balance, June 30	<u>\$ 24,014</u>	<u>\$ 96,827</u>	<u>\$ 116,635</u>	<u>\$ 19,808</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL TRUST
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Other local revenues	\$ 849	\$ 2,207	\$ 2,207	\$ -
Total revenues	<u>849</u>	<u>2,207</u>	<u>2,207</u>	<u>-</u>
Expenditures:				
Current:				
Support services:				
Operation of non-instructional services . . .	<u>2,113</u>	<u>2,850</u>	<u>1,610</u>	<u>1,240</u>
Total expenditures	<u>2,113</u>	<u>2,850</u>	<u>1,610</u>	<u>1,240</u>
Net change in fund balance.	(1,264)	(643)	597	1,240
Fund balance, July 1.	3,819	3,819	3,819	-
Prior year encumbrances appropriated . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ 2,555</u>	<u>\$ 3,176</u>	<u>\$ 4,416</u>	<u>\$ 1,240</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Extracurricular	\$ 49,480	\$ 49,300	\$ 43,882	\$ (5,418)
Other local revenues	5,520	5,500	5,347	(153)
Total revenues	<u>55,000</u>	<u>54,800</u>	<u>49,229</u>	<u>(5,571)</u>
Expenditures:				
Current:				
Instruction:				
Regular	55,300	55,300	55,576	(276)
Extracurricular activities	2,700	2,700	1,297	1,403
Total expenditures	<u>58,000</u>	<u>58,000</u>	<u>56,873</u>	<u>1,127</u>
Net change in fund balance	(3,000)	(3,200)	(7,644)	(4,444)
Fund balance, July 1	33,127	33,127	33,127	-
Prior year encumbrances appropriated . . .	<u>6,077</u>	<u>6,077</u>	<u>6,077</u>	<u>-</u>
Fund balance, June 30	<u>\$ 36,204</u>	<u>\$ 36,004</u>	<u>\$ 31,560</u>	<u>\$ (4,444)</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Other local revenues	\$ -	\$ 13,550	\$ 13,550	\$ -
Total revenues	<u>-</u>	<u>13,550</u>	<u>13,550</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular.	18,717	31,618	10,523	21,095
Support services:				
Instructional staff.	<u>916</u>	<u>1,547</u>	<u>253</u>	<u>1,294</u>
Total expenditures	<u>19,633</u>	<u>33,165</u>	<u>10,776</u>	<u>22,389</u>
Net change in fund balance	(19,633)	(19,615)	2,774	22,389
Fund balance, July 1.	19,633	19,633	19,633	-
Prior year encumbrances appropriated . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ 22,407</u>	<u>\$ 22,389</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DECA SCHOLARSHIP
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments.	\$ 150	\$ 295	\$ 290	\$ (5)
Total revenues	<u>150</u>	<u>295</u>	<u>290</u>	<u>(5)</u>
Expenditures:				
Current:				
Extracurricular activities.	1,000	1,000	250	750
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>250</u>	<u>750</u>
Net change in fund balance	(850)	(705)	40	745
Fund balance, July 1.	13,089	13,089	13,089	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, June 30.	<u>\$ 12,239</u>	<u>\$ 12,384</u>	<u>\$ 13,129</u>	<u>\$ 745</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED STUDENT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Extracurricular	\$ 172,197	\$ 165,350	\$ 165,203	\$ (147)
Other local revenue	2,803	2,692	2,692	-
Total revenues	<u>175,000</u>	<u>168,042</u>	<u>167,895</u>	<u>(147)</u>
Expenditures:				
Current:				
Extracurricular activities	<u>160,000</u>	<u>160,000</u>	<u>126,905</u>	<u>33,095</u>
Total expenditures	<u>160,000</u>	<u>160,000</u>	<u>126,905</u>	<u>33,095</u>
Net change in fund balance	15,000	8,042	40,990	32,948
Fund balance, July 1	88,762	88,762	88,762	-
Prior year encumbrances appropriated . . .	<u>8,212</u>	<u>8,212</u>	<u>8,212</u>	<u>-</u>
Fund balance, June 30	<u>\$ 111,974</u>	<u>\$ 105,016</u>	<u>\$ 137,964</u>	<u>\$ 32,948</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 39,000	\$ 53,184	\$ 53,184	\$ -
Total revenues	<u>39,000</u>	<u>53,184</u>	<u>53,184</u>	<u>-</u>
Expenditures:				
Intergovernmental pass through	49,000	58,603	60,748	(2,145)
Total expenditures	<u>49,000</u>	<u>58,603</u>	<u>60,748</u>	<u>(2,145)</u>
Net change in fund balance	(10,000)	(5,419)	(7,564)	(2,145)
Fund balance, July 1.	7,563	7,563	7,563	-
Prior year encumbrances appropriated . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ (2,437)</u>	<u>\$ 2,144</u>	<u>\$ (1)</u>	<u>\$ (2,145)</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MANAGEMENT INFORMATION SYSTEMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 9,000	\$ 7,526	\$ 7,526	\$ -
Total revenues	<u>9,000</u>	<u>7,526</u>	<u>7,526</u>	<u>-</u>
Expenditures:				
Support services:				
Administration	10,000	7,526	7,526	-
Total expenditures	<u>10,000</u>	<u>7,526</u>	<u>7,526</u>	<u>-</u>
Net change in fund balance	(1,000)	-	-	-
Fund balance, July 1.	-	-	-	-
Prior year encumbrances appropriated . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ (1,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISADVANTAGED PUPIL IMPACT AID
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 709,138	\$ 709,138	\$ 709,138	\$ -
Total revenues	<u>709,138</u>	<u>709,138</u>	<u>709,138</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	698,641	698,641	689,013	9,628
Instructional staff.	4,856	4,856	4,856	-
Administration	5,618	5,618	5,618	-
Operation and maintenace	<u>1,142</u>	<u>1,142</u>	<u>1,142</u>	<u>-</u>
Total expenditures	<u>710,257</u>	<u>710,257</u>	<u>700,629</u>	<u>9,628</u>
Net change in fund balance	(1,119)	(1,119)	8,509	9,628
Fund balance, July 1.	-	-	-	-
Prior year encumbrances appropriated . . .	<u>1,119</u>	<u>1,119</u>	<u>1,119</u>	<u>-</u>
Fund balance, June 30.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,628</u>	<u>\$ 9,628</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA COMMUNICATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 18,000	\$ 18,000	\$ 18,000	\$ -
Total revenues	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Expenditures:				
Current:				
Support services:				
Instructional staff	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Total expenditures	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance, July 1	-	-	-	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOL NET PROFESSIONAL DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental-state	\$ 4,140	\$ 4,140	\$ 4,140	\$ -
Total revenues	<u>4,140</u>	<u>4,140</u>	<u>4,140</u>	<u>-</u>
Expenditures:				
Current:				
Support services:				
Instructional staff.	<u>5,280</u>	<u>5,280</u>	<u>-</u>	<u>5,280</u>
Total expenditures	<u>5,280</u>	<u>5,280</u>	<u>-</u>	<u>5,280</u>
Net change in fund balance	(1,140)	(1,140)	4,140	5,280
Fund balance, July 1.	1,140	1,140	1,140	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,280</u>	<u>\$ 5,280</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTRY YEAR
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental - federal	\$ 5,000	\$ 4,400	\$ 4,400	\$ -
Total revenues	<u>5,000</u>	<u>4,400</u>	<u>4,400</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special.	4,500	4,400	4,400	-
Total expenditures	<u>4,500</u>	<u>4,400</u>	<u>4,400</u>	<u>-</u>
Net change in fund balance	500	-	-	-
Fund balance, July 1.	-	-	-	-
Prior year encumbrances appropriated . . .	-	-	-	-
Fund balance, June 30.	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SUMMER INTERVENTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 40,000	\$ 48,101	\$ 42,767	\$ (5,334)
Total revenues	<u>40,000</u>	<u>48,101</u>	<u>42,767</u>	<u>(5,334)</u>
Expenditures:				
Current:				
Instruction:				
Regular.	<u>52,805</u>	<u>54,397</u>	<u>47,538</u>	<u>6,859</u>
Total expenditures	<u>52,805</u>	<u>54,397</u>	<u>47,538</u>	<u>6,859</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,805)</u>	<u>(6,296)</u>	<u>(4,771)</u>	<u>1,525</u>
Other financing sources (uses):				
Advances (out).	<u>(364)</u>	<u>(375)</u>	<u>(375)</u>	<u>-</u>
Total other financing sources (uses)	<u>(364)</u>	<u>(375)</u>	<u>(375)</u>	<u>-</u>
Net change in fund balance	(13,169)	(6,671)	(5,146)	1,525
Fund balance, July 1.	27	27	27	-
Prior year encumbrances appropriated . . .	<u>6,644</u>	<u>6,644</u>	<u>6,644</u>	<u>-</u>
Fund balance, June 30.	<u>\$ (6,498)</u>	<u>\$ -</u>	<u>\$ 1,525</u>	<u>\$ 1,525</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS STATE GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 5,000	\$ 2,345	\$ 2,345	\$ -
Total revenues	<u>5,000</u>	<u>2,345</u>	<u>2,345</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular.	246	253	-	253
Support services:				
Pupil	<u>14,817</u>	<u>2,345</u>	<u>2,345</u>	<u>-</u>
Total expenditures	<u>15,063</u>	<u>2,598</u>	<u>2,345</u>	<u>253</u>
Net change in fund balance	(10,063)	(253)	-	253
Fund balance, July 1.	433	433	433	-
Prior year encumbrances appropriated . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ (9,630)</u>	<u>\$ 180</u>	<u>\$ 433</u>	<u>\$ 253</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI - B
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental - federal	\$ 550,000	\$ 656,830	\$ 548,135	\$ (108,695)
Total revenues	<u>550,000</u>	<u>656,830</u>	<u>548,135</u>	<u>(108,695)</u>
Expenditures:				
Current:				
Instruction:				
Regular	8,294	9,650	9,881	(231)
Special	162,407	188,949	141,076	47,873
Support services:				
Instructional staff	253,529	294,964	250,753	44,211
Administration	111,780	130,048	81,141	48,907
Total expenditures	<u>536,010</u>	<u>623,611</u>	<u>482,851</u>	<u>140,991</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,990</u>	<u>33,219</u>	<u>65,284</u>	<u>32,296</u>
Other financing sources (uses):				
Advances in	3,821	4,293	4,293	-
Advances (out)	(34,800)	(40,487)	(40,487)	-
Total other financing sources (uses)	<u>(30,979)</u>	<u>(36,194)</u>	<u>(36,194)</u>	<u>-</u>
Net change in fund balance	(16,989)	(2,975)	29,090	32,296
Fund balance, July 1	4,147	4,147	4,147	-
Prior year encumbrances appropriated . . .	3,122	3,122	3,122	-
Fund balance, June 30	<u>\$ (9,720)</u>	<u>\$ 4,294</u>	<u>\$ 36,359</u>	<u>\$ 32,296</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental - federal	\$ 540,000	\$ 635,068	\$ 536,660	\$ (98,408)
Total revenues	<u>540,000</u>	<u>635,068</u>	<u>536,660</u>	<u>(98,408)</u>
Expenditures:				
Current:				
Instruction:				
Special	452,100	525,988	439,803	86,185
Support services:				
Pupil	95,737	111,383	96,902	14,481
Instructional staff	11,174	13,000	2,147	10,853
Administration	860	1,000	-	1,000
Operation of non-instructional services . . .	8,413	9,788	1,766	8,022
Total expenditures	<u>568,284</u>	<u>661,159</u>	<u>540,618</u>	<u>120,541</u>
Net change in fund balance	(28,284)	(26,091)	(3,958)	22,133
Fund balance, July 1	15,188	15,188	15,188	-
Prior year encumbrances appropriated . . .	<u>901</u>	<u>901</u>	<u>901</u>	<u>-</u>
Fund balance, June 30	<u>\$ (12,195)</u>	<u>\$ (10,002)</u>	<u>\$ 12,131</u>	<u>\$ 22,133</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental - federal	\$ 12,000	\$ 13,255	\$ 11,442	\$ (1,813)
Total revenues	<u>12,000</u>	<u>13,255</u>	<u>11,442</u>	<u>(1,813)</u>
Expenditures:				
Current:				
Support services:				
Pupil	1,600	1,862	1,862	-
Instructional staff.	<u>10,232</u>	<u>11,903</u>	<u>9,889</u>	<u>2,014</u>
Total expenditures	<u>11,832</u>	<u>13,765</u>	<u>11,751</u>	<u>2,014</u>
Net change in fund balance	168	(510)	(309)	201
Fund balance, July 1.	510	510	510	-
Prior year encumbrances appropriated . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ 678</u>	<u>\$ -</u>	<u>\$ 201</u>	<u>\$ 201</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG-FREE SCHOOL GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental - federal	\$ 15,200	\$ 16,856	\$ 15,186	\$ (1,670)
Total revenues	<u>15,200</u>	<u>16,856</u>	<u>15,186</u>	<u>(1,670)</u>
Expenditures:				
Current:				
Instruction:				
Regular	3,438	4,000	4,000	-
Support services:				
Pupil	8,368	13,072	10,915	2,157
Operation and maintenance	180	209	209	-
Operation of non-instructional services	<u>1,570</u>	<u>1,826</u>	<u>774</u>	<u>1,052</u>
Total expenditures	<u>13,556</u>	<u>19,107</u>	<u>15,898</u>	<u>3,209</u>
Net change in fund balance	1,644	(2,251)	(712)	1,539
Fund balance, July 1.	912	912	912	-
Prior year encumbrances appropriated	<u>1,339</u>	<u>1,339</u>	<u>1,339</u>	<u>-</u>
Fund balance, June 30.	<u>\$ 3,895</u>	<u>\$ -</u>	<u>\$ 1,539</u>	<u>\$ 1,539</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EHA PRESCHOOL GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental - federal	\$ 15,000	\$ 14,994	\$ 14,994	\$ -
Total revenues	<u>15,000</u>	<u>14,994</u>	<u>14,994</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Special.	2,551	2,968	2,968	-
Support services:				
Pupil	<u>15,080</u>	<u>14,237</u>	<u>14,237</u>	<u>-</u>
Total expenditures	<u>17,631</u>	<u>17,205</u>	<u>17,205</u>	<u>-</u>
Net change in fund balance	(2,631)	(2,211)	(2,211)	-
Fund balance, July 1.	2,408	2,408	2,408	-
Prior year encumbrances appropriated . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ (223)</u>	<u>\$ 197</u>	<u>\$ 197</u>	<u>\$ -</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IMPROVING TEACHER QUALITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental - federal	\$ 115,000	\$ 149,353	\$ 115,823	\$ (33,530)
Total revenues	<u>115,000</u>	<u>149,353</u>	<u>115,823</u>	<u>(33,530)</u>
Expenditures:				
Current:				
Instruction:				
Special.	87,805	102,155	88,597	13,558
Support services:				
Instructional staff.	<u>54,052</u>	<u>62,886</u>	<u>39,821</u>	<u>23,065</u>
Total expenditures	<u>141,857</u>	<u>165,041</u>	<u>128,418</u>	<u>36,623</u>
Net change in fund balance	(26,857)	(15,688)	(12,595)	3,093
Fund balance, July 1.	17,558	17,558	17,558	-
Prior year encumbrances appropriated	<u>1,134</u>	<u>1,134</u>	<u>1,134</u>	<u>-</u>
Fund balance, June 30.	<u>\$ (8,165)</u>	<u>\$ 3,004</u>	<u>\$ 6,097</u>	<u>\$ 3,093</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental - federal	\$ 91,697	\$ 14,781	\$ 14,781	\$ -
Total revenues	<u>91,697</u>	<u>14,781</u>	<u>14,781</u>	<u>-</u>
Expenditures:				
Current:				
Support services:				
Instructional staff.	18,056	18,384	15,567	2,817
Total expenditures	<u>18,056</u>	<u>18,384</u>	<u>15,567</u>	<u>2,817</u>
Net change in fund balance	73,641	(3,603)	(786)	2,817
Fund balance, July 1.	3,276	3,276	3,276	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance, June 30.	<u>\$ 76,917</u>	<u>\$ (327)</u>	<u>\$ 2,490</u>	<u>\$ 2,817</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ -	\$ 659	\$ 659	\$ -
Total revenues	<u>-</u>	<u>659</u>	<u>659</u>	<u>-</u>
Expenditures:				
Current:				
Support services:				
Fiscal	5,000	5,000	4,545	455
Debt service:				
Principal retirement	280,000	280,000	280,000	-
Interest and fiscal charges	73,438	73,438	73,237	201
Total expenditures	<u>358,438</u>	<u>358,438</u>	<u>357,782</u>	<u>656</u>
Net change in fund balance	(358,438)	(357,779)	(357,123)	656
Fund balance, July 1	1,393,771	1,393,771	1,393,771	-
Prior year encumbrances appropriated . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1,035,333</u>	<u>\$ 1,035,992</u>	<u>\$ 1,036,648</u>	<u>\$ 656</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 649,411	\$ 659,450	\$ 654,700	\$ (4,750)
Intergovernmental-state	67,089	68,126	72,876	4,750
Total revenues	<u>716,500</u>	<u>727,576</u>	<u>727,576</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	77,813	156,160	157,283	(1,123)
Support services:				
Pupils	11,848	23,777	23,777	-
Fiscal	8,820	17,700	8,717	8,983
Operations and maintenance	251,035	503,794	508,088	(4,294)
Pupil transportation	29,184	58,569	57,860	709
Total expenditures	<u>378,700</u>	<u>760,000</u>	<u>755,725</u>	<u>4,275</u>
Net change in fund balance	337,800	(32,424)	(28,149)	4,275
Fund balance, July 1	135,957	135,957	135,957	-
Prior year encumbrances appropriated . . .	219,798	219,798	219,798	-
Fund balance, June 30	<u>\$ 693,555</u>	<u>\$ 323,331</u>	<u>\$ 327,606</u>	<u>\$ 4,275</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOL NET
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 19,575	\$ 20,055	\$ 20,055	\$ -
Total revenues	<u>19,575</u>	<u>20,055</u>	<u>20,055</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular.	-	20,055	19,403	652
Total expenditures	<u>-</u>	<u>20,055</u>	<u>19,403</u>	<u>652</u>
Net change in fund balance	19,575	-	652	652
Fund balance, July 1.	326	326	326	-
Prior year encumbrances appropriated . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ 19,901</u>	<u>\$ 326</u>	<u>\$ 978</u>	<u>\$ 652</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SELF INSURANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Operating revenues:				
Charges for services	\$ 2,478,729	\$ 2,298,497	\$ 2,298,497	\$ -
Total revenues.	<u>2,478,729</u>	<u>2,298,497</u>	<u>2,298,497</u>	<u>-</u>
Operating expenses:				
Claims and administrative services.	2,338,171	2,278,733	2,278,733	-
Total operating expenses	<u>2,338,171</u>	<u>2,278,733</u>	<u>2,278,733</u>	<u>-</u>
Net change in fund balance	140,558	19,764	19,764	-
Fund balance, July 1.	14,001	14,001	14,001	-
Prior year encumbrances appropriated . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ 154,559</u>	<u>\$ 33,765</u>	<u>\$ 33,765</u>	<u>\$ -</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2005

	Scholarship Trust Fund	Agency	Totals
Assets:			
Equity in pooled cash and cash equivalents.	\$ 42,205	\$ 96,257	\$ 138,462
Cash in segregated accounts	1,180	-	1,180
Total assets	43,385	96,257	139,642
Liabilities:			
Accounts payable.	-	1,556	1,556
Due to students.	-	94,701	94,701
Total liabilities.	-	96,257	96,257
Net Assets:			
Held in trust for scholarships.	43,385	-	43,385
Total net assets.	\$ 43,385	\$ -	\$ 43,385

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOLARSHIP TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:		-		
From local sources:				
Earnings on investments.	\$ 15	\$ 38	\$ 38	\$ -
Other local revenues.	1,136	2,951	2,948	(3)
Total revenues	<u>1,151</u>	<u>2,989</u>	<u>2,986</u>	<u>(3)</u>
Expenditures:				
Current:				
Operation of non-instructional services.	<u>2,187</u>	<u>2,949</u>	<u>2,750</u>	<u>199</u>
Total expenditures	<u>2,187</u>	<u>2,949</u>	<u>2,750</u>	<u>199</u>
Net change in fund balance	<u>(1,036)</u>	<u>40</u>	<u>236</u>	<u>196</u>
Fund balance, July 1.	41,969	41,969	41,969	-
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30.	<u>\$ 40,933</u>	<u>\$ 42,009</u>	<u>\$ 42,205</u>	<u>\$ 196</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2005

	Beginning Balance July 1, 2004	Additions	Deletions	Ending Balance June 30, 2005
Student Managed Activity				
Assets:				
Equity in pooled cash and cash equivalents	\$ 109,296	\$ 146,647	\$ (159,686)	\$ 96,257
Receivables Accounts	2,064	-	(2,064)	-
Total assets	<u>\$ 111,360</u>	<u>\$ 146,647</u>	<u>\$ (161,750)</u>	<u>\$ 96,257</u>
Liabilities:				
Accounts payable	\$ 10,738	\$ 1,556	\$ (10,738)	\$ 1,556
Due to students	100,622	145,091	(151,012)	94,701
Total liabilities.	<u>\$ 111,360</u>	<u>\$ 146,647</u>	<u>\$ (161,750)</u>	<u>\$ 96,257</u>

STATISTICAL SECTION

THIS PAGE IS INTENTIONALLY LEFT BLANK

THIS PAGE IS INTENTIONALLY LEFT BLANK

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SUMMARY OF EXPENSES/EXEPENDITURES BY FUNCTION
AND OTHER FINANCING USES - GENERAL GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2005		2004		2003	
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual
Instruction:						
Regular.	\$ 9,389,458	\$ 9,445,643	\$10,221,695	\$ 9,568,938	\$ 9,580,035	\$ 9,381,050
Special	2,364,992	2,449,253	2,674,603	2,558,107	2,191,171	2,208,164
Vocational	14,344	-	14,326	-	16,562	1,596
Other	-	-	-	-	-	-
Total Instruction	11,768,794	11,894,896	12,910,624	12,127,045	11,787,768	11,590,810
Support services:						
Pupil	1,010,904	1,066,756	1,096,268	1,037,497	828,589	848,897
Instructional staff.	1,170,319	1,219,973	1,589,505	1,502,963	1,483,731	1,458,578
Board of Education.	113,762	113,762	85,045	85,045	73,527	73,527
Administration	1,573,847	1,600,074	1,775,395	1,662,616	1,728,376	1,720,805
Fiscal.	477,989	487,317	512,733	494,146	562,863	556,370
Business	-	-	-	-	-	-
Operations and maintenance	1,700,607	1,815,959	1,939,146	1,873,393	1,774,158	1,775,164
Pupil transportation	614,749	612,285	778,810	729,425	650,629	621,632
Central	-	-	3,368	3,368	3,527	3,527
Operation of non-instructional services	16,444	4,150	16,918	4,233	17,026	20,896
Food service operations	765,066	789,756	813,751	772,550	780,508	700,407
Extracurricular activities.	414,966	413,902	475,157	480,946	414,581	411,965
Intergovernmental pass through	60,505	60,505	33,195	33,195	54,628	54,628
Total support services	7,919,158	8,184,439	9,119,291	8,679,377	8,372,143	8,246,396
Total debt service	82,115	464,207	108,652	500,876	134,772	515,958
Other financing uses.	-	-	-	-	-	-
Total expenses/expenditures and other uses.	\$ 19,770,067	\$ 20,543,542	\$22,138,567	\$ 21,307,298	\$20,294,683	\$20,353,164

Source: School District financial records.

Note: Data from fiscal years 2002-2005 represent all general governmental funds. Data from fiscal years 1996-2001 represent general fund expenditures only, due to lack of information available in these years.

2002		2001	2000	1999	1998	1997	1996
Full Accrual	Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual	Modified Accrual
\$ 8,801,275	\$ 8,423,243	\$ 7,380,061	\$ 6,969,993	\$ 6,746,098	\$ 6,339,954	\$ 5,910,701	\$ 5,859,800
2,170,343	2,131,767	1,436,686	1,274,407	1,129,672	1,068,466	1,000,156	948,484
29,838	18,893	-	-	-	27,355	11,378	356,948
-	-	62,423	-	-	-	-	-
<u>11,001,456</u>	<u>10,573,903</u>	<u>8,879,170</u>	<u>8,244,400</u>	<u>7,875,770</u>	<u>7,435,775</u>	<u>6,922,235</u>	<u>7,165,232</u>
787,831	771,066	681,453	678,037	670,201	642,340	592,934	561,572
1,348,389	1,298,018	774,023	681,567	551,970	567,877	550,559	386,244
63,365	63,084	39,552	26,912	23,621	11,566	11,361	25,801
1,574,733	1,532,186	1,437,660	1,280,157	1,307,762	1,166,818	1,191,398	1,149,814
563,591	552,829	427,800	358,118	306,004	304,593	290,421	294,406
-	-	7,375	3,678	5,751	4,357	2,516	3,665
1,646,066	1,621,929	1,089,985	1,126,146	979,475	910,602	813,351	892,924
563,300	524,554	413,952	405,272	366,977	385,844	494,794	344,677
12,732	12,676	-	-	-	-	-	-
2,853	2,853	492	532	423	147	112	250
740,380	660,355	-	-	-	-	-	-
339,748	335,115	219,677	208,312	195,005	188,042	181,188	168,460
19,665	19,665	-	-	-	-	-	-
<u>7,662,653</u>	<u>7,394,330</u>	<u>5,091,969</u>	<u>4,768,731</u>	<u>4,407,189</u>	<u>4,182,186</u>	<u>4,128,634</u>	<u>3,827,813</u>
160,324	535,466	22,309	-	-	-	-	-
-	-	76,972	205,940	18,297	195,681	177,937	76,283
<u>\$18,824,433</u>	<u>\$18,503,699</u>	<u>\$14,070,420</u>	<u>\$13,219,071</u>	<u>\$12,301,256</u>	<u>\$11,813,642</u>	<u>\$11,228,806</u>	<u>\$11,069,328</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SUMMARY OF REVENUES BY SOURCE - GENERAL GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2005		2004		2003	
	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual	Full Accrual	Modified Accrual
Program revenues						
Charges for services	\$ 1,190,436	N/A	\$ 1,128,694	N/A	\$ 777,732	N/A
Operating grants and contributions	2,517,419	N/A	2,405,338	N/A	2,142,412	N/A
Capital grants and contributions	20,055	N/A	-	N/A	-	N/A
General revenues						
Taxes	8,743,127	\$ 8,601,411	7,775,365	\$ 7,626,463	8,942,267	\$ 8,924,733
Tuition.	-	416,124	-	313,037	-	38,536
Charges for services.	-	456,744	-	468,817	-	447,323
Earnings on investments	92,356	92,356	67,938	69,558	86,307	87,913
Extracurricular	-	225,911	-	234,362	-	191,782
Classroom materials and fees	-	59,122	-	59,207	-	54,665
Miscellaneous	63,982	110,067	201,378	254,649	37,357	82,383
Intergovernmental.	7,884,608	10,384,104	8,140,272	10,654,445	7,640,732	9,681,976
Total revenue	\$ 20,511,983	\$ 20,345,839	\$ 19,718,985	\$ 19,680,538	\$19,626,807	\$19,509,311

Source: School District Financial records.

Note: Data from fiscal years 2002-2005 represent all general governmental funds. Data from fiscal years 1996-2001 represent general fund revenues only, due to lack of information available in these years.

<u>2002</u>		<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
<u>Full Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>
\$ 700,777	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1,501,153	N/A	N/A	N/A	N/A	N/A	N/A	N/A
55,088	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8,937,262	\$ 8,850,412	\$ 7,151,608	\$ 8,080,504	\$ 6,399,804	\$ 6,619,657	\$ 6,223,736	\$ 6,211,137
-	6,436	810	765	1,630	4,005	27,080	46,882
-	428,336	-	-	-	-	-	-
135,534	150,144	-	-	-	-	-	-
-	155,823	-	-	-	-	-	-
-	62,961	-	-	-	-	-	-
174,943	253,896	429,577	336,531	292,675	358,442	245,516	213,355
<u>7,372,735</u>	<u>8,705,304</u>	<u>6,747,058</u>	<u>6,184,095</u>	<u>5,943,686</u>	<u>5,063,863</u>	<u>4,966,762</u>	<u>4,802,955</u>
<u>\$18,877,492</u>	<u>\$18,613,312</u>	<u>\$ 14,329,053</u>	<u>\$14,601,895</u>	<u>\$12,637,795</u>	<u>\$12,045,967</u>	<u>\$11,463,094</u>	<u>\$11,274,329</u>

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS - REAL, PUBLIC UTILITY, AND TANGIBLE PERSONAL PROPERTY TAX
LAST TEN CALENDAR YEARS

Tax Collection Year	Current Levy	Outstanding Delinquent Taxes (1)	Total Levy	Current Collections	Percent of Current Levy Collected	Delinquent Collection	Taxes Receivable As a % of Total Levy	Total Collection	Total Collection as a Percent of Total Levy
1995	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1996	\$ 5,712,660	N/A	\$ 5,712,660	\$ 5,417,518	94.83%	\$ 153,090	4.26%	\$ 5,570,608	97.51%
1997	6,729,351	N/A	6,729,351	5,667,256	84.22%	157,785	4.25%	5,825,041	86.56%
1998	6,434,150	N/A	6,434,150	6,061,652	94.21%	163,544	4.14%	6,225,196	96.75%
1999	6,692,317	N/A	6,692,317	6,246,553	93.34%	273,455	4.38%	6,520,008	97.43%
2000	6,624,084	N/A	6,624,084	6,252,527	94.39%	251,363	4.72%	6,503,890	98.19%
2001	6,558,983	N/A	6,558,983	6,100,723	93.01%	310,460	4.51%	6,411,183	97.75%
2002	6,525,423	706,838	7,232,261	6,159,608	94.39%	314,797	4.35%	6,474,405	89.52%
2003	7,151,311	696,174	7,847,485	6,831,720	95.53%	354,893	4.52%	7,186,613	91.58%
2004	7,150,827	654,458	7,805,285	6,936,099	97.00%	351,193	4.50%	7,287,292	93.36%

Source: Pickaway 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.

Note: The Pickaway County Auditor was unable to locate the files for the year 1995.

(1) The amount of the delinquent taxes was not available from the way in which the Pickaway County Auditor determines delinquent taxes.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN TAX YEARS**

Assessed Valuation

Tax Year	Assessed Valuation				Total Estimated Actual Value
	Real Property (1)	Public Utility (2)	Tangible Personal Property (3)	Total	
1995	\$ 140,883,220	\$ 18,128,530	\$ 38,274,278	\$ 197,286,028	\$ 515,329,102
1996	160,498,130	17,953,540	38,959,463	217,411,133	572,392,092
1997	163,633,570	17,722,150	40,789,717	222,145,437	584,548,220
1998	167,482,600	18,006,170	43,894,496	229,383,266	602,323,046
1999	197,305,970	17,203,010	46,643,284	261,152,264	691,423,931
2000	197,229,670	15,795,920	52,337,876	265,363,466	699,780,935
2001	200,530,290	11,935,240	54,495,676	266,961,206	705,805,518
2002	210,543,600	11,159,790	53,104,795	274,808,185	826,360,194
2003	212,522,200	10,957,690	57,814,626	281,294,516	850,794,466
2004	214,130,060	10,676,470	49,620,362	274,426,892	822,291,418

Source: Pickaway 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.

- (1) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax Commissioner.
- (2) Assumes public utilities are assessed at 88% of estimated actual value.
- (3) The rate at which tangible personal property used in business is assessed for purposes of ad valorem property taxation decreased one percent each year from 35% in 1983 and prior years to 25% in 1993.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN TAX YEARS**

Tax Year	Overlapping Governments			Circleville City School District					
	Pickaway County (1)	City of Circleville	Township	Joint Vocational School	Voted (2) Millage	Inside Millage	Effective Rates		
							Total	Ag/Res	Other
1995	6.90	3.80	0.20	3.20	43.20	3.00	60.30	43.58	48.79
1996	7.50	4.00	-	3.20	43.00	3.00	60.70	41.05	46.84
1997	7.50	4.00	-	3.20	43.00	3.00	60.70	40.99	46.85
1998	7.50	4.00	-	3.20	41.50	3.00	59.20	44.88	48.12
1999	7.80	4.00	-	3.20	41.50	3.00	59.50	40.61	45.85
2000	7.80	4.00	-	3.20	41.50	3.00	59.50	40.54	45.78
2001	7.80	4.00	-	3.20	41.50	3.00	59.50	40.54	45.77
2002	7.80	4.00	-	3.20	41.50	3.00	59.50	39.77	45.21
2003	7.80	4.00	-	3.20	41.50	3.00	59.50	39.78	43.26
2004	7.80	4.00	-	3.20	41.25	3.00	59.25	42.50	46.92

Source: Pickaway 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.

(1) County millage includes: County, Pickaway County MRDD, Paint Valley Mental and Commission on Aging.

(2) Voted millage includes: General Operating, Bond Retirement and Permanent Improvement

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

Calendar Year	Population (1)		Unemployment		District Average Income	Average Teacher Salary (2)
	City of Circleville	Percent of Growth	Pickaway County Percentage	State of Ohio Percentage		
1996	13,134	0.67%	3.90%	4.90%	28,760	39,499
1997	13,222	0.67%	3.60%	4.60%	29,924	39,577
1998	13,310	0.67%	3.40%	4.30%	31,164	42,540
1999	13,398	0.66%	3.30%	4.30%	31,164	43,520
2000	13,485	0.65%	3.10%	4.10%	42,633	43,455
2001	13,573	0.65%	3.60%	7.30%	26,903	46,927
2002	13,658	0.63%	2.50%	4.20%	28,322	49,199
2003	13,658	0.00%	5.90%	6.10%	27,308	49,199
2004	13,658	0.00%	4.30%	5.80%	26,834	47,775
2005	13,485	-1.28%	6.30%	5.80%	26,918	50,524

(1) 2000 is actual based on Census data

(2) Based on fiscal year as provided by the Ohio Department of Education EMIS data. Information for 2004 is calculated by District.

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO
ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Average Daily Membership (2)	Assessed Value (3)	Gross Bonded Debt (4)	Less Debt Service Funds (5)	Net Bonded Debt	% of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt Per ADM
1995	11,666	2,372	\$ 193,727,576	\$ 3,600,000	\$1,152,586	\$2,447,414	1.26%	\$ 210	\$ 1,032
1996	11,666	2,369	197,286,028	3,325,000	1,288,350	2,036,650	1.03%	175	860
1997	11,666	2,352	217,411,133	3,050,000	1,424,093	1,625,907	0.75%	139	691
1998	11,666	2,441	222,145,437	2,775,000	1,952,772	822,228	0.37%	70	337
1999	11,666	2,458	229,383,266	2,500,000	2,177,442	322,558	0.14%	28	131
2000	13,485	2,304	261,152,264	2,225,000	2,521,622	-	0.00%	-	-
2001	13,485	2,279	265,363,466	1,950,000	2,374,988	-	0.00%	-	-
2002	13,485	2,362	266,961,206	1,675,000	2,060,140	-	0.00%	-	-
2003	13,485	2,264	274,808,185	1,400,000	1,737,568	-	0.00%	-	-
2004	13,485	2,259	281,294,516	1,120,000	1,394,072	-	0.00%	-	-
2005	13,485	2,448	274,426,892	840,000	1,036,706	-	0.00%	-	-

Sources:

- (1) County Auditor
- (2) School district records
- (3) County Auditor
- (4) General obligation debt outstanding at fiscal year-end (school district records)
- (5) Balance of general obligation bond retirement fund at fiscal year-end

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2005**

Voted Debt Margin:

Assessed Valuation (Tax Year 2004)	\$ 274,426,892
	<u> x .09</u>
Bonded Debt Limit - 9% of Assessed Value (1)	24,698,420
Debt Service Fund Equity	1,036,706
Amount of Debt Applicable to Debt Limit: Bonded Debt	<u> (840,000)</u>
Voted Debt Margin	<u><u> \$ 24,895,126</u></u>

Unvoted Debt Margin:

Bonded Debt Limit - .10% of Assessed Valuation (1)	274,427
Amount of Debt Applicable to Debt Limit	<u> -</u>
Unvoted Debt Margin	<u><u> \$ 274,427</u></u>

Source: Pickaway County Auditor and School District financial records.

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

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2005

<u>Governmental Unit</u>	<u>Assessed Valuation</u>	<u>General Obligation Debt</u>	<u>Percent Applicable to School District</u>	<u>Amount Applicable to School District</u>
Direct:				
Circleville City School District	\$ 274,426,892	\$ 840,000	100.00%	\$ 840,000
Overlapping:				
City of Circleville	241,686,664	4,575,000	100.00%	4,575,000
Pickaway County	932,187,715	5,921,938	30.71%	1,818,627
Total Overlapping	<u>1,173,874,379</u>	<u>10,496,938</u>		<u>6,393,627</u>
		<u>\$ 11,336,938</u>		<u>\$ 7,233,627</u>

Source: Pickaway County Auditor

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**RATIO OF ANNUAL GENERAL OBLIGATION DEBT SERVICE
TO GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS**

Year	Debt Service on General Obligation Debt			General Fund Expenditures (1)	Debt Service as Percent of General Fund Expenditures
	Principal	Interest/ Fiscal Charges	Total		
1995	\$ 275,000	\$ 277,594	\$ 552,594	\$ 10,757,882	5.14%
1996	275,000	257,031	532,031	11,069,328	4.81%
1997	275,000	236,469	511,469	11,228,806	4.55%
1998	275,000	215,906	490,906	11,813,642	4.16%
1999	275,000	195,344	470,344	12,301,256	3.82%
2000	275,000	174,781	449,781	13,219,071	3.40%
2001	275,000	151,219	426,219	14,070,420	3.03%
2002	275,000	131,656	406,656	15,674,210	2.59%
2003	275,000	114,906	389,906	16,661,074	2.34%
2004	280,000	94,163	374,163	16,655,367	2.25%
2005	280,000	73,238	353,238	16,403,304	2.15%

Source: School district records

(1) Includes other financing uses

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

**MAJOR TAXPAYERS
2004 TAX YEAR**

Personal Property

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
GE Lighting	\$ 6,269,830	2.28%
Praxair Inc.	1,338,770	0.49%
Wal Mart Stores East	1,198,710	0.44%
Coughlin Automotive of Circleville	1,121,100	0.41%
Health Care Logistics	832,790	0.30%
Coughlin Ford of Circleville	725,120	0.26%
Harden Chevrolet	684,390	0.25%
Thomson Multimedia Inc.	676,000	0.25%
LDM Technologies Inc.	668,700	0.24%
Kroger Co.	551,140	0.20%
Don Thompson Lincoln Mercury	536,820	0.20%
Total	\$14,603,370	5.32%

Real Property

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Consumer Electronics	\$ 8,006,520	2.92%
GE Lighting Inc.	2,586,070	0.94%
KR Circleville Inc.	2,192,040	0.80%
BV Circleville LLC	1,631,170	0.59%
Kroger Co.	1,346,660	0.49%
Coughlin Properties	1,330,000	0.48%
Pickaway Manor	1,127,450	0.41%
Circleville Limited	1,031,860	0.38%
Circleville Investment Corp.	972,740	0.35%
WEC 99J-55 LLC	942,790	0.34%
Total	\$21,167,300	7.71%

Source: Pickaway County Auditor

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

ATTENDANCE DATA
LAST TEN SCHOOL YEARS

School Year Ended	Graduation Rate	Enrollment	Average Daily Attendance	% Increase (Decrease) in ADM from Prior Year	Attendance as % of Average Daily Membership
1996	75.90%	2,543	2,369	-0.11%	93.16%
1997	75.96%	2,499	2,352	-0.71%	94.12%
1998	71.90%	2,583	2,441	3.77%	94.50%
1999	68.80%	2,552	2,458	0.68%	96.32%
2000	75.30%	2,469	2,304	-6.27%	93.32%
2001	79.20%	2,445	2,279	-1.08%	93.21%
2002	80.80%	2,518	2,362	3.65%	93.80%
2003	90.10%	2,536	2,264	-4.15%	89.27%
2004	86.20%	2,451	2,259	-0.38%	94.10%
2005	87.50%	2,448	2,190	-0.03%	93.90%

Source: EMIS District Summary Report

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHOOL DISTRICT EMPLOYEES
(FULL AND PART-TIME)
AS OF JUNE 30, 2005

I. Certificated Staff by Training and Experience

Years of Experience	B.A.	B.A. 150	M.A.	M.A. + 25	Total
0 - 5	7	11	9	0	27
6 - 10	6	9	7	1	23
11 - 15	3	5	15	2	25
16 - 20	0	6	6	8	20
21 - 25	1	4	8	10	23
26 - 30	2	6	6	10	24
31+	1	6	8	7	22
TOTAL	<u>20</u>	<u>47</u>	<u>59</u>	<u>38</u>	<u>164</u>

II. Classified Staff

Secretaries/Accounting Clerks	19
Custodian/Maintenance	16
Bus Drivers	9
Bus Mechanics	1
Educational Aides	18
Library Aides	4
Cafeteria Workers	21
Technology	1
Total Classified Staff	<u>89</u>

III. Administrators & Supervisors

Superintendent	1
Treasurer	1
Assistant Superintendent	1
Principals	5
Assistant Principals	2
Directors	2
Supervisors	2
Total	<u>14</u>

Total School Employees 267

Source: School District Personnel Records

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY COUNTY, OHIO**

SCHEDULE OF PROPERTY AND CASUALTY INSURANCE
AS OF JUNE 30, 2005

Company Policy Number	Policy Period	Coverage	Limits of Coverage	Deductible	Annual Premium
Ohio School Plan OH4000237-P02-P	05/01/05 to 07/01/06	Building & Content	\$ 40,898,710	\$ 5,000	\$ 31,100
Ohio School Plan OH4000237-P03-L	05/01/05 to 07/01/06	General Liability Each Occurance Aggregate	- 1,000,000 3,000,000	2,500	17,414
Ohio School Plan OH4000237-P03-A	05/01/05 to 07/01/06	Fleet Excess Auto Liability	1,000,000 3,000,000	Comprehensive: Buses Autos Collision: Buses Autos	18,995 1,000 250 1,000 500

Source: School District Records

THIS PAGE IS INTENTIONALLY LEFT BLANK



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

**CIRCLEVILLE CITY SCHOOL DISTRICT
PICKAWAY 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 9, 2006**