

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

OF THE

SYLVANIA CITY  
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2005

PREPARED BY  
TREASURER'S DEPARTMENT  
CAROL MCELFRISH, TREASURER/CFO

6850 MONROE STREET

SYLVANIA, OHIO 43560





**Auditor of State  
Betty Montgomery**

Board of Education  
Sylvania City School District  
6850 Monroe Street  
Sylvania, Ohio 43560

We have reviewed the *Independent Auditors' Report* of the Sylvania City School District, Lucas County, prepared by Weber O'Brien, Ltd, for the audit period July 1, 2004 through June 30, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

January 24, 2006

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**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

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**Office of the Treasurer**  
Carol A. McElfresh, Treasurer/CFO



December 16, 2005

Board of Education Members and Citizens of the Sylvania City School District:

As the Superintendent and Treasurer/CFO of the Sylvania City School District (the "District"), we are pleased to submit to you the fourteenth Comprehensive Annual Financial Report (CAFR) issued by the District. This report provides full disclosure of the financial operation of the District for the fiscal year ended June 30, 2005. This CAFR, which includes an opinion from Weber O'Brien Ltd., Sylvania, Ohio, who performed the District's audit, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the taxpayers of the District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be made available to the Chamber of Commerce, major taxpayers, the public library, financial rating services, and other interested parties.

The CAFR is comprised of three distinct sections:

- \* The Introductory Section includes the letter of transmittal, list of principal officials, management team, organizational chart, and Government Finance Officers Association (GFOA) Certificate of Achievement.
- \* The Financial Section includes the independent auditor's report, a management's discussion and analysis, basic financial statements and explanatory notes, required supplementary information, and combining statements and individual fund schedules.
- \* The Statistical Section includes various tables reflecting social and economic information, financial trends, and the fiscal capacity of the District.

The District is located in Northwestern Ohio on the Michigan-Ohio border and is comprised of the City of Sylvania, Sylvania Township, a portion of the City of Toledo and a portion of the Village of Ottawa Hills, which are all part of Lucas County. As a suburb of Toledo, Sylvania is basically a residential community with a broad service-based economy. Socioeconomic indicators continue to describe Sylvania as an affluent community with housing values and income levels well above state and county norms.

The District provides a full range of educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory and vocational levels, and a broad range of co-curricular and extracurricular activities, adult and community education offerings, and special education services. In addition, the District provides state-financed assistance to non-public schools located within its boundaries. This assistance is accounted for in a non-major governmental fund.

Statutorily, the District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code for the purpose of providing educational services authorized by charter and further mandated by State and/or Federal agencies.

A five member Board of Education (the “Board”) serves as the taxing authority, contracting body and policy maker for the District. The Board adopts the annual operating budget and approves all expenditures of District monies.

The Superintendent is the chief administrative officer of the District, responsible for both education and support operations. The Treasurer/CFO is the chief financial officer of the District, responsible for maintaining records of all financial matters, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds, and investing idle funds as specified by Ohio law.

Other Board appointed officials include directors of various educational and support services and building principals.

### ***THE REPORTING ENTITY***

The District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board (GASB) Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 30 “Determining Whether Certain Organizations are Component Units”. In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the District (the primary government) and its potential component units. The District has no component units nor is it a component unit of any other governmental entity.

The Cities of Sylvania and Toledo, Sylvania Township, and the Village of Ottawa Hills have all been excluded from the accompanying financial statements. The Northwest Ohio Computer Association (NWOCA) and the Sylvania Area Joint Recreation District (SAJRD) are reported as jointly governed organizations.

### ***QUALITY IN EDUCATION***

Quality schools not only reflect the philosophy of a community, but help to maintain property values as well. In the Sylvania City School District, the emphasis is on the educational program itself, as the District strives to continuously raise its expectations for excellence in our students, staff, and programs. We feel it is appropriate to briefly review some of the District’s quality benchmarks that define the foundation upon which the success of our programs are built.

**Curriculum Development.** The District provides a comprehensive K-12 program; intervention, assessment, and full special-needs programming. Ongoing review, additions, and revisions are an integral part of the curriculum development. Following the completion of our five-year curriculum implementation, we continue to assess our courses of study to raise expectations, assess and implement interventions for at-risk students. Our entire curriculum now accurately reflects the raising federal and state standards and will be continually assessed to align with changing standards. Ongoing committees will evaluate and test our standards to ensure they exceed state and federal indicators.

**Textbooks.** The District’s textbooks are selected to mirror state and national standards. Our goal is to maintain a five-year replacement cycle for all textbooks.

**Technology.** All of the schools in the District have been wired for networking and Internet access. Computers have been installed in all K-5 classrooms as well as computer labs at several sites to facilitate classroom and group learning. In the fall of 2003, the district completed the installation of a fiber optic network which provided an upgrade to our existing networking capabilities. This upgrade was done through Bond Issue monies as part of the building of the Support Services Complex. The complex also houses a District training center to enhance staff development.

**Testing.** Our SAT scores continue to remain an average of 70 points higher than the national average and 20 points higher than the State average. Over 90% of the students participating in advance placement testing qualify for college credit. ACT scores for the District also remain points above the State and national average. The District continues to grow the numbers of students qualifying as National Merit Scholars and now boasts four perfect scores on the PSAT tests in the past seven years. Over 90% of the graduates pursue post-secondary education earning over \$5 million in scholarships each year.

**Class Size.** There is an average of 23 students per class in grades K through 5. The class size for grades 6 – 12 is dependent upon the class offered and ranges from 12 – 28 students. This range compares very favorably among our like districts as well as other districts in the area.

**Co-curricular and Extra-curricular.** Over 2,400 students are involved in inter-scholastic athletics, programs, clubs, honoraries, and contests representing over 120 different academic and athletic teams and organizations.

**Staff Development.** A continuum of multi-faceted opportunities is provided to keep staff current in methodology and technology through District in-service training, university courses, and partnerships with other educational associations and entities.

**Comprehensive Support for Special Needs.** Through the efforts of many, the District is prepared to meet the needs of all students, but extra attention has been given to ensure that the District provide an outstanding and comprehensive special-needs and gifted program, along with interventions for identified students in specific areas. It is the attention given to these areas that has allowed the Sylvania Schools to reach the “EXCELLENT” rating in the past and will bring us back to that status in the near future.

### ***ECONOMIC CONDITIONS AND OUTLOOK***

The District’s population has steadily increased in the past few year’s. The latest Census shows the combined city and township population to be just over 63,000 people in about 24,000 households.

This growth is carefully managed and controlled without annexations of property, which result in the need to extend the District’s services to new areas. All indicators show that there is continued residential development planned and will continue to the west of the City.

Growth in commercial development continues to the west of the City. With the area around Central Avenue continuing to develop, both commercial and light industrial businesses are moving into Sylvania and Sylvania Township.

Through diligence and prudence, the economic condition of the District remains somewhat stable. This is due mainly to the fact that the District lies in an affluent community with a small commercial tax base, which eliminates fluctuations in revenue sources due to changes in the business climate. However, the District continues to face problematic economic situations, due in large part to the reliance on property tax revenues and current economic times. Ohio law provides limited growth in real estate tax revenues which are due simply to appreciation in property value.

The District’s financial condition continues to be an area of focus for the Board of Education and administration. Litigation of the State School Funding issue known as the “DeRolph Case”, the Perry County Court of Common Pleas in 1995 declared the State’s method of funding school districts to be unconstitutional. On March 24, 1997, the Ohio Supreme Court upheld most of the Perry County ruling by declaring certain portions of the Ohio school funding plan unconstitutional. Declared unconstitutional was the State’s ‘school foundation program’, which provides significant amounts of monetary support to the District.

On September 6, 2001, the Ohio Supreme Court again issued its opinion regarding the state’s school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a timeline for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2005 rather than fiscal year 2006.

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement.

On December 11, 2002, the Ohio Supreme Court, in a 4-3 decision on the aforesaid motion for reconsideration, concluded that the State did not comply with the requirement of providing a “thorough and efficient system of common schools”, even after noting and crediting significant State steps in recent years. The Court directed the General Assembly “to enact a school funding scheme that is thorough and efficient, as is explained in (its prior decisions in 1997 and 2001), and the accompanying concurrences”. The September 2001 decision was vacated, and jurisdiction of the case was not retained.

With particular respect to funding sources, the Supreme Court had concluded in its 1997 and 2000 decisions, and one concurring Justice stated again in the December 2002 decision and again in 2003 that school funding in Ohio over-relies on local property taxes. These decisions still play a major factor in the declining revenue for Ohio schools.

With the passage of House Bill 66 in the late spring of 2005, the State Legislators made yet another attempt to solve the school funding issue. Among other changes House Bill 66 calls for a building blocks approach to the State Funding Formula. By delineating standard dollar amounts for such items as large group intervention and professional development, each school district has the opportunity to build a portion of their own basic funding. A major change to how schools are funded is the phase-out of Tangible Personal Property Tax. This phase-out has a hold harmless provision for a period of years, but the details of how the elimination and ultimate replacement of those tax dollars is still in the discussion phase.

#### ***SIGNIFICANT ACCOMPLISHMENTS/EVENTS FOR THE YEAR: 2005***

Excellence and Accountability continue to be the underlying theme for the entire District. During the fiscal year 2005, the District established an overall strategic plan that drives academic goals for the district. The Strategic Plan is based on three main considerations:

- Strategic Initiative #1: **Increase student learning through high-quality instruction**
- Strategic Initiative #2: **Increase efficiency and effectiveness of district operations**
- Strategic Initiative #3: **Create vibrant school-community partnerships**

The focus of the District continues to align with these goals and will be the focus both academically and operationally for the next several years.

Last year, the District received support from the community with the passage of a 4.9 mills operating levy. The millage generates about \$7 million per year to help the District maintain the current operations and programming of the district.

The passage of a 4.9 mill levy in 2002 was to maintain the current budgetary needs of the district for 3-4 years. But, changes in state funding coupled with the current economic climate, the District faced unanticipated financial needs.

In response, the district undertook a \$3.0 million reduction in expenses to offset a negative balance for the end of the current school year. This reduction included a 9% workforce reduction, including 48 teaching positions, 21 support staff and 3.5 administrators.

Academically, the District recently completed an aggressive five-year curriculum realignment as defined through a study completed by Phi Delta Kappa. Further attention is now placed at intervention programs for at-risk students as well as with the high school program. All of the schools have initiated appropriate interventions in alignment with District goals and continuous improvement plans.

The high schools are currently undergoing research to implement more rigorous standards in the high school program through the study and implementation of the High Schools That Work program, a nationally renowned, program. Adoption of new graduating requirements for the Class of 2007 will be first on the agenda in 2006.

The District also continues to comply with new standards and mandates from the State and Federal levels, including the No Child Left Behind Act.

Also of note, performance-based compensation for all administrators tied to specific district and building level goals and Board of Education initiatives continues for all administrators but has clearly taken on a new dimension with the current economic picture. Over 80% of district's administrators voluntarily declined or gave back their performance compensation.

In terms of the District's physical plant, the final phase of the \$20.7 million bond improvements were completed; replacing windows, roofing, paving as well as various safety and growth improvements to many of the school buildings and athletic fields.

The Support Services Complex recently celebrated its one year anniversary in November. The complex houses the bus garage and maintenance bays, district warehouse, and serves as the technology hub for the District. The idea for the complex grew out of the CEG recommendations and was funded primarily through the bond issue.

A 10 – 15 Year Strategic Facilities Plan was adopted by the Board to serve as a facilities road map for the district. This plan will be reviewed yearly to determine the needs and goals of the planning efforts for the District. The District recently formed an Athletic Facilities Foundation to raise funding for the outdoor athletic facilities. This effort is undertaken through the District but is run by community members to secure funding outside the general funds and taxpayer dollars.

#### ***MAJOR INITIATIVES FOR THE FUTURE***

The District will continue to implement new courses of study in an ongoing effort to meet – and exceed - the national and State standards to affect student outcomes in the retention of the excellence rating on the Ohio Report Card. Part of this effort is the adoption of a more rigorous high school program.

Full implementation of the overall 3-5 year Strategic Plan will help keep the District focused on student learning through high-quality instruction, efficiency and effectiveness of district operations and vibrant school-community partnerships.

Ongoing support through PI dollars will help ensure the viability of the physical plants within the refinement of the 10-15 Year Facilities Master Plan for the District. With the addition of the Athletic Facilities Foundation, the planning efforts will extend beyond the dollars currently available in the general fund.

With the full implementation of these plans and directives, the District will remain poised to retain the full academic excellence and fiscal accountability standards that the community has come to expect of Sylvania Schools.

#### ***FINANCIAL INFORMATION***

*Internal Accounting and Budgetary Control.* The District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Governmental fund operations are presented on the modified accrual basis, whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Proprietary funds and the private-purpose trust fund operations are presented on the accrual basis, whereby revenues are recognized when earned, and expenses when incurred.

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

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

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the object account level within a function and fund. All purchase order requests must be approved by the Director of Business Affairs and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports, which detail year-to-date expenditures and encumbrances versus the original appropriation, plus any additional appropriations made to date. In addition to interim financial statements, each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible.

As an additional safeguard, a blanket bond covers all employees, and a separate, higher limit bond covers certain individuals in policy-making roles.

The basis of accounting and the basis of presentation of the District's various funds are fully described in Note 2 of the basic financial statements. Additional information on the District's budgetary accounting can also be found in Note 2.

### ***FINANCIAL REPORTING***

For the fiscal year ending June 30, 2005, the District continued to report in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments". The basic financial statements for reporting on the District's financial activities are as follows:

*Government-wide financial statements:* These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by business enterprises. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District did not have any business-type activities.

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

*Schedule of budgetary comparisons:* This schedule presents comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Discussion and Analysis (MD&A) of the District. This discussion appears after the Report of Independent Auditors in the financial section of this report. The MD&A provides an assessment of the District's finances for 2005. The MD&A is intended to be read in conjunction with this letter of transmittal.

### ***INDEPENDENT AUDIT***

Provisions of State statute require the District's financial statements to be subjected to an annual audit by an independent auditor. Those provisions have been satisfied and the opinion of the District's independent auditors is included herein.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The District adopted and has been in conformance with that system effective with its annual financial report for the 1979 fiscal year.

### ***AWARDS***

*Certificate of Achievement.* The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Sylvania City School 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, whose content conforms to program standards. Such a report must satisfy both accounting principles generally accepted in the United States of America as applied to governmental units and applicable legal requirements.

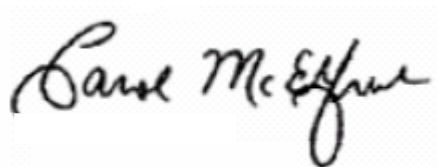
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for review.

### ***ACKNOWLEDGMENTS***

The publication of this report significantly increases the accountability of the District to the taxpayers. This accomplishment would not have been possible without the support and efforts of the staff of the Treasurer's office and various administrators and employees of the District. Assistance of the County Auditor's office staff and other outside agencies made possible the fair presentation of statistical data.

Special appreciation is expressed to our consultants, Julian & Grube, Inc., who provided technical assistance on this report, and to the firm of Weber O'Brien Ltd., who audited the financial statements. Finally, sincere appreciation is extended to the Board of Education for its interest in and support of this project.

Respectfully,



Carol McElfresh  
Treasurer/CFO



Bradley Rieger, Ph.D.  
Superintendent



**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO  
List of Principal Officials**

**MEMBERS OF THE BOARD OF EDUCATION**

The Board of Education is a body politic and corporate with the responsibility of managing and controlling affairs of the District and is, together with the District, governed by laws of the State of Ohio. The Board is comprised of five members who are elected for overlapping four-year terms. The current members of the Board of Education of the Sylvania City School District are:

	<u>Began Service as a Board Member</u>	<u>Present Term Expires</u>
David Spiess, President	January, 2002	December 31, 2005
James Nusbaum, Vice President	January, 2004	December 31, 2007
Pamela Haynam, Member	January, 1998	December 31, 2005
George Gernot III, Member	January, 2000	December 31, 2005
Vicki Donovan-Lyle, Member	January, 2004	December 31, 2007

**SUPERINTENDENT OF SCHOOLS**

The superintendent is the executive officer of the District and is responsible for administering policies adopted by the Board of Education. The superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board on all aspects of the educational program and total operation of the District. The Board appointed Bradley Rieger, Superintendent of the Sylvania City School District effective July 7, 2003.

**TREASURER/CFO**

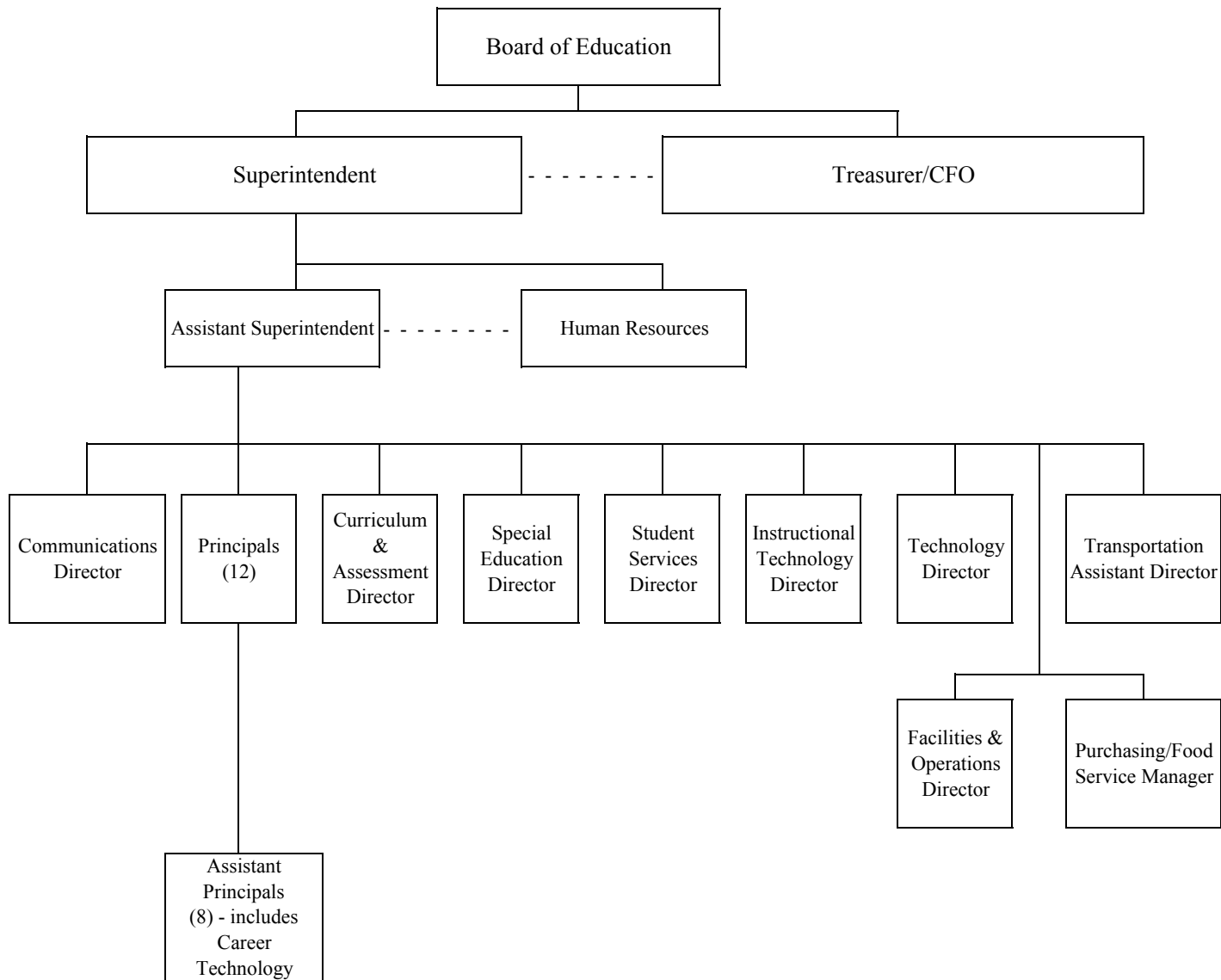
The treasurer serves as the fiscal officer of the District and, with the Board president, executes all conveyances made by the Board of Education. The Board appointed Carol McElfresh, Treasurer/CFO of the Sylvania City School District effective September 18, 2003.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

**MANAGEMENT TEAM**

Bradley Rieger	Superintendent of Schools
Carol McElfresh	Treasurer/CFO
Dallas Jackson	Assistant Superintendent of Schools
William Shunk	Executive Director of Human Resources
Alan Bacho	Facilities and Operations
Suzanne Bond	G.A.T.E.
Amy Buckey	Partners in Education
Elaine Chapman	Special Education
Gwen Clark	Human Resources
Nancy Crandell	Communications
Barb Johnoff	E.M.I.S.
Lisa Exner	Curriculum and Assessment
Sheryl O'Shea	Technology
Kathleen Pollock	G.A.T.E.
Carl Schulz	Student Services
Kevin Gorman	Northview High School Principal
Julie Sanford	Northview Assistant Principal
Teri Schwartz	Northview Assistant Principal
Larry Jones	Northview Athletic Director
Jeff Kurtz	Southview High School Principal
Larry Duwve	Southview Assistant Principal
David McMurray	Southview Assistant Principal
James Jennings	Career Tech Administrator
Glen Gillespie	Southview Athletic Director
Scott Nelson	Arbor Hills Junior High School Principal
Dan Creps	Arbor Hills Assistant Principal
Jeff Robbins	McCord Junior High School Principal
John Duwve	McCord Assistant Principal
Jack Smith	Timberstone Principal
Carl Brubaker	Timberstone Assistant Principal
Toni Gerber	Central Elementary Principal
Dale Wiltse	Highland Elementary Principal
Ed Eding	HillView Elementary Principal
Robert Berkowitz	Maplewood Elementary Principal
Robert Biglin	Stranahan Elementary Principal
Randy Grieser	Sylvan Elementary Principal
Mike Bader	Whiteford Elementary Principal

**SYLVANIA CITY SCHOOL DISTRICT  
ORGANIZATIONAL CHART**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sylvania 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.



*Nancy L. Ziehlke*

President

*Jeffrey R. Enos*

Executive Director

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## INDEPENDENT AUDITORS' REPORT

Board of Education  
Sylvania City School District  
6850 Monroe Street  
Sylvania, OH 43560

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sylvania City School District ("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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 provide a reasonable basis for our opinion.

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 Sylvania City School District as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

As described more fully in Note 3, the District has changed its method of accounting for pension obligations.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2005 on our consideration of Sylvania City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial

reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages F3 - F16 and F60 - F61, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Weber O'Brien Ltd.*

December 16, 2005

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

The discussion and analysis of the Sylvania 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, the basic financial statements and the notes to the 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 \$4,990,412 which represents a 115.18% increase from 2004.
- General revenues accounted for \$72,426,236 in revenue or 90.81% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7,328,344 or 9.19% of total revenues of \$79,754,580.
- The District had \$74,764,168 in expenses related to governmental activities; only \$7,328,344 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 \$72,426,236 were adequate to provide for these programs.
- The District has three major governmental funds. They are the general fund, debt service fund and building fund.
- The general fund is a major fund of the District. The general fund had \$69,152,684 in revenues and \$64,397,280 in expenditures. In addition, the general fund had transfers in of \$5,628 and made transfers out of \$373,495 during the fiscal year. During fiscal 2005, the general fund's fund deficit balance improved \$4,387,537 from \$(6,526,882) to \$(2,139,345).
- The debt service fund is a major fund of the District. The debt service fund had \$3,515,317 in revenues and \$6,930,905 in expenditures. In addition, the debt service fund had other financing sources of \$2,500,000 for the sale of notes during the fiscal year. During fiscal 2005, the debt service fund's fund balance decreased \$915,588 from \$2,124,880 to \$1,209,292.
- The building fund is a major fund of the District. The building fund had \$21,082 in revenues and \$1,431,412 in expenditures. During fiscal 2005, the building fund's fund balance decreased \$1,410,330 from \$3,103,219 to \$1,692,889.
- The District has \$48,281,408 in capital assets at June 30, 2005. This amount is net of accumulated depreciation in the amount of \$26,585,099. Fiscal year 2005 depreciation expense was \$2,112,781. Total capital assets, net of related debt to acquire or construct the assets were \$18,202,970 at June 30, 2005.
- The District has \$44,307,100 in long-term liabilities outstanding at June 30, 2005. Of this total, \$5,744,841 is due within one year and \$38,562,259 is due in greater than one year.



**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
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**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, debt service fund and building fund are by far the most significant funds, and the only governmental funds reported as major funds.

**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.

The statement of net assets and the statement of activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, food service operations, uniform school supplies activities and natatorium operations.

The District's statement of net assets and statement of activities can be found on pages F17-F18 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 major governmental funds are the general fund, debt service fund and building fund. All other governmental funds are considered nonmajor.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
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***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 F19-F22 of this report.

***Proprietary Funds***

Proprietary funds focus on the District's ongoing activities which are similar to those found in the private sector where net income is necessary or useful to sound financial management. Proprietary funds utilize the *accrual basis* of accounting under which revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. The District's proprietary funds are internal service funds which are 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. Proprietary fund statements can be found on pages F23 through F25 of the basic financial statements. For reporting on the statement of net assets and the statement of activities, internal service fund activities are eliminated and consolidated with governmental activities.

***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 students. 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 F26 and F27. 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 F28-F59 of this report.

***Required Supplementary Information***

The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) for the general fund is provided on pages F60 and F61 of this report.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

**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 and 2004.

	<b>Net Assets</b>		
	Governmental Activities	Governmental Activities	Percent
	<u>2005</u>	<u>2004</u>	<u>Change</u>
<b><u>Assets</u></b>			
Current and other assets	\$ 66,286,085	\$ 59,238,236	11.90 %
Capital assets, net	<u>48,281,408</u>	<u>48,301,881</u>	(0.04) %
Total assets	<u>114,567,493</u>	<u>107,540,117</u>	6.53 %
<b><u>Liabilities</u></b>			
Current liabilities	60,937,127	59,883,529	1.76 %
Long-term liabilities	<u>44,307,100</u>	<u>43,323,734</u>	2.27 %
Total liabilities	<u>105,244,227</u>	<u>103,207,263</u>	1.97 %
<b><u>Net Assets</u></b>			
Invested in capital assets, net of related debt	18,202,970	16,657,375	9.28 %
Restricted	4,117,629	2,528,858	62.83 %
Unrestricted (deficit)	<u>(12,997,333)</u>	<u>(14,853,379)</u>	12.50 %
Total net assets	<u>\$ 9,323,266</u>	<u>\$ 4,332,854</u>	115.18 %

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2005, the District's assets exceeded liabilities by \$9,323,266. Of this total \$4,117,629 is restricted in use and \$18,202,970 is invested in capital assets (net of related debt), resulting in a deficit to unrestricted net assets of \$12,997,333.

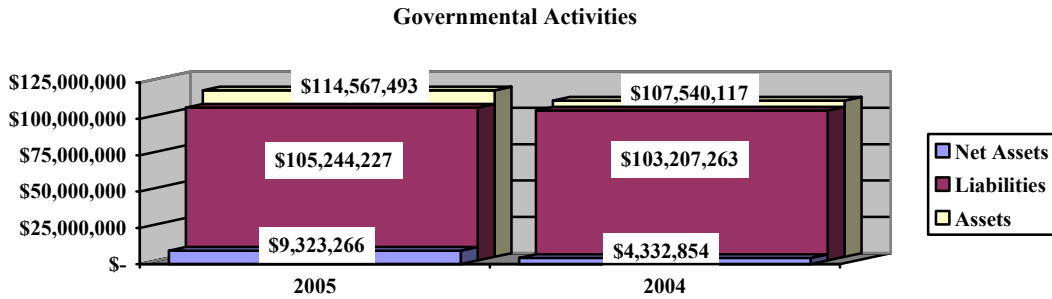
At year-end, capital assets represented 42.14% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, vehicles and construction in progress. Capital assets, net of related debt to acquire the assets at June 30, 2005, were \$18,202,970. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$4,117,629, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets is a deficit of \$12,997,333.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
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The graph below illustrates the total assets, liabilities and net assets of the governmental activities at June 30, 2005 and 2004:



The table below shows the change in net assets for fiscal years 2005 and 2004.

	<b>Change in Net Assets</b>		
	Governmental Activities <u>2005</u>	Governmental Activities <u>2004</u>	<u>Percent Change</u>
<b><u>Revenues</u></b>			
Program revenues:			
Charges for services and sales	\$ 3,190,194	\$ 3,145,782	1.41 %
Operating grants and contributions	4,070,950	3,498,013	16.38 %
Capital grants and contributions	67,200	-	100.00 %
General revenues:			
Property taxes	50,641,987	46,032,157	10.01 %
Grants and entitlements	21,321,319	21,428,816	(0.50) %
Investment earnings	290,825	158,760	83.19 %
Other	172,105	369,386	(53.41) %
<b>Total revenues</b>	<b><u>\$ 79,754,580</u></b>	<b><u>\$ 74,632,914</u></b>	<b>6.86 %</b>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
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**Change in Net Assets**

	Governmental Activities <u>2005</u>	Governmental Activities <u>2004</u>	
<b><u>Expenses</u></b>			
Program expenses:			
Instruction:			
Regular	29,734,135	31,395,058	(5.29) %
Special	6,870,205	7,202,564	(4.61) %
Vocational	2,039,407	2,176,073	(6.28) %
Adult/continuing	104,984	87,329	20.22 %
Other	976,231	681,346	43.28 %
Support services:			
Pupil	4,422,882	4,039,903	9.48 %
Instructional staff	3,844,465	4,384,884	(12.32) %
Board of education	12,463	10,632	17.22 %
Administration	6,314,181	5,061,340	24.75 %
Fiscal	1,332,056	1,265,944	5.22 %
Business	114,430	225,482	(49.25) %
Operations and maintenance	6,817,301	8,733,003	(21.94) %
Pupil transportation	4,097,703	3,976,985	3.04 %
Central	751,929	1,461,731	(48.56) %
Operations of non-instructional services	176,751	151,020	17.04 %
Food service operations	2,058,230	2,039,811	0.90 %
Extracurricular activities	2,278,115	2,053,611	10.93 %
Intergovernmental pass through	930,217	907,497	2.50 %
Interest and fiscal charges	<u>1,888,483</u>	<u>1,863,718</u>	1.33 %
Total expenses	<u>74,764,168</u>	<u>77,717,931</u>	(3.80) %
Change in net assets	4,990,412	(3,085,017)	261.76 %
Net assets, July 1	<u>4,332,854</u>	<u>7,417,871</u>	
Net assets, June 30	<u>\$ 9,323,266</u>	<u>\$ 4,332,854</u>	

In the program revenue area, the School Net grant and increases in other grant awards contributed to the total revenue increase. In the general revenues area, interest earnings increased as the District had more funds available and was able to increase their investment opportunities. Interest rates on allowable investments were higher in fiscal 2005 than in 2004. The net affect of a reduction in force contributed to the reduction in total expenses for 2005. Such expenditure areas as pupil support were increased as more focus was directed toward student achievement. The overall change in net assets is the result of additional monies from the passage of a 4.9 mill operating levy in November 2004.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

**Governmental Activities**

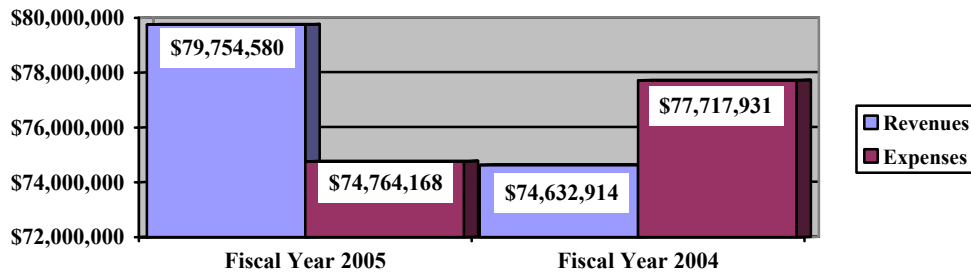
Net assets of the District's governmental activities increased \$4,990,412 primarily due to increase tax revenues as a result of the passage of a 4.9 mill operating levy in November 2004. Total governmental expenses of \$74,764,168 were offset by program revenues of \$7,328,344 and general revenues of \$72,426,236. Program revenues supported 9.80% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These revenue sources represent 90.23% of total governmental revenue.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$39,724,962 or 53.13% of total governmental expenses for fiscal year 2005.

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

**Governmental Activities - Revenues and Expenses**



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005  
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The following table shows, for governmental activities, the total cost of services and the net cost of services.

	<b>Governmental Activities</b>			
	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>
<b>Program expenses</b>				
Instruction:				
Regular	\$ 29,734,135	\$ 28,379,243	\$ 31,395,058	\$ 30,155,181
Special	6,870,205	6,354,271	7,202,564	6,694,227
Vocational	2,039,407	1,950,000	2,176,073	2,112,786
Adult/continuing	104,984	8,634	87,329	(16,555)
Other	976,231	968,554	681,346	680,936
Support services:				
Pupil	4,422,882	4,391,025	4,039,903	4,009,185
Instructional staff	3,844,465	2,099,858	4,384,884	3,218,081
Board of education	12,463	12,463	10,632	10,632
Administration	6,314,181	6,310,396	5,061,340	5,058,052
Fiscal	1,332,056	1,332,056	1,265,944	1,265,944
Business	114,430	114,430	225,482	225,482
Operations and maintenance	6,817,301	6,772,444	8,733,003	8,660,645
Pupil transportation	4,097,703	4,074,239	3,976,985	3,976,985
Central	751,929	689,129	1,461,731	1,394,538
Operations of non-instructional services	176,751	(2,430)	151,020	(6,028)
Food service operations	2,058,230	452,913	2,039,811	368,394
Extracurricular activities	2,278,115	1,595,611	2,053,611	1,393,441
Intergovernmental pass through	930,217	44,505	907,497	8,492
Interest and fiscal charges	<u>1,888,483</u>	<u>1,888,483</u>	<u>1,863,718</u>	<u>1,863,718</u>
<b>Total expenses</b>	<u>\$ 74,764,168</u>	<u>\$ 67,435,824</u>	<u>\$ 77,717,931</u>	<u>\$ 71,074,136</u>

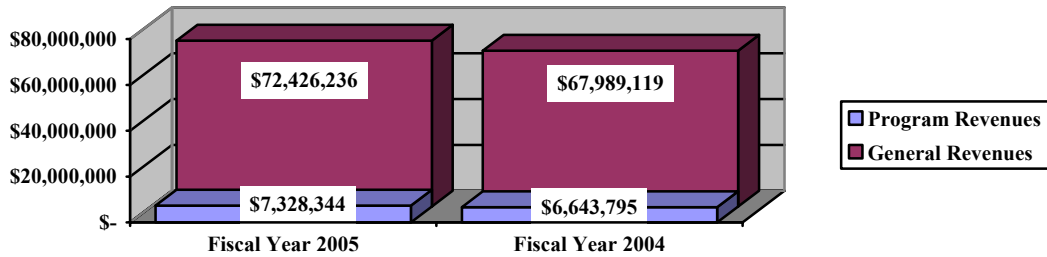
The dependence upon tax and other general revenues for governmental activities is apparent, 94.80% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 90.20%. The District's taxpayers, as a whole, are by far the primary support for the District's students.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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 years 2005 and 2004.

**Governmental Activities - General and Program Revenues**



**The District's Funds**

The District's governmental funds (as presented on the balance sheet on page F19) reported a combined fund balance of \$1,238,349, which is higher than last year's deficit total of \$492,022. 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 (deficit) <u>June 30, 2005</u>	Restated Fund Balance (deficit) <u>June 30, 2004</u>	Increase (Decrease)
General	\$ (2,139,345)	\$ (6,526,882)	\$ 4,387,537
Debt service	1,209,292	2,124,880	(915,588)
Building	1,692,889	3,103,219	(1,410,330)
Other Governmental	<u>475,513</u>	<u>806,761</u>	<u>(331,248)</u>
Total	<u>\$ 1,238,349</u>	<u>\$ (492,022)</u>	<u>\$ 1,730,371</u>



**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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 decreased \$4,387,537. The table that follows assists in illustrating the financial activities of the general fund.

	<u>2005</u> <u>Amount</u>	<u>2004</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>				
Taxes	\$ 46,842,012	\$ 42,118,626	\$ 4,723,386	11.21 %
Tuition	566,466	589,951	(23,485)	(3.98) %
Earnings on investments	263,790	131,407	132,383	100.74 %
Intergovernmental	20,868,145	20,992,029	(123,884)	(0.59) %
Other revenues	<u>612,271</u>	<u>617,568</u>	<u>(5,297)</u>	(0.86) %
Total	<u>\$ 69,152,684</u>	<u>\$ 64,449,581</u>	<u>\$ 4,703,103</u>	7.30 %
<b><u>Expenditures</u></b>				
Instruction	\$ 37,686,699	\$ 39,398,427	\$ (1,711,728)	(4.34) %
Support services	25,339,574	27,020,217	(1,680,643)	(6.22) %
Operation of non-instructional services	67,001	70,564	(3,563)	(5.05) %
Extracurricular activities	1,171,850	1,125,913	45,937	4.08 %
Facilities acquisition and construction	13,850	158,217	(144,367)	(91.25) %
Capital outlay	-	83,501	(83,501)	(100.00) %
Debt service	<u>118,306</u>	<u>154,146</u>	<u>(35,840)</u>	(23.25) %
Total	<u>\$ 64,397,280</u>	<u>\$ 68,010,985</u>	<u>\$ (3,613,705)</u>	(5.31) %

The decrease in tuition revenue in the general fund was primarily due to decreased collections of tuition charges billed to other school districts. Earnings on investments increased as the District had more funds to invest in fiscal 2005. Facilities acquisition and construction expenditures were lower in fiscal 2005 as the District completed many construction projects during the fiscal year and purchased fewer capital items during the year. Capital outlay expenditures decrease as a result of the District not entering into any new capital lease agreements.

***Debt Service Fund***

The District's debt service fund balance decreased \$915,588. The debt service fund had revenues of \$3,515,317 and expenditures of \$6,930,905. The primary revenue source was tax revenue which was \$3,108,662 in fiscal year 2005 and \$2,956,667 in fiscal year 2004. During fiscal year 2005, the debt service fund made \$5,536,793 in principal payments, \$1,352,527 in interest payments and had fiscal expenditures of \$41,585. The debt service fund also had \$2,500,000 in the sale of notes to refinance previously issued notes.

***Building Fund***

The District's building fund balance decreased \$1,410,330. The building fund's only revenue source was earnings on investments which amounted to \$21,082 in fiscal year 2005 and \$37,026 in fiscal year 2004. Total expenditures in the building fund were \$1,431,412 in fiscal year 2005 and \$3,881,458 in fiscal year 2004. The fund balance of the building fund at June 30, 2005 is \$1,692,889.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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 numerous times. For the general fund, final budgeted revenues and other financing sources were \$68,142,157, which is higher than the original budgeted revenues estimate of \$65,686,058. Actual revenues and other financing sources for fiscal 2005 was \$68,996,374. This represents an \$854,217 increase from final budgeted revenues. This increase is primarily due to tax revenues being higher than estimated. General fund final appropriations (appropriated expenditures plus other financing uses) were \$67,408,686, which is higher than the original budgeted appropriations estimate of \$67,369,472. The actual budget basis expenditures and other financing uses for fiscal year 2005 totaled \$65,865,422, which was \$1,543,264 less than the final budget appropriations. The District was able to decrease appropriations primarily because salary costs proved to be lower than anticipated in the original and final budget.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal 2005, the District had \$48,281,408 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and construction in progress (CIP). This entire amount is reported in governmental activities. The following table shows fiscal 2005 balances compared to 2004:

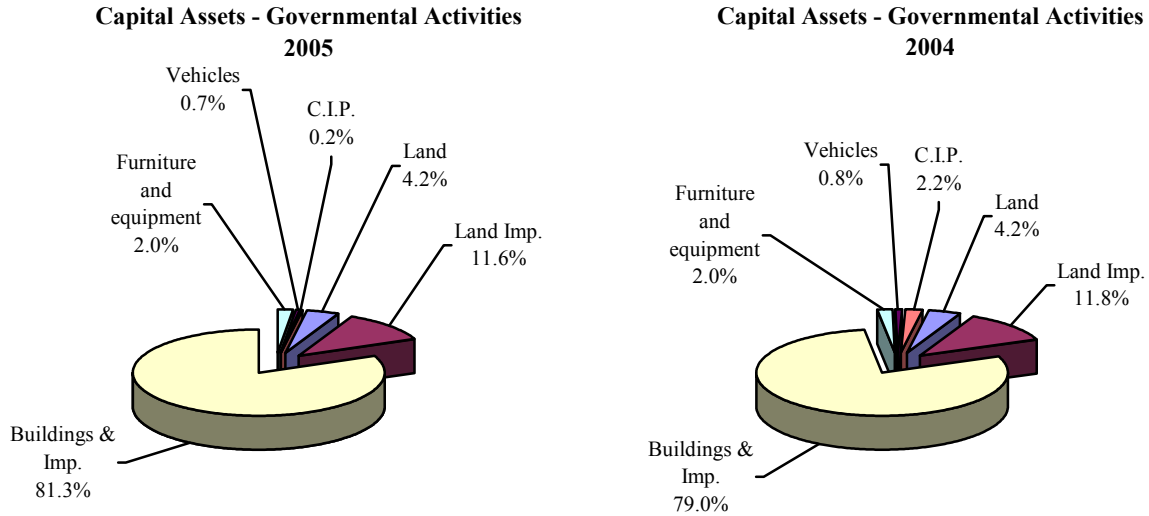
	<b>Capital Assets at June 30 (Net of Depreciation)</b>	
	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
Land	\$ 2,040,544	\$ 2,040,544
Land improvements	5,596,953	5,705,176
Buildings and improvements	39,239,405	38,132,378
Furniture and equipment	953,048	960,611
Vehicles	333,658	406,924
Construction in progress	<u>117,800</u>	<u>1,056,248</u>
Total	<u>\$ 48,281,408</u>	<u>\$ 48,301,881</u>

The primary increase occurred in buildings and improvements which include various construction projects detailed in Note 9 to the basic financial statements, principally HVAC improvements, roof replacements, and a District-wide server upgrade. Total additions to capital assets for 2005 were \$4,010,426 and total disposals were \$4,524 (net of accumulated depreciation). The disposal of CIP of \$1,913,594 represents construction projects which were completed in fiscal year 2005 and transferred to buildings and improvements. The overall decrease in capital assets of \$20,473 (net of accumulated depreciation) is primarily due to depreciation being recorded on assets that were transferred from construction in progress during the year.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

The graphs below present the District's capital assets for fiscal 2005 and fiscal 2004.



**Debt Administration**

At June 30, 2005, the District had \$33,104,987 in general obligation bonds and capital lease obligations outstanding. Of this total, \$2,163,173 is due within one year and \$30,941,814 is due within greater than one year. The following table summarizes the bonds and notes outstanding.

**Outstanding Debt, at Year End**

	Governmental Activities 2005	Governmental Activities 2004
General obligation bonds	\$ 32,897,812	\$ 34,453,560
Asbestos note	-	5,930
School Improvement Notes	2,500,000	3,500,000
Capital lease obligation	207,175	264,125
<b>Total</b>	<b>\$ 35,604,987</b>	<b>\$ 38,223,615</b>

The asbestos note was received in 1986. This note matured in fiscal year 2005 and bears no interest. Payment of principal and interest on the asbestos note is being made from the general fund.

The District has issued bond anticipation notes for school improvements. During fiscal year 2005, the District retired \$3,500,000 in notes and re-issued \$2,500,000 in notes.

The District has issued various general obligation bonds to provide resources to finance construction projects throughout the District and to refund previous bonds outstanding. The District's general obligation bonds consist of both current interest bonds and capital appreciation bonds. The District's general obligation bond activity is detailed in Note 10 to the basic financial statements.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

The capital lease obligations represent agreements for copier equipment and vehicles. The capital lease obligations are detailed in Note 8 of the basic financial statements.

At June 30, 2005, the District's overall legal debt margin was \$100,567,272 with an unvoted debt margin of \$1,469,509.

**Current Financial Related Activities**

In November 2002, and in November 2004, the Sylvania School District passed two 4.9 mil levies. The 2002 passage provided for a 4.6 mil general operating levy and a .3 mil permanent improvement levy. The 2004 passage is for a 4.9 mil general operating levy. The passage of these levies allows the District to continue its education focus on teaching and learning along with making identified improvements to buildings and updating safety & growth issues.

In 2005, the District negotiated a 28 month agreement with its Teachers and Administrators unions for wages and benefits. The District is currently in negotiations with its OAPSE union for wages and benefits. In collaboration with the unions, there was a recent review of health care costs and subsequently a Labor/Management Insurance Committee has been established. In January 2004, the District discontinued self-insuring its health care costs, and successfully negotiated a 3-year contract with Paramount Health Systems for a fully funded health care plan and a 3-year contract with MetLife for a managed dental care plan. Both contracts are expected to save the District on future expenditures. Given the current economic environment, 3-year contracts are rare and a major accomplishment for the District. With the positive outcomes of the Labor/Management Process, the District anticipates continued use of Interest Based Bargaining.

Due to recent budget deficits experienced by the State of Ohio, the estimated increase to the State Foundation that Ohio provides each school district remained relatively the same this year. Sylvania Schools Foundation remains relatively the same. Past changes to state funding calculations included using current Average Daily Membership (ADM) for determining per pupil ratios and the elimination of 3-year averaging that benefits districts with declining enrollment. Coupled with the elimination of the tangible personal property tax, Sylvania will be experiencing lower revenues than projected for the next 5 years.

As a result, the District continues to look at cost saving measures to reduce spending, including implementing a redistricting plan and a \$4.2 million reduction in expenditures including the elimination of 72 positions. A Facilities Plan was competed and approved by the Board that encompasses a more efficient use of our current facilities as well as planning for future growth and development needs.

The Sylvania School District accomplished a major goal in the 2003/2004 School Year by achieving an excellent rating on the State Report Card. This goal was accomplished by tremendous effort and planning from all staff to improve teaching and learning while preserving fiscal accountability. With the increased requirements of NCLB the target criteria for attaining an Excellent rating changed and for 2004/2005 Sylvania Schools came up ½ percentage point from maintaining "Excellent". Already changes in District goals have been implemented to maintain academic proficiencies as stated on the State Report Card and to provide for continuous improvement for the coming year.

To assist the effort, the District is currently in the final year of a 5-Year Academic Curriculum Plan, defined by a recent Phi Delta Kappa audit. This effort will essentially ensure that our content standards are in line with both State and Federal standards and is necessary to provide the content and strategies to guide this District to excellence in both teaching and learning.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

Capital improvements for fiscal 2005 included HVAC improvements, roof replacements and a District-wide server upgrade. Other capital investments include a newly implemented plan for the purchase of new school busses. The plan implemented in 2005 provides for a rotation cycle of 5 new busses each year for the next 3 years.

A lot of work has yet to be done, but all in all, the planning and groundwork has been done and will provide the District with the roadmap to meet both the academic and economic challenges in the future.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizen's taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mrs. Carol McElfresh, Treasurer/CFO, Sylvania City School District, 6850 Monroe Street, P.O. Box 608, Sylvania, Ohio 43560.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

STATEMENT OF NET ASSETS  
JUNE 30, 2005

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . . . .	\$ 9,606,415
Receivables:	
Taxes . . . . .	56,092,800
Accounts . . . . .	20,352
Intergovernmental . . . . .	490,097
Prepayments . . . . .	54,754
Materials and supplies inventory . . . . .	21,667
Capital assets:	
Land and construction in progress . . . . .	2,158,344
Depreciable capital assets, net . . . . .	46,123,064
Total capital assets, net. . . . .	<u>48,281,408</u>
 Total assets. . . . .	 <u>114,567,493</u>
 <b>Liabilities:</b>	
Accounts payable. . . . .	499,503
Contracts payable. . . . .	60,165
Accrued wages and benefits . . . . .	5,971,456
Intergovernmental payable . . . . .	2,289,863
Deferred revenue . . . . .	51,918,327
Accrued interest payable . . . . .	197,813
Long-term liabilities:	
Due within one year. . . . .	5,744,841
Due within more than one year . . . . .	38,562,259
 Total liabilities. . . . .	 <u>105,244,227</u>
 <b>Net Assets:</b>	
Invested in capital assets, net of related debt. . . . .	18,202,970
Restricted for:	
Debt service. . . . .	1,149,944
Capital projects . . . . .	2,147,640
Set-asides . . . . .	209,468
Locally funded programs . . . . .	9,761
State funded programs . . . . .	146,258
Federally funded programs . . . . .	35,514
Student activities . . . . .	100,155
School bus purchases . . . . .	318,889
Unrestricted (deficit) . . . . .	<u>(12,997,333)</u>
 Total net assets . . . . .	 <u>\$ 9,323,266</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Governmental activities:</b>					
Instruction:					
Regular . . . . .	\$ 29,734,135	\$ 1,024,000	\$ 263,692	\$ 67,200	\$ (28,379,243)
Special . . . . .	6,870,205	-	515,934	-	(6,354,271)
Vocational . . . . .	2,039,407	-	89,407	-	(1,950,000)
Adult/continuing . . . . .	104,984	-	96,350	-	(8,634)
Other . . . . .	976,231	-	7,677	-	(968,554)
Support services:					
Pupil . . . . .	4,422,882	-	31,857	-	(4,391,025)
Instructional staff . . . . .	3,844,465	-	1,744,607	-	(2,099,858)
Board of education . . . . .	12,463	-	-	-	(12,463)
Administration . . . . .	6,314,181	-	3,785	-	(6,310,396)
Fiscal . . . . .	1,332,056	-	-	-	(1,332,056)
Business . . . . .	114,430	-	-	-	(114,430)
Operations and maintenance . . . . .	6,817,301	44,857	-	-	(6,772,444)
Pupil transportation . . . . .	4,097,703	23,464	-	-	(4,074,239)
Central . . . . .	751,929	-	62,800	-	(689,129)
Operation of non-instructional services . . . . .	176,751	103,465	75,716	-	2,430
Food service operations . . . . .	2,058,230	1,346,251	259,066	-	(452,913)
Extracurricular activities . . . . .	2,278,115	648,157	34,347	-	(1,595,611)
Intergovernmental pass through . . . . .	930,217	-	885,712	-	(44,505)
Interest and fiscal charges . . . . .	1,888,483	-	-	-	(1,888,483)
<b>Total governmental activities . . . . .</b>	<b>\$ 74,764,168</b>	<b>\$ 3,190,194</b>	<b>\$ 4,070,950</b>	<b>\$ 67,200</b>	<b>(67,435,824)</b>
<b>General Revenues:</b>					
Property taxes levied for:					
General purposes . . . . .					47,111,824
Debt service . . . . .					3,160,832
Capital outlay . . . . .					369,331
Grants and entitlements not restricted to specific programs . . . . .					21,321,319
Investment earnings . . . . .					290,825
Miscellaneous . . . . .					172,105
<b>Total general revenues . . . . .</b>					<b>72,426,236</b>
Change in net assets . . . . .					4,990,412
<b>Net assets at beginning of year . . . . .</b>					<b>4,332,854</b>
<b>Net assets at end of year . . . . .</b>					<b>\$ 9,323,266</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2005

	<u>General</u>	<u>Debt Service</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents . . . . .	\$ 5,106,639	\$ 1,111,516	\$ 1,692,889	\$ 1,152,387	\$ 9,063,431
Receivables:					
Taxes . . . . .	52,481,881	3,228,930	-	381,989	56,092,800
Accounts . . . . .	17,568	-	-	2,784	20,352
Intergovernmental . . . . .	-	-	-	490,097	490,097
Interfund loans . . . . .	13,528	-	-	-	13,528
Prepayments . . . . .	54,754	-	-	-	54,754
Materials and supplies inventory . . . . .	-	-	-	21,667	21,667
Restricted assets:					
Equity in pooled cash and cash equivalents . . . . .	528,357	-	-	-	528,357
Total assets . . . . .	<u>\$ 58,202,727</u>	<u>\$ 4,340,446</u>	<u>\$ 1,692,889</u>	<u>\$ 2,048,924</u>	<u>\$ 66,284,986</u>
<b>Liabilities:</b>					
Accounts payable . . . . .	\$ 374,678	\$ -	\$ -	\$ 124,825	\$ 499,503
Contracts payable . . . . .	-	-	-	60,165	60,165
Accrued wages and benefits . . . . .	5,655,759	-	-	315,697	5,971,456
Compensated absences payable . . . . .	1,083,708	-	-	-	1,083,708
Intergovernmental payable . . . . .	2,052,030	850	-	236,983	2,289,863
Interfund loan payable . . . . .	-	-	-	13,528	13,528
Deferred revenue . . . . .	51,175,897	3,130,304	-	822,213	55,128,414
Total liabilities . . . . .	<u>60,342,072</u>	<u>3,131,154</u>	<u>-</u>	<u>1,573,411</u>	<u>65,046,637</u>
<b>Fund Balances:</b>					
Reserved for encumbrances . . . . .	679,850	-	8,995	476,669	1,165,514
Reserved for materials and supplies inventory . . . . .	-	-	-	21,667	21,667
Reserved for property tax unavailable for appropriation . . . . .	991,243	68,288	-	7,469	1,067,000
Reserved for prepayments . . . . .	54,754	-	-	-	54,754
Reserved for debt service . . . . .	-	1,141,004	-	-	1,141,004
Reserved for textbooks . . . . .	47,574	-	-	-	47,574
Reserved for capital improvements and maintenance . . . . .	161,894	-	-	-	161,894
Reserved for school bus purchases . . . . .	318,889	-	-	-	318,889
Unreserved, undesignated (deficit) reported in:					
General fund . . . . .	(4,393,549)	-	-	-	(4,393,549)
Special revenue funds . . . . .	-	-	-	(90,766)	(90,766)
Capital projects funds . . . . .	-	-	1,683,894	60,474	1,744,368
Total fund balances (deficit) . . . . .	<u>(2,139,345)</u>	<u>1,209,292</u>	<u>1,692,889</u>	<u>475,513</u>	<u>1,238,349</u>
Total liabilities and fund balances . . . . .	<u>\$ 58,202,727</u>	<u>\$ 4,340,446</u>	<u>\$ 1,692,889</u>	<u>\$ 2,048,924</u>	<u>\$ 66,284,986</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

<b>Total governmental fund balances</b>		\$	1,238,349
<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.			48,281,408
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Taxes	\$	2,755,477	
Intergovernmental revenue		454,610	
Total			3,210,087
Internal service funds are used by management to charge the costs of insurance and intra-district services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.			14,627
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		32,897,812	
Notes payable		2,500,000	
Compensated absences		7,484,405	
Capital lease obligations		207,175	
Workers' compensation retrospective claims adjustment		134,000	
Accrued interest payable		197,813	
Total			(43,421,205)
<b>Net assets of governmental activities</b>		\$	9,323,266

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SYLVANIA CITY SCHOOL DISTRICT**  
**LUCAS 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>Debt Service</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>					
From local sources:					
Taxes . . . . .	\$ 46,842,012	\$ 3,108,662	\$ -	\$ 355,546	\$ 50,306,220
Tuition . . . . .	566,466	-	-	-	566,466
Transportation fees . . . . .	23,464	-	-	-	23,464
Earnings on investments . . . . .	263,790	-	21,082	5,953	290,825
Charges for services . . . . .	-	-	-	1,282,798	1,282,798
Classroom materials and fees . . . . .	188,318	-	-	130,476	318,794
Extracurricular . . . . .	-	-	-	648,157	648,157
Other local revenues . . . . .	400,489	-	-	162,982	563,471
Intergovernmental - state . . . . .	20,868,145	406,655	-	1,327,878	22,602,678
Intergovernmental - federal . . . . .	-	-	-	2,441,572	2,441,572
Total revenue . . . . .	<u>69,152,684</u>	<u>3,515,317</u>	<u>21,082</u>	<u>6,355,362</u>	<u>79,044,445</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular . . . . .	28,540,189	-	-	514,775	29,054,964
Special . . . . .	6,362,886	-	-	511,106	6,873,992
Vocational . . . . .	1,814,847	-	-	89,141	1,903,988
Adult/continuing . . . . .	968,777	-	-	104,984	1,073,761
Other . . . . .	-	-	-	7,454	7,454
Support Services:					
Pupil . . . . .	4,386,935	-	-	31,514	4,418,449
Instructional staff . . . . .	1,980,793	-	-	1,765,629	3,746,422
Board of education . . . . .	12,463	-	-	-	12,463
Administration . . . . .	6,111,292	-	-	5,781	6,117,073
Fiscal . . . . .	1,271,420	41,585	-	6,710	1,319,715
Business . . . . .	117,606	-	-	-	117,606
Operations and maintenance . . . . .	6,806,028	-	804,601	220,293	7,830,922
Pupil transportation . . . . .	3,972,280	-	-	-	3,972,280
Central . . . . .	680,757	-	-	63,073	743,830
Operation of non-instructional services . . . . .	67,001	-	-	109,750	176,751
Food service operations . . . . .	-	-	-	1,940,882	1,940,882
Extracurricular activities . . . . .	1,171,850	-	-	749,067	1,920,917
Facilities acquisition and construction . . . . .	13,850	-	626,811	16,890	657,551
Intergovernmental pass through . . . . .	-	-	-	924,910	924,910
Debt service:					
Principal retirement . . . . .	87,880	5,536,793	-	-	5,624,673
Interest and fiscal charges . . . . .	30,426	1,352,527	-	-	1,382,953
Total expenditures . . . . .	<u>64,397,280</u>	<u>6,930,905</u>	<u>1,431,412</u>	<u>7,061,959</u>	<u>79,821,556</u>
Excess of revenues over (under) expenditures . . . . .	4,755,404	(3,415,588)	(1,410,330)	(706,597)	(777,111)
<b>Other financing sources (uses):</b>					
Transfers in . . . . .	5,628	-	-	379,190	384,818
Transfers out . . . . .	(373,495)	-	-	(11,323)	(384,818)
Sale of notes . . . . .	-	2,500,000	-	-	2,500,000
Total other financing sources (uses) . . . . .	<u>(367,867)</u>	<u>2,500,000</u>	<u>-</u>	<u>367,867</u>	<u>2,500,000</u>
Net change in fund balances . . . . .	4,387,537	(915,588)	(1,410,330)	(338,730)	1,722,889
<b>Fund balances (deficit) at</b>					
<b>beginning of year (restated) . . . . .</b>	(6,526,882)	2,124,880	3,103,219	806,761	(492,022)
<b>Increase in reserve for inventory . . . . .</b>	-	-	-	7,482	7,482
<b>Fund balances (deficit) at end of year . . . . .</b>	<u><u>\$ (2,139,345)</u></u>	<u><u>\$ 1,209,292</u></u>	<u><u>\$ 1,692,889</u></u>	<u><u>\$ 475,513</u></u>	<u><u>\$ 1,238,349</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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** \$ 1,722,889

*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 are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation expense in the current period.

Capital asset additions	\$	2,096,832	
Current year depreciation		(2,112,781)	
Total			(15,949)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets. (4,524)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported on the statement of activities:

Decrease in accrued interest payable		515	
Accretion of interest on "capital appreciation" bonds		(506,045)	
			(505,530)

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

Taxes		335,767	
Intergovernmental		374,368	
Total			710,135

Repayment of bond, note and capital lease obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. Principal payments during the year were:

Bonds		2,061,793	
Notes		3,505,930	
Capital lease		56,950	
Total			5,624,673

Issuance of notes are recorded as revenues in the funds, however, in the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets. (2,500,000)

Governmental funds report expenditures for inventory when purchased. However, on the statement of activities, they are reported as an expense when consumed. 7,482

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. (48,764)

**Change in net assets of governmental activities** \$ 4,990,412

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
JUNE 30, 2005

	<b><u>Governmental Activities - Internal Service Fund</u></b>
<b>Assets:</b>	
Current assets:	
Equity in pooled cash and cash equivalents . . . . .	\$ 14,627
Total assets . . . . .	<u>\$ 14,627</u>
<b>Net Assets:</b>	
Unrestricted. . . . .	<u>\$ 14,627</u>
Total net assets . . . . .	<u>\$ 14,627</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

	<b>Governmental Activities - Internal Service Fund</b>
Net assets at beginning of year. . . . .	<u>\$ 14,627</u>
Net assets at end of year . . . . .	<u><u>\$ 14,627</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash and cash equivalents at beginning of year . . .</b>	<u>\$ 14,627</u>
<b>Cash and cash equivalents at end of year. . . . .</b>	<u><u>\$ 14,627</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2005

	<b>Private-Purpose Trust</b>	
	<b>Scholarship</b>	<b>Agency</b>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 17,443	\$ 151,654
Total assets . . . . .	17,443	\$ 151,654
<b>Liabilities:</b>		
Accounts payable . . . . .	-	\$ 1,800
Due to students . . . . .	-	149,854
Total liabilities . . . . .	-	\$ 151,654
<b>Net Assets:</b>		
Held in trust for scholarships . . . . .	17,443	
Total net assets . . . . .	\$ 17,443	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

	<b>Private-Purpose Trust</b>
	<b>Scholarship</b>
<b>Additions:</b>	
Interest . . . . .	\$ 360
Gifts and contributions. . . . .	4,000
	4,360
Total additions. . . . .	4,360
<b>Deductions:</b>	
Scholarships awarded . . . . .	2,500
	1,860
Change in net assets . . . . .	1,860
<b>Net assets at beginning of year. . . . .</b>	<b>15,583</b>
<b>Net assets at end of year . . . . .</b>	<b>\$ 17,443</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

The Sylvania City School District (the "District") is located in the greater metropolitan Toledo area of Lucas County in northwestern Ohio. The District encompasses all of the city of Sylvania, and portions of Sylvania Township.

The District is organized under Section 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

The District ranks as the 31<sup>st</sup> largest by enrollment among the 613 public school districts in the state. It currently operates 7 elementary schools, 3 middle schools, and 2 comprehensive high schools. The District employs 303 non-certified and 514 certified full-time and part-time employees to provide services to approximately 7,908 students in grades K through 12 and various community groups.

**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, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) 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 these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

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

The following organizations are described due to their relationship to the District:

*JOINTLY GOVERNED ORGANIZATIONS*

Northwest Ohio Computer Association (NWOCA)

The District is a participant with 28 other school districts in a jointly governed organization to operate NWOCA. NWOCA was formed for the purpose of providing computer services. NWOCA is governed by a board of directors consisting of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the board. The District does not have an ongoing financial interest or responsibility in NWOCA.

Sylvania Area Joint Recreation District (SAJRD)

The District, in conjunction with the City of Sylvania and the Sylvania Township, formed the Sylvania Area Joint Recreation District under the authority of Ohio Revised Code Section 755.14(C). The SAJRD Board of Trustees is composed of twelve members, four of whom are appointed by each of the separate governmental entities identified above. Funding for the SAJRD is provided by a voter-approved tax levy on all real property located within the Sylvania School District. Taxes are collected by the County Auditor and remitted to the SAJRD Board of Trustees.

**B. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

*GOVERNMENTAL FUNDS*

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses 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.

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

Building Fund - The building fund is used to account for the receipts and expenditures related to all special bond funds in the District and to account for receipts and expenditures involved in the replacement or updating of equipment essential for the instruction of students in job skills. All proceeds from the sale of bonds, notes, or certificates of indebtedness, must be paid into this fund. Expenditures recorded here represent the costs of acquiring and improving capital facilities, including real property.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

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

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 accounted for in the building fund or financed by proprietary funds; and (b) for food service, uniform school supplies and natatorium services; 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 funds are 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 internal service fund of the District accounts for a former self-insurance program for employee health and dental benefits. This fund had no activity during fiscal 2005 as the District switched to a fully insured program for health and dental benefits (see Note 11.B).

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the 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. These statements distinguish between those activities that are governmental and those that are considered business-type activities. The District has no business-type activities. The internal service fund operating activities are 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.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

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

The government-wide financial statements are prepared using the 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 statements. 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 funds are 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.

The private-purpose trust fund is reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do 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.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donation. 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, interest, tuition, grants, and student fees.

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 operation, 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.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities received during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

**E. Budgets**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Board of Education at the object level within each function within each fund for all funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

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

Tax Budget:

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

Estimated Resources:

By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commissions' 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 the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts from the certificate of estimated resources that was in effect at the time the original permanent appropriations covering the entire fiscal year were passed by the Board of Education. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts from the certificate of amended resources that was in effect at the time the final appropriations were passed by the Board of Education.

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, at the object level within each function within each fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals at any level of control. Any revisions that alter the level of budgetary control must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, all supplemental appropriations were legally enacted.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budget amounts reflect the first appropriation for that fund covering the entire fiscal year, including amounts automatically carried over from the prior year. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

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

Lapsing of Appropriations:

Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the fund, function and/or object level.

**F. Cash and Investments**

To improve cash management, cash received by the District is pooled in a central bank account. Monies for all funds 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 overnight repurchase agreements and investments in the State Asset Treasury Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements, are reported at cost.

The District has invested funds in STAR Ohio during fiscal 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.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2005 amounted to \$263,790, which includes \$152,781 assigned from other District funds.

For presentation on the basic financial statements, investments purchased by 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 District's investment account at fiscal year-end is provided in Note 4.

**G. Inventory**

On government-wide and fund 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 purchase method on the fund financial statements and using the consumption method on the government-wide statements.

On the fund financial statements, reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

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

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

**H. Capital Assets**

General capital assets are those assets specifically related to governmental activities. These assets 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 \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	20 - 45 years
Buildings and improvements	37 - 45 years
Furniture and equipment	5 - 20 years
Vehicles	6 years

**I. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." Interfund balances between governmental funds are eliminated in the governmental activities column on the statement of net assets.

**J. Compensated Absences**

The District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30, by those employees who are currently eligible to receive termination benefits and by those employees who are 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 age 50 or greater with at least 10 years of service; or 20 years service at any age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.



**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

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

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. 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, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and notes are recognized as a liability on the fund financial statements when due.

**L. 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, materials and supplies inventory, debt service, prepayments, property taxes unavailable for appropriation, textbooks, capital improvements and maintenance, and school bus purchases. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriation under state statute.

**M. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist 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 or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

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

**N. 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 on the balance sheet 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. At fiscal year-end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset on the fund financial statements.

**O. 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.

**P. 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 for textbooks and capital improvements and maintenance. In addition, amounts restricted by state statute for school bus purchases have also been restricted. See Note 15 for additional information regarding set-asides.

**Q. 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 fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Transfers between governmental funds are eliminated for reporting on the government-wide statement of activities.

**R. Nonpublic Schools**

Within the District boundaries, St. Joseph and St. Francis schools are operated through the Toledo Catholic Diocese; and Toledo Junior, Emmanuel Baptist, and Hebrew Academy are operated as private schools. All of these schools provide instruction for grades K-8. 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 school. The receipt and expenditure of these state monies by the District are reflected in a nonmajor governmental fund for financial reporting purposes.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

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

**S. 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 and Prior Period Adjustment**

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 and a prior period adjustment to present \$3,500,000 in school improvement notes and related accrued interest payable as a long-term liability rather than a fund liability of the Building fund had the following effect on the fund balances of the major and non-major governmental funds of the District as they were previously reported as of June 30, 2004:

	Debt				Total
	General	Service	Building	Nonmajor	
Fund Balances, June 30, 2004	\$ (6,001,794)	\$ 2,124,880	\$ (444,132)	\$ 940,292	\$ (3,380,754)
GASB Technical Bulletin No. 2004-2	(525,088)	-	-	(133,531)	(658,619)
Adjustment for School Improvement Notes	-	-	3,547,351	-	3,547,351
Restated Fund Balance, June 30, 2004	<u>\$ (6,526,882)</u>	<u>\$ 2,124,880</u>	<u>\$ 3,103,219</u>	<u>\$ 806,761</u>	<u>\$ (492,022)</u>

**SYLVANIA CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)**

**B. Deficit Fund Balances**

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

	Deficit
<u>Major Fund</u>	
General Fund	\$ 2,139,345
<u>Nonmajor Governmental Funds</u>	
Food service	93,465
Ohio Reads	7,830
Miscellaneous State Grants	14,776
Adult Basic Education	14,793
IDEA, Part B	225,625
Vocational Education	5,316
Title III	5,075
Title I	52,286
Title V	768
Drug Free Schools	3,623
IDEA Preschool Grant	5
Improving Teacher Quality	22,969

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 these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances are a result of adjustments for accrued liabilities.

**NOTE 4 – DEPOSITS AND INVESTMENTS**

The District maintains a cash and investment pool used by all funds. Each fund type’s portion of this pool is displayed on the financial statements as “Equity in Pooled Cash and Cash Equivalents”. State statutes require the classification of 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 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.

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**NOTE 4 – DEPOSITS AND INVESTMENTS - (Continued)**

Interim deposits are deposits of interim monies. Interim monies 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 accounts, including passbook accounts.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the finance 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 may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, Notes, Debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% 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 bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25% of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 – DEPOSITS AND INVESTMENTS - (Continued)**

**A. Deposits with Financial Institutions**

At June 20, 2005, the carrying amount of all District deposits was \$6,603,534, exclusive of the \$815,000 repurchase agreement included in investments below. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2005, \$6,754,875 of the District’s bank balance of \$6,954,875 was exposed to custodial risk as discussed below, while \$200,000 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.

**B. 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</u>			
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>
Repurchase Agreement	\$ 815,000	\$ 815,000	\$ -	\$ -	\$ -
STAR Ohio	<u>2,356,978</u>	<u>2,356,978</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,171,978</u>	<u>\$ 3,171,978</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*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:* Standard & Poor’s has assigned STAR Ohio an AAAM money market rating.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Of the District’s investment in repurchase agreements, the entire balance is collateralized by underlying securities pledged by the investment’s counterparty, not in the name of the District.

*Concentration of Credit Risk:* The District’s investment policy 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>% of Total</u>
Repurchase agreement	815,000	25.69%
STAR Ohio	<u>2,356,978</u>	<u>74.31%</u>
	<u>\$ 3,171,978</u>	<u>100.00%</u>

**SYLVANIA CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

**NOTE 4 – DEPOSITS AND INVESTMENTS - (Continued)**

**C. 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	\$ 6,603,534
Investments	3,171,978
Total	\$ 9,775,512
 <u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 9,606,415
Private-purpose trust fund	17,443
Agency fund	151,654
Total	\$ 9,775,512

**NOTE 5 - INTERFUND TRANSACTIONS**

A. Interfund loans receivable/payable 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	Nonmajor governmental funds	\$ 13,528

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.

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.

B. Interfund transfers for the fiscal year ended June 30, 2005, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
Transfers from general fund to:	
Nonmajor governmental funds	\$ 373,495
Transfers from nonmajor governmental funds to:	
General fund	5,628
Nonmajor governmental funds	5,695

**SYLVANIA CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported on the statement of activities.

**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 2004 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-three 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 Lucas County. The 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 as an advance at June 30, 2005 was \$991,243 in the general fund, \$68,288 in the debt service fund and \$7,469 in the Permanent Improvement capital projects fund (a nonmajor governmental fund). The amount that was available for advance at June 30, 2004 was \$922,075 in the general fund, \$32,945 in the debt service fund and \$5,475 in the Permanent Improvement capital projects fund (a nonmajor governmental fund). The amount available for advance can vary depending upon when tax bills are sent.



**SYLVANIA CITY SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 6 - PROPERTY TAXES - (Continued)**

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.

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:

	2004 Second Half Collections		2005 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 1,338,151,170	93.44	\$ 1,375,684,760	93.62
Public Utility Personal	21,737,770	1.52	21,483,670	1.46
Tangible Personal Property	<u>72,148,998</u>	<u>5.04</u>	<u>72,340,373</u>	<u>4.92</u>
Total	<u>\$ 1,432,037,938</u>	<u>100.00</u>	<u>\$ 1,469,508,803</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation				
Operations	\$ 67.30		\$ 72.20	
Debt Service	2.40		2.40	
Permanent improvement	0.30		0.30	

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2005 consisted of taxes, accounts (billings for user charged services and student fees), and intergovernmental grants and entitlements. 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:

<b>Governmental Activities</b>	
Property taxes	\$ 56,092,800
Accounts	20,352
Intergovernmental	<u>490,097</u>
Total	<u>\$ 56,603,249</u>

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

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

**NOTE 8 - CAPITALIZED LEASES - LESSEE DISCLOSURE**

During a prior fiscal year, the District entered into capital lease agreements for copiers and vehicles. These leases meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term.

Capital lease payments have been reclassified and are reflected as debt service expenditures in the statement of revenues, expenditures and changes in fund balances - general fund. These expenditures are reflected as program/function expenditures on a budgetary basis. As of June 30, 2005 general capital assets acquired by leases have been capitalized in the amount of \$420,122, which is equal to the present value of the future minimum lease payments as of the date of their inception. A corresponding liability was recorded in the statement of net assets. Principal payments in the 2005 fiscal year totaled \$56,950. This amount is reflected as debt service principal retirement in the general fund and as a reduction to the long-term liabilities reported on the statement of net assets.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2005:

Year Ending June 30	Amount
2006	\$ 81,031
2007	81,031
2008	58,328
2009	24,303
Total minimum lease payment	244,693
Less: amount representing interest	(37,518)
Present value of minimum lease payments	\$ 207,175

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - CAPITAL ASSETS**

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

	Balance <u>06/30/04</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>06/30/05</u>
<b>Governmental Activities</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,040,544	\$ -	\$ -	\$ 2,040,544
Construction in progress	<u>1,056,248</u>	<u>975,146</u>	<u>(1,913,594)</u>	<u>117,800</u>
Total capital assets, not being depreciated	<u>3,096,792</u>	<u>975,146</u>	<u>(1,913,594)</u>	<u>2,158,344</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	7,047,275	115,397	-	7,162,672
Building and improvements	54,883,528	2,437,994	-	57,321,522
Furniture and equipment	2,940,907	428,975	(9,695)	3,360,187
Vehicles	<u>4,810,868</u>	<u>52,914</u>	<u>-</u>	<u>4,863,782</u>
Total capital assets, being depreciated	<u>69,682,578</u>	<u>3,035,280</u>	<u>(9,695)</u>	<u>72,708,163</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(1,342,099)	(223,620)	-	(1,565,719)
Building and improvements	(16,751,150)	(1,330,967)	-	(18,082,117)
Furniture and equipment	(1,980,296)	(432,014)	5,171	(2,407,139)
Vehicles	<u>(4,403,944)</u>	<u>(126,180)</u>	<u>-</u>	<u>(4,530,124)</u>
Total accumulated depreciation	<u>(24,477,489)</u>	<u>(2,112,781)</u>	<u>5,171</u>	<u>(26,585,099)</u>
Governmental activities capital assets, net	<u>\$ 48,301,881</u>	<u>\$ 1,897,645</u>	<u>\$ (1,918,118)</u>	<u>\$ 48,281,408</u>

The construction in progress represents cost incurred by fiscal year-end on tennis court repaving projects.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 775,242
Special	81,550
Vocational	132,232
<u>Support Services:</u>	
Pupil	5,798
Instructional staff	72,425
Administration	115,548
Fiscal	15,151
Operations and maintenance	302,363
Pupil transportation	110,542
Central	10,240
Extracurricular activities	373,198
Intergovernmental pass through	5,271
Food service operations	<u>113,221</u>
Total depreciation expense	<u>\$ 2,112,781</u>

**NOTE 10 - LONG-TERM OBLIGATIONS**

A. General obligation bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations are reported on the statement of net assets. Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund. The source of payment is derived from a current 2.50 mill bonded debt tax levy.

**B. Series 2001 Refunding General Obligation Bonds**

On September 1, 2001, the District issued general obligation bonds (Series 2001 Refunding Bonds) to refund the Series 1995 School Improvement General Obligation Bonds (principal \$13,875,000; interest rate 5.85%, stated maturity December 1, 2022).

The refunding issue is comprised of both current interest bonds, par value \$13,555,000, and capital appreciation bonds par value \$2,955,000. The interest rates on the current interest bonds range from 2.60% - 5.00%. The capital appreciation bonds mature on December 1, 2012, December 1, 2013, and December 1, 2014, at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The effective interest rate on the capital appreciation bonds is 19.117%. The present value (as of issue date) reported in the statement of net assets at June 30, 2005 was \$319,978. Total accreted interest of \$309,033 has been included in the statement of net assets at June 30, 2005. The current interest bonds maturing on or after December 1, 2011 are subject to early redemption at the sole option of the District, at the following redemption prices, plus accrued interest:

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

<u>Redemption Dates</u>	<u>Redemption Price</u>
December 1, 2011 through November 30, 2012	101% of par
December 1, 2012 and thereafter	100% of par

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2022.

**C. Series 2001 School Improvement General Obligation Bonds**

During fiscal 2001, the voters of the District authorized the issuance of \$20,750,000 in general obligation bonds, for the purpose of renovating and otherwise improving school facilities. These bonds will be retired from proceeds of an additional 1.34 (average) mill bonded debt tax levy.

The Series 2001 school improvement general obligation bond issue is comprised of both current interest bonds, par value \$7,890,000, and capital appreciation bonds, par value \$425,000. The capital appreciation bonds mature on December 1, 2012 (effective interest 12.0366%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value (as of issue date) reported in the statement of net assets at June 30, 2005 was \$109,999. Total accreted interest of \$66,880 has been included in the statement of net assets at June 30, 2005. The current interest bonds maturing on or after December 1, 2011 are subject to early redemption at the sole option of the District, at the following redemption prices, plus accrued interest:

<u>Redemption Dates</u>	<u>Redemption Price</u>
December 1, 2011 through November 30, 2012	101% of par
December 1, 2012 and thereafter	100% of par

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2020.

**D. Series 1998 Refunding General Obligation Bonds**

On February 10, 1998, the District issued general obligation bonds (Series 1998 Refunding Bonds) to advance refund the callable portion of the Series 1992 School Improvement General Obligation Bonds (principal \$1,760,000; interest rate 6.60%; stated maturity June 1, 2016). The \$1,922,835 issuance proceeds were used to purchase securities which were placed in an irrevocable trust, which will provide resources for all future debt service payments on the refunded debt, which was called for redemption on June 1, 2002, at a cost of 102% of par value, plus accrued interest.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

The refunding issue is comprised of both current interest bonds, par value \$1,670,000, and capital appreciation bonds, par value \$690,000. The average interest rate on the current interest bonds is 4.95%. The capital appreciation bonds mature on June 1, 2012 (effective interest 14.765%) and June 1, 2013 (effective interest 14.818%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value (as of issue date) reported in the statement of net assets at June 30, 2005 was \$89,772. Total accreted interest of \$156,016 has been included in the statement of net assets at June 30, 2005. The current interest bonds maturing on or after June 1, 2008 are subject to early redemption at the sole option of the District, at the following redemption prices, plus accrued interest:

<u>Redemption Dates</u>	<u>Redemption Price</u>
June 1, 2008 through May 31, 2009	101% of par
June 1, 2009 and thereafter	100% of par

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is June 1, 2016.

- E. Series 1992 School Improvement General Obligation Bonds**  
Excluding amounts defeased during 1998, \$8,283,718 remained a general obligation of the District. This amount is comprised of capital appreciation bonds, par value \$11,040,000. The average interest rate on these bonds is 6.225%. The capital appreciation bonds have annual mandatory sinking fund redemption requirements and mature annually beginning June 1, 2003 through June 1, 2011 (average effective interest 6.862%) at a redemption price equal to 100% of the principal, plus accrued interest to date. The present value reported in the statement of net assets at June 30, 2005 was \$1,806,514. Total accreted interest of \$2,494,620 has been included in the statement of net assets at June 30, 2005. The mandatory sinking fund redemption requirements collected will be used to retire the capital appreciation bonds at maturity.
  
- F.** During fiscal 2002, the District issued \$8,000,000 in general obligation bonds to provide financing for renovations and otherwise improving school facilities. Principal payments totaling \$290,000 were made in fiscal 2005.
  
- G.** In 1986, the District received a loan from the U.S. Environmental Protection Agency for an asbestos abatement project. The loan is interest free provided the District remains current on repayment. This loan is a general obligation of the District for which the full faith and credit of the District is pledged for repayment. Payments are recorded as expenditures of the general fund. This loan was repaid in full during fiscal 2005.
  
- H** During fiscal 2004, the District issued a \$3,500,000 bond anticipation note to continue various school improvement projects. During fiscal 2005, the District repaid this note and issued another note for \$2,500,000. The liability for this note has been reported as a long-term liability in accordance with FASB Statement No. 6 "Classification of Short-Term Obligations Expected to be Refinanced" since the note has been refinanced on a long-term basis prior to the issuance of the financial statements.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

**I. Other Long-Term Obligations**

*Compensated absences:* The liability for compensated absences will be paid from the fund from which the employee was paid. For the District, this is primarily the general fund.

*Capital Lease Obligation:* The capital lease obligations are described in Note 8.

*Workers' Compensation Retrospective Claims Adjustment:* See Note 11.C. for further information on this liability.

- J.** A prior period adjustment was made to reclassify school improvement notes payable of \$3,500,000 from a fund liability to a long-term liability at June 30, 2004. This adjustment increased long-term liabilities from \$43,323,734 as previously reported at June 30, 2004 to \$46,823,734. During fiscal year 2005, the following changes occurred in governmental activities long-term obligations:

	(Restated) Balance Outstanding <u>06/30/04</u>	<u>Additions</u>	<u>Deletions</u>	Balance Outstanding <u>06/30/05</u>	Amount Due in <u>One Year</u>
<u>General Obligation Bonds:</u>					
Series 1986, Improvement 7.25%, 12/01/07 maturity	\$ 100,000	\$ -	\$ (25,000)	\$ 75,000	\$ 25,000
Series 1992, Improvement Capital Appreciation Bonds 6.86% (average effective) 06/01/03 to 06/01/11 maturity	2,204,702	-	(398,188)	1,806,514	370,245
Series 1992, Improvement Capital Appreciation Bonds Accreted interest	2,700,049	353,176	(558,605)	2,494,620	580,472
Series 1998, Refunding Current Interest bonds 4.95%, 06/01/16 maturity	1,410,000	-	(45,000)	1,365,000	45,000
Series 1998, Refunding Capital Appreciation Bonds 14.7915% (average effective) 06/01/12 and 06/01/13 maturity	89,772	-	-	89,772	-
Series 1998, Refunding Capital Appreciation Bonds Accreted Interest	124,348	31,668	-	156,016	-

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

	(Restated) Balance Outstanding <u>06/30/04</u>	<u>Additions</u>	<u>Deletions</u>	Balance Outstanding <u>06/30/05</u>	Amount Due in <u>One Year</u>
<u>General Obligation Bonds (continued):</u>					
Series 2001, Improvement Current Interest Bonds 5.30%, 12/01/20 maturity	\$ 6,895,000	\$ -	\$ (305,000)	\$ 6,590,000	\$ 315,000
Series 2001, Improvement Capital Appreciation Bonds 12.0366% (average effective) 12/01/12 maturity	109,999	-	-	109,999	-
Series 2001, Improvement Capital Appreciation Bonds Accreted interest	47,368	19,512	-	66,880	-
Series 2001, Refunding Current Interest Bonds 2.60% - 5.00% 12/01/22 maturity	12,530,000	-	(440,000)	12,090,000	470,000
Series 2001, Refunding Capital Appreciation Bonds 19.117% (average effective) 12/01/12 and 12/01/14 maturity	319,978	-	-	319,978	-



**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

	(Restated) Balance Outstanding <u>06/30/04</u>	<u>Additions</u>	<u>Deletions</u>	Balance Outstanding <u>06/30/05</u>	Amount Due in <u>One Year</u>
<u>General Obligation Bonds (continued):</u>					
Series 2001, Refunding Capital Appreciation Bonds Accreted interest	\$ 207,344	\$ 101,689	\$ -	\$ 309,033	\$ -
Series 2002, Improvement Current Interest Bonds 2.25% - 5.375% 12/01/21 maturity	<u>7,715,000</u>	<u>-</u>	<u>(290,000)</u>	<u>7,425,000</u>	<u>295,000</u>
Total, general obligation bonds	<u>34,453,560</u>	<u>506,045</u>	<u>(2,061,793)</u>	<u>32,897,812</u>	<u>2,100,717</u>
<u>Notes Payable:</u>					
Asbestos Abatement, 1986 0%, 12/31/04 maturity	5,930	-	(5,930)	-	-
School Improvement Notes 1.48%, 7/31/04 maturity	3,500,000	-	(3,500,000)	-	-
School Improvement Notes 2.21%, 7/31/05 maturity	<u>-</u>	<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>	<u>2,500,000</u>
Total, notes payable	<u>3,505,930</u>	<u>2,500,000</u>	<u>(3,505,930)</u>	<u>2,500,000</u>	<u>2,500,000</u>
<u>Other Obligations:</u>					
Capital lease	264,125	-	(56,950)	207,175	62,456
Compensated absences	8,466,119	660,600	(558,606)	8,568,113	1,081,668
Workers' Compensation Retrospective claims adjustment	<u>134,000</u>	<u>-</u>	<u>-</u>	<u>134,000</u>	<u>-</u>
Total, other obligations	<u>8,864,244</u>	<u>660,600</u>	<u>(615,556)</u>	<u>8,909,288</u>	<u>1,144,124</u>
Total, all governmental activities long-term liabilities	<u>\$ 46,823,734</u>	<u>\$ 3,666,645</u>	<u>\$ (6,183,279)</u>	<u>\$ 44,307,100</u>	<u>\$ 5,744,841</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

**K.** Principal and interest requirements to retire general obligation bonds and refunding bonds outstanding at June 30, 2005, are as follows:

Fiscal Year Ending June 30	Current Interest General Obligation Bonds			Current Interest Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2006	\$ 635,000	\$ 672,797	\$ 1,307,797	\$ 515,000	\$ 594,042	\$ 1,109,042
2007	660,000	648,924	1,308,924	535,000	575,940	1,110,940
2008	475,000	628,282	1,103,282	565,000	555,951	1,120,951
2009	460,000	608,856	1,068,856	605,000	533,714	1,138,714
2010	490,000	588,487	1,078,487	685,000	507,996	1,192,996
2011 - 2015	3,420,000	2,538,829	5,958,829	2,275,000	2,190,698	4,465,698
2016 - 2020	5,745,000	1,360,658	7,105,658	5,610,000	1,303,760	6,913,760
2021 - 2022	2,205,000	90,283	2,295,283	2,665,000	161,731	2,826,731
Total	<u>\$ 14,090,000</u>	<u>\$ 7,137,116</u>	<u>\$ 21,227,116</u>	<u>\$ 13,455,000</u>	<u>\$ 6,423,832</u>	<u>\$ 19,878,832</u>

Fiscal Year Ending June 30	Capital Appreciation General Obligation Bonds			Capital Appreciation Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2006	\$ 1,325,000	\$ -	\$ 1,325,000	\$ -	\$ -	\$ -
2007	1,225,000	-	1,225,000	-	-	-
2008	1,125,000	-	1,125,000	-	-	-
2009	1,025,000	-	1,025,000	-	-	-
2010	950,000	-	950,000	-	-	-
2011 - 2015	1,240,000	-	1,240,000	3,645,000	-	3,645,000
Total	<u>\$ 6,890,000</u>	<u>\$ -</u>	<u>\$ 6,890,000</u>	<u>\$ 3,645,000</u>	<u>\$ -</u>	<u>\$ 3,645,000</u>

**L. 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 effects of these debt limitations at June 30, 2005 are a voted debt margin of \$100,567,272 (including available funds of \$1,209,292) and an unvoted debt margin of \$1,469,509.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

**NOTE 11 - RISK MANAGEMENT**

**A. Comprehensive**

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2005, the District purchased commercial coverage through an insurance consortium for property and contents with a limit of \$151,000,000 and a \$1,000 deductible.

General liability is protected by the Selective Insurance Company of South Carolina with a \$3,000,000 annual aggregate/\$1,000,000 single occurrence limit and a \$1,000 deductible.

Vehicles are covered by Selective Insurance Company of South Carolina and hold no deductible for comprehensive coverage. Vehicles have been insured under a liability policy, with a \$1,000,000 per occurrence limitation and a \$1,000 deductible.

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

**B. Group Health and Dental Insurance**

The District provides employee dental benefits through a managed-care dental program. This plan provides dental benefits with a \$50 family and \$25 single deductible. MetLife administers the dental program. The District pays \$71.28 family or \$26.66 single per employee per month, which represents the entire premium required. The premium is paid by the fund that pays the salary for the employee.

The District provides employee medical/surgical benefits through a Paramount health insurance program. This plan provides employees a choice of an HMO or POS levels of coverage. Paramount administers the health insurance program. The District pays \$873.36 (HMO) and \$1,029.90 (POS) for family coverage or \$342.49 (HMO) and \$403.88 (POS) for individual coverage per month for full-time employees. The premium is paid by the fund that pays the salary for the employee.

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 13. As such, no funding provisions are required by the District.

**C. Workers' Compensation**

In the 1998 fiscal year, the District changed the way it pays for workers' compensation insurance. In policy years (calendar years) 1992 through 1997, the District had elected to be "retrospectively-rated" by the Ohio Bureau of Workers' Compensation. This allowed the District to pay between 33%-46% of the premium which would otherwise have been paid in those years. At the end of each policy year, the Bureau then billed the District for actual claims paid. At the end of a ten-year period, which ended December 31, 2001, the District will be assessed "final reserves" for actual claims payments made from 1992 to 1997. These reserves are estimated to be 50% of the original claims payment. The District was not assessed any payments related to this program in fiscal year 2005. While the District believes final payment amounts will be in excess of these estimates, a liability for claims payable has nonetheless been recorded in the statement of net assets at June 30, 2005, in the amount of \$134,000.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

**NOTE 11 - RISK MANAGEMENT - (Continued)**

For the 2005 policy year (calendar year) the District will be assessed the full-rate premium as a merit-rated employer, which has been established at \$0.9413 per \$100 of payroll. A current liability for accrued benefits has been recorded at June 30, 2005 in all funds reporting paid wages for the period January 1, 2005 to June 30, 2005.

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

**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 to SERS for the fiscal years ended June 30, 2005, 2004, and 2003 were \$1,269,180, \$1,310,313 and \$1,228,920, respectively; 37.29% has been contributed for fiscal year 2005 and 100% for the fiscal years 2004 and 2003. \$795,936 represents the unpaid contribution for fiscal year 2005 and is recorded as a liability within the respective funds.

**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](http://www.strsoh.org).

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

**NOTE 12 - DEFINED BENEFIT PENSION PLANS – (Continued)**

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 to the DB plan for the fiscal years ended June 30, 2005, 2004, and 2003 were \$4,654,837, \$4,807,528, and \$4,650,931, respectively; 82.59% has been contributed for fiscal year 2005 and 100% for the fiscal years 2004 and 2003. \$810,508 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 \$24,535 made by the District and \$64,527 made by plan members.

**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.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

**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 \$332,488 during fiscal 2005.

STRS pays health care benefits from the Health Care Stabilization Fund. The balance in the Health Care Stabilization Fund was \$3.3 billion at June 30, 2005. For the fiscal year ended June 30, 2005, net health care costs paid by STRS were \$254.780 million and STRS had 115,395 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 \$599,339 during the 2005 fiscal year.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

**NOTE 14 - 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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However in the opinion of management, any such disallowed claims will not have a material adverse effect on the financial position of the District.

**B. Litigation**

In the normal course of operations, the District may be subject to litigation and claims. While the outcome of such matters cannot presently be determined, management believes that their ultimate resolution will not have a material adverse effect on the financial statements.

**C. State 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 its financial operations.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

**NOTE 15 - STATUTORY RESERVES**

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

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

	<u>Textbooks/ Instructional Materials</u>	<u>Capital Acquisition</u>
Set-aside cash balance as of June 30, 2004	\$ (61,308)	\$ -
Current year set-aside requirement	1,138,983	1,138,983
Current year offset	-	(350,278)
Qualifying disbursements	<u>(1,030,101)</u>	<u>(626,811)</u>
Total	<u>\$ 47,574</u>	<u>\$ 161,894</u>
Balance carried forward to FY 2006	<u>\$ 47,574</u>	<u>\$ 161,894</u>

In addition to the above statutory reserves, the District also received monies restricted for school bus purchases.

A schedule of the governmental fund restricted assets at June 30, 2005 follows:

Amount restricted for school bus purchases	\$ 318,889
Amount restricted for textbooks	47,574
Amount restricted for capital acquisition	<u>161,894</u>
Total restricted assets	<u>\$ 528,357</u>

**NOTE 16 - SIGNIFICANT SUBSEQUENT EVENTS**

On July 29, 2005, the District retired the \$2,500,000 note issue and reissued another note in the amount of \$1,600,000 with a maturity date of July 29, 2006.

On December 16, 2005, the District sold its bus garage. A public auction was held on December 12, 2005 and the Board of Education accepted a bid of \$407,000 on December 16, 2005. The net book value of the bus garage at June 30, 2005 was \$288,088 resulting in a gain on the sale of \$118,912.



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REQUIRED SUPPLEMENTARY INFORMATION

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**SYLVANIA CITY SCHOOL DISTRICT**  
**LUCAS COUNTY, OHIO**  
SCHEDULE 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>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ 43,982,501	\$ 45,995,222	\$ 46,648,267	\$ 653,045
Tuition . . . . .	262,200	262,200	576,595	314,395
Earnings on investments . . . . .	374,800	374,800	263,790	(111,010)
Transportation fees . . . . .	28,000	28,000	23,464	(4,536)
Classroom materials and fees . . . . .	147,000	147,000	187,966	40,966
Other local revenues . . . . .	327,000	307,000	404,632	97,632
Intergovernmental - state . . . . .	20,469,017	20,932,395	20,868,145	(64,250)
Total revenue . . . . .	<u>65,590,518</u>	<u>68,046,617</u>	<u>68,972,859</u>	<u>926,242</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	28,959,505	28,964,918	28,737,915	227,003
Special . . . . .	6,700,153	6,619,043	6,469,668	149,375
Vocational . . . . .	1,918,239	1,902,978	1,865,232	37,746
Other . . . . .	990,509	969,070	969,061	9
Support Services:				
Pupil . . . . .	4,204,642	4,303,536	4,264,171	39,365
Instructional staff . . . . .	2,226,875	2,251,114	2,143,994	107,120
Board of education . . . . .	13,392	13,424	12,464	960
Administration . . . . .	6,151,064	6,169,093	6,111,900	57,193
Fiscal . . . . .	1,081,509	1,291,563	1,276,310	15,253
Business . . . . .	478,461	456,464	194,032	262,432
Operations and maintenance . . . . .	8,133,276	7,771,980	7,358,672	413,308
Pupil transportation . . . . .	4,248,087	4,194,990	4,097,276	97,714
Central . . . . .	752,144	745,497	682,105	63,392
Operation of non-instructional services . . . . .	74,305	113,521	75,386	38,135
Extracurricular activities . . . . .	1,170,470	1,165,379	1,159,088	6,291
Facilities acquisition and construction . . . . .	14,841	14,841	13,850	991
Debt service:				
Principal . . . . .	30,930	30,930	30,930	-
Interest and fiscal charges . . . . .	15,070	6,345	6,345	-
Total expenditures . . . . .	<u>67,163,472</u>	<u>66,984,686</u>	<u>65,468,399</u>	<u>1,516,287</u>
Excess of revenues over (under) expenditures . . . . .	<u>(1,572,954)</u>	<u>1,061,931</u>	<u>3,504,460</u>	<u>2,442,529</u>
<b>Other financing sources (uses):</b>				
Transfers out . . . . .	(159,000)	(377,000)	(373,495)	3,505
Advances in . . . . .	77,000	77,000	16,055	(60,945)
Advances out . . . . .	(47,000)	(47,000)	(23,528)	23,472
Refund of prior year expenditure . . . . .	18,540	18,540	7,460	(11,080)
Total other financing sources (uses) . . . . .	<u>(110,460)</u>	<u>(328,460)</u>	<u>(373,508)</u>	<u>(45,048)</u>
Net change in fund balance . . . . .	(1,683,414)	733,471	3,130,952	2,397,481
<b>Fund balance at beginning of year . . . . .</b>	<b>693,523</b>	<b>693,523</b>	<b>693,523</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>713,569</b>	<b>713,569</b>	<b>713,569</b>	<b>-</b>
<b>Fund balance (deficit) at end of year . . . . .</b>	<b>\$ (276,322)</b>	<b>\$ 2,140,563</b>	<b>\$ 4,538,044</b>	<b>\$ 2,397,481</b>

- - continued

**SYLVANIA CITY SCHOOL DISTRICT**  
**LUCAS COUNTY, OHIO**  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND (CONTINUED)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005

While reporting financial position and changes in financial position/fund balance on the basis of generally accepted accounting principals (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements plus encumbrances.

The adjustments necessary to convert the changes in financial position/fund balance for the year on the budget basis to the GAAP basis for the general fund are as follows:

**Net Change in Fund Balance**

	General Fund
Budget basis	\$ 3,130,952
Net adjustment for revenue accruals	179,825
Net adjustment for expenditure accruals	(25,833)
Net adjustment for other sources/uses	5,641
Adjustment for encumbrances	1,096,952
GAAP basis	\$ 4,387,537

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COMBINING STATEMENTS AND  
INDIVIDUAL FUND SCHEDULES

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE 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

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ 43,982,501	\$ 45,995,222	\$ 46,648,267	\$ 653,045
Tuition . . . . .	262,200	262,200	576,595	314,395
Earnings on investments . . . . .	374,800	374,800	263,790	(111,010)
Transportation fees . . . . .	28,000	28,000	23,464	(4,536)
Classroom materials and supplies . . . . .	147,000	147,000	187,966	40,966
Other local revenue . . . . .	327,000	307,000	404,632	97,632
Intergovernmental-state . . . . .	20,469,017	20,932,395	20,868,145	(64,250)
Total revenues . . . . .	<u>65,590,518</u>	<u>68,046,617</u>	<u>68,972,859</u>	<u>926,242</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular				
Salaries and wages . . . . .	21,261,397	20,760,841	20,659,897	100,944
Fringe benefits . . . . .	6,416,279	6,687,929	6,667,610	20,319
Purchased services . . . . .	397,135	380,679	380,679	-
Supplies and materials . . . . .	872,134	1,121,227	1,016,990	104,237
Capital outlay . . . . .	4,124	1,460	1,460	-
Other . . . . .	8,436	12,782	11,279	1,503
Total instruction-regular . . . . .	<u>28,959,505</u>	<u>28,964,918</u>	<u>28,737,915</u>	<u>227,003</u>
Instruction-special				
Salaries and wages . . . . .	4,890,096	4,774,969	4,697,797	77,172
Fringe benefits . . . . .	1,585,272	1,652,388	1,584,340	68,048
Purchased services . . . . .	194,802	152,102	149,058	3,044
Supplies and materials . . . . .	29,983	39,584	38,473	1,111
Total instruction-special . . . . .	<u>6,700,153</u>	<u>6,619,043</u>	<u>6,469,668</u>	<u>149,375</u>
Instruction-vocational				
Salaries and wages . . . . .	1,446,548	1,412,492	1,391,140	21,352
Fringe benefits . . . . .	452,058	471,197	454,803	16,394
Purchased services . . . . .	19,633	19,289	19,289	-
Total instruction-vocational . . . . .	<u>1,918,239</u>	<u>1,902,978</u>	<u>1,865,232</u>	<u>37,746</u>
Instruction-other				
Purchased services . . . . .	990,509	969,070	969,061	9
Total instruction-other . . . . .	<u>990,509</u>	<u>969,070</u>	<u>969,061</u>	<u>9</u>
Support services-pupil				
Salaries and wages . . . . .	2,520,539	2,461,198	2,455,813	5,385
Fringe benefits . . . . .	747,228	778,864	773,906	4,958
Purchased services . . . . .	481,510	374,422	345,439	28,983
Supplies and materials . . . . .	3,443	4,333	4,294	39
Other . . . . .	451,922	684,719	684,719	-
Total support services-pupil . . . . .	<u>4,204,642</u>	<u>4,303,536</u>	<u>4,264,171</u>	<u>39,365</u>

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**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND (CONTINUED)  
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>		
Support services-instructional staff				
Salaries and wages . . . . .	1,189,481	1,161,477	1,137,319	24,158
Fringe benefits . . . . .	868,645	905,109	834,550	70,559
Purchased services . . . . .	53,962	50,260	39,982	10,278
Supplies and materials . . . . .	113,796	132,766	130,641	2,125
Other . . . . .	991	1,502	1,502	-
Total support services-instructional staff . . . . .	<u>2,226,875</u>	<u>2,251,114</u>	<u>2,143,994</u>	<u>107,120</u>
Support services-board of education				
Salaries and wages . . . . .	10,036	9,800	9,800	-
Fringe benefits . . . . .	1,942	2,024	1,895	129
Purchased services . . . . .	1,018	1,000	769	231
Other . . . . .	396	600	-	600
Total support services-board of education. . . . .	<u>13,392</u>	<u>13,424</u>	<u>12,464</u>	<u>960</u>
Support services-administration				
Salaries and wages . . . . .	3,544,970	3,461,511	3,433,459	28,052
Fringe benefits . . . . .	2,152,265	2,239,000	2,230,566	8,434
Purchased services . . . . .	289,515	246,812	233,196	13,616
Supplies and materials . . . . .	55,909	64,808	57,717	7,091
Capital outlay . . . . .	6,750	3,700	3,700	-
Other . . . . .	101,655	153,262	153,262	-
Total support services-administration . . . . .	<u>6,151,064</u>	<u>6,169,093</u>	<u>6,111,900</u>	<u>57,193</u>
Support services-fiscal				
Salaries and wages . . . . .	370,417	361,696	358,211	3,485
Fringe benefits . . . . .	161,308	168,137	166,966	1,171
Purchased services . . . . .	94,772	87,193	78,201	8,992
Supplies and materials . . . . .	3,193	4,087	3,838	249
Capital outlay . . . . .	14,595	8,000	6,644	1,356
Other . . . . .	437,224	662,450	662,450	-
Total support services-fiscal. . . . .	<u>1,081,509</u>	<u>1,291,563</u>	<u>1,276,310</u>	<u>15,253</u>
Support services-business				
Purchased services . . . . .	477,639	455,219	192,787	262,432
Other . . . . .	822	1,245	1,245	-
Total support services-business . . . . .	<u>478,461</u>	<u>456,464</u>	<u>194,032</u>	<u>262,432</u>
Support services-operations & maintenance				
Salaries and wages . . . . .	2,698,209	2,634,685	2,517,573	117,112
Fringe benefits . . . . .	1,237,139	1,289,516	1,207,635	81,881
Purchased services . . . . .	3,686,853	3,331,974	3,161,248	170,726
Supplies and materials . . . . .	408,305	455,620	412,031	43,589
Capital outlay . . . . .	91,867	43,666	43,666	-
Other . . . . .	10,903	16,519	16,519	-
Total support services-operations & maintenance . . . . .	<u>8,133,276</u>	<u>7,771,980</u>	<u>7,358,672</u>	<u>413,308</u>

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**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND (CONTINUED)  
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>		
Support services-pupil transportation				
Salaries and wages . . . . .	2,265,169	2,211,840	2,194,509	17,331
Fringe benefits . . . . .	1,057,954	1,102,464	1,099,860	2,604
Purchased services . . . . .	217,546	202,608	190,972	11,636
Supplies and materials . . . . .	384,586	501,128	434,985	66,143
Capital outlay . . . . .	322,832	176,950	176,950	-
Total support services-pupil transportation . . . . .	<u>4,248,087</u>	<u>4,194,990</u>	<u>4,097,276</u>	<u>97,714</u>
Support services-central				
Salaries and wages . . . . .	283,883	277,200	251,347	25,853
Fringe benefits . . . . .	135,542	137,878	132,437	5,441
Purchased services . . . . .	294,027	278,670	248,859	29,811
Supplies and materials . . . . .	38,230	51,049	49,462	1,587
Other . . . . .	462	700	-	700
Total support services-central . . . . .	<u>752,144</u>	<u>745,497</u>	<u>682,105</u>	<u>63,392</u>
Operation of non-instructional services				
Purchased services . . . . .	2,601	2,555	2,317	238
Supplies and materials . . . . .	55,073	63,346	45,177	18,169
Other . . . . .	16,631	47,620	27,892	19,728
Total operation of non-instructional services . . . . .	<u>74,305</u>	<u>113,521</u>	<u>75,386</u>	<u>38,135</u>
Extracurricular activities				
Salaries and wages . . . . .	830,349	810,800	807,784	3,016
Fringe benefits . . . . .	158,641	165,357	162,082	3,275
Purchased services . . . . .	160,979	158,161	158,161	-
Other . . . . .	20,501	31,061	31,061	-
Total extracurricular activities. . . . .	<u>1,170,470</u>	<u>1,165,379</u>	<u>1,159,088</u>	<u>6,291</u>
Facilities acquisition & construction				
Capital outlay . . . . .	14,841	14,841	13,850	991
Total facilities acquisition & construction. . . . .	<u>14,841</u>	<u>14,841</u>	<u>13,850</u>	<u>991</u>
Debt service				
Principal . . . . .	30,930	30,930	30,930	-
Interest and fiscal charges. . . . .	15,070	6,345	6,345	-
Total debt service. . . . .	<u>46,000</u>	<u>37,275</u>	<u>37,275</u>	<u>-</u>
Total expenditures . . . . .	<u>67,163,472</u>	<u>66,984,686</u>	<u>65,468,399</u>	<u>1,516,287</u>
Excess of revenues (under) expenditures . . . . .	<u>(1,572,954)</u>	<u>1,061,931</u>	<u>3,504,460</u>	<u>2,442,529</u>
<b>Other financing sources (uses):</b>				
Transfers out . . . . .	(159,000)	(377,000)	(373,495)	3,505
Advances in. . . . .	77,000	77,000	16,055	(60,945)
Advances out . . . . .	(47,000)	(47,000)	(23,528)	23,472
Refund of prior year expenditures . . . . .	18,540	18,540	7,460	(11,080)
Total other financing sources (uses) . . . . .	<u>(110,460)</u>	<u>(328,460)</u>	<u>(373,508)</u>	<u>(45,048)</u>
Net change in fund balance . . . . .	(1,683,414)	733,471	3,130,952	2,397,481
<b>Fund balance at beginning of year . . . . .</b>	<b>693,523</b>	<b>693,523</b>	<b>693,523</b>	<b>-</b>
<b>Prior year encumbrances appropriated. . . . .</b>	<b>713,569</b>	<b>713,569</b>	<b>713,569</b>	<b>-</b>
<b>Fund balance at end of year. . . . .</b>	<b>\$ (276,322)</b>	<b>\$ 2,140,563</b>	<b>\$ 4,538,044</b>	<b>\$ 2,397,481</b>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ 3,039,634	\$ 3,039,634	\$ 3,074,122	\$ 34,488
Intergovernmental-state. . . . .	403,080	403,080	406,655	3,575
Total revenues . . . . .	<u>3,442,714</u>	<u>3,442,714</u>	<u>3,480,777</u>	<u>38,063</u>
<b>Expenditures:</b>				
Current:				
Support services-fiscal				
Other . . . . .	42,724	42,724	41,481	1,243
Total support services-fiscal. . . . .	<u>42,724</u>	<u>42,724</u>	<u>41,481</u>	<u>1,243</u>
Debt service:				
Principal retirement. . . . .	1,478,188	1,660,389	1,660,389	-
Interest and fiscal charges . . . . .	1,859,477	1,677,276	1,677,276	-
Other debt service payment. . . . .	3,551,656	3,551,656	3,551,656	-
Total debt service . . . . .	<u>6,889,321</u>	<u>6,889,321</u>	<u>6,889,321</u>	<u>-</u>
Total expenditures. . . . .	<u>6,932,045</u>	<u>6,932,045</u>	<u>6,930,802</u>	<u>1,243</u>
Excess of revenues (under) expenditures . . . . .	<u>(3,489,331)</u>	<u>(3,489,331)</u>	<u>(3,450,025)</u>	<u>39,306</u>
<b>Other financing sources:</b>				
Proceeds from the sale of notes . . . . .	2,500,000	2,500,000	2,500,000	-
Total other financing sources. . . . .	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>
Net change in fund balance . . . . .	(989,331)	(989,331)	(950,025)	39,306
<b>Fund balance at beginning of year . . . . .</b>	<u>2,061,541</u>	<u>2,061,541</u>	<u>2,061,541</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 1,072,210</u>	<u>\$ 1,072,210</u>	<u>\$ 1,111,516</u>	<u>\$ 39,306</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BUILDING 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>		
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ -	\$ -	\$ 21,082	\$ 21,082
Total revenues . . . . .	<u>-</u>	<u>-</u>	<u>21,082</u>	<u>21,082</u>
<b>Expenditures:</b>				
Current:				
Support services-operations & maintenance				
Purchased services . . . . .	1,271,636	1,029,241	833,814	195,427
Capital outlay . . . . .	938,377	741,089	738,802	2,287
Total support services-operations & maintenance . . . . .	<u>2,210,013</u>	<u>1,770,330</u>	<u>1,572,616</u>	<u>197,714</u>
Facilities acquisition & construction				
Purchased services . . . . .	54,282	173,971	166,113	7,858
Supplies and materials . . . . .	12,120	45,528	23,825	21,703
Capital outlay . . . . .	141,203	449,272	445,548	3,724
Total facilities acquisition & construction. . . . .	<u>207,605</u>	<u>668,771</u>	<u>635,486</u>	<u>33,285</u>
Total expenditures . . . . .	<u>2,417,618</u>	<u>2,439,101</u>	<u>2,208,102</u>	<u>230,999</u>
Net change in fund balance. . . . .	(2,417,618)	(2,439,101)	(2,187,020)	252,081
<b>Fund balance at beginning of year . . . . .</b>	2,102,622	2,102,622	2,102,622	-
<b>Prior year encumbrances appropriated . . . . .</b>	1,768,292	1,768,292	1,768,292	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,453,296</u>	<u>\$ 1,431,813</u>	<u>\$ 1,683,894</u>	<u>\$ 252,081</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2005

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 675,714	\$ 476,673	\$ 1,152,387
Receivables:			
Taxes. . . . .	-	381,989	381,989
Accounts. . . . .	2,784	-	2,784
Intergovernmental . . . . .	490,097	-	490,097
Materials and supplies inventory . . . . .	21,667	-	21,667
<b>Total assets. . . . .</b>	<b>\$ 1,190,262</b>	<b>\$ 858,662</b>	<b>\$ 2,048,924</b>
<b>Liabilities:</b>			
Accounts payable. . . . .	\$ 124,825	\$ -	\$ 124,825
Contracts payable. . . . .	-	60,165	60,165
Accrued wages and benefits . . . . .	315,697	-	315,697
Intergovernmental payable . . . . .	236,700	283	236,983
Interfund loan payable . . . . .	13,528	-	13,528
Deferred revenue. . . . .	454,610	367,603	822,213
<b>Total liabilities. . . . .</b>	<b>1,145,360</b>	<b>428,051</b>	<b>1,573,411</b>
<b>Fund balances:</b>			
Reserved for encumbrances. . . . .	114,001	362,668	476,669
Reserved for materials and supplies inventory . . . . .	21,667	-	21,667
Reserved for property tax unavailable for appropriation. . . . .	-	7,469	7,469
Unreserved:			
Undesignated (deficit), reported in:			
Special revenue funds . . . . .	(90,766)	-	(90,766)
Capital projects funds . . . . .	-	60,474	60,474
<b>Total fund balances . . . . .</b>	<b>44,902</b>	<b>430,611</b>	<b>475,513</b>
<b>Total liabilities and fund balances. . . . .</b>	<b>\$ 1,190,262</b>	<b>\$ 858,662</b>	<b>\$ 2,048,924</b>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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 Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>			
From local sources:			
Taxes . . . . .	\$ -	\$ 355,546	\$ 355,546
Earnings on investments . . . . .	5,953	-	5,953
Charges for services . . . . .	1,282,798	-	1,282,798
Classroom materials and fees . . . . .	130,476	-	130,476
Extracurricular . . . . .	648,157	-	648,157
Other local revenues . . . . .	162,982	-	162,982
Intergovernmental - state . . . . .	1,214,159	113,719	1,327,878
Intergovernmental - federal . . . . .	2,441,572	-	2,441,572
Total revenue . . . . .	5,886,097	469,265	6,355,362
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular . . . . .	447,575	67,200	514,775
Special . . . . .	511,106	-	511,106
Vocational . . . . .	89,141	-	89,141
Adult/continuing . . . . .	104,984	-	104,984
Other . . . . .	7,454	-	7,454
Support services:			
Pupil . . . . .	31,514	-	31,514
Instructional staff . . . . .	1,765,629	-	1,765,629
Administration . . . . .	5,781	-	5,781
Fiscal . . . . .	-	6,710	6,710
Operations and maintenance . . . . .	-	220,293	220,293
Central . . . . .	63,073	-	63,073
Operation of non-instructional services . . . . .	109,750	-	109,750
Food service operations . . . . .	1,940,882	-	1,940,882
Extracurricular activities . . . . .	688,902	60,165	749,067
Facilities acquisition and construction . . . . .	-	16,890	16,890
Intergovernmental pass through . . . . .	924,910	-	924,910
Total expenditures . . . . .	6,690,701	371,258	7,061,959
Excess of revenues over (under) expenditures . . . . .	(804,604)	98,007	(706,597)
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	379,190	-	379,190
Transfers out . . . . .	(11,323)	-	(11,323)
Total other financing sources (uses) . . . . .	367,867	-	367,867
Net change in fund balances . . . . .	(436,737)	98,007	(338,730)
<b>Fund balances</b>			
at beginning of year (restated) . . . . .	474,157	332,604	806,761
Increase in reserve for inventory . . . . .	7,482	-	7,482
Fund balances at end of year . . . . .	\$ 44,902	\$ 430,611	\$ 475,513

**SYLVANIA CITY SCHOOL DISTRICT  
COMBINING STATEMENTS - NONMAJOR FUNDS**

**Nonmajor Special Revenue Funds**

The 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:

**Public School Support**

Section 5705.12, Revised Code

A fund provided to account for specific local revenue sources, other than taxes or expendable trusts (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 to expenditures for specified purposes.

**District Managed Student Activity**

Section 3313.062, Revised Code

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 to account for receipts and expenditures incurred in providing services and materials to pupils attending non-public schools within the District.

**Career Development Grant**

Current Budget Bill, appropriation line item 200-524

This fund accounts for State monies intended to support programs encouraging achievement in science and math through teacher in-service and instructional enhancements; to implement mandated competency based instruction in the areas of written expression, math and reading; to support the implementation of energy conservation measures; or to supplement the local acquisition of textbooks, instructional supplies, and computer equipment/software.

**Teacher Development**

Current Budget Bill, appropriation line item 200-527

A fund provided to account for receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs for professional staff.

**Management Information Systems**

Am. Sub. HB 111

To account for funds associated with the state-wide requirements of the Education Management Information System (EMIS).

**Entry Year Programs**

State Line Item Appropriation 200-410

A fund to implement entry-year programs pursuant to Section 3317.024(T) of the Revised Code.

**Data Communications for Schools**

Section 5705.09, Revised Code

A fund provided to account for money appropriated for the costs incurred in connecting schools to the Ohio Educational Computer Network.

**SchoolNet Professional Development**

Section 5705.09, Revised Code

A fund provided to account for a limited number of professional development subsidy grants.

**Instructional Materials Subsidy**

Sub. House Bill 412

To account for monies received from the State of Ohio for textbooks, instructional software, instructional materials, and any other materials the District deems to be helpful in providing appropriate instruction to students in the following subject areas: reading, writing, mathematics, science, and citizenship.

**SYLVANIA CITY SCHOOL DISTRICT  
COMBINING STATEMENTS - NONMAJOR FUNDS**

**Nonmajor Special Revenue Funds (Continued)**

**Ohio Reads Grant**

State Line Item Appropriation GRF 200-566 and 200-455

A fund intended a) to improve reading outcomes, especially on the fourth grade reading proficiency test and b) for volunteer coordinators in public schools, for educational service centers, for costs associated with volunteer coordination, for background checks of volunteers, to evaluate the Ohio Reads program, and for operating expenses associated with administering the program.

**Summer Intervention**

State Line Item Appropriation GRF 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.

**Vocational Educational Enhancements**

State Line Item Appropriation GRF 200-545

A fund used to account for Vocational Education Enhancements that: 1) expand the number of students enrolled in tech prep programs, 2) enable students to develop career plans, to identify initial educational and career goals, and to develop a career passport which provides a clear understanding of the student's knowledge, skills, and credentials to present to future employers, universities, and other training institutes and 3) replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

**Miscellaneous State Grants**

Section 5705.12, Revised Code

A fund used to account for various monies received from State agencies not classified elsewhere.

**Adult Basic Education**

PL 91-230, Title III

This fund accounts for Federal monies used to provide programs in reading, writing and math competency for adults who have not earned a high school diploma.

**Education for Economic Security Act (EESA)**

National Defense Education Act, 1958

This fund is to account for Federal monies received through the Ohio Department of Education for the purpose of improving the skills of teachers (science, foreign languages, and computer learning), and increasing the access of all students to that instruction.

**IDEA Part B**

Education of the Handicapped Act, PL 91-230

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.

**Vocational Education**

Carl D. Perkins Vocational Education Act of 1984, PL 98-524

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

**Limited English Proficiency**

PL 89-10 amended by PL 93-280; Title VII ESEA 1965

To account for funds which are to establish or improve programs designed to meet the educational needs of children of limited English proficiency. To provide structured English language instruction, with respect to the years of study to which the program is applicable, and instruction in the child's native language to the extent necessary to allow a child to achieve competence in English. The instruction must incorporate the cultural heritage of these children and of other children in American society.



**SYLVANIA CITY SCHOOL DISTRICT  
COMBINING STATEMENTS - NONMAJOR FUNDS**

**Nonmajor Special Revenue Funds (Continued)**

**Title I**

PL 97-35; Title I ESEA 1965

To account for funds which are to: 1) establish or improve programs designed to meet the special educational needs of children of migratory agricultural workers or migratory fishermen, and 2) enable state education agencies to coordinate their state and local migrant education programs and projects with similar programs and projects in other states, including the transfer of school records and other information about children of migrant workers.

**Title VI**

PL 97-35; ESEA 1965

To account for Federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, and inservice and staff development.

**Drug-Free Schools Program**

Catalog of Federal Domestic Assistance #84-166

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.

**Pre-school for the Handicapped Grant**

Education of the Handicapped Act Amendments, PL 99-457.  
Catalog of Federal Domestic Assistance #84-173

The Pre-school Grant Program addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

**Improving Teacher Quality**

Title VI ESEA

A fund used to account for monies to hire additional classroom teachers in grades 1 through 3, 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.

**Food Service**

Section 3313.81, Revised Code

This fund is used to record financial transactions related to food service operations.

**Uniform School Supplies**

Section 3313.81, Revised Code

This fund accounts for the purchase and sale of school supplies for use in the District. Profits derived from such sales are used for school purposes or activities connected with the school.

**Natatorium**

Section 755.14, Revised Code

This fund is provided to account for monies received and expended in connection with a community recreation program.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2005

	<u>Public School Support</u>	<u>Other Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Teacher Development</u>
<b>Assets:</b>					
Equity in pooled cash and investments . . . . .	\$ 239,364	\$ 10,293	\$ 110,965	\$ 108,748	\$ 19,051
Receivables:					
Accounts . . . . .	264	-	-	-	-
Intergovernmental . . . . .	-	-	-	-	-
Materials and supplies inventory . . . . .	-	-	-	-	-
Total assets. . . . .	<u>\$ 239,628</u>	<u>\$ 10,293</u>	<u>\$ 110,965</u>	<u>\$ 108,748</u>	<u>\$ 19,051</u>
<b>Liabilities:</b>					
Accounts payable. . . . .	\$ 6,743	\$ -	\$ 10,810	\$ 50,812	\$ -
Accrued wages and benefits . . . . .	-	514	-	2,897	-
Intergovernmental payable . . . . .	-	18	-	2,859	-
Interfund loan payable . . . . .	-	-	-	-	-
Deferred revenue . . . . .	-	-	-	-	-
Total liabilities. . . . .	<u>6,743</u>	<u>532</u>	<u>10,810</u>	<u>56,568</u>	<u>-</u>
<b>Fund balances:</b>					
Reserved for encumbrances. . . . .	12,641	-	1,486	43,920	-
Reserved for materials and supplies inventory . . . . .	-	-	-	-	-
Unreserved-undesignated (deficit) . . . . .	<u>220,244</u>	<u>9,761</u>	<u>98,669</u>	<u>8,260</u>	<u>19,051</u>
Total fund balances (deficit) . . . . .	<u>232,885</u>	<u>9,761</u>	<u>100,155</u>	<u>52,180</u>	<u>19,051</u>
Total liabilities and fund balances . . . . .	<u>\$ 239,628</u>	<u>\$ 10,293</u>	<u>\$ 110,965</u>	<u>\$ 108,748</u>	<u>\$ 19,051</u>

<u>Management Information Systems</u>	<u>Entry Year Programs</u>	<u>Data Communications for Schools</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Summer Intervention</u>
\$ 486	\$ 440	\$ 29	\$ 9,705	\$ 421	\$ 25,089
-	-	-	-	-	-
-	-	-	-	9,982	-
-	-	-	-	-	-
<u>\$ 486</u>	<u>\$ 440</u>	<u>\$ 29</u>	<u>\$ 9,705</u>	<u>\$ 10,403</u>	<u>\$ 25,089</u>
\$ -	\$ -	\$ -	\$ -	\$ 5,444	\$ -
-	-	-	-	1,049	-
-	-	-	-	1,382	-
-	-	-	-	376	-
-	-	-	-	9,982	-
-	-	-	-	18,233	-
-	-	-	-	795	-
-	-	-	-	-	-
486	440	29	9,705	(8,625)	25,089
486	440	29	9,705	(7,830)	25,089
<u>\$ 486</u>	<u>\$ 440</u>	<u>\$ 29</u>	<u>\$ 9,705</u>	<u>\$ 10,403</u>	<u>\$ 25,089</u>

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**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

	<u>Vocational Educational Enhancements</u>	<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>IDEA Part B</u>
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 21,575	\$ 17,486	\$ 2,690	\$ 43,838
Receivables:				
Accounts . . . . .	-	-	-	-
Intergovernmental . . . . .	3,727	35,905	17,543	262,089
Materials and supplies inventory . . . . .	-	-	-	-
Total assets . . . . .	<u>\$ 25,302</u>	<u>\$ 53,391</u>	<u>\$ 20,233</u>	<u>\$ 305,927</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 4,874	\$ 2,995	\$ 1,295	\$ 25,800
Accrued wages and benefits . . . . .	-	25,080	6,449	132,081
Intergovernmental payable . . . . .	-	2,570	6,080	111,582
Interfund loan payable . . . . .	-	1,617	3,659	-
Deferred revenue . . . . .	3,727	35,905	17,543	262,089
Total liabilities . . . . .	<u>8,601</u>	<u>68,167</u>	<u>35,026</u>	<u>531,552</u>
<b>Fund balances:</b>				
Reserved for encumbrances . . . . .	4,748	680	128	1,992
Reserved for materials and supplies inventory . . . . .	-	-	-	-
Unreserved-undesignated (deficit) . . . . .	11,953	(15,456)	(14,921)	(227,617)
Total fund balances (deficit) . . . . .	<u>16,701</u>	<u>(14,776)</u>	<u>(14,793)</u>	<u>(225,625)</u>
Total liabilities and fund balances . . . . .	<u>\$ 25,302</u>	<u>\$ 53,391</u>	<u>\$ 20,233</u>	<u>\$ 305,927</u>

<u>Vocational Education</u>	<u>Limited English Proficiency</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug-Free Schools Program</u>	<u>Pre-school for the Handicapped Grant</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>
\$ 3,522	\$ -	\$ 537	\$ -	\$ 2	\$ -	\$ -	\$ 750
-	-	-	-	-	-	-	-
14,978	3,334	64,653	11,124	3,924	-	27,351	-
-	-	-	-	-	-	-	-
<u>\$ 18,500</u>	<u>\$ 3,334</u>	<u>\$ 65,190</u>	<u>\$ 11,124</u>	<u>\$ 3,926</u>	<u>\$ -</u>	<u>\$ 27,351</u>	<u>\$ 750</u>
\$ 8,838	\$ -	\$ -	\$ -	\$ 3,625	\$ -	\$ -	\$ -
-	4,459	48,787	-	-	-	14,462	-
-	616	4,036	-	-	5	2,187	-
-	-	-	768	-	-	6,320	-
14,978	3,334	64,653	11,124	3,924	-	27,351	-
<u>23,816</u>	<u>8,409</u>	<u>117,476</u>	<u>11,892</u>	<u>7,549</u>	<u>5</u>	<u>50,320</u>	<u>-</u>
31	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(5,347)</u>	<u>(5,075)</u>	<u>(52,286)</u>	<u>(768)</u>	<u>(3,623)</u>	<u>(5)</u>	<u>(22,969)</u>	<u>750</u>
<u>(5,316)</u>	<u>(5,075)</u>	<u>(52,286)</u>	<u>(768)</u>	<u>(3,623)</u>	<u>(5)</u>	<u>(22,969)</u>	<u>750</u>
<u>\$ 18,500</u>	<u>\$ 3,334</u>	<u>\$ 65,190</u>	<u>\$ 11,124</u>	<u>\$ 3,926</u>	<u>\$ -</u>	<u>\$ 27,351</u>	<u>\$ 750</u>

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**SYLVANIA CITY SCHOOL DISTRICT**  
**LUCAS COUNTY, OHIO**  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
 JUNE 30, 2005

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Natorium</u>	<u>Total Nonmajor Special Revenue</u>
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 28,622	\$ 11,604	\$ 20,497	\$ 675,714
Receivables:				
Accounts . . . . .	2,333	187	-	2,784
Intergovernmental . . . . .	35,487	-	-	490,097
Materials and supplies inventory . . . . .	21,667	-	-	21,667
Total assets. . . . .	<u>\$ 88,109</u>	<u>\$ 11,791</u>	<u>\$ 20,497</u>	<u>\$ 1,190,262</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 2,503	\$ 1,086	\$ -	\$ 124,825
Accrued wages and benefits . . . . .	77,461	-	2,458	315,697
Intergovernmental payable . . . . .	101,610	-	3,755	236,700
Interfund loan payable . . . . .	-	788	-	13,528
Deferred revenue . . . . .	-	-	-	454,610
Total liabilities. . . . .	<u>181,574</u>	<u>1,874</u>	<u>6,213</u>	<u>1,145,360</u>
<b>Fund balances:</b>				
Reserved for encumbrances. . . . .	39,920	7,660	-	114,001
Reserved for materials and supplies inventory . . . . .	21,667	-	-	21,667
Unreserved-undesignated (deficit) . . . . .	<u>(155,052)</u>	<u>2,257</u>	<u>14,284</u>	<u>(90,766)</u>
Total fund balances (deficit) . . . . .	<u>(93,465)</u>	<u>9,917</u>	<u>14,284</u>	<u>44,902</u>
Total liabilities and fund balances . . . . .	<u>\$ 88,109</u>	<u>\$ 11,791</u>	<u>\$ 20,497</u>	<u>\$ 1,190,262</u>

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**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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>Public School Support</u>	<u>Other Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Career Development Grant</u>
<b>Revenues:</b>					
From local sources:					
Earnings on investments . . . . .	\$ -	\$ -	\$ -	\$ 4,143	\$ -
Charges for services . . . . .	-	-	-	-	-
Classroom materials and fees . . . . .	-	-	-	-	-
Extracurricular . . . . .	199,811	-	448,346	-	-
Other local revenues . . . . .	34,347	6,504	-	-	-
Intergovernmental - state . . . . .	-	-	-	885,712	-
Intergovernmental - federal . . . . .	-	-	-	-	-
Total revenue . . . . .	<u>234,158</u>	<u>6,504</u>	<u>448,346</u>	<u>889,855</u>	<u>-</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular . . . . .	15,527	5,714	-	-	-
Special . . . . .	-	2,571	-	-	-
Vocational . . . . .	-	-	-	-	-
Adult/continuing . . . . .	-	-	-	-	-
Other . . . . .	-	-	-	-	-
Support services:					
Pupil . . . . .	-	-	-	-	150
Instructional staff . . . . .	-	2,295	-	-	-
Administration . . . . .	-	180	-	-	-
Central . . . . .	-	-	-	-	-
Operation of non-instructional services . . . . .	-	-	-	-	-
Food service operations . . . . .	-	-	-	-	-
Extracurricular activities . . . . .	209,301	-	479,601	-	-
Intergovernmental pass through . . . . .	-	-	-	924,910	-
Total expenditures . . . . .	<u>224,828</u>	<u>10,760</u>	<u>479,601</u>	<u>924,910</u>	<u>150</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	9,330	(4,256)	(31,255)	(35,055)	(150)
<b>Other financing sources (uses):</b>					
Transfers in . . . . .	980	-	-	-	-
Transfers out . . . . .	<u>(4,715)</u>	<u>(980)</u>	<u>-</u>	<u>-</u>	<u>(5,628)</u>
Total other financing sources (uses) . . . . .	<u>(3,735)</u>	<u>(980)</u>	<u>-</u>	<u>-</u>	<u>(5,628)</u>
Net change in fund balances . . . . .	5,595	(5,236)	(31,255)	(35,055)	(5,778)
<b>Fund balances (deficit)</b>					
at beginning of year (restated) . . . . .	227,290	14,997	131,410	87,235	5,778
Increase in reserve for inventory . . . . .	-	-	-	-	-
Fund balances (deficit) at end of year . . . . .	<u>\$ 232,885</u>	<u>\$ 9,761</u>	<u>\$ 100,155</u>	<u>\$ 52,180</u>	<u>\$ -</u>



<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Entry Year Programs</u>	<u>Data Communications for Schools</u>	<u>SchoolNet Professional Development</u>	<u>Instructional Materials Subsidy</u>	<u>Ohio Reads Grant</u>	<u>Summer Intervention</u>	<u>Vocational Educational Enhancements</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	24,789	9,900	36,000	6,750	-	45,518	-	13,000
-	-	-	-	-	-	-	-	17,551
-	24,789	9,900	36,000	6,750	-	45,518	-	-
-	24,789	9,900	36,000	6,750	-	45,518	-	30,551
-	-	9,460	-	-	51	58,570	-	3,407
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	9,690
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	5,381	-	-	-	14,436
-	-	-	-	-	-	-	-	5,408
-	24,789	-	36,000	2,284	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	24,789	9,460	36,000	7,665	51	58,570	-	32,941
-	-	440	-	(915)	(51)	(13,052)	-	(2,390)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	440	-	(915)	(51)	(13,052)	-	(2,390)
19,051	486	-	29	10,620	51	5,222	25,089	19,091
-	-	-	-	-	-	-	-	-
\$ 19,051	\$ 486	\$ 440	\$ 29	\$ 9,705	\$ -	\$ (7,830)	\$ 25,089	\$ 16,701

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**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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

	<b>Miscellaneous State Grants</b>	<b>Adult Basic Education</b>	<b>IDEA Part B</b>	<b>Vocational Education</b>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ -	\$ -	\$ -	\$ -
Charges for services . . . . .	-	-	-	-
Classroom materials and fees . . . . .	-	-	-	-
Extracurricular . . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	-
Intergovernmental - state . . . . .	141,365	38,691	-	-
Intergovernmental - federal . . . . .	-	93,330	1,418,762	64,619
Total revenue . . . . .	141,365	132,021	1,418,762	64,619
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	-	-	8,658
Special . . . . .	127,511	-	-	-
Vocational . . . . .	31,549	-	-	47,902
Adult/continuing . . . . .	-	104,984	-	-
Other . . . . .	-	630	-	6,824
Support services:				
Pupil . . . . .	8,183	-	-	-
Instructional staff . . . . .	245	41,616	1,609,700	10,847
Administration . . . . .	193	-	-	-
Central . . . . .	-	-	-	-
Operation of non-instructional services . . . . .	-	-	70,947	-
Food service operations . . . . .	-	-	-	-
Extracurricular activities . . . . .	-	-	-	-
Intergovernmental pass through . . . . .	-	-	-	-
Total expenditures . . . . .	167,681	147,230	1,680,647	74,231
Excess (deficiency) of revenues over (under) expenditures . . . . .	(26,316)	(15,209)	(261,885)	(9,612)
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	-	-
Transfers out . . . . .	-	-	-	-
Total other financing sources (uses) . . . . .	-	-	-	-
Net change in fund balances . . . . .	(26,316)	(15,209)	(261,885)	(9,612)
<b>Fund balances (deficit)</b>				
at beginning of year (restated) . . . . .	11,540	416	36,260	4,296
Increase in reserve for inventory . . . . .	-	-	-	-
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ (14,776)</b>	<b>\$ (14,793)</b>	<b>\$ (225,625)</b>	<b>\$ (5,316)</b>

<u>Limited English Proficiency</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug-Free Schools Program</u>	<u>Pre-school for the Handicapped Grant</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
44,988	291,870	28,810	20,485	45,681	173,019	8,825
<u>44,988</u>	<u>291,870</u>	<u>28,810</u>	<u>20,485</u>	<u>45,681</u>	<u>173,019</u>	<u>8,825</u>
-	-	-	-	-	198,495	-
50,267	330,757	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	23,181	-	-	-
-	-	26,124	905	45,686	-	8,394
-	-	-	-	-	-	-
-	-	4,292	82	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>50,267</u>	<u>330,757</u>	<u>30,416</u>	<u>24,168</u>	<u>45,686</u>	<u>198,495</u>	<u>8,394</u>
(5,279)	(38,887)	(1,606)	(3,683)	(5)	(25,476)	431
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(5,279)	(38,887)	(1,606)	(3,683)	(5)	(25,476)	431
204	(13,399)	838	60	-	2,507	319
-	-	-	-	-	-	-
<u>\$ (5,075)</u>	<u>\$ (52,286)</u>	<u>\$ (768)</u>	<u>\$ (3,623)</u>	<u>\$ (5)</u>	<u>\$ (22,969)</u>	<u>\$ 750</u>

-- continued

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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

	<b>Food Service</b>	<b>Uniform School Supplies</b>	<b>Natatorium</b>	<b>Total Nonmajor Special Revenue</b>
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 1,810	\$ -	\$ -	\$ 5,953
Charges for services . . . . .	1,282,798	-	-	1,282,798
Classroom materials and fees. . . . .	-	130,476	-	130,476
Extracurricular . . . . .	-	-	-	648,157
Other local revenues . . . . .	77,021	-	32,110	162,982
Intergovernmental - state . . . . .	7,883	-	-	1,214,159
Intergovernmental - federal . . . . .	251,183	-	-	2,441,572
Total revenue. . . . .	1,620,695	130,476	32,110	5,886,097
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular. . . . .	-	147,693	-	447,575
Special . . . . .	-	-	-	511,106
Vocational . . . . .	-	-	-	89,141
Adult/continuing . . . . .	-	-	-	104,984
Other . . . . .	-	-	-	7,454
Support services:				
Pupil . . . . .	-	-	-	31,514
Instructional staff. . . . .	-	-	-	1,765,629
Administration . . . . .	-	-	-	5,781
Central . . . . .	-	-	-	63,073
Operation of non-instructional services . . . . .	-	-	34,429	109,750
Food service operations . . . . .	1,940,882	-	-	1,940,882
Extracurricular activities . . . . .	-	-	-	688,902
Intergovernmental pass through. . . . .	-	-	-	924,910
Total expenditures . . . . .	1,940,882	147,693	34,429	6,690,701
Excess (deficiency) of revenues over (under) expenditures . . . . .	(320,187)	(17,217)	(2,319)	(804,604)
<b>Other financing sources (uses):</b>				
Transfers in. . . . .	373,495	4,715	-	379,190
Transfers out . . . . .	-	-	-	(11,323)
Total other financing sources (uses). . . . .	373,495	4,715	-	367,867
Net change in fund balances . . . . .	53,308	(12,502)	(2,319)	(436,737)
<b>Fund balances (deficit)</b>				
at beginning of year (restated) . . . . .	(154,255)	22,419	16,603	474,157
Increase in reserve for inventory . . . . .	7,482	-	-	7,482
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ (93,465)</b>	<b>\$ 9,917</b>	<b>\$ 14,284</b>	<b>\$ 44,902</b>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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>		
<b>Revenues:</b>				
From local sources:				
Extracurricular . . . . .	\$ 240,294	\$ 259,150	\$ 199,619	\$ (59,531)
Other local revenue . . . . .	5,563	6,000	34,347	28,347
Total revenues . . . . .	<u>245,857</u>	<u>265,150</u>	<u>233,966</u>	<u>(31,184)</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular				
Purchased services . . . . .	6,106	6,076	5,484	592
Supplies and materials . . . . .	8,891	10,116	2,925	7,191
Other . . . . .	16,978	19,817	8,082	11,735
Total instruction-regular. . . . .	<u>31,975</u>	<u>36,009</u>	<u>16,491</u>	<u>19,518</u>
Extracurricular activities				
Purchased services . . . . .	4,919	5,941	5,941	-
Supplies and materials . . . . .	18,758	22,571	16,712	5,859
Other . . . . .	264,118	302,428	213,251	89,177
Total extracurricular activities. . . . .	<u>287,795</u>	<u>330,940</u>	<u>235,904</u>	<u>95,036</u>
Total expenditures . . . . .	<u>319,770</u>	<u>366,949</u>	<u>252,395</u>	<u>114,554</u>
Excess of revenues (under) expenditures . . . . .	<u>(73,913)</u>	<u>(101,799)</u>	<u>(18,429)</u>	<u>83,370</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	980	980
Transfers out . . . . .	(4,716)	(4,716)	(4,716)	-
Total other financing sources (uses). . . . .	<u>(4,716)</u>	<u>(4,716)</u>	<u>(3,736)</u>	<u>980</u>
Net change in fund balance . . . . .	(78,629)	(106,515)	(22,165)	84,350
<b>Fund balance at beginning of year . . . . .</b>	221,930	221,930	221,930	-
<b>Prior year encumbrances appropriated . . . . .</b>	20,688	20,688	20,688	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 163,989</u>	<u>\$ 136,103</u>	<u>\$ 220,453</u>	<u>\$ 84,350</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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>		
<b>Revenues:</b>				
From local sources:				
Other local revenue . . . . .	\$ -	\$ -	\$ 6,504	\$ 6,504
Total revenues . . . . .	<u>-</u>	<u>-</u>	<u>6,504</u>	<u>6,504</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular				
Purchased services . . . . .	39	57	57	-
Supplies and materials . . . . .	4,822	7,012	5,712	1,300
Total instruction-regular . . . . .	<u>4,861</u>	<u>7,069</u>	<u>5,769</u>	<u>1,300</u>
Instruction-special				
Salaries and wages . . . . .	550	800	800	-
Fringe benefits . . . . .	85	124	124	-
Purchased services . . . . .	3,296	1,953	1,953	-
Total instruction-special . . . . .	<u>3,931</u>	<u>2,877</u>	<u>2,877</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages . . . . .	447	650	650	-
Fringe benefits . . . . .	415	340	340	-
Purchased services . . . . .	356	517	345	172
Supplies and materials . . . . .	2,014	2,853	1,842	1,011
Total support services-instructional staff . . . . .	<u>3,232</u>	<u>4,360</u>	<u>3,177</u>	<u>1,183</u>
Support services-administration				
Purchased services . . . . .	138	200	180	20
Total support services-administration . . . . .	<u>138</u>	<u>200</u>	<u>180</u>	<u>20</u>
Support services-business				
Purchased services . . . . .	962	962	-	962
Total support services-business . . . . .	<u>962</u>	<u>962</u>	<u>-</u>	<u>962</u>
Total expenditures . . . . .	<u>13,124</u>	<u>15,468</u>	<u>12,003</u>	<u>3,465</u>
Excess of revenues over (under) expenditures . . . . .	(13,124)	(15,468)	(5,499)	9,969
<b>Other financing uses:</b>				
Transfers out . . . . .	(674)	(980)	(980)	-
Total other financing uses . . . . .	<u>(674)</u>	<u>(980)</u>	<u>(980)</u>	<u>-</u>
Net change in fund balance . . . . .	(13,798)	(16,448)	(6,479)	9,969
<b>Fund balance at beginning of year . . . . .</b>	13,623	13,623	13,623	-
<b>Prior year encumbrances appropriated . . . . .</b>	3,149	3,149	3,149	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 2,974</u>	<u>\$ 324</u>	<u>\$ 10,293</u>	<u>\$ 9,969</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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>		
<b>Revenues:</b>				
From local sources:				
Extracurricular . . . . .	\$ 371,861	\$ 441,519	\$ 448,346	\$ 6,827
Other local revenue . . . . .	379	450	-	(450)
Total revenues . . . . .	<u>372,240</u>	<u>441,969</u>	<u>448,346</u>	<u>6,377</u>
<b>Expenditures:</b>				
Current:				
Extracurricular activities				
Salaries and wages . . . . .	66	90	90	-
Fringe benefits . . . . .	1	1	1	-
Other . . . . .	410,748	534,265	498,544	35,721
Total extracurricular activities. . . . .	<u>410,815</u>	<u>534,356</u>	<u>498,635</u>	<u>35,721</u>
Total expenditures . . . . .	<u>410,815</u>	<u>534,356</u>	<u>498,635</u>	<u>35,721</u>
Excess of revenues (under) expenditures . . . . .	<u>(38,575)</u>	<u>(92,387)</u>	<u>(50,289)</u>	<u>42,098</u>
<b>Other financing sources (uses):</b>				
Advances in. . . . .	8,422	10,000	10,000	-
Advances (out) . . . . .	<u>(7,317)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Total other financing sources (uses). . . . .	<u>1,105</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance . . . . .	(37,470)	(92,387)	(50,289)	42,098
<b>Fund balance at beginning of year . . . . .</b>	130,911	130,911	130,911	-
<b>Prior year encumbrances appropriated . . . . .</b>	19,845	19,845	19,845	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 113,286</u>	<u>\$ 58,369</u>	<u>\$ 100,467</u>	<u>\$ 42,098</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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>		
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 3,699	\$ 3,872	\$ 4,143	\$ 271
Intergovernmental-state . . . . .	849,345	889,010	885,712	(3,298)
Total revenues . . . . .	<u>853,044</u>	<u>892,882</u>	<u>889,855</u>	<u>(3,027)</u>
<b>Expenditures:</b>				
Current:				
Intergovernmental pass through				
Salaries and wages . . . . .	21,943	25,316	25,316	-
Fringe benefits . . . . .	14,500	16,728	16,728	-
Purchased services . . . . .	461,751	531,128	520,950	10,178
Supplies and materials . . . . .	417,543	377,175	375,893	1,282
Capital outlay . . . . .	37,042	37,078	36,931	147
Other . . . . .	65,609	75,693	74,504	1,189
Total intergovernmental pass through . . . . .	<u>1,018,388</u>	<u>1,063,118</u>	<u>1,050,322</u>	<u>12,796</u>
Total expenditures . . . . .	<u>1,018,388</u>	<u>1,063,118</u>	<u>1,050,322</u>	<u>12,796</u>
Excess of revenues over (under) expenditures . . . . .	(165,344)	(170,236)	(160,467)	9,769
<b>Other financing uses:</b>				
Refund of prior year's receipts . . . . .	(1,191)	(1,374)	(1,374)	-
Total other financing uses . . . . .	<u>(1,191)</u>	<u>(1,374)</u>	<u>(1,374)</u>	<u>-</u>
Net change in fund balance . . . . .	(166,535)	(171,610)	(161,841)	9,769
<b>Fund balance at beginning of year . . . . .</b>	78,962	78,962	78,962	-
<b>Prior year encumbrances appropriated . . . . .</b>	96,895	96,895	96,895	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 9,322</u>	<u>\$ 4,247</u>	<u>\$ 14,016</u>	<u>\$ 9,769</u>



**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
CAREER DEVELOPMENT 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>		
<b>Expenditures:</b>				
Current:				
Support services-pupil				
Supplies and materials . . . . .	\$ -	\$ 150	\$ 150	\$ -
Total support services-pupil . . . . .	<u>-</u>	<u>150</u>	<u>150</u>	<u>-</u>
Total expenditures . . . . .	<u>-</u>	<u>150</u>	<u>150</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	-	(150)	(150)	-
<b>Other financing uses:</b>				
Advances (out) . . . . .	-	(5,628)	(5,628)	-
Total other financing uses . . . . .	<u>-</u>	<u>(5,628)</u>	<u>(5,628)</u>	<u>-</u>
Net change in fund balance . . . . .	-	(5,778)	(5,778)	-
<b>Fund balance at beginning of year . . . . .</b>	<u>5,778</u>	<u>5,778</u>	<u>5,778</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 5,778</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TEACHER DEVELOPMENT  
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>		
<b>Fund balance at beginning of year . . . . .</b>	\$ 19,051	\$ 19,051	\$ 19,051	\$ -
<b>Fund balance at end of year. . . . .</b>	<u>\$ 19,051</u>	<u>\$ 19,051</u>	<u>\$ 19,051</u>	<u>\$ -</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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>		
<b>Revenues:</b>				
Intergovernmental-state . . . . .	\$ 23,010	\$ 24,788	\$ 24,789	\$ 1
Total revenues . . . . .	<u>23,010</u>	<u>24,788</u>	<u>24,789</u>	<u>1</u>
<b>Expenditures:</b>				
Current:				
Support services-central				
Salaries and wages . . . . .	23,010	24,789	24,789	-
Total support services-central . . . . .	<u>23,010</u>	<u>24,789</u>	<u>24,789</u>	<u>-</u>
Total expenditures . . . . .	<u>23,010</u>	<u>24,789</u>	<u>24,789</u>	<u>-</u>
Net change in fund balance . . . . .	-	(1)	-	1
<b>Fund balance at beginning of year . . . . .</b>	486	486	486	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 486</u>	<u>\$ 485</u>	<u>\$ 486</u>	<u>\$ 1</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ENTRY YEAR PROGRAMS  
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>		
<b>Revenues:</b>				
Intergovernmental-state . . . . .	\$ -	\$ 9,900	\$ 9,900	\$ -
Total revenues . . . . .	<u>-</u>	<u>9,900</u>	<u>9,900</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular				
Salaries and wages . . . . .	-	9,460	9,460	-
Purchased services . . . . .	-	300	-	300
Supplies and materials . . . . .	-	140	-	140
Total instruction-regular. . . . .	<u>-</u>	<u>9,900</u>	<u>9,460</u>	<u>440</u>
Total expenditures . . . . .	<u>-</u>	<u>9,900</u>	<u>9,460</u>	<u>440</u>
Net change in fund balance . . . . .	-	-	440	440
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 440</u>	<u>\$ 440</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
DATA COMMUNICATIONS FOR SCHOOLS  
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>		
<b>Revenues:</b>				
Intergovernmental-state . . . . .	\$ 36,000	\$ 36,000	\$ 36,000	\$ -
Total revenues . . . . .	<u>36,000</u>	<u>36,000</u>	<u>36,000</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Support services-central				
Purchased services . . . . .	-	36,000	36,000	-
Total support services-central . . . . .	<u>-</u>	<u>36,000</u>	<u>36,000</u>	<u>-</u>
Total expenditures . . . . .	<u>-</u>	<u>36,000</u>	<u>36,000</u>	<u>-</u>
Net change in fund balance . . . . .	36,000	-	-	-
<b>Fund balance at beginning of year . . . . .</b>	29	29	29	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 36,029</u>	<u>\$ 29</u>	<u>\$ 29</u>	<u>\$ -</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SCHOOLNET PROFESSIONAL DEVELOPMENT  
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>		
<b>Revenues:</b>				
Intergovernmental-state . . . . .	\$ -	\$ 6,750	\$ 6,750	\$ -
Total revenues . . . . .	<u>-</u>	<u>6,750</u>	<u>6,750</u>	<u>-</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Support services-instructional staff				
Salaries and wages . . . . .	2,726	7,149	4,902	2,247
Fringe benefits . . . . .	42	109	109	-
Purchased services . . . . .	267	700	370	330
Supplies and materials . . . . .	174	456	-	456
Total support services-instructional staff . . . . .	<u>3,209</u>	<u>8,414</u>	<u>5,381</u>	<u>3,033</u>
Support services-central				
Purchased services . . . . .	954	2,500	2,284	216
Total support services-central . . . . .	<u>954</u>	<u>2,500</u>	<u>2,284</u>	<u>216</u>
Total expenditures . . . . .	<u>4,163</u>	<u>10,914</u>	<u>7,665</u>	<u>3,249</u>
Excess of revenues over (under) expenditures . . . . .	<u>(4,163)</u>	<u>(4,164)</u>	<u>(915)</u>	<u>3,249</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	3,906	3,906	-
Transfers out . . . . .	-	(3,906)	(3,906)	-
Total other financing sources (uses). . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance . . . . .	(4,163)	(4,164)	(915)	3,249
<b>Fund balance at beginning of year . . . . .</b>	<u>10,620</u>	<u>10,620</u>	<u>10,620</u>	<u>-</u>
<b>Fund balance at end of year. . . . .</b>	<u>\$ 6,457</u>	<u>\$ 6,456</u>	<u>\$ 9,705</u>	<u>\$ 3,249</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
INSTRUCTIONAL MATERIALS SUBSIDY  
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>		
<b>Expenditures:</b>				
Current:				
Instruction-regular				
Supplies and materials . . . . .	\$ -	\$ 51	\$ 51	\$ -
Total instruction-regular. . . . .	<u>-</u>	<u>51</u>	<u>51</u>	<u>-</u>
Total expenditures . . . . .	<u>-</u>	<u>51</u>	<u>51</u>	<u>-</u>
Net change in fund balance . . . . .	-	(51)	(51)	-
<b>Fund balance at beginning of year . . . . .</b>	51	51	51	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 51</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
OHIO READS 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>		
<b>Revenues:</b>				
Intergovernmental-state . . . . .	\$ 41,500	\$ 55,500	\$ 45,518	\$ (9,982)
Total revenues . . . . .	<u>41,500</u>	<u>55,500</u>	<u>45,518</u>	<u>(9,982)</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular				
Salaries and wages . . . . .	18,470	25,875	24,828	1,047
Fringe benefits . . . . .	1,029	1,441	587	854
Purchased services . . . . .	2,376	3,329	3,170	159
Supplies and materials . . . . .	27,702	32,669	31,237	1,432
Total instruction-regular . . . . .	<u>49,577</u>	<u>63,314</u>	<u>59,822</u>	<u>3,492</u>
Total expenditures . . . . .	<u>49,577</u>	<u>63,314</u>	<u>59,822</u>	<u>3,492</u>
Excess of revenues over (under) expenditures . . . . .	<u>(8,077)</u>	<u>(7,814)</u>	<u>(14,304)</u>	<u>(6,490)</u>
<b>Other financing uses:</b>				
Advances in . . . . .	-	-	376	376
Refund of prior year's receipts . . . . .	(657)	(921)	(921)	-
Total other financing uses . . . . .	<u>(657)</u>	<u>(921)</u>	<u>(545)</u>	<u>376</u>
Net change in fund balance . . . . .	(8,734)	(8,735)	(14,849)	(6,114)
<b>Fund balance at beginning of year . . . . .</b>	4,650	4,650	4,650	-
<b>Prior year encumbrances appropriated . . . . .</b>	4,381	4,381	4,381	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 297</u>	<u>\$ 296</u>	<u>\$ (5,818)</u>	<u>\$ (6,114)</u>



**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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>		
<b>Fund balance at beginning of year . . . . .</b>	\$ 25,089	\$ 25,089	\$ 25,089	\$ -
<b>Fund balance at end of year. . . . .</b>	<u>\$ 25,089</u>	<u>\$ 25,089</u>	<u>\$ 25,089</u>	<u>\$ -</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
VOCATIONAL EDUCATIONAL ENHANCEMENTS  
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>		
<b>Revenues:</b>				
From local sources:				
Other local revenue . . . . .	\$ 7,700	\$ 13,000	\$ 13,000	\$ -
Intergovernmental-state . . . . .	12,646	21,146	17,551	(3,595)
Total revenues . . . . .	<u>20,346</u>	<u>34,146</u>	<u>30,551</u>	<u>(3,595)</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular				
Supplies and materials . . . . .	2,705	5,000	5,000	-
Total instruction-regular . . . . .	<u>2,705</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Instruction-vocational				
Salaries and wages . . . . .	2,164	4,000	4,000	-
Fringe benefits . . . . .	334	618	618	-
Purchased services . . . . .	1,219	800	786	14
Supplies and materials . . . . .	589	382	382	-
Capital outlay . . . . .	3,608	6,669	6,659	10
Total instruction-vocational . . . . .	<u>7,914</u>	<u>12,469</u>	<u>12,445</u>	<u>24</u>
Support services-instructional staff				
Purchased services . . . . .	8,498	9,729	9,575	154
Supplies and materials . . . . .	7,297	13,494	12,736	758
Total support services-instructional staff . . . . .	<u>15,795</u>	<u>23,223</u>	<u>22,311</u>	<u>912</u>
Support services-administration				
Salaries and wages . . . . .	513	948	948	-
Fringe benefits . . . . .	80	147	147	-
Purchased services . . . . .	5,383	4,405	4,313	92
Total support services-administration . . . . .	<u>5,976</u>	<u>5,500</u>	<u>5,408</u>	<u>92</u>
Total expenditures . . . . .	<u>32,390</u>	<u>46,192</u>	<u>45,164</u>	<u>1,028</u>
Net change in fund balance . . . . .	(12,044)	(12,046)	(14,613)	(2,567)
<b>Fund balance at beginning of year . . . . .</b>	19,163	19,163	19,163	-
<b>Prior year encumbrances appropriated . . . . .</b>	7,403	7,403	7,403	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 14,522</u>	<u>\$ 14,520</u>	<u>\$ 11,953</u>	<u>\$ (2,567)</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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>		
<b>Revenues:</b>				
Intergovernmental-state . . . . .	\$ 177,261	\$ 195,656	\$ 159,751	\$ (35,905)
Total revenues . . . . .	<u>177,261</u>	<u>195,656</u>	<u>159,751</u>	<u>(35,905)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction-special				
Salaries and wages . . . . .	109,292	116,147	97,898	18,249
Fringe benefits . . . . .	40,589	43,135	36,041	7,094
Total instruction-special . . . . .	<u>149,881</u>	<u>159,282</u>	<u>133,939</u>	<u>25,343</u>
Instruction-vocational				
Salaries and wages . . . . .	16,829	17,884	12,244	5,640
Fringe benefits . . . . .	2,838	3,016	2,272	744
Purchased services . . . . .	9,978	7,849	7,733	116
Supplies and materials . . . . .	3,165	3,364	3,359	5
Total instruction-vocational . . . . .	<u>32,810</u>	<u>32,113</u>	<u>25,608</u>	<u>6,505</u>
Support services-pupil				
Purchased services . . . . .	7,700	8,183	8,183	-
Total support services-pupil . . . . .	<u>7,700</u>	<u>8,183</u>	<u>8,183</u>	<u>-</u>
Support services-instructional staff				
Supplies and materials . . . . .	968	512	512	-
Total support services-instructional staff . . . . .	<u>968</u>	<u>512</u>	<u>512</u>	<u>-</u>
Support services-administration				
Purchased services . . . . .	426	453	412	41
Total support services-administration . . . . .	<u>426</u>	<u>453</u>	<u>412</u>	<u>41</u>
Total expenditures . . . . .	<u>191,785</u>	<u>200,543</u>	<u>168,654</u>	<u>31,889</u>
Excess of revenues over (under) expenditures . . . . .	<u>(14,524)</u>	<u>(4,887)</u>	<u>(8,903)</u>	<u>(4,016)</u>
<b>Other financing uses:</b>				
Advances in . . . . .	-	-	1,617	1,617
Refund of prior year's receipts . . . . .	(575)	(611)	(611)	-
Total other financing uses . . . . .	<u>(575)</u>	<u>(611)</u>	<u>1,006</u>	<u>1,617</u>
Net change in fund balance . . . . .	(15,099)	(5,498)	(7,897)	(2,399)
<b>Fund balance at beginning of year . . . . .</b>	<b>18,630</b>	<b>18,630</b>	<b>18,630</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>3,078</b>	<b>3,078</b>	<b>3,078</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b><u>\$ 6,609</u></b>	<b><u>\$ 16,210</u></b>	<b><u>\$ 13,811</u></b>	<b><u>\$ (2,399)</u></b>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ADULT BASIC EDUCATION  
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>		
<b>Revenues:</b>				
Intergovernmental-state . . . . .	\$ 33,917	\$ 38,691	\$ 38,691	\$ -
Intergovernmental-federal . . . . .	97,191	110,873	93,330	(17,543)
Total revenues . . . . .	<u>131,108</u>	<u>149,564</u>	<u>132,021</u>	<u>(17,543)</u>
<b>Expenditures:</b>				
Current:				
Instruction-adult/continuing				
Salaries and wages . . . . .	69,416	82,092	78,705	3,387
Fringe benefits . . . . .	11,657	13,786	12,398	1,388
Purchased services . . . . .	2,410	2,850	2,575	275
Supplies and materials . . . . .	5,135	5,868	5,388	480
Total instruction-adult/continuing . . . . .	<u>88,618</u>	<u>104,596</u>	<u>99,066</u>	<u>5,530</u>
Support services-instructional staff				
Salaries and wages . . . . .	30,628	36,221	34,331	1,890
Fringe benefits . . . . .	7,774	9,194	4,550	4,644
Purchased services . . . . .	2,760	3,264	78	3,186
Other . . . . .	2,146	2,308	1,956	352
Total support services-instructional staff . . . . .	<u>43,308</u>	<u>50,987</u>	<u>40,915</u>	<u>10,072</u>
Total expenditures . . . . .	<u>131,926</u>	<u>155,583</u>	<u>139,981</u>	<u>15,602</u>
Excess of revenues over expenditures . . . . .	<u>(818)</u>	<u>(6,019)</u>	<u>(7,960)</u>	<u>(1,941)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	5,201	5,201	5,201	-
Transfers out . . . . .	(5,201)	(5,201)	(5,201)	-
Advances in . . . . .	-	-	3,659	3,659
Total other financing sources (uses). . . . .	<u>-</u>	<u>-</u>	<u>3,659</u>	<u>3,659</u>
Net change in fund balance . . . . .	(818)	(6,019)	(4,301)	1,718
<b>Fund balance at beginning of year . . . . .</b>	5,201	5,201	5,201	-
<b>Prior year encumbrances appropriated . . . . .</b>	367	367	367	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 4,750</u>	<u>\$ (451)</u>	<u>\$ 1,267</u>	<u>\$ 1,718</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
IDEA - PART 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>		
<b>Revenues:</b>				
Intergovernmental-federal . . . . .	\$ 1,760,956	\$ 1,787,281	\$ 1,529,395	\$ (257,886)
Total revenues . . . . .	<u>1,760,956</u>	<u>1,787,281</u>	<u>1,529,395</u>	<u>(257,886)</u>
<b>Expenditures:</b>				
Current:				
Support services-instructional staff				
Salaries and wages . . . . .	933,642	945,068	866,681	78,387
Fringe benefits . . . . .	477,992	483,842	394,135	89,707
Purchased services . . . . .	266,698	253,665	217,650	36,015
Supplies and materials . . . . .	31,613	32,000	22,280	9,720
Capital outlay . . . . .	28,649	29,000	-	29,000
Total support services-instructional staff . . . . .	<u>1,738,594</u>	<u>1,743,575</u>	<u>1,500,746</u>	<u>242,829</u>
Operation of non-instructional services				
Purchased services . . . . .	71,486	71,740	69,426	2,314
Supplies and materials . . . . .	2,265	2,150	2,150	-
Total operation of non-instructional services . . . . .	<u>73,751</u>	<u>73,890</u>	<u>71,576</u>	<u>2,314</u>
Total expenditures . . . . .	<u>1,812,345</u>	<u>1,817,465</u>	<u>1,572,322</u>	<u>245,143</u>
Excess of revenues over (under) expenditures . . . . .	<u>(51,389)</u>	<u>(30,184)</u>	<u>(42,927)</u>	<u>(12,743)</u>
<b>Other financing uses:</b>				
Transfers in . . . . .	8,502	8,502	8,502	-
Transfers out . . . . .	<u>(8,502)</u>	<u>(8,502)</u>	<u>(8,502)</u>	<u>-</u>
Total other financing uses . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance . . . . .	(51,389)	(30,184)	(42,927)	(12,743)
<b>Fund balance at beginning of year . . . . .</b>	44,181	44,181	44,181	-
<b>Prior year encumbrances appropriated . . . . .</b>	16,854	16,854	16,854	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 9,646</u>	<u>\$ 30,851</u>	<u>\$ 18,108</u>	<u>\$ (12,743)</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
VOCATIONAL EDUCATION  
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>		
<b>Revenues:</b>				
Intergovernmental-federal . . . . .	\$ 74,971	\$ 79,596	\$ 64,619	\$ (14,977)
Total revenues . . . . .	<u>74,971</u>	<u>79,596</u>	<u>64,619</u>	<u>(14,977)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instruction-regular				
Capital outlay . . . . .	5,607	6,000	5,997	3
Other . . . . .	2,803	3,000	2,661	339
Total instruction-regular . . . . .	<u>8,410</u>	<u>9,000</u>	<u>8,658</u>	<u>342</u>
Instruction-vocational				
Salaries and wages . . . . .	4,205	4,500	4,355	145
Fringe benefits . . . . .	738	790	790	-
Purchased services . . . . .	7,219	7,350	6,475	875
Supplies and materials . . . . .	42,126	45,079	44,652	427
Total instruction-vocational . . . . .	<u>54,288</u>	<u>57,719</u>	<u>56,272</u>	<u>1,447</u>
Support services-instructional staff				
Salaries and wages . . . . .	3,034	3,247	3,247	-
Fringe benefits . . . . .	376	402	402	-
Purchased services . . . . .	10,573	8,050	7,931	119
Supplies and materials . . . . .	6,269	4,467	4,412	55
Total support services-instructional staff . . . . .	<u>20,252</u>	<u>16,166</u>	<u>15,992</u>	<u>174</u>
Total expenditures . . . . .	<u>82,950</u>	<u>82,885</u>	<u>80,922</u>	<u>1,963</u>
Excess of revenues over (under) expenditures . . . . .	<u>(7,979)</u>	<u>(3,289)</u>	<u>(16,303)</u>	<u>(13,014)</u>
<b>Other financing uses:</b>				
Refund of prior year's (receipts) . . . . .	(920)	(985)	(985)	-
Total other financing uses . . . . .	<u>(920)</u>	<u>(985)</u>	<u>(985)</u>	<u>-</u>
Net change in fund balance . . . . .	(8,899)	(4,274)	(17,288)	(13,014)
<b>Fund balance (deficit)</b>				
<b>at beginning of year . . . . .</b>	6,446	6,446	6,446	-
<b>Prior year encumbrances appropriated . . . . .</b>	5,495	5,495	5,495	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 3,042</u>	<u>\$ 7,667</u>	<u>\$ (5,347)</u>	<u>\$ (13,014)</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
LIMITED ENGLISH PROFICIENCY  
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>		
<b>Revenues:</b>				
Intergovernmental-federal . . . . .	\$ 41,104	\$ 48,576	\$ 48,576	\$ -
Total revenues . . . . .	<u>41,104</u>	<u>48,576</u>	<u>48,576</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Instruction-special				
Salaries and wages . . . . .	5,101	37,326	37,326	-
Fringe benefits . . . . .	1,706	12,482	12,482	-
Total instruction-special. . . . .	<u>6,807</u>	<u>49,808</u>	<u>49,808</u>	<u>-</u>
Total expenditures . . . . .	<u>6,807</u>	<u>49,808</u>	<u>49,808</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	34,297	(1,232)	(1,232)	-
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	550	550	550	-
Transfers out . . . . .	(550)	(550)	(550)	-
Total other financing sources (uses) . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance . . . . .	34,297	(1,232)	(1,232)	-
<b>Fund balance at beginning of year . . . . .</b>	1,232	1,232	1,232	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 35,529</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental-federal . . . . .	\$ 323,395	\$ 370,580	\$ 317,960	\$ (52,620)
Total revenues . . . . .	<u>323,395</u>	<u>370,580</u>	<u>317,960</u>	<u>(52,620)</u>
<b>Expenditures:</b>				
Current:				
Instruction-special				
Salaries and wages . . . . .	45,911	299,717	258,164	41,553
Fringe benefits . . . . .	12,436	81,187	69,583	11,604
Total instruction-special . . . . .	<u>58,347</u>	<u>380,904</u>	<u>327,747</u>	<u>53,157</u>
Total expenditures . . . . .	<u>58,347</u>	<u>380,904</u>	<u>327,747</u>	<u>53,157</u>
Net change in fund balance . . . . .	265,048	(10,324)	(9,787)	537
<b>Fund balance (deficit)</b>				
<b>at beginning of year . . . . .</b>	10,324	10,324	10,324	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 275,372</u>	<u>\$ -</u>	<u>\$ 537</u>	<u>\$ 537</u>



**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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>		
<b>Revenues:</b>				
Intergovernmental-federal . . . . .	\$ 37,567	\$ 40,876	\$ 30,432	\$ (10,444)
Total revenues . . . . .	<u>37,567</u>	<u>40,876</u>	<u>30,432</u>	<u>(10,444)</u>
<b>Expenditures:</b>				
Current:				
Support services-instructional staff				
Salaries and wages . . . . .	23,656	25,433	18,101	7,332
Fringe benefits . . . . .	6,986	7,511	5,561	1,950
Supplies and materials . . . . .	2,500	2,688	2,688	-
Total support services-instructional staff . . . . .	<u>33,142</u>	<u>35,632</u>	<u>26,350</u>	<u>9,282</u>
Operation of non-instructional services				
Supplies and materials . . . . .	4,611	4,817	4,423	394
Total operation of non-instructional services . . . . .	<u>4,611</u>	<u>4,817</u>	<u>4,423</u>	<u>394</u>
Total expenditures . . . . .	<u>37,753</u>	<u>40,449</u>	<u>30,773</u>	<u>9,676</u>
Excess of revenues over expenditures . . . . .	<u>(186)</u>	<u>427</u>	<u>(341)</u>	<u>(768)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	1,009	1,009	1,009	-
Transfers out . . . . .	(1,009)	(1,009)	(1,009)	-
Advances in . . . . .	-	-	768	768
Advances out . . . . .	(427)	(427)	(427)	-
Total other financing sources (uses) . . . . .	<u>(427)</u>	<u>(427)</u>	<u>341</u>	<u>768</u>
Net change in fund balance . . . . .	(613)	-	-	-
<b>Fund balance (deficit)</b>				
at beginning of year . . . . .	(131)	(131)	(131)	-
Prior year encumbrances appropriated . . . . .	131	131	131	-
<b>Fund balance (deficit) at end of year . . . . .</b>	<u>\$ (613)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
DRUG FREE SCHOOLS PROGRAM  
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>		
<b>Revenues:</b>				
Intergovernmental-federal . . . . .	\$ 24,250	\$ 24,409	\$ 20,485	\$ (3,924)
Total revenues . . . . .	<u>24,250</u>	<u>24,409</u>	<u>20,485</u>	<u>(3,924)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Support services-pupil				
Salaries and wages . . . . .	6,475	7,568	7,568	-
Fringe benefits . . . . .	951	1,112	1,112	-
Purchased services . . . . .	19,131	18,125	18,125	-
Total support services-pupil . . . . .	<u>26,557</u>	<u>26,805</u>	<u>26,805</u>	<u>-</u>
Support services-instructional staff				
Supplies and materials . . . . .	788	921	906	15
Total support services-instructional staff . . . . .	<u>788</u>	<u>921</u>	<u>906</u>	<u>15</u>
Operation of non-instructional services				
Purchased services . . . . .	86	100	-	100
Supplies and materials . . . . .	695	519	333	186
Total operation of non-instructional services . . . . .	<u>781</u>	<u>619</u>	<u>333</u>	<u>286</u>
Total expenditures . . . . .	<u>28,126</u>	<u>28,345</u>	<u>28,044</u>	<u>301</u>
Excess of revenues over expenditures . . . . .	<u>(3,876)</u>	<u>(3,936)</u>	<u>(7,559)</u>	<u>(3,623)</u>
<b>Other financing uses:</b>				
Transfers in . . . . .	-	59	59	-
Transfers out . . . . .	-	(59)	(59)	-
Total other financing uses . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance . . . . .	<u>(3,876)</u>	<u>(3,936)</u>	<u>(7,559)</u>	<u>(3,623)</u>
<b>Fund balance (deficit)</b>				
<b>at beginning of year.</b> . . . .	60	60	60	-
<b>Prior year encumbrances appropriated</b> . . . . .	3,876	3,876	3,876	-
<b>Fund balance at end of year</b> . . . . .	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ (3,623)</u>	<u>\$ (3,623)</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PRESCHOOL FOR THE HANDICAPPED 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>		
<b>Revenues:</b>				
Intergovernmental-federal . . . . .	\$ 45,681	\$ 45,681	\$ 45,681	\$ -
Total revenues . . . . .	<u>45,681</u>	<u>45,681</u>	<u>45,681</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Support services-instructional staff				
Salaries and wages . . . . .	31,494	31,494	31,494	-
Fringe benefits . . . . .	14,187	14,187	14,187	-
Total support services-instructional staff . . . . .	<u>45,681</u>	<u>45,681</u>	<u>45,681</u>	<u>-</u>
Total expenditures . . . . .	<u>45,681</u>	<u>45,681</u>	<u>45,681</u>	<u>-</u>
Net change in fund balance . . . . .	-	-	-	-
<b>Fund balance at beginning of year . . . . .</b>	-	-	-	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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>		
<b>Revenues:</b>				
Intergovernmental-federal . . . . .	\$ 179,102	\$ 200,369	\$ 173,018	\$ (27,351)
Total revenues . . . . .	<u>179,102</u>	<u>200,369</u>	<u>173,018</u>	<u>(27,351)</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular				
Salaries and wages . . . . .	122,879	143,924	125,241	18,683
Fringe benefits . . . . .	40,197	47,082	44,940	2,142
Purchased services . . . . .	49,416	42,840	42,635	205
Total instruction-regular. . . . .	<u>212,492</u>	<u>233,846</u>	<u>212,816</u>	<u>21,030</u>
Total expenditures . . . . .	<u>212,492</u>	<u>233,846</u>	<u>212,816</u>	<u>21,030</u>
Excess of revenues over expenditures . . . . .	<u>(33,390)</u>	<u>(33,477)</u>	<u>(39,798)</u>	<u>(6,321)</u>
<b>Other financing uses:</b>				
Transfers in . . . . .	4,987	4,987	4,987	-
Transfers out . . . . .	(4,987)	(4,987)	(4,987)	-
Advances in. . . . .	-	-	6,321	6,321
Total other financing uses . . . . .	<u>-</u>	<u>-</u>	<u>6,321</u>	<u>6,321</u>
Net change in fund balance . . . . .	(33,390)	(33,477)	(33,477)	-
<b>Fund balance at beginning of year . . . . .</b>	<b>20,637</b>	<b>20,637</b>	<b>20,637</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>12,840</b>	<b>12,840</b>	<b>12,840</b>	<b>-</b>
<b>Fund balance at end of year. . . . .</b>	<b><u>\$ 87</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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>		
<b>Revenues:</b>				
Intergovernmental-federal . . . . .	\$ 8,561	\$ 8,825	\$ 8,825	\$ -
Total revenues . . . . .	<u>8,561</u>	<u>8,825</u>	<u>8,825</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Support services-instructional staff				
Purchased services . . . . .	-	2,300	1,550	750
Supplies and materials . . . . .	7,146	13,990	13,990	-
Total support services-instructional staff . . . . .	<u>7,146</u>	<u>16,290</u>	<u>15,540</u>	<u>750</u>
Total expenditures . . . . .	<u>7,146</u>	<u>16,290</u>	<u>15,540</u>	<u>750</u>
Excess of revenues over (under) expenditures . . . . .	<u>1,415</u>	<u>(7,465)</u>	<u>(6,715)</u>	<u>750</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	319	319	-
Transfers out . . . . .	-	(319)	(319)	-
Total other financing sources (uses). . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance . . . . .	1,415	(7,465)	(6,715)	750
<b>Fund balance at beginning of year . . . . .</b>	319	319	319	-
<b>Prior year encumbrances appropriated . . . . .</b>	7,146	7,146	7,146	-
<b>Fund balance at end of year. . . . .</b>	<u>\$ 8,880</u>	<u>\$ -</u>	<u>\$ 750</u>	<u>\$ 750</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
From local sources:				
Charges for services . . . . .	\$ 1,517,657	\$ 1,517,657	\$ 1,282,798	\$ (234,859)
Other revenue . . . . .	40,229	40,229	76,661	36,432
Intergovernmental-state . . . . .	10,500	10,500	7,883	(2,617)
Intergovernmental-federal . . . . .	185,000	185,000	209,952	24,952
Total revenues . . . . .	<u>1,753,386</u>	<u>1,753,386</u>	<u>1,577,294</u>	<u>(176,092)</u>
<b>Expenditures:</b>				
Current:				
Food service operations				
Salaries and wages . . . . .	704,844	751,239	751,239	-
Fringe benefits . . . . .	340,209	362,603	362,603	-
Purchased services . . . . .	95,993	108,032	105,949	2,083
Supplies and materials . . . . .	704,999	751,405	744,347	7,058
Total food service operations . . . . .	<u>1,846,045</u>	<u>1,973,279</u>	<u>1,964,138</u>	<u>9,141</u>
Total expenditures . . . . .	<u>1,846,045</u>	<u>1,973,279</u>	<u>1,964,138</u>	<u>9,141</u>
Excess of revenues (under) expenditures . . . . .	<u>(92,659)</u>	<u>(219,893)</u>	<u>(386,844)</u>	<u>(166,951)</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	92,659	316,671	373,495	56,824
Total other financing sources . . . . .	<u>92,659</u>	<u>316,671</u>	<u>373,495</u>	<u>56,824</u>
Net change in fund balance . . . . .	-	96,778	(13,349)	(110,127)
<b>Fund balance (deficit) at beginning of year . . . . .</b>	(92,659)	(92,659)	(92,659)	-
<b>Prior year encumbrances appropriated . . . . .</b>	92,659	92,659	92,659	-
<b>Fund balance (deficit) at end of year . . . . .</b>	<u>\$ -</u>	<u>\$ 96,778</u>	<u>\$ (13,349)</u>	<u>\$ (110,127)</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
UNIFORM SCHOOL SUPPLIES  
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>		
<b>Revenues:</b>				
From local sources:				
Charges for services . . . . .	\$ 134,300	\$ 134,300	\$ 130,289	\$ (4,011)
Total revenues . . . . .	<u>134,300</u>	<u>134,300</u>	<u>130,289</u>	<u>(4,011)</u>
<b>Expenditures:</b>				
Current:				
Regular instruction				
Supplies and materials . . . . .	94,716	101,847	96,687	5,160
Total regular instruction. . . . .	<u>94,716</u>	<u>101,847</u>	<u>96,687</u>	<u>5,160</u>
Operation of non-instructional services				
Supplies and materials . . . . .	58,596	65,376	61,393	3,983
Total operation of non-instructional services . . . . .	<u>58,596</u>	<u>65,376</u>	<u>61,393</u>	<u>3,983</u>
Total expenditures . . . . .	<u>153,312</u>	<u>167,223</u>	<u>158,080</u>	<u>9,143</u>
Excess of revenues over (under) expenditures . . . . .	<u>(19,012)</u>	<u>(32,923)</u>	<u>(27,791)</u>	<u>5,132</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	-	-	4,716	4,716
Advances in. . . . .	-	-	788	788
Total other financing sources . . . . .	<u>-</u>	<u>-</u>	<u>5,504</u>	<u>5,504</u>
Net change in fund balance . . . . .	(19,012)	(32,923)	(22,287)	10,636
<b>Fund balance at beginning of year . . . . .</b>	21,714	21,714	21,714	-
<b>Prior year encumbrances appropriated . . . . .</b>	3,431	3,431	3,431	-
<b>Fund balance (deficit) at end of year . . . . .</b>	<u>\$ 6,133</u>	<u>\$ (7,778)</u>	<u>\$ 2,858</u>	<u>\$ 10,636</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
NATATORIUM  
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>		
<b>Revenues:</b>				
From local sources:				
Other revenue . . . . .	\$ 35,000	\$ 35,000	\$ 32,110	\$ (2,890)
Total revenues . . . . .	<u>35,000</u>	<u>35,000</u>	<u>32,110</u>	<u>(2,890)</u>
<b>Expenditures:</b>				
Current:				
Operation of non-instructional services				
Salaries and wages . . . . .	27,400	27,400	25,795	1,605
Fringe benefits . . . . .	4,853	4,853	3,761	1,092
Supplies and materials . . . . .	2,747	2,747	1,197	1,550
Total operation of non-instructional services . . . . .	<u>35,000</u>	<u>35,000</u>	<u>30,753</u>	<u>4,247</u>
Total expenditures . . . . .	<u>35,000</u>	<u>35,000</u>	<u>30,753</u>	<u>4,247</u>
Net change in fund balance . . . . .	-	-	1,357	1,357
<b>Fund balance at beginning of year . . . . .</b>	19,140	19,140	19,140	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 19,140</u>	<u>\$ 19,140</u>	<u>\$ 20,497</u>	<u>\$ 1,357</u>



**SYLVANIA CITY SCHOOL DISTRICT  
COMBINING STATEMENTS - NONMAJOR FUNDS**

**Nonmajor Capital Projects Funds**

The capital projects funds account 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 projects funds follows:

**Permanent Improvement**

Section 5705.10, Revised Code

This fund is provided to account for all transactions related to the acquisition or construction of such permanent improvements as are authorized by Chapter 5705 of the Revised Code.

**Building Fund**

Section 5705.09, Revised Code

This fund accounts for the receipts and expenditures related to all special bond funds in the District and to account for receipts and expenditures involved in the replacement or updating of equipment essential for the instruction of students in job skills. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities, including real property.

**Vocational Education Equipment**

Current Budget Bill appropriation line item 200-526

This fund is provided to account for receipts and expenditures incurred in the replacement or updating of equipment essential for the instruction of students in job skills.

**SchoolNet Plus**

Section 5705.09, Revised Code

This fund accounts for State grants to provide classroom wiring, which will support the transmission of voice, video and data; and to provide a computer workstation and related technology for every classroom in low-wealth school districts.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2005

	<u>Permanent Improvement</u>	<u>Vocational Education Equipment</u>	<u>Total Nonmajor Capital Projects</u>
<b>Assets:</b>			
Equity in pooled cash and investments . . . . .	\$ 427,622	\$ 49,051	\$ 476,673
Receivables:			
Taxes . . . . .	381,989	-	381,989
Total assets. . . . .	<u>\$ 809,611</u>	<u>\$ 49,051</u>	<u>\$ 858,662</u>
<b>Liabilities:</b>			
Contracts payable. . . . .	\$ 60,165	\$ -	\$ 60,165
Intergovernmental payable . . . . .	283	-	283
Deferred revenue. . . . .	367,603	-	367,603
Total liabilities. . . . .	<u>428,051</u>	<u>-</u>	<u>428,051</u>
<b>Fund balances:</b>			
Reserved for encumbrances. . . . .	362,668	-	362,668
Reserved for property tax unavailable for appropriation. . . . .	7,469	-	7,469
Unreserved-undesignated . . . . .	11,423	49,051	60,474
Total fund balances . . . . .	<u>381,560</u>	<u>49,051</u>	<u>430,611</u>
Total liabilities and fund balances. . . . .	<u>\$ 809,611</u>	<u>\$ 49,051</u>	<u>\$ 858,662</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

	<b>Permanent Improvement</b>	<b>Vocational Education Equipment</b>	<b>SchoolNet Plus</b>	<b>Total Nonmajor Capital Projects</b>
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ 355,546	\$ -	\$ -	\$ 355,546
Intergovernmental - state . . . . .	46,519	-	67,200	113,719
Total revenue. . . . .	402,065	-	67,200	469,265
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular. . . . .	-	-	67,200	67,200
Support services:				
Fiscal. . . . .	6,710	-	-	6,710
Operations and maintenance . . . . .	220,293	-	-	220,293
Extracurricular activities . . . . .	60,165	-	-	60,165
Facilities acquisition and construction . . . . .	16,890	-	-	16,890
Total expenditures . . . . .	304,058	-	67,200	371,258
Net change in fund balances. . . . .	98,007	-	-	98,007
<b>Fund balances at beginning of year . . . . .</b>	283,553	49,051	-	332,604
<b>Fund balances at end of year . . . . .</b>	<b>\$ 381,560</b>	<b>\$ 49,051</b>	<b>\$ -</b>	<b>\$ 430,611</b>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS 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>		
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ 353,646	\$ 353,646	\$ 350,278	\$ (3,368)
Intergovernmental-state . . . . .	45,204	45,204	46,519	1,315
Total revenues . . . . .	<u>398,850</u>	<u>398,850</u>	<u>396,797</u>	<u>(2,053)</u>
<b>Expenditures:</b>				
Current:				
Support services-fiscal				
Other . . . . .	2,988	6,676	6,676	-
Total support services-fiscal. . . . .	<u>2,988</u>	<u>6,676</u>	<u>6,676</u>	<u>-</u>
Support services-operations & maintenance				
Purchased services . . . . .	-	32,182	29,423	2,759
Capital outlay . . . . .	49,948	420,109	385,503	34,606
Total support services-operations & maintenance . . . . .	<u>49,948</u>	<u>452,291</u>	<u>414,926</u>	<u>37,365</u>
Support services-pupil transportation				
Capital outlay . . . . .	13,161	110,700	110,700	-
Total support services-pupil transportation . . . . .	<u>13,161</u>	<u>110,700</u>	<u>110,700</u>	<u>-</u>
Extracurricular activities				
Capital outlay . . . . .	13,970	117,500	117,500	-
Total extracurricular activities. . . . .	<u>13,970</u>	<u>117,500</u>	<u>117,500</u>	<u>-</u>
Facilities acquisition & construction				
Purchased services . . . . .	-	730	730	-
Capital outlay . . . . .	1,921	16,160	16,160	-
Total facilities acquisition & construction. . . . .	<u>1,921</u>	<u>16,890</u>	<u>16,890</u>	<u>-</u>
Total expenditures . . . . .	<u>81,988</u>	<u>704,057</u>	<u>666,692</u>	<u>37,365</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	316,862	(305,207)	(269,895)	35,312
<b>Other financing sources:</b>				
Transfers in . . . . .	-	6,923	6,923	-
Transfers out . . . . .	-	(6,923)	(6,923)	-
Total other financing sources . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance . . . . .	316,862	(305,207)	(269,895)	35,312
<b>Fund balance at beginning of year . . . . .</b>	<b>87,895</b>	<b>87,895</b>	<b>87,895</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>186,789</b>	<b>186,789</b>	<b>186,789</b>	<b>-</b>
<b>Fund balance (deficit) at end of year . . . . .</b>	<b><u>\$ 591,546</u></b>	<b><u>\$ (30,523)</u></b>	<b><u>\$ 4,789</u></b>	<b><u>\$ 35,312</u></b>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
VOCATIONAL EDUCATION EQUIPMENT  
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>		
<b>Fund balance at beginning of year . . . . .</b>	\$ 49,051	\$ 49,051	\$ 49,051	\$ -
<b>Fund balance at end of year. . . . .</b>	<u>\$ 49,051</u>	<u>\$ 49,051</u>	<u>\$ 49,051</u>	<u>\$ -</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SCHOOLNET PLUS  
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>		
<b>Revenues:</b>				
Intergovernmental-state . . . . .	\$ 67,200	\$ 67,200	\$ 67,200	\$ -
Total revenues . . . . .	<u>67,200</u>	<u>67,200</u>	<u>67,200</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular				
Supplies and materials . . . . .	-	67,200	67,200	-
Total instruction-regular. . . . .	<u>-</u>	<u>67,200</u>	<u>67,200</u>	<u>-</u>
Total expenditures . . . . .	<u>-</u>	<u>67,200</u>	<u>67,200</u>	<u>-</u>
Net change in fund balance. . . . .	67,200	-	-	-
<b>Fund balance at beginning of year . . . . .</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 67,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SYLVANIA CITY SCHOOL DISTRICT  
COMBINING STATEMENTS - INTERNAL SERVICE FUNDS**

**Internal Service Fund**

A fund category used to account for the financing of goods or services provided by one department or agency of the District to other departments or agencies on a cost-reimbursement basis. Charges are intended only to recoup the total cost of such services.

**Employee Benefits Self-Insurance**

Section 5705.09, Revised Code

This fund is provided to account for monies received from other funds as payment for providing dental benefits. The Self-Insured Dental fund may make payments for services provided to employees, for reimbursement to employees who have paid providers, to third party administrators for claims payment or administration, for stop-loss coverage, or for any other reinsurance or other similar purposes. The self-insurance was terminated effective December 31, 2003.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
EMPLOYEE BENEFITS SELF-INSURANCE  
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>		
<b>Operating revenues:</b>				
Sales/charges for services . . . . .	\$ -	\$ -	\$ -	\$ -
Total operating revenues . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Operating expenses:</b>				
Claims expense, purchased service, and other . . . . .	4,000	4,000	-	4,000
Total operating expenses . . . . .	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
Net income (loss) before transfers. . . . .	(4,000)	(4,000)	-	4,000
Transfers out . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss) . . . . .	(4,000)	(4,000)	-	4,000
<b>Fund equity at beginning of year . . . . .</b>	14,627	14,627	14,627	-
<b>Fund equity at end of year. . . . .</b>	<u>\$ 10,627</u>	<u>\$ 10,627</u>	<u>\$ 14,627</u>	<u>\$ 4,000</u>



**SYLVANIA CITY SCHOOL DISTRICT**  
**COMBINING STATEMENTS - FIDUCIARY FUNDS**

***FIDUCIARY FUNDS***

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

***PRIVATE-PURPOSE TRUST FUND***

***Scholarship Fund***

This fund accounts for monies to be set aside for college scholarships for students enrolled in the School District. The income from such a fund may be expended, but the principal must remain intact.

***AGENCY FUND***

***Student Managed Activities Fund***

This fund accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
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>		
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 190	\$ 190	\$ 360	\$ 170
Gifts and contributions . . . . .	1,200	2,200	4,000	1,800
Total revenues . . . . .	<u>1,390</u>	<u>2,390</u>	<u>4,360</u>	<u>1,970</u>
<b>Expenditures:</b>				
Current:				
Support services-pupil				
Scholarships awarded . . . . .	20	20	-	20
Total support services-pupil . . . . .	<u>20</u>	<u>20</u>	<u>-</u>	<u>20</u>
Extracurricular activities				
Scholarships awarded . . . . .	3,500	4,500	2,500	2,000
Total extracurricular activities . . . . .	<u>3,500</u>	<u>4,500</u>	<u>2,500</u>	<u>2,000</u>
Total expenditures . . . . .	<u>3,520</u>	<u>4,520</u>	<u>2,500</u>	<u>2,020</u>
Net change in fund balance . . . . .	(2,130)	(2,130)	1,860	3,990
<b>Fund balance at beginning of year . . . . .</b>	<u>15,583</u>	<u>15,583</u>	<u>15,583</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 13,453</u>	<u>\$ 13,453</u>	<u>\$ 17,443</u>	<u>\$ 3,990</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>Beginning Balance July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2005</u>
<b>Student Managed Activities</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ <u>129,519</u>	\$ <u>168,031</u>	\$ <u>145,896</u>	\$ <u>151,654</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ -	\$ 1,800	\$ -	\$ 1,800
Due to students . . . . .	<u>129,519</u>	<u>166,231</u>	<u>145,896</u>	<u>149,854</u>
Total liabilities. . . . .	<u>\$ 129,519</u>	<u>\$ 168,031</u>	<u>\$ 145,896</u>	<u>\$ 151,654</u>

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## STATISTICAL SECTION

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

GENERAL FUND EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS

**AMOUNT**

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Expenditures:				
Instruction . . . . .	\$ 26,332,624	\$ 26,119,689	\$ 28,691,403	\$ 30,373,223
Supporting Services . . . . .	15,316,057	15,448,281	18,896,700	18,684,466
Operation of non-instructional . . . . .	-	-	14,018	15,136
Extracurricular Activities . . . . .	728,380	709,810	745,128	679,801
Facilities Acquisition . . . . .	368,128	38,555	296,524	366,874
Capital Outlay . . . . .	-	-	-	-
Debt Service . . . . .	13,283	-	-	-
Total Expenditures . . . . .	<u>\$ 42,758,472</u>	<u>\$ 42,316,335</u>	<u>\$ 48,643,773</u>	<u>\$ 50,119,500</u>

**Percent of Total**

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Expenditures:				
Instruction . . . . .	61.58%	61.72%	58.98%	60.60%
Supporting Services . . . . .	35.82%	36.51%	38.85%	37.28%
Operation of non-instructional . . . . .	0.00%	0.00%	0.03%	0.03%
Extracurricular Activities . . . . .	1.70%	1.68%	1.53%	1.36%
Facilities Acquisition . . . . .	0.86%	0.09%	0.61%	0.73%
Capital Outlay . . . . .	0.00%	0.00%	0.00%	0.00%
Debt Service . . . . .	0.03%	0.00%	0.00%	0.00%
Total Expenditures . . . . .	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Sylvania City School District records

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$ 31,178,574	\$ 33,630,995	\$ 35,473,399	\$ 36,900,101	\$ 39,393,160	\$ 37,686,699
20,066,054	21,818,955	24,752,178	24,912,315	26,500,396	25,339,574
31,200	29,185	7,441	75,690	70,564	67,001
853,050	922,782	1,120,163	1,147,871	1,125,913	1,171,850
10,019	43,788	175,911	512,303	158,217	13,850
-	523,172	336,621	-	83,501	-
-	173,452	240,452	323,879	154,146	118,306
<u>\$ 52,138,897</u>	<u>\$ 57,142,329</u>	<u>\$ 62,106,165</u>	<u>\$ 63,872,159</u>	<u>\$ 67,485,897</u>	<u>\$ 64,397,280</u>

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
59.79%	58.86%	57.12%	57.77%	58.37%	58.52%
38.49%	38.18%	39.85%	39.00%	39.27%	39.35%
0.06%	0.05%	0.01%	0.12%	0.11%	0.11%
1.64%	1.61%	1.80%	1.80%	1.67%	1.82%
0.02%	0.08%	0.28%	0.80%	0.23%	0.02%
0.00%	0.92%	0.54%	0.00%	0.12%	0.00%
0.00%	0.30%	0.39%	0.51%	0.23%	0.18%
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

GENERAL FUND REVENUES BY SOURCE  
LAST TEN FISCAL YEARS

**AMOUNT**

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Revenues:				
Taxes . . . . .	\$ 28,453,613	\$ 31,478,758	\$ 32,873,760	\$ 33,634,433
Tuition . . . . .	144,646	92,127	88,925	15,572
Transportation Fees. . . . .	13,546	833	-	-
Earnings on Investments . . . . .	689,203	837,731	1,085,907	1,061,735
Other Local Revenues . . . . .	214,206	207,385	274,416	186,210
State Sources. . . . .	12,762,238	13,251,345	14,750,111	16,029,260
Miscellaneous Receipts . . . . .	117,090	76,811	297,735	-
Total Revenues . . . . .	<u>\$ 42,394,542</u>	<u>\$ 45,944,990</u>	<u>\$ 49,370,854</u>	<u>\$ 50,927,210</u>

**Percent of Total**

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Revenues:				
Taxes . . . . .	67.12%	68.51%	66.59%	66.04%
Tuition . . . . .	0.34%	0.20%	0.18%	0.03%
Transportation Fees. . . . .	0.03%	0.00%	0.00%	0.00%
Earnings on Investments . . . . .	1.63%	1.82%	2.20%	2.08%
Other Local Revenues . . . . .	0.51%	0.45%	0.56%	0.37%
State Sources. . . . .	30.09%	28.85%	29.88%	31.48%
Miscellaneous Receipts . . . . .	0.28%	0.17%	0.59%	0.00%
Total Revenues . . . . .	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Sylvania City School District records



<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$ 33,116,319	\$ 33,983,502	\$ 35,746,978	\$ 38,769,114	\$ 42,118,626	\$ 46,842,012
270,226	137,519	244,887	171,238	589,951	566,466
-	-	-	-	36,255	23,464
1,154,845	1,311,662	712,292	285,794	131,407	263,790
483,032	558,622	317,837	642,888	581,313	588,807
17,547,708	19,046,762	21,198,660	20,661,112	20,992,029	20,868,145
-	-	-	-	-	-
<u>\$ 52,572,130</u>	<u>\$ 55,038,067</u>	<u>\$ 58,220,654</u>	<u>\$ 60,530,146</u>	<u>\$ 64,449,581</u>	<u>\$ 69,152,684</u>

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
62.98%	61.74%	61.40%	64.05%	65.35%	67.74%
0.51%	0.25%	0.42%	0.28%	0.92%	0.82%
0.00%	0.00%	0.00%	0.00%	0.06%	0.03%
2.20%	2.38%	1.22%	0.47%	0.20%	0.38%
0.92%	1.01%	0.55%	1.06%	0.90%	0.85%
33.39%	34.62%	36.41%	34.14%	32.57%	30.18%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY REAL PROPERTY TAXES (1)  
LAST TEN COLLECTION YEARS

<u>Year (2)</u>	<u>Current Taxes Levied</u>	<u>Delinquent Levy (3)</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collection as a Percent of Total Levy</u>
2004	\$ 47,140,000	\$ 1,941,114	\$ 49,081,114	\$ 45,723,493	97.00%	\$ 1,275,507	\$ 46,999,000	95.76%
2003	44,158,560	1,839,940	45,998,500	43,986,116	99.61%	1,249,279	45,235,395	98.34%
2002	42,694,080	1,787,368	44,481,448	41,792,500	97.89%	1,905,500	43,698,000	98.24%
2001	42,092,409	1,546,087	43,638,496	41,953,504	99.67%	908,227	42,861,731	98.22%
2000	40,492,936	1,548,288	42,041,224	40,415,959	99.81%	961,017	41,376,976	98.42%
1999	40,281,973	1,605,384	41,887,357	40,003,676	99.31%	1,194,755	41,198,431	98.36%
1998	39,596,500	1,544,851	41,141,351	39,349,130	99.38%	1,226,123	40,575,253	98.62%
1997	39,608,000	1,775,022	41,383,022	39,402,767	99.48%	865,857	40,268,624	97.31%
1996	35,014,348	1,610,467	36,624,815	34,885,127	99.63%	913,790	35,798,917	97.74%
1995	33,158,756	2,012,053	35,170,809	32,440,741	97.83%	975,564	33,416,305	95.01%

Source: Lucas County Auditor - Data is presented on a calendar year basis because the tax levy year and the tax collection year are on a calendar year basis.

(1) Includes state-mandated tax-reduction amounts, which are subsequently reimbursed to the District by the State, and reported as Intergovernmental revenue.

(2) Represents the collection year. 2005 information cannot be presented because all collections have not been made as of the District's June 30 fiscal year end.

(3) This amount cannot be calculated from other data in this table because of retroactive additions and deletions.

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**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

Tax Collection Year	Real Property		General Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2005	\$ 1,375,684,760	\$ 3,930,528,000	\$ 72,340,373	\$ 314,523,361
2004	1,338,151,170	3,823,288,000	72,148,998	300,620,825
2003	1,202,054,210	3,434,440,600	74,089,218	296,356,872
2002	1,165,494,720	3,329,984,914	79,150,281	316,601,124
2001	1,140,109,230	3,257,454,943	66,451,695	265,806,780
2000	949,793,290	2,713,695,114	68,362,885	273,451,540
1999	919,948,910	2,628,425,457	64,828,270	259,313,080
1998	894,618,520	2,556,052,914	62,422,222	249,688,888
1997	796,725,120	2,276,357,486	59,103,325	236,413,300
1996	775,810,600	2,216,601,714	52,379,664	209,518,656

Source: Lucas County Auditor - The data is presented on a calendar year basis because the tax levy year and the tax collection year are on a calendar year basis.

Public Utility Personal Property		Totals		Assessed Value As a Percent of Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$ 21,483,670	\$ 85,934,680	\$ 1,469,508,803	\$ 4,330,986,041	33.93%
21,737,770	86,951,080	1,432,037,938	4,210,859,905	34.01%
23,003,090	92,012,360	1,299,146,518	3,822,809,832	33.98%
22,909,220	91,636,880	1,267,554,221	3,738,222,918	33.91%
33,826,890	38,439,648	1,240,387,815	3,561,701,371	34.83%
34,977,260	39,746,886	1,053,133,435	3,026,893,540	34.79%
39,733,456	45,151,655	1,024,510,636	2,932,890,192	34.93%
38,107,550	43,304,034	995,148,292	2,849,045,836	34.93%
40,825,650	46,392,784	896,654,095	2,559,163,570	35.04%
40,885,020	46,460,250	869,075,284	2,472,580,620	35.15%

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

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

Government	1996	1997	1998	1999
Direct:				
Sylvania City School District	\$ 63.90	\$ 68.20	\$ 66.30	\$ 66.30
Overlapping:				
Townships:				
Sylvania	16.40	16.40	16.40	16.40
Municipalities:				
City of Sylvania (includes Recreation District and Park District)	6.25	6.25	6.25	6.45
City of Toledo (includes Recreation District and Park District)	4.40	4.40	4.40	4.40
Lucas County	17.20	17.35	17.35	17.75
TARTA (A)	2.50	2.50	2.50	2.50

(A) Toledo Area Regional Transit Authority

Source: Lucas County Auditor

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
\$	65.70	\$ 65.20	\$ 65.20	\$ 70.10	\$ 70.00	\$ 74.90
	16.40	16.72	18.42	17.72	17.72	17.72
	6.40	6.40	6.30	6.25	6.95	6.96
	4.40	5.70	5.60	4.40	5.85	5.85
	17.95	17.80	17.45	18.30	18.30	18.00
	2.50	2.50	2.50	2.50	2.50	2.50

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE  
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA**

LAST TEN FISCAL YEARS

<u>Collection Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value</u>	<u>Population (2)</u>	<u>Ratio of Net General Obligation Bonded Debt to Assessed Value</u>	<u>Net General Obligation Bonded Debt Per Capita</u>
2005	\$ 31,688,520	\$ 1,469,508,803	48,523	2.16%	653
2004	32,328,680	1,432,037,938	48,523	2.26%	666
2003	32,527,468	1,299,146,518	48,523	2.50%	670
2002	33,605,279	1,267,554,221	48,523	2.65%	693
2001	27,149,406	1,240,387,815	47,328	2.19%	574
2000	20,616,981	1,053,133,435	39,983	1.96%	516
1999	22,714,937	1,024,510,636	39,983	2.22%	568
1998	24,946,397	995,148,292	39,983	2.51%	624
1997	25,296,175	896,654,095	39,983	2.82%	633
1996	27,047,847	869,075,284	39,983	3.11%	676

Source: Lucas County Auditor and School District Financial Records

(1) General obligation bonded debt less available debt service fund balance.

(2) Years 1995-2000 from U.S. Census Bureau, 1990; Years 2001-2004 from U.S. Census Bureau, 2000



**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2005

	Total Voted Debt Limit (1)	Total Unvoted Debt Limit (2)
Assessed Valuation Collection Year 2005	\$ 1,469,508,803	\$ 1,469,508,803
Debt Limitation	132,255,792	1,469,509
Outstanding Debt:		
General Obligation Bonds	32,897,812	32,897,812
Total Outstanding Debt	32,897,812	32,897,812
Exemptions:		
General Obligation Bonds	-	(32,897,812)
Total Exemptions	-	(32,897,812)
Less: Amount available in Debt Service fund	(1,209,292)	-
Net Debt Subject to Limitation	31,688,520	-
Total Legal Debt Margin (Debt Limitation Minus Net Debt Subject to Limitation)	\$ 100,567,272	\$ 1,469,509

Source: Sylvania City School District records

- (1) The legal voted debt margin for school districts in Ohio is 9% of the assessed valuation.
- (2) The legal unvoted debt margin for school districts in Ohio is 1/10 of 1% of the assessed valuation.  
The District has no unvoted debt subject to the legal debt margin.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

VARIOUS SCHOOL DISTRICT OVERLAPPING  
GENERAL OBLIGATION BONDED DEBT  
ALLOCATIONS (PRINCIPAL AMOUNT)  
DECEMBER 31, 2004

	Amount	Per Capita (b)	% of District's Current (2004) Assessed Valuation
District Non Exempt Debt General Obligation Debt (a)	\$ 32,897,812	\$ 678	2.30%
Total District General Obligation Debt (exempt and non exempt)	32,897,812	678	2.30%
Highest Total Overlapping General Obligation Debt (c)	56,753,878	1,170	3.96%

(a) Total General Obligation Debt, less exempt debt.

(b) Based on the 2005 population of 48,523.

(c) Includes, in addition to "Total District General Obligation Debt", allocations of total General Obligation Debt of overlapping subdivisions, resulting in the calculation of highest total overlapping debt based on percent of assessed valuation of territory of the subdivisions located within the District (% figures are resulting percent of total debt of subdivisions allocated to the District in this manner), as follows:

	Percent Applicable to School District
County	16.83%
City of Sylvania	100.00%
Sylvania Area Joint Recreation District	100.00%

Allocation of General Obligation debt of the remaining overlapping subdivisions as follows:

City of Toledo	2.85%
Ottawa Hills Village	1.37%

Source of assessed valuation and General Obligation debt figures for overlapping subdivisions: Lucas County Auditor

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT  
TO TOTAL GENERAL FUND EXPENDITURES

LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Debt Service Expenditures As a Percent of General Fund Expenditures
2005	\$ 2,061,793	\$ 1,307,871	\$ 3,369,664	\$ 64,397,280	5.23%
2004	1,998,170	1,333,788	3,331,958	67,485,897	4.94%
2003	1,655,422	1,401,635	3,057,057	63,872,159	4.79%
2002	15,735,000	1,123,013	16,858,013	62,106,165	27.14%
2001	2,055,000	1,149,559	3,204,559	57,142,329	5.61%
2000	2,510,000	1,173,666	3,683,666	52,138,897	7.07%
1999	2,200,000	1,306,183	3,506,183	50,119,500	7.00%
1998	2,105,000	1,389,848	3,494,848	48,646,773	7.18%
1997	1,740,000	1,533,378	3,273,378	42,316,335	7.74%
1996	950,000	1,257,346	2,207,346	42,758,472	5.16%

Source: Sylvania City School District records

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

**DEMOGRAPHIC STATISTICS  
LAST TEN CALENDAR YEARS**

<u>Calendar Year</u>	<u>Population (A)</u>	<u>School Enrollment (C)</u>	<u>Unemployment Rate (B)</u>	<u>Average Income (D)</u>	<u>Property Valuation Per Pupil (E)</u>
2005	48,523	7,908	6.20%	\$ 68,646	\$ 181,087
2004	48,523	8,004	6.20%	67,685	162,312
2003	48,523	7,545	5.40%	71,625	167,999
2002	48,523	7,569	5.30%	71,625	163,877
2001	47,328	7,908	5.50%	71,630	133,173
2000	39,983	7,991	4.26%	69,883	128,208
1999	39,983	8,020	4.84%	68,179	127,744
1998	39,983	7,904	6.00%	66,516	125,904
1997	39,983	7,754	5.90%	64,877	115,638
1996	39,983	7,737	n/a	59,520	112,327

(A) Years 1995-2000 from U.S. Bureau of Census, 1990; Years 2001-2004 from U.S. Bureau of Census, 2000.

(B) Ohio Department of Labor (n/a - not available).

(C) Sylvania City School District records.

(D) Ohio Department of Taxation (per household).

(E) Prior year's property valuation divided by current year's school enrollment equals valuation per pupil.

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

PROPERTY VALUES, CONSTRUCTION ACTIVITY, AND BANK DEPOSITS  
LAST TEN CALENDAR YEARS

Year	Assessed Valuation (1)	City of Sylvania Building Permits (2)		Sylvania Township Building Permits (3)		Total Building Permits		Bank Deposits (4)
		Number	Value	Number	Value	Number	Total	
2004	\$ 1,432,037,938	18	\$ 5,005,008	780	\$ 10,494,482	798	\$ 15,499,490	\$ 184,607
2003	1,299,146,518	153	10,823,000	739	85,601,958	892	96,424,958	139,299
2002	1,267,554,221	607	19,371,167	571	67,801,258	1,178	87,172,425	167,588
2001	1,240,387,815	171	15,806,116	685	85,714,643	856	101,520,759	785,707
2000	1,053,133,435	120	6,776,289	723	85,107,015	843	91,883,304	2,413,149
1999	1,024,510,636	170	8,866,541	728	78,417,431	898	87,283,972	6,340,350
1998	995,148,292	168	7,658,159	766	82,915,854	934	90,574,013	5,302,858
1997	896,654,095	252	13,239,808	738	64,035,780	990	77,275,588	3,037,031
1996	869,075,284	229	13,885,002	674	58,221,000	903	72,106,002	3,810,869
1995	853,624,228	245	17,756,530	620	48,230,894	865	65,987,424	3,675,524

(1) Lucas County Auditor

(2) Source: City of Sylvania

(3) Source: Sylvania Township

(4) Source: Lucas County Auditor, Comprehensive Annual Financial Report (dollar amounts in \$000s)

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

PRINCIPAL TAXPAYERS  
2004 TAX YEAR

Taxpayer	REAL PROPERTY		
	Assessed Valuation	% of Real Valuation	% of Total Valuation
Reynolds Road Fitness Center	\$ 6,296,990	0.46%	0.43%
Niasher Ogdensburg Association	6,196,920	0.45%	0.42%
Kingston Residence of Sylvania	4,681,090	0.34%	0.32%
National Amusements	4,326,750	0.31%	0.29%
HK New Plan Exchange Property Oowner II	4,000,200	0.29%	0.27%
Harvey Tolson	3,983,130	0.29%	0.27%
Meijer Properties, Incorporated	3,759,280	0.27%	0.26%
Schwerkoske Family Partnership	3,527,620	0.26%	0.24%
Sylvania Apartments	3,232,850	0.23%	0.22%
Houck Properties	2,897,220	0.21%	0.20%
Total	<u>\$ 42,902,050</u>	<u>3.11%</u>	<u>2.92%</u>
Total Real Property Assessed Valuation	<u>\$ 1,375,684,760</u>		
Total Assessed Valuation	<u>\$ 1,469,508,803</u>		

Taxpayer	PERSONAL PROPERTY		
	Assessed Valuation	% of Personal Valuation	% of Total Valuation
Yark Oldsmobile Incorporated	\$ 4,893,520	6.76%	0.33%
Vin Devers Incorporated	3,505,310	4.85%	0.24%
Brown Motor Sales Company Incorporated	2,797,450	3.87%	0.19%
Dave White Chevrolet	2,629,900	3.64%	0.18%
Kistler Ford Incorporated	2,178,180	3.01%	0.15%
George P. Ballas Buick GMC	1,917,980	2.65%	0.13%
Meijer Stores Limited Partnership	1,890,160	2.61%	0.13%
Block Communications Inc	1,812,340	2.51%	0.12%
Hansen Aggregates Incorporated	1,606,310	2.22%	0.11%
Franklin Park Lincoln	1,399,660	1.93%	0.10%
Total	<u>\$ 24,630,810</u>	<u>34.05%</u>	<u>1.68%</u>
Total General Personal Property Assessed Valuation	<u>\$ 72,340,373</u>		
Total Assessed Valuation	<u>\$ 1,469,508,803</u>		

Source: Lucas County Auditor

**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

MISCELLANEOUS STATISTICAL DATA

Ohio Department of Education  
Education Management Information System  
District Profile - Fiscal Year 2005

**Part I. HIGHLIGHTS**

	<u>District</u>	<u>Similar Districts</u>	<u>State</u>
Student Attendance Rate	95.9	95.7	94.3
Graduation Rate	95.0	95.0	85.9

**Part II. STUDENT OUTCOMES**

		<u>District</u>	<u>Similar Districts</u>	<u>State</u>
3rd Grade Proficiency:	Reading	88.4	88.9	77.3
	Mathematics	80.8	84.4	70.4
4th Grade Proficiency:	Citizenship	77.1	81.6	66.0
	Math	71.0	79.6	65.5
	Reading	87.8	89.1	76.6
	Writing	85.6	92.2	78.1
	Science	71.4	75.4	61.2
6th Grade Proficiency:	Citizenship	89.5	87.9	72.7
	Math	80.3	80.6	62.5
	Reading	80.2	82.7	69.8
	Writing	91.9	92.2	83.5
	Science	81.9	83.3	66.9
9th Grade Proficiency: (10th Graders)	Citizenship	93.0	91.5	79.3
	Math	91.2	92.3	81.6
	Reading	98.1	97.0	92.0
	Writing	94.8	92.4	83.7
	Science	90.2	88.5	73.0

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**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

MISCELLANEOUS STATISTICAL DATA (CONTINUED)

Ohio Department of Education  
Education Management Information System  
District Profile - Fiscal Year 2005

**Part III. STUDENT DEMOGRAPHICS**

Racial Ethnic Data	
Student Enrollment	7,908
African American	3.2%
Asian/Pacific Islander	3.5%
Hispanic	1.8%
Multi-racial	2.3%
White	<u>89.2%</u>
	<u>100%</u>
Economically Disadvantaged	8.1%
Limited English Proficient	0.8%
Students with Disabilities	13.3%

**Part IV. STAFF DEMOGRAPHICS**

	<u>District</u>	
Total Number of Teachers	447.9	
African American	0.6%	
White	99.4%	
Qualifications		
	<u>District</u>	<u>State</u>
Courses Taught by Highly Qualified Teachers	98.4%	92.5%
Courses Taught by Properly Certified/Licensed Teachers	100.0%	98.4%
Courses Taught by Teachers with Temporary, Conditional Certification/Licensure	0.4%	1.0%
Average Years of Teaching Experience	15	13

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**SYLVANIA CITY SCHOOL DISTRICT  
LUCAS COUNTY, OHIO**

MISCELLANEOUS STATISTICAL DATA (CONTINUED)

Ohio Department of Education  
Education Management Information System  
District Profile - Fiscal Year 2005

**Part V. COSTS**

	District	Percent
Instructional Services Costs Provided by the District per Student		
Regular Instruction	\$ 4,826	53.7%
<hr/>		
	District	Percent
2. Support Services Costs per Pupil		
Administration	\$ 1,038	11.6%
Operations	\$ 1,890	21.0%
Staff Support	\$ 106	1.2%
Pupil Support	\$ 1,120	12.5%

**Part VI. EXPENDITURES AS A PERCENTAGE OF TOTAL OPERATING EXPENSES - General Fund Only**

	District
Salary	62.6%
Fringes	23.0%
Purchased Services	9.0%
Supplies and Materials	2.8%
Capital Outlay	0.1%
Other Expenses	2.5%
	100%

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**SYLVANIA CITY SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CASH BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2005**

<u>Federal Grantor/Pass - Through Grantor Program Titles</u>	<u>Project Number</u>	<u>CFDA Number</u>	<u>Grant Receipts</u>	<u>Grant Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass through Ohio Department of Education:				
<u>Child Nutrition Cluster</u>				
Food Distribution Program		10.550	\$ <u>53,632</u>	\$ <u>53,632</u>
National School Breakfast Program	4487505-PU04	10.553	2,609	2,609
	4487505-PU05		<u>8,274</u>	<u>8,274</u>
Total National School Breakfast Program			<u>10,883</u>	<u>10,883</u>
National School Lunch Program	44875LL-P404	10.555	53,660	53,660
	44875LL-P405		<u>145,410</u>	<u>145,410</u>
Total National School Lunch Program			<u>199,070</u>	<u>199,070</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>263,585</u>	<u>263,585</u>
 <u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass through Ohio Department of Education:				
Adult Education - State Grant Program	44875AB-S104	84.002	-0-	367
	44875AB-S104-C		8,808	8,808
	44875AB-S105		45,461	45,461
	44875AB-S204		4,447	4,447
	44875AB-S205		<u>34,614</u>	<u>31,924</u>
Total Adult Education			<u>93,330</u>	<u>91,007</u>
<u>Special Education Cluster</u>				
Special Education Grants to States:				
IDEA - Part B	448756B-SF04P	84.027	110,633	140,815
	448756B-SF05P		<u>1,418,762</u>	<u>1,397,275</u>
Total IDEA - Part B			<u>1,529,395</u>	<u>1,538,090</u>
Special Education Preschool Grant	44875PG-S105	84.173	<u>45,681</u>	<u>45,681</u>
Total Special Education Cluster			<u>1,575,076</u>	<u>1,583,771</u>
Vocational Education - Basic Grants to States	4487520-C104	84.048	-0-	7,914
	4487520-C105		<u>64,619</u>	<u>64,139</u>
Total Vocational Education - Basic Grants to States			<u>64,619</u>	<u>72,053</u>
Grants to Local Educational Agencies:				
Title I	44875C1-S1-04	84.010	35,992	46,316
	44875C1-S1-05		<u>281,968</u>	<u>281,431</u>
Total Title I			<u>317,960</u>	<u>327,747</u>
Drug Free Schools Grant	44875DR-S104	84.186	-0-	3,876
	44875DR-S105		<u>20,485</u>	<u>20,483</u>
Total Drug Free Schools Grant			<u>20,485</u>	<u>24,359</u>

**SYLVANIA CITY SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued**  
**(CASH BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2005**

Innovative Education Program Strategy	44875C2-S104	84.298	1,622	186
	44875C2-S105		<u>28,810</u>	<u>28,810</u>
Total Innovative Education Program Strategy			<u>30,432</u>	<u>28,996</u>
Technology Literacy Challenge	44875TJ-S104	84.318	-0-	7,146
	44875TJ-S105		<u>8,825</u>	<u>8,075</u>
Total Technology Literacy Challenge			<u>8,825</u>	<u>15,221</u>
Advanced Placement Program	AVTF-2005	84.330	<u>260</u>	<u>260</u>
English Language Acquisition	44875T3-S104	84.365	3,587	4,270
	44875T3-S105		33,542	33,542
	44875T3-S205		<u>11,446</u>	<u>11,446</u>
Total English Language Acquisition			<u>48,575</u>	<u>49,258</u>
Improving Teacher Quality	44875TR-S104	84.367	-0-	28,490
	44875TR-S105		<u>173,018</u>	<u>173,018</u>
Total Improving Teacher Quality			<u>173,018</u>	<u>201,508</u>
TOTAL DEPARTMENT OF EDUCATION			<u>2,332,580</u>	<u>2,394,180</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass through Ohio Department of Jobs and Family Services:				
Pass through Ohio Department of Mental Retardation and Developmental Disabilities:				
Community Alternative Funding System	4800344	93.778	<u>147,435</u>	<u>147,435</u>
<u>TOTAL FEDERAL FINANCIAL ASSISTANCE</u>			<u>\$2,743,600</u>	<u>\$2,805,200</u>

NOTE - FOOD DISTRIBUTION

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



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS

Board of Education  
Sylvania City School District  
6850 Monroe Street  
Sylvania, Ohio 43560

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sylvania City School District ("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 16, 2005, in which we noted that the District has changed its method of accounting for pension obligations. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

Board of Education  
Sylvania City School District

### **Compliance and Other Matters**

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

However, we noted certain matters that we reported to management of Sylvania City School District, in a separate letter dated December 16, 2005.

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

*Weber O'Brien Ltd.*

December 16, 2005



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

Board of Education  
Sylvania City School District  
6850 Monroe Street  
Sylvania, Ohio 43560

Compliance

We have audited the compliance of Sylvania City School District ("District") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and

Board of Education  
Sylvania City School District

material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sylvania City School District as of and for the year ended June 30, 2005 and have issued our report thereon dated December 16, 2005, in which we noted that the District has changed its method of accounting for pension obligations. Our audit was performed for the purposes of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material aspects, in relation to the financial statements taken as a whole.

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

*Weber O'Brien & Co.*

December 16, 2005



**SYLVANIA CITY SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2005**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:		<u>Unqualified</u>
Internal control over financial reporting:		
Material weakness(es) identified?	_____yes	_X_ no
Reportable condition(s) identified not considered to be material weaknesses?	_____yes	_X_ none reported
Noncompliance material to financial statements noted?	_____yes	_X_ no

Federal Awards

Internal Control over major programs:		
Material weakness(es) identified?	_____yes	_X_ no
Reportable conditions(s) identified not considered to be material weaknesses?	_____yes	_X_ none reported

Type of auditors' report issued on compliance for major programs:		<u>Unqualified</u>
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Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	_____yes	_X_ no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA Part B
84.173	Special Education Preschool Grant

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
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Auditee qualified as low risk auditee?	_X_ yes	_____no
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SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

**SYLVANIA CITY SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED JUNE 30, 2005**

NONE



**Auditor of State  
Betty Montgomery**

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**SYLVANIA CITY SCHOOL DISTRICT**

**LUCAS 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**