

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

OF THE

**SYLVANIA CITY
SCHOOL DISTRICT**

FOR THE

FISCAL YEAR ENDED JUNE 30, 2006

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

6850 MONROE STREET

SYLVANIA, OHIO 43560



Mary Taylor, CPA
Auditor of State

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, 2005 through June 30, 2006. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 2, 2007

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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



December 8, 2006

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 fifteenth 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, 2006. 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. The responsibility for 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. The District currently serves 7,583 students in grades K-12.

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 District, the emphasis is on the educational program itself, as the District strives to continuously maintain 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 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 addition we have begun to equip all schools with SmartBoards which enhance the teaching and learning process. To date, the District has purchased and installed over 75 SmartBoards. 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 millions 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 regain the “EXCELLENT” rating.

ECONOMIC CONDITIONS AND OUTLOOK

The District’s population has steadily increased in the past few year’s. The latest Census shows the combined City of Sylvania and Sylvania 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 of Sylvania.

Growth in commercial development continues to the west of the City of Sylvania. With the area around Central Avenue continuing to develop, both commercial and light industrial businesses are moving into the City of Sylvania and Sylvania Township. Economic development has begun within the City of Sylvania as businesses invest money in improvements and new businesses begin to move into the City of Sylvania.

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 of Ohio did not comply with the requirement of providing a “thorough and efficient system of common schools”, even after noting and crediting significant 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. A reduction schedule has been established for phase-out of tangible personal property taxes which school districts in the State of Ohio have begun to incorporate into the 5-year budget process.

RELEVANT FINANCIAL POLICIES

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 2003 and 2004 expenses to offset negative balances. This reduction included a 9% workforce reduction, including 48 teaching positions, 21 support staff and 3.5 administrators.

SIGNIFICANT ACCOMPLISHMENTS/EVENTS FOR THE YEAR: 2006

Excellence and Accountability continue to be the underlying theme for the entire District. During the fiscal year 2006, the District is following 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.

In 2004, 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.

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. The adoption of new graduating requirements for the Class of 2007 was accomplished 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.

In terms of the District's physical plant, the final phase of the \$20.7 million bond improvements were completed in 2005; 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 second 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.

The 10-15 Year Strategic Facilities Plan adopted by the Board serves as a facilities road map for the District. This plan is being reviewed yearly to determine the needs and goals of the planning efforts for the District. The District recently formed an Athletic Facilities Foundation to obtain 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 AND LONG-TERM FINANCIAL PLANNING

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 permanent improvement tax dollars will help ensure the viability of the physical plants within the refinement of the Districts 10-15 Year Strategic Facilities Plan. 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 City School District.

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 capital 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

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. The budgetary comparison for the general fund has been presented as required supplementary information and is not considered part of the basic financial statements.

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 2006. 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, 2005.

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.

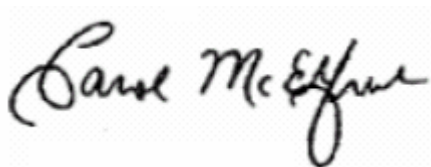
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for review.

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>
Vicki Donovan-Lyle, President	January, 2004	December 31, 2007
Pamela Haynam, Vice President	January, 1998	December 31, 2009
George Gernot III, Member	January, 2000	December 31, 2009
James Nusbaum, Member	January, 2004	December 31, 2007
David Spiess, Member	January, 2002	December 31, 2009

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

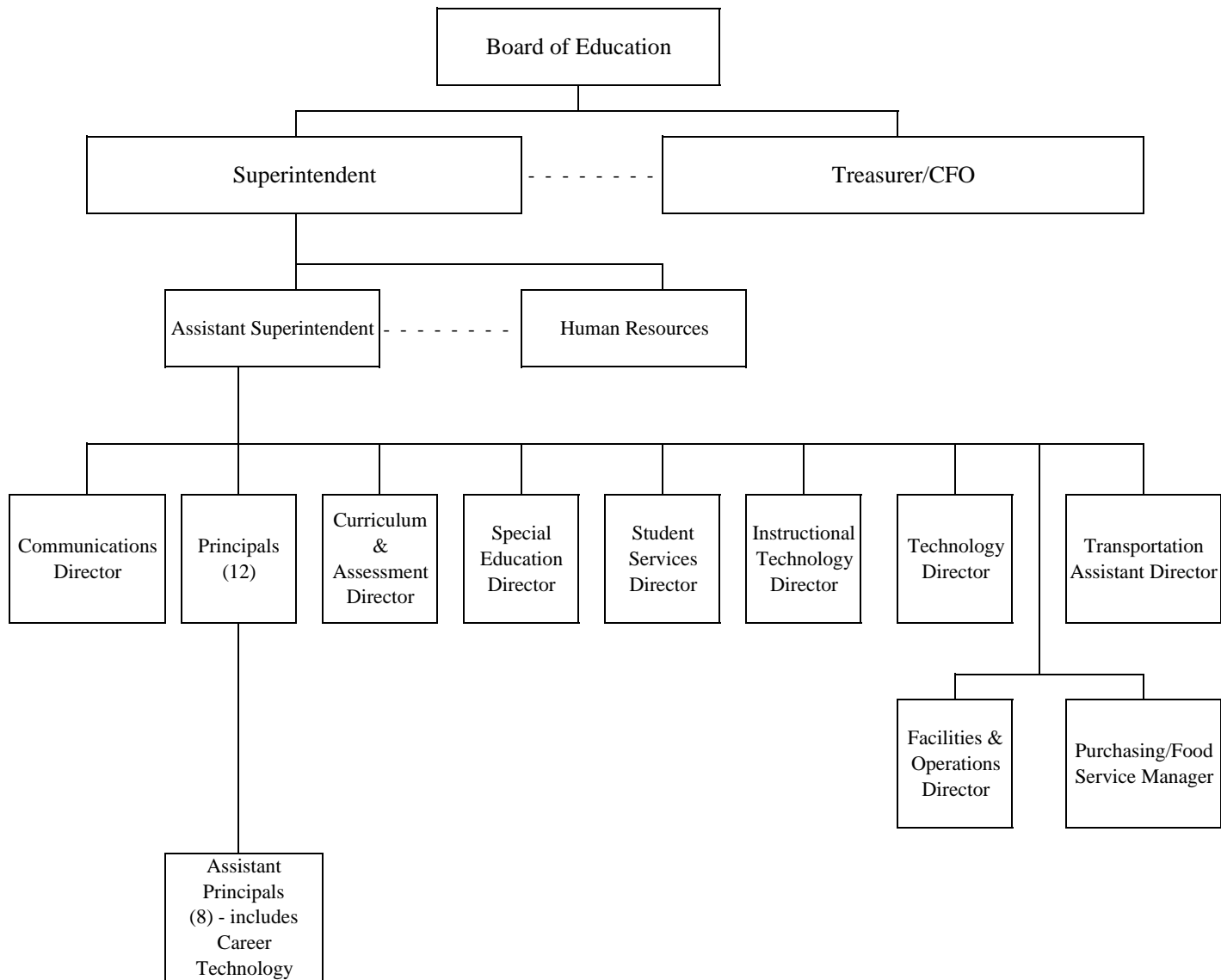
The treasurer serves as the fiscal officer of the District and, with the Board president, executes all conveyances made by the Board of Education. The Board appointed Carol McElfresh, Treasurer/CFO of the Sylvania City School District effective September 18, 2003.

**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
James Witt	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
Timothy Holcombe	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
Dan Creps	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, 2005

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



President

Executive Director

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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, 2006, 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Sylvania City School District as of June 30, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2006, 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 - F14 and F56 - F57, 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 nonmajor 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 nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly 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 8, 2006

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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, 2006. 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 2006 are as follows:

- In total, net assets of governmental activities increased \$6,034,034 which represents a 64.72% increase from 2005.
- General revenues accounted for \$77,606,526 in revenue or 91.39% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7,315,909 or 8.61% of total revenues of \$84,922,435.
- The District had \$79,031,775 in expenses related to governmental activities; only \$7,315,909 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 \$77,606,526 were adequate to provide for these programs.
- The general fund is the only major fund of the District. The general fund had \$74,622,867 in revenues and other financing sources and \$68,055,445 in expenditures and other financing uses. During fiscal 2006, the general fund's fund deficit balance improved \$6,567,422 from (\$2,139,345) to a positive balance of \$4,428,077.

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 is by far the most significant fund, and the only governmental fund reported as a major fund.

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 2006?" 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 F15-F16 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental fund begins on page F10. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's only major governmental fund is the general fund. All other governmental funds are considered nonmajor.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net assets and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages F17-F20 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 F21 through F22 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 F23 and F24. 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 F25-F55 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 F56 and F57 of this report.

The District as a Whole

The statement of net assets provides the perspective of the District as a whole.

The table below provides a summary of the District's net assets for 2006 and 2005.

	Net Assets		
	Governmental Activities <u>2006</u>	Governmental Activities <u>2005</u>	<u>Percent Change</u>
<u>Assets</u>			
Current and other assets	\$ 74,962,215	\$ 66,286,085	13.09 %
Capital assets, net	<u>47,237,598</u>	<u>48,281,408</u>	(2.16) %
Total assets	<u>122,199,813</u>	<u>114,567,493</u>	6.66 %
<u>Liabilities</u>			
Current liabilities	64,496,063	60,937,127	5.84 %
Long-term liabilities	<u>42,346,450</u>	<u>44,307,100</u>	(4.43) %
Total liabilities	<u>106,842,513</u>	<u>105,244,227</u>	1.52 %
<u>Net Assets</u>			
Invested in capital assets, net of related debt	17,141,861	18,202,970	(5.83) %
Restricted	2,637,434	4,117,629	(35.95) %
Unrestricted (deficit)	<u>(4,421,995)</u>	<u>(12,997,333)</u>	65.98 %
Total net assets	<u>\$ 15,357,300</u>	<u>\$ 9,323,266</u>	64.72 %

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2006, the District's assets exceeded liabilities by \$15,357,300. Of this total \$2,637,434 is restricted in use and \$17,141,861 is invested in capital assets (net of related debt), resulting in a deficit to unrestricted net assets of \$4,421,995.

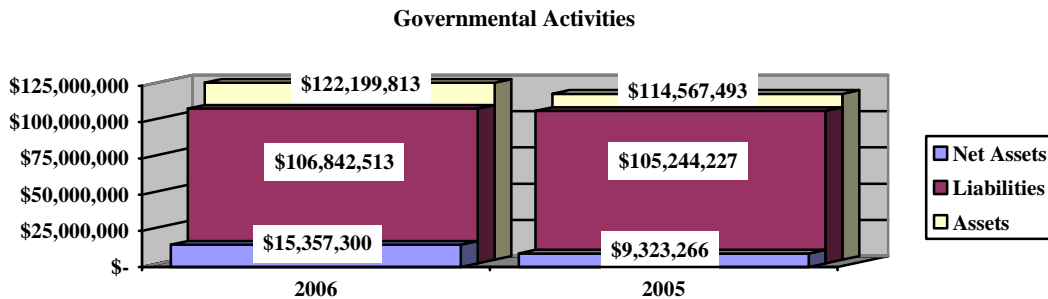
**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

At year-end, capital assets represented 38.66% 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, 2006, were \$17,141,861. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$2,637,434, 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 \$4,421,995.

The graph below illustrates the total assets, liabilities and net assets of the governmental activities at June 30, 2006 and 2005:



The table below shows the change in net assets for fiscal years 2006 and 2005.

	Change in Net Assets		
	Governmental Activities <u>2006</u>	Governmental Activities <u>2005</u>	Percent <u>Change</u>
<u>Revenues</u>			
Program revenues:			
Charges for services and sales	\$ 3,172,419	\$ 3,190,194	(0.56) %
Operating grants and contributions	4,143,490	4,070,950	1.78 %
Capital grants and contributions	-	67,200	(100.00) %
General revenues:			
Property taxes	55,055,763	50,641,987	8.72 %
Grants and entitlements	21,526,126	21,321,319	0.96 %
Investment earnings	801,947	290,825	175.75 %
Gain on sale of capital assets	6,674	-	100.00 %
Other	<u>216,016</u>	<u>172,105</u>	25.51 %
Total revenues	<u>\$ 84,922,435</u>	<u>\$ 79,754,580</u>	6.48 %

(continued)

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Change in Net Assets

	Governmental Activities <u>2006</u>	Governmental Activities <u>2005</u>	
<u>Expenses</u>			
Program expenses:			
Instruction:			
Regular	\$ 30,983,869	\$ 29,734,135	4.20 %
Special	7,001,374	6,870,205	1.91 %
Vocational	2,242,348	2,039,407	9.95 %
Adult/continuing	93,733	104,984	(10.72) %
Other	1,250,106	976,231	28.05 %
Support services:			
Pupil	4,508,486	4,422,882	1.94 %
Instructional staff	3,914,507	3,844,465	1.82 %
Board of education	14,144	12,463	13.49 %
Administration	6,800,388	6,314,181	7.70 %
Fiscal	1,371,982	1,332,056	3.00 %
Business	257,092	114,430	124.67 %
Operations and maintenance	7,885,775	6,817,301	15.67 %
Pupil transportation	4,330,919	4,097,703	5.69 %
Central	1,063,251	751,929	41.40 %
Operations of non-instructional services	193,894	176,751	9.70 %
Food service operations	2,049,360	2,058,230	(0.43) %
Extracurricular activities	2,355,560	2,278,115	3.40 %
Intergovernmental pass through	897,049	930,217	(3.57) %
Interest and fiscal charges	<u>1,817,938</u>	<u>1,888,483</u>	(3.74) %
Total expenses	<u>79,031,775</u>	<u>74,764,168</u>	5.71 %
Change in net assets	5,890,660	4,990,412	18.04 %
<u>Special Item</u>			
Gain on sale of bus garage	143,374	-	100.00 %
Net assets, July 1	<u>9,323,266</u>	<u>4,332,854</u>	
Net assets, June 30	<u>\$ 15,357,300</u>	<u>\$ 9,323,266</u>	

In the program revenue area, the Poverty Aid 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 2006 than in 2005. The net effect of a reduction in force contributed to the reduction in total expenses for 2006. Such expenditure areas as pupil support were increased as more focus was directed toward student achievement. The overall change in net assets is primarily the result of additional property tax 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, 2006**

Governmental Activities

Net assets of the District's governmental activities increased \$6,034,034 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 \$79,031,775 were offset by program revenues of \$7,315,909 and general revenues of \$77,606,526. Program revenues supported 9.26% of the total governmental expenses.

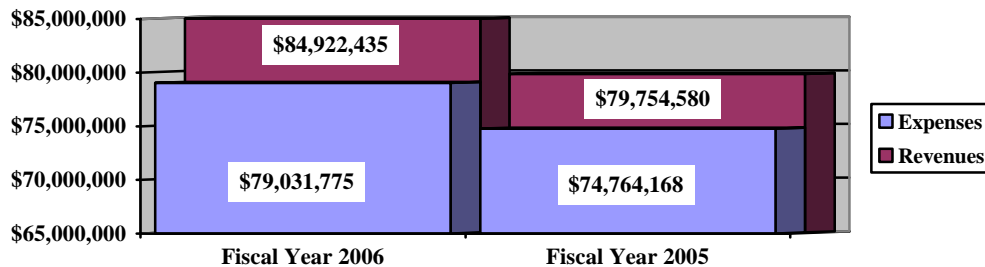
The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These revenue sources represent 90.18% of total governmental revenue.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$41,571,430 or 52.60% of total governmental expenses for fiscal year 2006.

Operations and maintenance expense increased primarily due to an increase in salaries and wages coupled with increased utility costs. In addition, the District performed three major repair projects during fiscal 2006 consisting of roof repairs to the administration building, HVAC repairs at Northview High School and various asphalt repairs to parking lots throughout the District.

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2006 and 2005.

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**

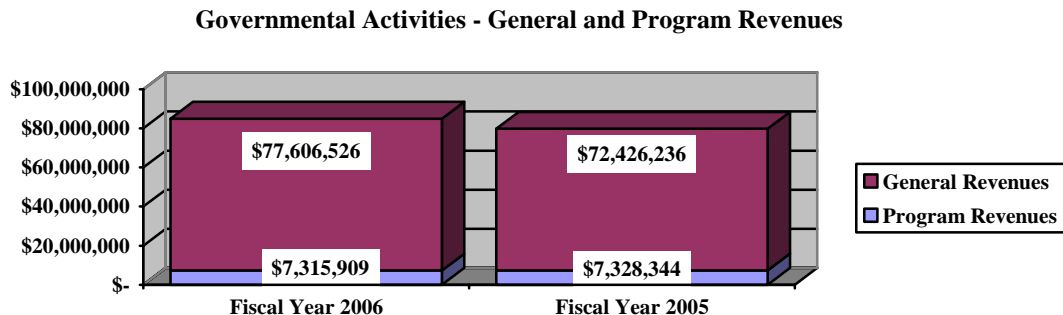
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

The following table shows, for governmental activities, the total cost of services and the net cost of services.

Governmental Activities				
	Total Cost of Services <u>2006</u>	Net Cost of Services <u>2006</u>	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>
Program expenses				
Instruction:				
Regular	\$ 30,983,869	\$ 29,835,798	\$ 29,734,135	\$ 28,379,243
Special	7,001,374	6,691,795	6,870,205	6,354,271
Vocational	2,242,348	2,151,225	2,039,407	1,950,000
Adult/continuing	93,733	(13,909)	104,984	8,634
Other	1,250,106	1,246,440	976,231	968,554
Support services:				
Pupil	4,508,486	4,441,069	4,422,882	4,391,025
Instructional staff	3,914,507	1,983,124	3,844,465	2,099,858
Board of education	14,144	14,144	12,463	12,463
Administration	6,800,388	6,799,944	6,314,181	6,310,396
Fiscal	1,371,982	1,371,982	1,332,056	1,332,056
Business	257,092	257,092	114,430	114,430
Operations and maintenance	7,885,775	7,846,783	6,817,301	6,772,444
Pupil transportation	4,330,919	4,303,650	4,097,703	4,074,239
Central	1,063,251	997,700	751,929	689,129
Operations of non-instructional services	193,894	(17,354)	176,751	(2,430)
Food service operations	2,049,360	371,672	2,058,230	452,913
Extracurricular activities	2,355,560	1,617,071	2,278,115	1,595,611
Intergovernmental pass through	897,049	(298)	930,217	44,505
Interest and fiscal charges	<u>1,817,938</u>	<u>1,817,938</u>	<u>1,888,483</u>	<u>1,888,483</u>
Total expenses	<u>\$ 79,031,775</u>	<u>\$ 71,715,866</u>	<u>\$ 74,764,168</u>	<u>\$ 67,435,824</u>

The dependence upon tax and other general revenues for governmental activities is apparent, 96.01% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 90.71%. The District's taxpayers, as a whole, are by far the primary support for the District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2006 and 2005.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

The District's Funds

The District's governmental funds (as presented on the balance sheet on page F17) reported a combined fund balance of \$6,797,386, which is higher than last year's total of \$1,238,349. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2006 and 2005.

	Fund Balance <u>June 30, 2006</u>	Fund Balance (deficit) <u>June 30, 2005</u>	Increase (Decrease) <u></u>
General	\$ 4,428,077	\$ (2,139,345)	\$ 6,567,422
Other Governmental	<u>2,369,309</u>	<u>3,377,694</u>	<u>(1,008,385)</u>
Total	<u>\$ 6,797,386</u>	<u>\$ 1,238,349</u>	<u>\$ 5,559,037</u>

General Fund

The District's general fund balance increased \$6,567,422. The table that follows assists in illustrating the financial activities of the general fund.

	<u>2006</u> Amount	<u>2005</u> Amount	Increase (Decrease)	Percentage Change
<u>Revenues</u>				
Taxes	\$ 51,643,811	\$ 46,842,012	\$ 4,801,799	10.25 %
Tuition	491,378	566,466	(75,088)	(13.26) %
Earnings on investments	741,953	263,790	478,163	181.27 %
Intergovernmental	21,096,060	20,868,145	227,915	1.09 %
Other revenues	<u>628,364</u>	<u>612,271</u>	<u>16,093</u>	2.63 %
Total	<u>\$ 74,601,566</u>	<u>\$ 69,152,684</u>	<u>\$ 5,448,882</u>	7.88 %
<u>Expenditures</u>				
Instruction	\$ 38,951,944	\$ 37,686,699	\$ 1,265,245	3.36 %
Support services	27,487,893	25,339,574	2,148,319	8.48 %
Operation of non-instructional services	86,825	67,001	19,824	29.59 %
Extracurricular activities	1,181,562	1,171,850	9,712	0.83 %
Facilities acquisition and construction	-	13,850	(13,850)	(100.00) %
Debt service	<u>110,562</u>	<u>118,306</u>	<u>(7,744)</u>	(6.55) %
Total	<u>\$ 67,818,786</u>	<u>\$ 64,397,280</u>	<u>\$ 3,421,506</u>	5.31 %

The decrease in tuition revenue in the general fund was primarily due to a reduction in the amount of excess cost allowances for special needs. Earnings on investments increased due to higher interest rates and the District had more funds to invest in fiscal 2006. The increase in tax revenue was due to the passage of a 4.9 mill operating levy in November 2004. The increase in support services expenditures can be primarily attributed to increases in three expenditure areas: operations and maintenance, administration and pupil transportation. Operations and maintenance expenditures increased as described on page F 8. Administration expenditures increased due to an increase in salary, wage and fringe benefits costs coupled with the addition of three new administrative personnel in fiscal year 2006. Pupil transportation expenditures increased as the District purchased approximately four new school buses in fiscal year 2006 using general fund resources.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

General Fund Budgeting Highlights

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

During the course of fiscal 2006, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues and other financing sources were \$71,301,255, which is higher than the original budgeted revenues estimate of \$71,279,255. Actual revenues and other financing sources for fiscal 2006 was \$74,135,477. This represents a \$2,834,222 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 \$70,623,898, which is higher than the original budgeted appropriations estimate of \$70,578,325. The actual budget basis expenditures and other financing uses for fiscal year 2006 totaled \$69,295,896, which was \$1,328,002 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 2006, the District had \$47,237,598 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 2006 balances compared to 2005:

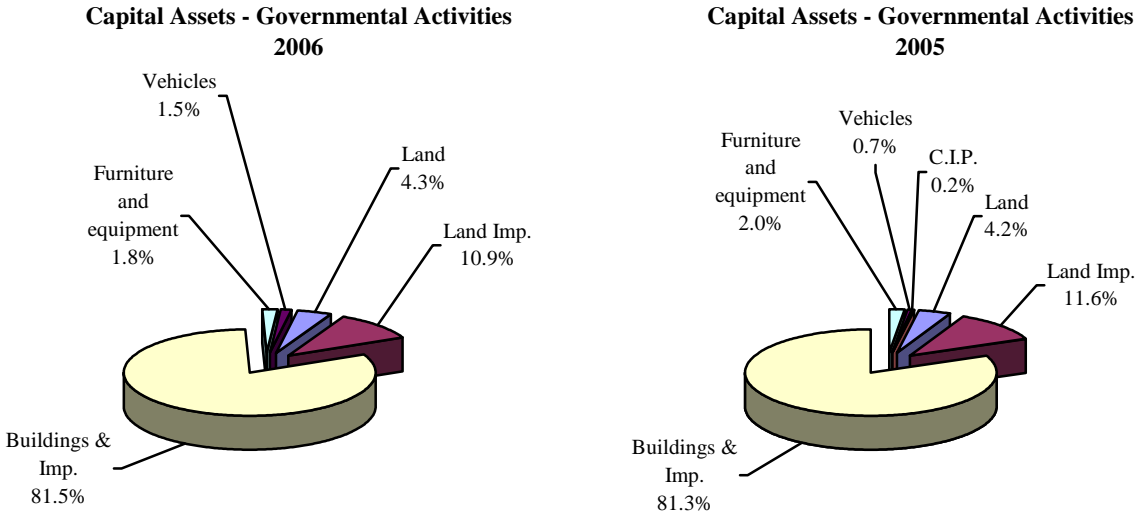
	Capital Assets at June 30	
	(Net of Depreciation)	
	<u>Governmental Activities</u>	
	<u>2006</u>	<u>2005</u>
Land	\$ 2,040,544	\$ 2,040,544
Land improvements	5,127,504	5,596,953
Buildings and improvements	38,540,496	39,239,405
Furniture and equipment	837,683	953,048
Vehicles	691,371	333,658
Construction in progress	<u>-</u>	<u>117,800</u>
Total	<u>\$ 47,237,598</u>	<u>\$ 48,281,408</u>

Total additions to capital assets for 2006 were \$1,248,530 and total disposals were \$260,714 (net of accumulated depreciation). The disposal of CIP of \$117,800 represents construction projects which were completed in fiscal year 2006 and transferred to buildings and improvements. The overall decrease in capital assets of \$1,043,810 (net of accumulated depreciation) is primarily due to a full year of depreciation expense being recorded in fiscal year 2006 on assets that were transferred from construction in progress to buildings in fiscal year 2005 coupled with the sale (disposal) of the bus garage.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

The graphs below present the District's capital assets for fiscal 2006 and fiscal 2005.



Debt Administration

At June 30, 2006, the District had \$33,039,921 in general obligation bonds, school improvement notes and capital lease obligations outstanding. Of this total, \$3,802,816 is due within one year and \$29,237,105 is due within greater than one year. The following table summarizes the bonds and notes outstanding.

	Outstanding Debt, at Year End	
	Governmental Activities	Governmental Activities
	<u>2006</u>	<u>2005</u>
General obligation bonds	\$ 31,295,202	\$ 32,897,812
School Improvement Notes	1,600,000	2,500,000
Capital lease obligation	144,719	207,175
Total	<u>\$ 33,039,921</u>	<u>\$ 35,604,987</u>

The District has issued bond anticipation notes for school improvements. During fiscal year 2006, the District retired \$2,500,000 in notes and re-issued \$1,600,000 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.

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, 2006, the District's overall legal debt margin was \$105,032,714 with an unvoted debt margin of \$1,509,606.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

Current Financial Related Activities

In November 2002 and in November 2004, the Sylvania City School District passed 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 FY06, the District negotiated a 28 month agreement with its Teachers, Administrators and Classified unions 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 have saved the District on future expenditures. The District is in the process of negotiating another 3-year contract for health insurance and a 2-3 year contract for dental insurance. 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 and projections for FY08 will not be available from the State until spring 2007. 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 4-5 years.

As a result, the District has continued to look at cost saving measures to reduce spending. In recent years they have implemented a redistricting plan and a \$4.2 million reduction in expenditures including the elimination of 72 positions. A Facilities Plan was completed 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. That plan is currently being reviewed to include any necessary updates.

The Sylvania School District accomplished another major goal in the 2005/2006 School Year by again 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. Strategic alignment of District goals has 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 continues with an Academic Curriculum Plan, defined by a Phi Delta Kappa audit. This effort will essentially ensure that our content standards are in line with both State and Federal standards and are necessary to provide the content and strategies to guide this District to excellence in both teaching and learning.

Capital improvements for fiscal 2006 included HVAC improvements, roof replacements and a technology upgrade. Almost 100 SmartBoards were purchased, installed and are being utilized in District classrooms to improve student learning. Other capital investments include a 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 3 years.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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.

**BASIC
FINANCIAL STATEMENTS**

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

STATEMENT OF NET ASSETS
JUNE 30, 2006

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and cash equivalents.	\$ 14,787,814
Receivables:	
Taxes	59,385,510
Accounts	13,728
Accrued interest	72,083
Intergovernmental	666,271
Prepayments	25,450
Materials and supplies inventory	11,359
Capital assets:	
Land	2,040,544
Depreciable capital assets, net	45,197,054
Total capital assets, net.	<u>47,237,598</u>
 Total assets.	 <u>122,199,813</u>
 Liabilities:	
Accounts payable.	588,181
Contracts payable.	315,521
Accrued wages and benefits	6,380,677
Intergovernmental payable	554,304
Deferred revenue	54,804,543
Accrued interest payable	185,003
Pension obligation payable	1,667,834
Long-term liabilities:	
Due within one year.	4,727,225
Due within more than one year	37,619,225
Total liabilities.	<u>106,842,513</u>
 Net Assets:	
Invested in capital assets, net of related debt.	17,141,861
Restricted for:	
Debt service.	423,503
Capital projects	1,713,916
Locally funded programs	12,298
State funded programs	147,897
Federally funded programs	194,971
Student activities	112,721
School bus purchases	32,128
Unrestricted (deficit)	<u>(4,421,995)</u>
 Total net assets	 <u>\$ 15,357,300</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, 2006

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	
Governmental activities:				
Instruction:				
Regular	\$ 30,983,869	\$ 935,122	\$ 212,949	\$ (29,835,798)
Special	7,001,374	-	309,579	(6,691,795)
Vocational	2,242,348	-	91,123	(2,151,225)
Adult/continuing	93,733	-	107,642	13,909
Other	1,250,106	-	3,666	(1,246,440)
Support services:				
Pupil	4,508,486	-	67,417	(4,441,069)
Instructional staff	3,914,507	-	1,931,383	(1,983,124)
Board of education	14,144	-	-	(14,144)
Administration	6,800,388	-	444	(6,799,944)
Fiscal	1,371,982	-	-	(1,371,982)
Business	257,092	-	-	(257,092)
Operations and maintenance	7,885,775	38,992	-	(7,846,783)
Pupil transportation	4,330,919	27,269	-	(4,303,650)
Central	1,063,251	-	65,551	(997,700)
Operation of non-instructional services	193,894	118,879	92,369	17,354
Food service operations	2,049,360	1,388,524	289,164	(371,672)
Extracurricular activities	2,355,560	663,633	74,856	(1,617,071)
Intergovernmental pass through	897,049	-	897,347	298
Interest and fiscal charges	1,817,938	-	-	(1,817,938)
Total governmental activities	\$ 79,031,775	\$ 3,172,419	\$ 4,143,490	(71,715,866)
General Revenues:				
Property taxes levied for:				
General purposes				51,488,436
Debt service				3,202,896
Capital outlay				364,431
Grants and entitlements not restricted to specific programs				
Investment earnings				21,526,126
Gain on sale of capital assets				801,947
Miscellaneous				6,674
				216,016
Total general revenues				77,606,526
Special Item:				
Gain on sale of bus garage				143,374
Total general revenues and special item				77,749,900
Change in net assets				6,034,034
Net assets at beginning of year				9,323,266
Net assets at end of year				\$ 15,357,300

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2006

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 11,788,070	\$ 2,967,616	\$ 14,755,686
Receivables:			
Taxes	55,580,639	3,804,871	59,385,510
Accounts	11,963	1,765	13,728
Accrued interest	72,083	-	72,083
Intergovernmental	-	666,271	666,271
Interfund loans	4,921	-	4,921
Prepayments	25,450	-	25,450
Materials and supplies inventory	-	11,359	11,359
Restricted assets:			
Equity in pooled cash and cash equivalents	32,128	-	32,128
Total assets	<u>\$ 67,515,254</u>	<u>\$ 7,451,882</u>	<u>\$ 74,967,136</u>
Liabilities:			
Accounts payable	\$ 497,835	\$ 90,346	\$ 588,181
Contracts payable	-	315,521	315,521
Accrued wages and benefits	6,046,922	333,755	6,380,677
Compensated absences payable	807,972	-	807,972
Intergovernmental payable	534,602	19,702	554,304
Interfund loan payable	-	4,921	4,921
Pension obligation payable	1,431,889	235,945	1,667,834
Deferred revenue	53,767,957	4,082,383	57,850,340
Total liabilities	<u>63,087,177</u>	<u>5,082,573</u>	<u>68,169,750</u>
Fund Balances:			
Reserved for encumbrances	753,543	667,626	1,421,169
Reserved for materials and supplies inventory	-	11,359	11,359
Reserved for prepayments	25,450	-	25,450
Reserved for property tax unavailable for appropriation	1,461,257	113,374	1,574,631
Reserved for school bus purchases	32,128	-	32,128
Unreserved, undesignated reported in:			
General fund	2,155,699	-	2,155,699
Special revenue funds	-	140,101	140,101
Debt service fund	-	362,596	362,596
Capital projects funds	-	1,074,253	1,074,253
Total fund balances	<u>4,428,077</u>	<u>2,369,309</u>	<u>6,797,386</u>
Total liabilities and fund balances	<u>\$ 67,515,254</u>	<u>\$ 7,451,882</u>	<u>\$ 74,967,136</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, 2006

Total governmental fund balances		\$ 6,797,386
<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.		47,237,598
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	\$ 2,603,460	
Accrued interest	25,880	
Intergovernmental revenue	416,457	
Total		3,045,797
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	31,295,202	
Notes payable	1,600,000	
Compensated absences	8,428,469	
Capital lease obligations	144,719	
Workers' compensation retrospective claims adjustment	70,088	
Accrued interest payable	185,003	
Total		(41,723,481)
Net assets of governmental activities		\$ 15,357,300

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, 2006

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
From local sources:			
Taxes	\$ 51,643,811	\$ 3,563,969	\$ 55,207,780
Tuition.	491,378	-	491,378
Transportation fees	27,269	-	27,269
Earnings on investments.	741,953	34,114	776,067
Charges for services	-	1,332,634	1,332,634
Classroom materials and fees	187,515	169,342	356,857
Extracurricular.	-	663,633	663,633
Other local revenues.	413,580	186,757	600,337
Intergovernmental - state	21,096,060	1,527,096	22,623,156
Intergovernmental - federal.	-	3,000,940	3,000,940
Total revenue	<u>74,601,566</u>	<u>10,478,485</u>	<u>85,080,051</u>
Expenditures:			
Current:			
Instruction:			
Regular	29,217,394	358,545	29,575,939
Special.	6,557,080	320,005	6,877,085
Vocational.	1,930,879	106,761	2,037,640
Adult/continuing	-	93,733	93,733
Other	1,246,591	3,562	1,250,153
Support Services:			
Pupil.	4,481,981	59,553	4,541,534
Instructional staff	1,965,751	1,845,566	3,811,317
Board of education	14,144	-	14,144
Administration.	6,682,684	380	6,683,064
Fiscal	1,311,171	49,771	1,360,942
Business	256,634	-	256,634
Operations and maintenance.	7,697,779	632,587	8,330,366
Pupil transportation	4,528,326	110,700	4,639,026
Central.	549,423	499,744	1,049,167
Operation of non-instructional services	86,825	107,071	193,896
Food service operations	-	1,922,812	1,922,812
Extracurricular activities.	1,181,562	795,703	1,977,265
Facilities acquisition and construction	-	42,271	42,271
Intergovernmental pass through.	-	891,579	891,579
Debt service:			
Principal retirement	87,456	4,575,717	4,663,173
Interest and fiscal charges	23,106	1,309,535	1,332,641
Total expenditures	<u>67,818,786</u>	<u>13,725,595</u>	<u>81,544,381</u>
Excess of revenues over (under) expenditures	<u>6,782,780</u>	<u>(3,247,110)</u>	<u>3,535,670</u>
Other financing sources (uses):			
Transfers in.	14,627	248,446	263,073
Transfers out	(236,659)	(11,787)	(248,446)
Proceeds from sale of capital assets	6,674	-	6,674
Sale of notes	-	1,600,000	1,600,000
Total other financing sources (uses).	<u>(215,358)</u>	<u>1,836,659</u>	<u>1,621,301</u>
Special item:			
Proceeds from sale of bus garage	-	412,374	412,374
Net change in fund balances.	6,567,422	(998,077)	5,569,345
Fund balances (deficit) at beginning of year.	(2,139,345)	3,377,694	1,238,349
Decrease in reserve for inventory.	-	(10,308)	(10,308)
Fund balances (deficit) at end of year	<u>\$ 4,428,077</u>	<u>\$ 2,369,309</u>	<u>\$ 6,797,386</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, 2006

Net change in fund balances - total governmental funds	\$	5,569,345
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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 depreciation expense exceeds capital outlay in the current period.		
Capital asset additions	\$ 1,248,530	
Current year depreciation	<u>(2,031,626)</u>	
Total		(783,096)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.		
		(260,714)
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	12,810	
Accretion of interest on "capital appreciation" bonds	<u>(498,107)</u>	
Total		(485,297)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Taxes	(152,017)	
Accrued interest	25,880	
Intergovernmental	<u>(38,153)</u>	
Total		(164,290)
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	2,100,717	
Notes	2,500,000	
Capital lease	<u>62,456</u>	
Total		4,663,173
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.		
		(1,600,000)
An internal service fund was used by management to charge the costs of insurance to individual funds that are not reported on the statement of activities. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		(14,627)
Governmental funds report expenditures for inventory when purchased. However, on the statement of activities, they are reported as an expense when consumed.		
		(10,308)
Some expenses reported in the statement of activities, such as compensated absences and payments for the workers' compensation retrospective claims adjustment liability, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		<u>(880,152)</u>
Change in net assets of governmental activities	\$	<u>6,034,034</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, 2006

	Governmental Activities - Internal Service Fund
Transfers out	\$ (14,627)
Change in net assets	(14,627)
Net assets at beginning of year.	14,627
Net assets at end of year	\$ -

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, 2006

	Governmental Activities - Internal Service Fund
Cash flows from noncapital financing activities:	
Transfers out to other funds	\$ (14,627)
Net cash used in noncapital financing activities	(14,627)
Cash and cash equivalents at beginning of year . . .	<u>14,627</u>
Cash and cash equivalents at end of year.	<u><u>\$ -</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, 2006

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 16,099	\$ 144,888
Total assets	16,099	\$ 144,888
Liabilities:		
Accounts payable	-	\$ 695
Due to students	-	144,193
Total liabilities	-	\$ 144,888
Net Assets:		
Held in trust for scholarships	16,099	
Total net assets	\$ 16,099	

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, 2006

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 694
Gifts and contributions.	2,880
	3,574
Total additions.	3,574
Deductions:	
Scholarships awarded	4,918
Change in net assets	(1,344)
Net assets at beginning of year.	17,443
Net assets at end of year	\$ 16,099

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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 31st 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 219 non-certified and 527 certified full-time and part-time employees to provide services to 7,583 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**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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 is 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.

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; 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; and (d) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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

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. The District is no longer self-insured but is now fully-insured for health and dental benefits. This fund had no activity during fiscal 2006 except for the residual equity transfer of the remaining cash to the general fund.

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.

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.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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

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.

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).

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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

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, 2006, but which were levied to finance fiscal year 2007 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**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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 2006, investments were limited to overnight repurchase agreements, investments in the State Asset Treasury Reserve of Ohio (STAR Ohio) and nonnegotiable certificates of deposit. 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 and nonnegotiable certificate of deposits, are reported at cost.

The District has invested funds in STAR Ohio during fiscal 2006. 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, 2006.

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 2006 amounted to \$741,953, which includes \$193,771 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**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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>	Governmental Activities <u>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**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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, prepayments, property taxes unavailable for appropriation, 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.

N. 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.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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

O. 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.

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 amounts restricted by state statute for school bus purchases (see Note 15).

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.

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. During fiscal year 2006, the District sold a bus garage at public auction for \$412,374. The accumulated depreciation on this bus garage was \$269,000, resulting in a net gain of \$143,374. This transaction is classified as a special item.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Changes in Accounting Principles

For fiscal year 2006, the District has implemented GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries", GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section", GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation" and GASB Statement No. 47, "Accounting for Termination Benefits".

GASB Statement No. 42 amends GASB Statement No. 34 and establishes accounting and financial reporting standards for impairment of capital assets and accounting requirements for insurance recoveries.

The purpose of GASB Statement No. 44 is to improve the understandability and usefulness of the information that state and local governments present as supplementary information in the statistical section.

GASB Statement No. 46 defines enabling legislation and specifies how net assets should be reported in the financial statements when there are changes in such legislation. The Statement also requires governments to disclose in the notes to the financial statements the amount of net assets restricted by enabling legislation.

GASB Statement No. 47 establishes accounting standards for termination benefits.

The implementation of these GASB Statements did not have an effect on the fund balances/net assets of the District as previously reported at June 30, 2005.

B. Deficit Fund Balances

Fund balances at June 30, 2006 included the following individual fund deficits:

	<u>Deficit</u>
<u>Nonmajor Governmental Funds</u>	
Food service	102,244
Adult Basic Education	4,435
IDEA, Part B	165,510
Title I	13,625
Title V	196
IDEA Preschool Grant	1,505
Improving Teacher Quality	7,121

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.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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.

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);

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

A. Deposits with Financial Institutions

At June 20, 2006, the carrying amount of all District deposits was \$12,612,063, exclusive of the \$1,224,000 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, 2006, \$12,425,393 of the District's bank balance of \$12,925,393 was exposed to custodial risk as discussed below, while \$500,000 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, 2006, the District had the following investments and maturities:

Investment type	Balance at Fair Value	Investment Maturities			
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months
Repurchase Agreement	\$ 1,224,000	\$ 1,224,000	\$ -	\$ -	\$ -
STAR Ohio	1,112,738	1,112,738	-	-	-
	<u>\$ 2,336,738</u>	<u>\$ 2,336,738</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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. State law and the District policy requires that repurchase agreements cannot exceed thirty (30) days. In addition, securities subject to repurchase agreements must exceed the principal value by greater or equal to two (2) percent.

Credit Risk: STAR Ohio must maintain the highest letter or numerical rating provided by at least one nationally recognized standard service. 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. State law and the District policy requires that repurchase agreement securities must be delivered to the Treasurer, the Board, or their agent.

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, 2006:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
Repurchase agreement	1,224,000	52.38%
STAR Ohio	<u>1,112,738</u>	<u>47.62%</u>
	<u>\$ 2,336,738</u>	<u>100.00%</u>

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, 2006:

<u>Cash and Investments per footnote</u>	
Carrying amount of deposits	\$ 12,612,063
Investments	<u>2,336,738</u>
Total	<u>\$ 14,948,801</u>

<u>Cash and investments per Statement of Net Assets</u>	
Governmental activities	\$ 14,787,814
Private-purpose trust fund	16,099
Agency fund	<u>144,888</u>
Total	<u>\$ 14,948,801</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 5 - INTERFUND TRANSACTIONS

- A.** Interfund loans receivable/payable consisted of the following at June 30, 2006, as reported on the fund statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 4,921

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, 2006 are reported on the statement of net assets.

- B.** Interfund transfers for the fiscal year ended June 30, 2006, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
Transfers from general fund to:	
Nonmajor governmental funds	\$ 236,659
Transfers from nonmajor governmental funds to:	
Nonmajor governmental funds	11,787
Transfers from internal service fund to:	
General fund	14,627

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. The transfer from the internal service fund to the general fund was a residual equity transfer as the District is no longer self-insured for health or dental benefits.

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 2006 represents collections of calendar year 2005 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2005, on the assessed value listed as of January 1, 2005, 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.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 6 - PROPERTY TAXES - (Continued)

Public utility property tax revenue received in calendar 2006 represents collections of calendar year 2005 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 became a lien December 31, 2004, were levied after April 1, 2005 and are collected in 2006 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 2006 (other than public utility property) represents the collection of 2006 taxes. Tangible personal property taxes received in calendar year 2006 were levied after April 1, 2005, on the value as of December 31, 2005. 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.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2006-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

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, 2006, are available to finance fiscal year 2007 operations. The amount available as an advance at June 30, 2006 was \$1,461,257 in the general fund, \$100,776 in the debt service fund (a nonmajor governmental fund) and \$12,598 in the Permanent Improvement capital projects fund (a nonmajor governmental fund). The amount that was available for advance at June 30, 2005 was \$991,243 in the general fund, \$68,288 in the debt service fund (a nonmajor governmental fund) and \$7,469 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.

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.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2006 taxes were collected are:

	2005 Second Half Collections		2006 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 1,375,684,760	93.62	\$ 1,417,326,410	93.89
Public Utility Personal	21,483,670	1.46	19,593,690	1.30
Tangible Personal Property	<u>72,340,373</u>	<u>4.92</u>	<u>72,685,948</u>	<u>4.81</u>
Total	<u>\$ 1,469,508,803</u>	<u>100.00</u>	<u>\$ 1,509,606,048</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation				
Operations	\$ 72.20		\$ 72.20	
Debt Service	2.40		2.40	
Permanent improvement	0.30		0.30	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2006 consisted of taxes, accrued interest, 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:

Governmental Activities	
Property taxes	\$ 59,385,510
Accounts	13,728
Accrued interest	72,083
Intergovernmental	<u>666,271</u>
Total	<u>\$ 60,137,592</u>

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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. Capital assets acquired by lease have been originally capitalized in the amount of \$420,122, which represents the present value of the future minimum lease payments at the time of acquisition. Accumulated depreciation as of June 30, 2006 was \$160,049, leaving a current book value of \$260,073.

A corresponding liability was recorded in the statement of net assets. Principal payments in the 2006 fiscal year totaled \$62,456. 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, 2006:

Year Ending June 30	Amount
2007	\$ 81,031
2008	58,328
2009	24,303
Total minimum lease payment	163,662
Less: amount representing interest	(18,943)
Present value of minimum lease payments	\$ 144,719

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2006, was as follows:

	<u>Balance</u> <u>06/30/05</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/06</u>
Governmental Activities				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,040,544	\$ -	\$ -	\$ 2,040,544
Construction in progress	117,800	-	(117,800)	-
Total capital assets, not being depreciated	<u>2,158,344</u>	<u>-</u>	<u>(117,800)</u>	<u>2,040,544</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	7,162,672	117,500	(333,527)	6,946,645
Building and improvements	57,321,522	698,619	(199,271)	57,820,870
Furniture and equipment	3,360,187	11,071	(31,600)	3,339,658
Vehicles	4,863,782	539,140	(164,610)	5,238,312
Total capital assets, being depreciated	<u>72,708,163</u>	<u>1,366,330</u>	<u>(729,008)</u>	<u>73,345,485</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(1,565,719)	(411,947)	158,525	(1,819,141)
Building and improvements	(18,082,117)	(1,311,816)	113,559	(19,280,374)
Furniture and equipment	(2,407,139)	(126,436)	31,600	(2,501,975)
Vehicles	(4,530,124)	(181,427)	164,610	(4,546,941)
Total accumulated depreciation	<u>(26,585,099)</u>	<u>(2,031,626)</u>	<u>468,294</u>	<u>(28,148,431)</u>
Governmental activities capital assets, net	<u>\$ 48,281,408</u>	<u>\$ (665,296)</u>	<u>\$ (378,514)</u>	<u>\$ 47,237,598</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 629,878
Special	85,536
Vocational	135,930
<u>Support Services:</u>	
Pupil	6,086
Instructional staff	72,410
Administration	99,442
Fiscal	14,156
Operations and maintenance	307,278
Pupil transportation	171,185
Central	9,145
Extracurricular activities	378,295
Intergovernmental pass through	5,271
Food service operations	<u>117,014</u>
Total depreciation expense	<u>\$ 2,031,626</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, 2006 was \$319,978. Total accreted interest of \$439,760 has been included in the statement of net assets at June 30, 2006. 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:

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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, 2006 was \$109,999. Total accreted interest of \$88,811 has been included in the statement of net assets at June 30, 2006. 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.

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, 2006 was \$89,772. Total accreted interest of \$192,367 has been included in the statement of net assets at June 30, 2006.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

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, 2006 was \$1,436,269. Total accreted interest of \$2,223,246 has been included in the statement of net assets at June 30, 2006. 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 \$295,000 were made in fiscal 2006.

G During fiscal 2005, the District issued a \$2,500,000 bond anticipation note to continue various school improvement projects. During fiscal 2006, the District repaid this note and issued another note for \$1,600,000. 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.

H. 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.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

- I. During fiscal year 2006, the following changes occurred in governmental activities long-term obligations:

	Balance Outstanding <u>06/30/05</u>	<u>Additions</u>	<u>Deletions</u>	Balance Outstanding <u>06/30/06</u>	Amount Due in <u>One Year</u>
<u>General Obligation Bonds:</u>					
Series 1986, Improvement 7.25%, 12/01/07 maturity	\$ 75,000	\$ -	\$ (25,000)	\$ 50,000	\$ 25,000
Series 1992, Improvement Capital Appreciation Bonds 6.86% (average effective) 06/01/03 to 06/01/11 maturity	1,806,514	-	(370,245)	1,436,269	342,302
Series 1992, Improvement Capital Appreciation Bonds Accreted interest	2,494,620	309,098	(580,472)	2,223,246	596,991
Series 1998, Refunding Current Interest bonds 4.95%, 06/01/16 maturity	1,365,000	-	(45,000)	1,320,000	50,000
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	156,016	36,351	-	192,367	-

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

	<u>Balance Outstanding 06/30/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Outstanding 06/30/06</u>	<u>Amount Due in One Year</u>
<u>General Obligation Bonds (continued):</u>					
Series 2001, Improvement Current Interest Bonds 5.30%, 12/01/20 maturity	\$ 6,590,000	\$ -	\$ (315,000)	\$ 6,275,000	\$ 330,000
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	66,880	21,931	-	88,811	-
Series 2001, Refunding Current Interest Bonds 2.60% - 5.00% 12/01/22 maturity	12,090,000	-	(470,000)	11,620,000	485,000
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**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

	Balance Outstanding <u>06/30/05</u>	<u>Additions</u>	<u>Deletions</u>	Balance Outstanding <u>06/30/06</u>	Amount Due in <u>One Year</u>
<u>General Obligation Bonds (continued):</u>					
Series 2001, Refunding Capital Appreciation Bonds Accreted interest	\$ 309,033	\$ 130,727	\$ -	\$ 439,760	\$ -
Series 2002, Improvement Current Interest Bonds 2.25% - 5.375% 12/01/21 maturity	<u>7,425,000</u>	<u>-</u>	<u>(295,000)</u>	<u>7,130,000</u>	<u>305,000</u>
Total, general obligation bonds	<u>32,897,812</u>	<u>498,107</u>	<u>(2,100,717)</u>	<u>31,295,202</u>	<u>2,134,293</u>
<u>Notes Payable:</u>					
School Improvement Notes 2.21%, 7/31/05 maturity	2,500,000	-	(2,500,000)	-	-
School Improvement Notes 2.90%, 7/31/06 maturity	<u>-</u>	<u>1,600,000</u>	<u>-</u>	<u>1,600,000</u>	<u>1,600,000</u>
Total, notes payable	<u>2,500,000</u>	<u>1,600,000</u>	<u>(2,500,000)</u>	<u>1,600,000</u>	<u>1,600,000</u>
<u>Other Obligations:</u>					
Capital lease	207,175	-	(62,456)	144,719	68,523
Compensated absences	8,568,113	1,100,456	(432,128)	9,236,441	854,321
Workers' Compensation Retrospective claims adjustment	<u>134,000</u>	<u>-</u>	<u>(63,912)</u>	<u>70,088</u>	<u>70,088</u>
Total, other obligations	<u>8,909,288</u>	<u>1,100,456</u>	<u>(558,496)</u>	<u>9,451,248</u>	<u>992,932</u>
Total, all governmental activities long-term liabilities	<u>\$ 44,307,100</u>	<u>\$ 3,198,563</u>	<u>\$ (5,159,213)</u>	<u>\$ 42,346,450</u>	<u>\$ 4,727,225</u>

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

J. Principal and interest requirements to retire general obligation bonds and refunding bonds outstanding at June 30, 2006, are as follows:

Fiscal Year Ending June 30	Current Interest General Obligation Bonds			Current Interest Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	515,000	566,346	1,081,346	765,000	478,358	1,243,358
2012 - 2016	3,900,000	2,360,103	6,260,103	2,815,000	2,082,879	4,897,879
2017 - 2021	6,270,000	1,046,196	7,316,196	5,420,000	1,037,202	6,457,202
2022 - 2023	685,000	17,125	702,125	1,550,000	57,750	1,607,750
Total	<u>\$ 13,455,000</u>	<u>\$ 6,464,319</u>	<u>\$ 19,919,319</u>	<u>\$ 12,940,000</u>	<u>\$ 5,829,790</u>	<u>\$ 18,769,790</u>

Fiscal Year Ending June 30	Capital Appreciation General Obligation Bonds			Capital Appreciation Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	815,000	-	815,000	-	-	-
2012 - 2015	425,000	-	425,000	3,645,000	-	3,645,000
Total	<u>\$ 5,565,000</u>	<u>\$ -</u>	<u>\$ 5,565,000</u>	<u>\$ 3,645,000</u>	<u>\$ -</u>	<u>\$ 3,645,000</u>

K. 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, 2006 are a voted debt margin of \$105,032,714 (including available funds of \$463,372) and an unvoted debt margin of \$1,509,606.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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 2006, 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 \$78.41 family or \$29.33 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 \$1,004.36 (HMO) and \$1,184.39 (POS) for family coverage or \$393.86 (HMO) and \$464.46 (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 assessed a \$63,912 payment related to this program in fiscal year 2006. At June 30, 2006, a liability for claims payable remains on the statement of net assets in the amount of \$70,088.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 11 - RISK MANAGEMENT - (Continued)

For the 2006 policy year (calendar year) the District will be assessed the full-rate premium as a merit-rated employer, which has been established at \$1.3017 per \$100 of payroll. A current liability for accrued benefits has been recorded at June 30, 2006 in all funds reporting paid wages for the period January 1, 2006 to June 30, 2006.

NOTE 12 – PENSION PLANS

A. School Employees Retirement System

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under Forms and Publications.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent 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 2006, 10.58 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 percent 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 statutory maximum amounts, by the SERS' Retirement Board. The District's required contribution for pension obligations to SERS for fiscal years ended 2006, 2005, and 2004 were \$990,518, \$958,231, and \$850,768, respectively. 43.72 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. \$557,463 represents the unpaid contribution for fiscal year 2006 and is recorded as a liability within the respective funds.

B. State Teachers Retirement System

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 12 - 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 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2006, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2005, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for fund pension obligations to STRS Ohio for the fiscal years ended June 30, 2006, 2005, and 2004 were \$4,374,350, \$4,322,349 and \$4,464,133, respectively. 84.44 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. \$680,539 represents the unpaid contribution for fiscal year 2006 and is recorded as a liability within the respective funds. Contributions to the DC and Combined Plans for fiscal year 2006 were \$30,223 made by the District and \$79,203 made by plan members.

NOTE 13 - POSTEMPLOYMENT BENEFITS

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

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 13 - POSTEMPLOYMENT BENEFITS – (Continued)

STRS retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$336,488 for fiscal year 2006.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005 (the latest information available), the balance in the Health Care Stabilization Fund was \$3.3 billion. For the fiscal year ended June 30, 2005 (the latest information available), 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 ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll, a decrease of 0.01 percent from fiscal year 2005. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2006, the minimum pay was established at \$35,800. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2006 fiscal year, District paid \$514,577 to fund health care benefits, including the surcharge.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2006 were \$158.751 million. At June 30, 2006, SERS had net assets available for payment of health care benefits of \$295.6 million, which is about 221 percent of next years projected net health care costs. On the basis of actuarial projections, the allocated contributions will be insufficient in the long term, to provide for a health care reserve equal to at least 150 percent of estimated annual net claim costs. SERS has 59,492 participants currently receiving health care benefits.

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.

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 14 - CONTINGENCIES - (Continued)

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.

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, 2005	\$ 47,574	\$ 161,894
Current year set-aside requirement	1,157,318	1,157,318
Current year offset	-	(776,285)
Qualifying disbursements	<u>(1,679,048)</u>	<u>(564,251)</u>
Total	<u>\$ (474,156)</u>	<u>\$ (21,324)</u>
Balance carried forward to FY 2007	<u>\$ (474,156)</u>	<u>\$ -</u>

In addition to the above statutory reserves, the District also received \$32,128 in monies restricted for school bus purchases.

A schedule of the governmental fund restricted assets at June 30, 2006 follows:

Amount restricted for school bus purchases	\$ <u>32,128</u>
Total restricted assets	\$ <u>32,128</u>

NOTE 16 - SIGNIFICANT SUBSEQUENT EVENTS

On July 29, 2006, the District retired the \$1,600,000 note issue and reissued another note in the amount of \$1,500,000 with a maturity date of July 29, 2007.

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REQUIRED SUPPLEMENTARY INFORMATION

**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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 48,920,245	\$ 48,920,245	\$ 51,111,233	\$ 2,190,988
Tuition.	337,200	337,200	491,378	154,178
Transportation fees	28,000	28,000	24,850	(3,150)
Earnings on investments.	200,000	200,000	695,750	495,750
Classroom materials and fees	150,000	150,000	187,282	37,282
Other local revenues.	197,800	219,800	431,052	211,252
Intergovernmental - state	21,396,010	21,396,010	21,096,060	(299,950)
Total revenue	<u>71,229,255</u>	<u>71,251,255</u>	<u>74,037,605</u>	<u>2,786,350</u>
Expenditures:				
Current:				
Instruction:				
Regular	29,976,099	29,773,109	29,574,244	198,865
Special.	6,673,840	6,607,264	6,560,827	46,437
Vocational.	2,034,978	2,057,262	2,003,199	54,063
Other	1,143,189	1,266,254	1,249,780	16,474
Support Services:				
Pupil.	4,626,496	4,563,047	4,500,644	62,403
Instructional staff	2,185,079	2,155,922	2,140,814	15,108
Board of education	14,861	14,968	14,144	824
Administration.	6,767,063	6,731,744	6,704,940	26,804
Fiscal	1,370,131	1,396,950	1,383,038	13,912
Business	267,967	312,162	308,317	3,845
Operations and maintenance.	8,162,540	8,325,148	8,184,000	141,148
Pupil transportation	4,510,285	4,551,019	4,540,628	10,391
Central.	1,121,699	1,201,942	570,110	631,832
Operation of non-instructional services	187,870	127,363	90,951	36,412
Extracurricular activities.	1,243,728	1,245,665	1,186,650	59,015
Debt service:				
Principal	40,000	40,000	29,531	10,469
Total expenditures	<u>70,325,825</u>	<u>70,369,819</u>	<u>69,041,817</u>	<u>1,328,002</u>
Excess of revenues over (under) expenditures.	<u>903,430</u>	<u>881,436</u>	<u>4,995,788</u>	<u>4,114,352</u>
Other financing sources (uses):				
Transfers out	(202,500)	(239,158)	(239,158)	-
Advances in.	50,000	50,000	23,528	(26,472)
Advances out	(50,000)	(14,921)	(14,921)	-
Refund of prior year expenditure	-	-	74,344	74,344
Total other financing sources (uses)	<u>(202,500)</u>	<u>(204,079)</u>	<u>(156,207)</u>	<u>47,872</u>
Net change in fund balance	700,930	677,357	4,839,581	4,162,224
Fund balance at beginning of year	4,538,044	4,538,044	4,538,044	-
Prior year encumbrances appropriated	1,096,952	1,096,952	1,096,952	-
Fund balance (deficit) at end of year.	<u>\$ 6,335,926</u>	<u>\$ 6,312,353</u>	<u>\$ 10,474,577</u>	<u>\$ 4,162,224</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, 2006

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	\$ 4,839,581
Net adjustment for revenue accruals	563,961
Net adjustment for expenditure accruals	(107,963)
Net adjustment for other sources/uses	(59,151)
Adjustment for encumbrances	1,330,994
GAAP basis	\$ 6,567,422

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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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Taxes	\$ 48,920,245	\$ 48,920,245	\$ 51,111,233	\$ 2,190,988
Tuition	337,200	337,200	491,378	154,178
Transportation fees	28,000	28,000	24,850	(3,150)
Earnings on investments	200,000	200,000	695,750	495,750
Classroom materials and supplies	150,000	150,000	187,282	37,282
Other local revenue	197,800	219,800	431,052	211,252
Intergovernmental-state	21,396,010	21,396,010	21,096,060	(299,950)
Total revenues	<u>71,229,255</u>	<u>71,251,255</u>	<u>74,037,605</u>	<u>2,786,350</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	21,400,072	20,901,156	20,901,156	-
Fringe benefits	6,859,619	7,003,709	7,003,709	-
Purchased services	343,361	371,462	236,065	135,397
Supplies and materials	1,336,030	1,446,463	1,387,807	58,656
Capital outlay	32,984	47,129	43,009	4,120
Other	4,033	3,190	2,498	692
Total instruction-regular	<u>29,976,099</u>	<u>29,773,109</u>	<u>29,574,244</u>	<u>198,865</u>
Instruction-special				
Salaries and wages	4,857,272	4,744,031	4,744,031	-
Fringe benefits	1,590,546	1,623,956	1,623,956	-
Purchased services	191,862	192,489	158,971	33,518
Supplies and materials	30,661	41,788	33,869	7,919
Capital outlay	3,499	5,000	-	5,000
Total instruction-special	<u>6,673,840</u>	<u>6,607,264</u>	<u>6,560,827</u>	<u>46,437</u>
Instruction-vocational				
Salaries and wages	1,406,775	1,373,978	1,373,978	-
Fringe benefits	470,219	480,096	445,154	34,942
Purchased services	47,368	52,555	47,777	4,778
Supplies and materials	90,835	124,381	110,499	13,882
Capital outlay	14,851	21,219	21,219	-
Other	4,930	5,033	4,572	461
Total instruction-vocational	<u>2,034,978</u>	<u>2,057,262</u>	<u>2,003,199</u>	<u>54,063</u>
Instruction-other				
Purchased services	1,143,189	1,266,254	1,249,780	16,474
Total instruction-other	<u>1,143,189</u>	<u>1,266,254</u>	<u>1,249,780</u>	<u>16,474</u>
Support services-pupil				
Salaries and wages	2,679,761	2,617,286	2,617,286	-
Fringe benefits	834,165	851,687	851,687	-
Purchased services	480,614	446,256	416,692	29,564
Supplies and materials	8,049	10,930	10,376	554
Other	623,907	636,888	604,603	32,285
Total support services-pupil	<u>4,626,496</u>	<u>4,563,047</u>	<u>4,500,644</u>	<u>62,403</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, 2006

	<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	993,547	970,384	970,384	-
Fringe benefits	836,751	754,217	754,173	44
Purchased services	70,934	68,528	59,123	9,405
Supplies and materials	271,941	350,639	344,980	5,659
Other	11,906	12,154	12,154	-
Total support services-instructional staff	<u>2,185,079</u>	<u>2,155,922</u>	<u>2,140,814</u>	<u>15,108</u>
Support services-board of education				
Salaries and wages	10,034	9,800	9,800	-
Fringe benefits	1,984	2,026	1,938	88
Purchased services	2,704	3,000	2,406	594
Other	139	142	-	142
Total support services-board of education.	<u>14,861</u>	<u>14,968</u>	<u>14,144</u>	<u>824</u>
Support services-administration				
Salaries and wages	3,776,840	3,688,788	3,688,788	-
Fringe benefits	2,468,555	2,504,211	2,504,211	-
Purchased services	310,785	312,510	294,951	17,559
Supplies and materials	54,736	69,414	65,500	3,914
Capital outlay	6,649	4,213	3,700	513
Other	149,498	152,608	147,790	4,818
Total support services-administration	<u>6,767,063</u>	<u>6,731,744</u>	<u>6,704,940</u>	<u>26,804</u>
Support services-fiscal				
Salaries and wages	380,502	371,631	357,806	13,825
Fringe benefits	167,071	170,580	170,580	-
Purchased services	86,786	94,295	94,238	57
Supplies and materials	2,287	3,131	3,131	-
Capital outlay	20,996	30,000	30,000	-
Other	712,489	727,313	727,283	30
Total support services-fiscal.	<u>1,370,131</u>	<u>1,396,950</u>	<u>1,383,038</u>	<u>13,912</u>
Support services-business				
Purchased services	200,001	221,058	219,585	1,473
Supplies and materials	64,618	87,675	85,343	2,332
Capital outlay	28	40	-	40
Other	3,320	3,389	3,389	-
Total support services-business	<u>267,967</u>	<u>312,162</u>	<u>308,317</u>	<u>3,845</u>
Support services-operations & maintenance				
Salaries and wages	2,736,321	2,672,527	2,672,527	-
Fringe benefits	1,330,068	1,358,007	1,358,007	-
Purchased services	3,698,085	3,797,899	3,724,632	73,267
Supplies and materials	356,507	444,142	415,493	28,649
Capital outlay	24,874	35,541	13,341	22,200
Other	16,685	17,032	-	17,032
Total support services-operations & maintenance	<u>8,162,540</u>	<u>8,325,148</u>	<u>8,184,000</u>	<u>141,148</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, 2006

	<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	2,308,898	2,255,069	2,255,069	-
Fringe benefits	1,148,870	1,173,003	1,173,003	-
Purchased services	181,180	187,084	183,459	3,625
Supplies and materials	444,568	578,913	573,197	5,716
Capital outlay	426,769	356,950	355,900	1,050
Total support services-pupil transportation	<u>4,510,285</u>	<u>4,551,019</u>	<u>4,540,628</u>	<u>10,391</u>
Support services-central				
Salaries and wages	266,673	260,456	260,456	-
Fringe benefits	131,684	134,450	131,450	3,000
Purchased services	694,384	769,477	143,799	625,678
Supplies and materials	28,272	36,859	34,405	2,454
Other	686	700	-	700
Total support services-central	<u>1,121,699</u>	<u>1,201,942</u>	<u>570,110</u>	<u>631,832</u>
Operation of non-instructional services				
Purchased services	158	83	83	-
Supplies and materials	96,050	74,920	65,819	9,101
Other	91,662	52,360	25,049	27,311
Total operation of non-instructional services	<u>187,870</u>	<u>127,363</u>	<u>90,951</u>	<u>36,412</u>
Extracurricular activities				
Salaries and wages	871,325	851,011	820,183	30,828
Fringe benefits	164,205	167,654	139,747	27,907
Purchased services	173,169	192,130	192,130	-
Other	35,029	34,870	34,590	280
Total extracurricular activities.	<u>1,243,728</u>	<u>1,245,665</u>	<u>1,186,650</u>	<u>59,015</u>
Debt service				
Other debt service payment	40,000	40,000	29,531	10,469
Total debt service.	<u>40,000</u>	<u>40,000</u>	<u>29,531</u>	<u>10,469</u>
Total expenditures	<u>70,325,825</u>	<u>70,369,819</u>	<u>69,041,817</u>	<u>1,328,002</u>
Excess of revenues (under) expenditures	<u>903,430</u>	<u>881,436</u>	<u>4,995,788</u>	<u>4,114,352</u>
Other financing sources (uses):				
Transfers out	(202,500)	(239,158)	(239,158)	-
Advances in.	50,000	50,000	23,528	(26,472)
Advances out	(50,000)	(14,921)	(14,921)	-
Refund of prior year expenditures	-	-	74,344	74,344
Total other financing sources (uses)	<u>(202,500)</u>	<u>(204,079)</u>	<u>(156,207)</u>	<u>47,872</u>
Net change in fund balance	700,930	677,357	4,839,581	4,162,224
Fund balance at beginning of year	4,538,044	4,538,044	4,538,044	-
Prior year encumbrances appropriated.	1,096,952	1,096,952	1,096,952	-
Fund balance at end of year.	<u>\$ 6,335,926</u>	<u>\$ 6,312,353</u>	<u>\$ 10,474,577</u>	<u>\$ 4,162,224</u>

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2006

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 633,386	\$ 343,608	\$ 1,990,622	\$ 2,967,616
Receivables:				
Taxes.	-	3,428,371	376,500	3,804,871
Accounts.	1,765	-	-	1,765
Intergovernmental	666,271	-	-	666,271
Materials and supplies inventory	11,359	-	-	11,359
Total assets.	<u>\$ 1,312,781</u>	<u>\$ 3,771,979</u>	<u>\$ 2,367,122</u>	<u>\$ 7,451,882</u>
Liabilities:				
Accounts payable.	\$ 90,346	\$ -	\$ -	\$ 90,346
Contracts payable.	-	-	315,521	315,521
Accrued wages and benefits	333,755	-	-	333,755
Intergovernmental payable	18,507	964	231	19,702
Interfund loan payable	4,921	-	-	4,921
Pension obligation payable.	235,945	-	-	235,945
Deferred revenue.	416,457	3,307,643	358,283	4,082,383
Total liabilities.	<u>1,099,931</u>	<u>3,308,607</u>	<u>674,035</u>	<u>5,082,573</u>
Fund balances:				
Reserved for encumbrances.	61,390	-	606,236	667,626
Reserved for materials and supplies inventory . . .	11,359	-	-	11,359
Reserved for property tax unavailable for appropriation.	-	100,776	12,598	113,374
Unreserved, undesignated reported in:				
Special revenue funds	140,101	-	-	140,101
Debt service fund	-	362,596	-	362,596
Capital projects funds	-	-	1,074,253	1,074,253
Total fund balances	<u>212,850</u>	<u>463,372</u>	<u>1,693,087</u>	<u>2,369,309</u>
Total liabilities and fund balances.	<u>\$ 1,312,781</u>	<u>\$ 3,771,979</u>	<u>\$ 2,367,122</u>	<u>\$ 7,451,882</u>

**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, 2006

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
From local sources:				
Taxes	\$ -	\$ 3,196,227	\$ 367,742	\$ 3,563,969
Earnings on investments	5,925	-	28,189	34,114
Charges for services	1,332,634	-	-	1,332,634
Classroom materials and fees.	169,342	-	-	169,342
Extracurricular	663,633	-	-	663,633
Other local revenues	186,757	-	-	186,757
Intergovernmental - state	1,097,030	385,605	44,461	1,527,096
Intergovernmental - federal	3,000,940	-	-	3,000,940
Total revenue.	<u>6,456,261</u>	<u>3,581,832</u>	<u>440,392</u>	<u>10,478,485</u>
Expenditures:				
Current:				
Instruction:				
Regular.	358,545	-	-	358,545
Special	320,005	-	-	320,005
Vocational	106,761	-	-	106,761
Adult/continuing	93,733	-	-	93,733
Other	3,562	-	-	3,562
Support services:				
Pupil	59,553	-	-	59,553
Instructional staff.	1,845,566	-	-	1,845,566
Administration	380	-	-	380
Fiscal.	-	42,500	7,271	49,771
Operations and maintenance	-	-	632,587	632,587
Pupil transportation	-	-	110,700	110,700
Central	66,729	-	433,015	499,744
Operation of non-instructional services	107,071	-	-	107,071
Food service operations	1,922,812	-	-	1,922,812
Extracurricular activities.	738,368	-	57,335	795,703
Facilities acquisition and construction	-	-	42,271	42,271
Intergovernmental pass through.	891,579	-	-	891,579
Debt service:				
Principal retirement	-	4,575,717	-	4,575,717
Interest and fiscal charges.	-	1,309,535	-	1,309,535
Total expenditures	<u>6,514,664</u>	<u>5,927,752</u>	<u>1,283,179</u>	<u>13,725,595</u>
Excess of revenues (under) expenditures	<u>(58,403)</u>	<u>(2,345,920)</u>	<u>(842,787)</u>	<u>(3,247,110)</u>
Other financing sources (uses):				
Transfers in.	248,446	-	-	248,446
Transfers out	(11,787)	-	-	(11,787)
Proceeds from sale of capital assets	-	-	412,374	412,374
Sale of notes	-	1,600,000	-	1,600,000
Total other financing sources (uses).	<u>236,659</u>	<u>1,600,000</u>	<u>412,374</u>	<u>2,249,033</u>
Net change in fund balances.	178,256	(745,920)	(430,413)	(998,077)
Fund balances at beginning of year.	44,902	1,209,292	2,123,500	3,377,694
Decrease in reserve for inventory	(10,308)	-	-	(10,308)
Fund balances at end of year.	<u>\$ 212,850</u>	<u>\$ 463,372</u>	<u>\$ 1,693,087</u>	<u>\$ 2,369,309</u>

**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.

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.

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

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

Nonmajor Special Revenue Funds (Continued)

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.

Poverty Aid

Current Budget Bill, O.R.C. 3317.029

A fund use to account for monies appropriated for poverty based assistance as part of the state foundation system. Programs include are academic intervention, all-day kindergarten, class-sized reduction, Limited English Proficient students, professional development, dropout prevention, and community outreach.

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.

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.

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.

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

Nonmajor Special Revenue Funds (Continued)

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, 2006

	Public School Support	Other Grants	District Managed Student Activity	Auxiliary Services
Assets:				
Equity in pooled cash and cash equivalents.	\$ 215,589	\$ 15,205	\$ 135,059	\$ 109,467
Receivables:				
Accounts	-	-	-	-
Intergovernmental	-	-	-	-
Materials and supplies inventory	-	-	-	-
Total assets.	\$ 215,589	\$ 15,205	\$ 135,059	\$ 109,467
Liabilities:				
Accounts payable.	\$ 8,373	\$ -	\$ 22,236	\$ 42,155
Accrued wages and benefits	-	2,852	100	1,141
Intergovernmental payable	-	55	2	139
Interfund loan payable	-	-	-	-
Pension obligation payable.	-	-	-	2,159
Deferred revenue	-	-	-	-
Total liabilities.	8,373	2,907	22,338	45,594
Fund balances:				
Reserved for encumbrances.	16,003	742	4,324	18,108
Reserved for materials and supplies inventory	-	-	-	-
Unreserved-undesignated (deficit)	191,213	11,556	108,397	45,765
Total fund balances (deficit)	207,216	12,298	112,721	63,873
Total liabilities and fund balances	\$ 215,589	\$ 15,205	\$ 135,059	\$ 109,467

<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Data Communications for Schools</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Summer Intervention</u>
\$ 19,051	\$ 486	\$ 29	\$ 8,317	\$ 299	\$ 25,089
-	-	-	-	-	-
-	-	-	-	2,992	-
-	-	-	-	-	-
<u>\$ 19,051</u>	<u>\$ 486</u>	<u>\$ 29</u>	<u>\$ 8,317</u>	<u>\$ 3,291</u>	<u>\$ 25,089</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,992	-
-	-	-	-	2,992	-
-	-	-	-	-	-
-	-	-	-	-	-
19,051	486	29	8,317	299	25,089
<u>19,051</u>	<u>486</u>	<u>29</u>	<u>8,317</u>	<u>299</u>	<u>25,089</u>
<u>\$ 19,051</u>	<u>\$ 486</u>	<u>\$ 29</u>	<u>\$ 8,317</u>	<u>\$ 3,291</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, 2006

	<u>Vocational Educational Enhancements</u>	<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>IDEA Part B</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 2,400	\$ 19,279	\$ -	\$ 26,563
Receivables:				
Accounts	-	-	-	-
Intergovernmental	3,469	7,853	30,172	434,236
Materials and supplies inventory	-	-	-	-
Total assets.	<u>\$ 5,869</u>	<u>\$ 27,132</u>	<u>\$ 30,172</u>	<u>\$ 460,799</u>
Liabilities:				
Accounts payable.	\$ 610	\$ -	\$ 140	\$ 4,274
Accrued wages and benefits	-	-	2,426	169,334
Intergovernmental payable	-	-	343	8,892
Interfund loan payable	-	-	1,232	-
Pension obligation payable.	-	-	4,119	135,646
Deferred revenue	3,469	7,853	26,347	308,163
Total liabilities.	<u>4,079</u>	<u>7,853</u>	<u>34,607</u>	<u>626,309</u>
Fund balances:				
Reserved for encumbrances.	1,366	-	-	2,089
Reserved for materials and supplies inventory	-	-	-	-
Unreserved-undesignated (deficit)	424	19,279	(4,435)	(167,599)
Total fund balances (deficit)	<u>1,790</u>	<u>19,279</u>	<u>(4,435)</u>	<u>(165,510)</u>
Total liabilities and fund balances	<u>\$ 5,869</u>	<u>\$ 27,132</u>	<u>\$ 30,172</u>	<u>\$ 460,799</u>

<u>Vocational Education</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>
\$ 5,870	\$ 1,047	\$ 92	\$ 1,029	\$ -	\$ 8,347	\$ -
-	-	-	-	-	-	-
9,515	52,495	198	872	-	66,943	750
-	-	-	-	-	-	-
<u>\$ 15,385</u>	<u>\$ 53,542</u>	<u>\$ 290</u>	<u>\$ 1,901</u>	<u>\$ -</u>	<u>\$ 75,290</u>	<u>\$ 750</u>
\$ 3,562	\$ -	\$ -	\$ -	\$ -	\$ 8,100	\$ -
-	45,326	280	82	-	25,727	-
-	3,060	8	-	-	1,452	-
-	-	-	-	-	-	-
-	6,023	-	-	1,505	2,858	-
8,781	12,758	198	872	-	44,274	750
<u>12,343</u>	<u>67,167</u>	<u>486</u>	<u>954</u>	<u>1,505</u>	<u>82,411</u>	<u>750</u>
-	-	92	-	-	-	-
-	-	-	-	-	-	-
3,042	(13,625)	(288)	947	(1,505)	(7,121)	-
3,042	(13,625)	(196)	947	(1,505)	(7,121)	-
<u>\$ 15,385</u>	<u>\$ 53,542</u>	<u>\$ 290</u>	<u>\$ 1,901</u>	<u>\$ -</u>	<u>\$ 75,290</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, 2006

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Natorium</u>	<u>Total Nonmajor Special Revenue</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 3,096	\$ 16,404	\$ 20,668	\$ 633,386
Receivables:				
Accounts	1,142	623	-	1,765
Intergovernmental	56,776	-	-	666,271
Materials and supplies inventory	11,359	-	-	11,359
Total assets.	<u>\$ 72,373</u>	<u>\$ 17,027</u>	<u>\$ 20,668</u>	<u>\$ 1,312,781</u>
Liabilities:				
Accounts payable.	\$ 896	\$ -	\$ -	\$ 90,346
Accrued wages and benefits	85,595	-	892	333,755
Intergovernmental payable	4,524	-	32	18,507
Interfund loan payable	-	3,689	-	4,921
Pension obligation payable.	83,602	-	33	235,945
Deferred revenue	-	-	-	416,457
Total liabilities.	<u>174,617</u>	<u>3,689</u>	<u>957</u>	<u>1,099,931</u>
Fund balances:				
Reserved for encumbrances.	-	18,666	-	61,390
Reserved for materials and supplies inventory	11,359	-	-	11,359
Unreserved-undesignated (deficit)	(113,603)	(5,328)	19,711	140,101
Total fund balances (deficit)	<u>(102,244)</u>	<u>13,338</u>	<u>19,711</u>	<u>212,850</u>
Total liabilities and fund balances	<u>\$ 72,373</u>	<u>\$ 17,027</u>	<u>\$ 20,668</u>	<u>\$ 1,312,781</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, 2006

	<u>Public School Support</u>	<u>Other Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ 5,925
Charges for services	-	-	-	-
Classroom materials and fees.	-	-	-	-
Extracurricular	181,583	-	482,050	-
Other local revenues	74,856	8,817	-	-
Intergovernmental - state	-	-	-	897,347
Intergovernmental - federal	-	-	-	-
Total revenue.	<u>256,439</u>	<u>8,817</u>	<u>482,050</u>	<u>903,272</u>
Expenditures:				
Current:				
Instruction:				
Regular.	1,813	375	-	-
Special	-	5,055	-	-
Vocational	-	-	-	-
Adult/continuing	-	-	-	-
Other	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff.	-	1,740	-	-
Administration	-	110	-	-
Central	-	-	-	-
Operation of non-instructional services . . .	-	-	-	-
Food service operations	-	-	-	-
Extracurricular activities	268,508	-	469,860	-
Intergovernmental pass through.	-	-	-	891,579
Total expenditures	<u>270,321</u>	<u>7,280</u>	<u>469,860</u>	<u>891,579</u>
Excess (deficiency) of revenues over (under) expenditures	(13,882)	1,537	12,190	11,693
Other financing sources (uses):				
Transfers in.	-	1,000	376	-
Transfers out.	<u>(11,787)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses). . . .	<u>(11,787)</u>	<u>1,000</u>	<u>376</u>	<u>-</u>
Net change in fund balances	(25,669)	2,537	12,566	11,693
Fund balances (deficit)				
at beginning of year	232,885	9,761	100,155	52,180
Decrease in reserve for inventory	-	-	-	-
Fund balances (deficit) at end of year . . .	<u>\$ 207,216</u>	<u>\$ 12,298</u>	<u>\$ 112,721</u>	<u>\$ 63,873</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>Ohio Reads Grant</u>	<u>Summer Intervention</u>	<u>Vocational Educational Enhancements</u>	<u>Poverty Aid</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	11,788	-
-	26,221	11,200	36,000	3,925	20,990	-	28,185	6,789
-	-	-	-	-	-	-	-	-
-	26,221	11,200	36,000	3,925	20,990	-	39,973	6,789
-	-	11,640	-	-	12,861	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	36,026	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	6,789
-	-	-	-	805	-	-	18,858	-
-	-	-	-	-	-	-	-	-
-	26,221	-	36,000	4,508	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	26,221	11,640	36,000	5,313	12,861	-	54,884	6,789
-	-	(440)	-	(1,388)	8,129	-	(14,911)	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	(440)	-	(1,388)	8,129	-	(14,911)	-
19,051	486	440	29	9,705	(7,830)	25,089	16,701	-
-	-	-	-	-	-	-	-	-
\$ 19,051	\$ 486	\$ -	\$ 29	\$ 8,317	\$ 299	\$ 25,089	\$ 1,790	\$ -

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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, 2006

	Miscellaneous State Grants	Adult Basic Education	IDEA Part B	Vocational Education
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Classroom materials and fees.	-	-	-	-
Extracurricular	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	57,351	-	-	-
Intergovernmental - federal	-	139,492	1,853,430	82,655
Total revenue.	57,351	139,492	1,853,430	82,655
Expenditures:				
Current:				
Instruction:				
Regular.	-	-	-	-
Special	-	-	-	-
Vocational	-	-	-	70,735
Adult/continuing	-	93,733	-	-
Other	-	-	-	3,562
Support services:				
Pupil	23,296	-	15,001	-
Instructional staff.	-	35,131	1,692,964	-
Administration	-	270	-	-
Central	-	-	-	-
Operation of non-instructional services	-	-	85,350	-
Food service operations	-	-	-	-
Extracurricular activities	-	-	-	-
Intergovernmental pass through.	-	-	-	-
Total expenditures	23,296	129,134	1,793,315	74,297
Excess (deficiency) of revenues over (under) expenditures	34,055	10,358	60,115	8,358
Other financing sources (uses):				
Transfers in.	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses).	-	-	-	-
Net change in fund balances	34,055	10,358	60,115	8,358
Fund balances (deficit)				
at beginning of year	(14,776)	(14,793)	(225,625)	(5,316)
Decrease in reserve for inventory	-	-	-	-
Fund balances (deficit) at end of year	\$ 19,279	\$ (4,435)	\$ (165,510)	\$ 3,042

<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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,075	353,611	35,742	27,132	47,598	170,372	5,691
<u>5,075</u>	<u>353,611</u>	<u>35,742</u>	<u>27,132</u>	<u>47,598</u>	<u>170,372</u>	<u>5,691</u>
-	-	-	-	-	154,524	-
-	314,950	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	14,467	-	-	-
-	-	32,529	8,000	49,098	-	6,441
-	-	-	-	-	-	-
-	-	2,641	95	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>314,950</u>	<u>35,170</u>	<u>22,562</u>	<u>49,098</u>	<u>154,524</u>	<u>6,441</u>
5,075	38,661	572	4,570	(1,500)	15,848	(750)
-	-	-	-	-	-	-
<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>
5,075	38,661	572	4,570	(1,500)	15,848	(750)
(5,075)	(52,286)	(768)	(3,623)	(5)	(22,969)	750
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ (13,625)</u>	<u>\$ (196)</u>	<u>\$ 947</u>	<u>\$ (1,505)</u>	<u>\$ (7,121)</u>	<u>\$ -</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 (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Natatorium</u>	<u>Total Nonmajor Special Revenue</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ 5,925
Charges for services	1,332,634	-	-	1,332,634
Classroom materials and fees.	-	169,342	-	169,342
Extracurricular	-	-	-	663,633
Other local revenues	66,884	-	24,412	186,757
Intergovernmental - state	9,022	-	-	1,097,030
Intergovernmental - federal	280,142	-	-	3,000,940
Total revenue.	<u>1,688,682</u>	<u>169,342</u>	<u>24,412</u>	<u>6,456,261</u>
Expenditures:				
Current:				
Instruction:				
Regular.	-	177,332	-	358,545
Special	-	-	-	320,005
Vocational	-	-	-	106,761
Adult/continuing	-	-	-	93,733
Other	-	-	-	3,562
Support services:				
Pupil	-	-	-	59,553
Instructional staff.	-	-	-	1,845,566
Administration	-	-	-	380
Central	-	-	-	66,729
Operation of non-instructional services . . .	-	-	18,985	107,071
Food service operations	1,922,812	-	-	1,922,812
Extracurricular activities	-	-	-	738,368
Intergovernmental pass through.	-	-	-	891,579
Total expenditures	<u>1,922,812</u>	<u>177,332</u>	<u>18,985</u>	<u>6,514,664</u>
Excess (deficiency) of revenues over (under) expenditures	(234,130)	(7,990)	5,427	(58,403)
Other financing sources (uses):				
Transfers in.	235,659	11,411	-	248,446
Transfers out	-	-	-	(11,787)
Total other financing sources (uses). . . .	<u>235,659</u>	<u>11,411</u>	<u>-</u>	<u>236,659</u>
Net change in fund balances	1,529	3,421	5,427	178,256
Fund balances (deficit)				
at beginning of year	(93,465)	9,917	14,284	44,902
Decrease in reserve for inventory	(10,308)	-	-	(10,308)
Fund balances (deficit) at end of year . . .	<u>\$ (102,244)</u>	<u>\$ 13,338</u>	<u>\$ 19,711</u>	<u>\$ 212,850</u>

**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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Extracurricular	\$ 233,470	\$ 271,932	\$ 181,845	\$ (90,087)
Other local revenue	-	-	74,856	74,856
Total revenues	<u>233,470</u>	<u>271,932</u>	<u>256,701</u>	<u>(15,231)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	1,525	1,862	1,862	-
Fringe benefits	297	363	363	-
Purchased services	83	101	101	-
Total instruction-regular.	<u>1,905</u>	<u>2,326</u>	<u>2,326</u>	<u>-</u>
Extracurricular activities				
Salaries and wages	517	631	631	-
Fringe benefits	129	158	158	-
Purchased services	296	361	361	-
Supplies and materials	520	402	402	-
Other	315,985	377,471	288,944	88,527
Total extracurricular activities.	<u>317,447</u>	<u>379,023</u>	<u>290,496</u>	<u>88,527</u>
Total expenditures	<u>319,352</u>	<u>381,349</u>	<u>292,822</u>	<u>88,527</u>
Excess of revenues (under) expenditures	<u>(85,882)</u>	<u>(109,417)</u>	<u>(36,121)</u>	<u>73,296</u>
Other financing uses:				
Transfers out	(11,786)	(11,786)	(11,786)	-
Total other financing uses	<u>(11,786)</u>	<u>(11,786)</u>	<u>(11,786)</u>	<u>-</u>
Net change in fund balance	(97,668)	(121,203)	(47,907)	73,296
Fund balance at beginning of year	220,453	220,453	220,453	-
Prior year encumbrances appropriated	18,911	18,911	18,911	-
Fund balance at end of year.	<u>\$ 141,696</u>	<u>\$ 118,161</u>	<u>\$ 191,457</u>	<u>\$ 73,296</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Other local revenue	\$ 5,000	\$ 5,000	\$ 8,817	\$ 3,817
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>8,817</u>	<u>3,817</u>
Expenditures:				
Current:				
Instruction-regular				
Supplies and materials	1,782	1,996	375	1,621
Total instruction-regular.	<u>1,782</u>	<u>1,996</u>	<u>375</u>	<u>1,621</u>
Instruction-special				
Salaries and wages	2,071	2,320	2,320	-
Fringe benefits	306	343	343	-
Total instruction-special.	<u>2,377</u>	<u>2,663</u>	<u>2,663</u>	<u>-</u>
Support services-instructional staff				
Purchased services	268	300	4	296
Supplies and materials	3,345	3,747	1,995	1,752
Other	446	500	500	-
Total support services-instructional staff	<u>4,059</u>	<u>4,547</u>	<u>2,499</u>	<u>2,048</u>
Support services-administration				
Purchased services	98	110	110	-
Total support services-administration	<u>98</u>	<u>110</u>	<u>110</u>	<u>-</u>
Total expenditures	<u>8,316</u>	<u>9,316</u>	<u>5,647</u>	<u>3,669</u>
Excess of revenues over (under) expenditures	(3,316)	(4,316)	3,170	7,486
Other financing sources:				
Transfers in	-	1,000	1,000	-
Total other financing sources	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Net change in fund balance	(3,316)	(3,316)	4,170	7,486
Fund balance at beginning of year	<u>10,293</u>	<u>10,293</u>	<u>10,293</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 6,977</u>	<u>\$ 6,977</u>	<u>\$ 14,463</u>	<u>\$ 7,486</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Extracurricular	\$ 460,475	\$ 496,247	\$ 482,050	\$ (14,197)
Total revenues	<u>460,475</u>	<u>496,247</u>	<u>482,050</u>	<u>(14,197)</u>
Expenditures:				
Current:				
Extracurricular activities				
Salaries and wages	5,140	5,539	5,439	100
Fringe benefits	1,594	1,718	1,681	37
Other	492,842	519,773	477,772	42,001
Total extracurricular activities.	<u>499,576</u>	<u>527,030</u>	<u>484,892</u>	<u>42,138</u>
Total expenditures	<u>499,576</u>	<u>527,030</u>	<u>484,892</u>	<u>42,138</u>
Excess of revenues (under) expenditures	<u>(39,101)</u>	<u>(30,783)</u>	<u>(2,842)</u>	<u>27,941</u>
Other financing sources (uses):				
Transfers in	-	-	376	376
Advances in.	-	-	10,000	10,000
Advances (out)	(10,000)	(10,000)	(10,000)	-
Total other financing sources (uses).	<u>(10,000)</u>	<u>(10,000)</u>	<u>376</u>	<u>10,376</u>
Net change in fund balance	(49,101)	(40,783)	(2,466)	38,317
Fund balance at beginning of year	100,467	100,467	100,467	-
Prior year encumbrances appropriated	10,498	10,498	10,498	-
Fund balance at end of year.	<u>\$ 61,864</u>	<u>\$ 70,182</u>	<u>\$ 108,499</u>	<u>\$ 38,317</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 5,426	\$ 5,509	\$ 5,925	\$ 416
Intergovernmental-state	883,757	897,346	897,346	-
Total revenues	<u>889,183</u>	<u>902,855</u>	<u>903,271</u>	<u>416</u>
Expenditures:				
Current:				
Intergovernmental pass through				
Salaries and wages	23,310	26,109	26,057	52
Fringe benefits	18,008	20,171	20,171	-
Purchased services	506,759	566,529	540,014	26,515
Supplies and materials	300,882	246,745	228,181	18,564
Capital outlay	88,789	88,184	86,249	1,935
Other	44,311	46,154	44,450	1,704
Total intergovernmental pass through	<u>982,059</u>	<u>993,892</u>	<u>945,122</u>	<u>48,770</u>
Total expenditures	<u>982,059</u>	<u>993,892</u>	<u>945,122</u>	<u>48,770</u>
Excess of revenues over (under) expenditures	(92,876)	(91,037)	(41,851)	49,186
Other financing uses:				
Refund of prior year's receipts	(15,796)	(17,693)	(17,693)	-
Total other financing uses	<u>(15,796)</u>	<u>(17,693)</u>	<u>(17,693)</u>	<u>-</u>
Net change in fund balance	(108,672)	(108,730)	(59,544)	49,186
Fund balance at beginning of year	14,016	14,016	14,016	-
Prior year encumbrances appropriated	94,732	94,732	94,732	-
Fund balance at end of year	<u>\$ 76</u>	<u>\$ 18</u>	<u>\$ 49,204</u>	<u>\$ 49,186</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	<u>\$ 19,051</u>	<u>\$ 19,051</u>	<u>\$ 19,051</u>	<u>\$ -</u>
Fund balance at end of year.	<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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 4,958	\$ 26,221	\$ 26,221	\$ -
Total revenues	<u>4,958</u>	<u>26,221</u>	<u>26,221</u>	<u>-</u>
Expenditures:				
Current:				
Support services-central				
Salaries and wages	4,347	22,988	22,988	-
Fringe benefits	611	3,233	3,233	-
Total support services-central	<u>4,958</u>	<u>26,221</u>	<u>26,221</u>	<u>-</u>
Total expenditures	<u>4,958</u>	<u>26,221</u>	<u>26,221</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	486	486	486	-
Fund balance at end of year.	<u>\$ 486</u>	<u>\$ 486</u>	<u>\$ 486</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)
ENTRY YEAR PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ -	\$ 11,200	\$ 11,200	\$ -
Total revenues	<u>-</u>	<u>11,200</u>	<u>11,200</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	-	8,848	8,848	-
Fringe benefits	-	1,366	1,366	-
Purchased services	-	986	986	-
Total instruction-regular.	<u>-</u>	<u>11,200</u>	<u>11,200</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>11,200</u>	<u>11,200</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing uses:				
Refund of prior year's receipts	(440)	(440)	(440)	-
Total other financing uses	<u>(440)</u>	<u>(440)</u>	<u>(440)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	(440)	(440)	(440)	-
Fund balance at beginning of year	<u>440</u>	<u>440</u>	<u>440</u>	<u>-</u>
Fund balance at end of year.	<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)
DATA COMMUNICATIONS FOR SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ -	\$ 36,000	\$ 36,000	\$ -
Total revenues	<u>-</u>	<u>36,000</u>	<u>36,000</u>	<u>-</u>
Expenditures:				
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	-	-	-	-
Fund balance at beginning of year	29	29	29	-
Fund balance at end of year.	<u>\$ 29</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ -	\$ 3,300	\$ 3,925	\$ 625
Total revenues	<u>-</u>	<u>3,300</u>	<u>3,925</u>	<u>625</u>
Expenditures:				
Current:				
Support services-instructional staff				
Salaries and wages	349	703	703	-
Fringe benefits	51	102	102	-
Total support services-instructional staff	<u>400</u>	<u>805</u>	<u>805</u>	<u>-</u>
Support services-central				
Purchased services	2,848	5,743	4,508	1,235
Total support services-central	<u>2,848</u>	<u>5,743</u>	<u>4,508</u>	<u>1,235</u>
Total expenditures	<u>3,248</u>	<u>6,548</u>	<u>5,313</u>	<u>1,235</u>
Net change in fund balance	(3,248)	(3,248)	(1,388)	1,860
Fund balance at beginning of year	<u>9,705</u>	<u>9,705</u>	<u>9,705</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 6,457</u>	<u>\$ 6,457</u>	<u>\$ 8,317</u>	<u>\$ 1,860</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 18,990	\$ 20,990	\$ 20,990	\$ -
Total revenues	<u>18,990</u>	<u>20,990</u>	<u>20,990</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	9,152	15,046	14,747	299
Fringe benefits	27	45	45	-
Purchased services	804	500	500	-
Supplies and materials	9,052	5,444	5,444	-
Total instruction-regular.	<u>19,035</u>	<u>21,035</u>	<u>20,736</u>	<u>299</u>
Total expenditures	<u>19,035</u>	<u>21,035</u>	<u>20,736</u>	<u>299</u>
Excess of revenues over (under) expenditures	<u>(45)</u>	<u>(45)</u>	<u>254</u>	<u>299</u>
Other financing uses:				
Advances (out)	<u>(376)</u>	<u>(376)</u>	<u>(376)</u>	<u>-</u>
Total other financing uses	<u>(376)</u>	<u>(376)</u>	<u>(376)</u>	<u>-</u>
Net change in fund balance	(421)	(421)	(122)	299
Fund balance at beginning of year	(5,818)	(5,818)	(5,818)	-
Prior year encumbrances appropriated	6,239	6,239	6,239	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299</u>	<u>\$ 299</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 25,089	\$ 25,089	\$ 25,089	\$ -
Fund balance at end of year.	<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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Other local revenue	\$ 7,643	\$ 11,788	\$ 11,788	\$ -
Intergovernmental-state	20,283	31,285	28,184	(3,101)
Total revenues	<u>27,926</u>	<u>43,073</u>	<u>39,972</u>	<u>(3,101)</u>
Expenditures:				
Current:				
Instruction-regular				
Supplies and materials	2,281	1,593	1,485	108
Total instruction-regular.	<u>2,281</u>	<u>1,593</u>	<u>1,485</u>	<u>108</u>
Instruction-vocational				
Salaries and wages	2,683	6,210	5,839	371
Fringe benefits	399	924	924	-
Purchased services	2,964	6,861	6,861	-
Supplies and materials	10,290	23,820	23,768	52
Capital outlay	1,212	2,805	-	2,805
Total instruction-vocational	<u>17,548</u>	<u>40,620</u>	<u>37,392</u>	<u>3,228</u>
Support services-instructional staff				
Purchased services	6,915	9,999	9,839	160
Supplies and materials	10,807	12,436	12,407	29
Total support services-instructional staff	<u>17,722</u>	<u>22,435</u>	<u>22,246</u>	<u>189</u>
Total expenditures	<u>37,551</u>	<u>64,648</u>	<u>61,123</u>	<u>3,525</u>
Excess (deficiency) of revenues over (under) expenditures	(9,625)	(21,575)	(21,151)	424
Other financing sources (uses):				
Transfers in	-	15,920	15,920	-
Transfers out	-	(15,920)	(15,920)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(9,625)	(21,575)	(21,151)	424
Fund balance at beginning of year	11,953	11,953	11,953	-
Prior year encumbrances appropriated	9,622	9,622	9,622	-
Fund balance at end of year	<u>\$ 11,950</u>	<u>\$ -</u>	<u>\$ 424</u>	<u>\$ 424</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POVERTY AID
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 4,558	\$ 6,789	\$ 6,789	\$ -
Total revenues	<u>4,558</u>	<u>6,789</u>	<u>6,789</u>	<u>-</u>
Expenditures:				
Current:				
Support services-pupil				
Salaries and wages	-	6,789	6,789	-
Total support services-pupil	<u>-</u>	<u>6,789</u>	<u>6,789</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>6,789</u>	<u>6,789</u>	<u>-</u>
Net change in fund balance	4,558	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,558</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)
MISCELLANEOUS STATE GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 17,007	\$ 17,007	\$ 17,007	\$ -
Intergovernmental-federal	40,344	40,344	40,344	-
Total revenues	<u>57,351</u>	<u>57,351</u>	<u>57,351</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-special				
Salaries and wages	13,413	13,413	13,413	-
Fringe benefits	4,866	4,866	4,866	-
Total instruction-special	<u>18,279</u>	<u>18,279</u>	<u>18,279</u>	<u>-</u>
Instruction-vocational				
Salaries and wages	6,355	6,355	6,355	-
Fringe benefits	77	77	77	-
Purchased services	1,225	1,225	1,225	-
Supplies and materials	1,551	1,551	1,551	-
Total instruction-vocational	<u>9,208</u>	<u>9,208</u>	<u>9,208</u>	<u>-</u>
Support services-pupil				
Salaries and wages	21,900	21,900	20,243	1,657
Fringe benefits	3,636	3,636	3,127	509
Purchased services	2,394	2,394	1,496	898
Supplies and materials	1,369	1,369	1,369	-
Total support services-pupil	<u>29,299</u>	<u>29,299</u>	<u>26,235</u>	<u>3,064</u>
Support services-administration				
Purchased services	219	219	219	-
Total support services-administration	<u>219</u>	<u>219</u>	<u>219</u>	<u>-</u>
Total expenditures	<u>57,005</u>	<u>57,005</u>	<u>53,941</u>	<u>3,064</u>
Excess of revenues over (under) expenditures	<u>346</u>	<u>346</u>	<u>3,410</u>	<u>3,064</u>
Other financing uses:				
Advances out	(1,617)	(1,617)	(1,617)	-
Total other financing uses	<u>(1,617)</u>	<u>(1,617)</u>	<u>(1,617)</u>	<u>-</u>
Net change in fund balance	(1,271)	(1,271)	1,793	3,064
Fund balance at beginning of year	13,811	13,811	13,811	-
Prior year encumbrances appropriated	3,675	3,675	3,675	-
Fund balance at end of year	<u>\$ 16,215</u>	<u>\$ 16,215</u>	<u>\$ 19,279</u>	<u>\$ 3,064</u>

**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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 144,554	\$ 153,852	\$ 135,668	\$ (18,184)
Total revenues	<u>144,554</u>	<u>153,852</u>	<u>135,668</u>	<u>(18,184)</u>
Expenditures:				
Current:				
Instruction-adult/continuing				
Salaries and wages	75,466	82,724	79,580	3,144
Fringe benefits	11,078	12,143	10,648	1,495
Purchased services	5,200	5,700	2,533	3,167
Supplies and materials	5,832	5,380	5,278	102
Other	258	283	282	1
Total instruction-adult/continuing	<u>97,834</u>	<u>106,230</u>	<u>98,321</u>	<u>7,909</u>
Support services-instructional staff				
Salaries and wages	30,955	33,932	31,799	2,133
Fringe benefits	8,179	8,965	4,355	4,610
Purchased services	1,746	1,914	33	1,881
Other	949	492	492	-
Total support services-instructional staff	<u>41,829</u>	<u>45,303</u>	<u>36,679</u>	<u>8,624</u>
Support services-administration				
Purchased services	821	900	635	265
Supplies and materials	411	450	437	13
Total support services-administration	<u>1,232</u>	<u>1,350</u>	<u>1,072</u>	<u>278</u>
Total expenditures	<u>140,895</u>	<u>152,883</u>	<u>136,072</u>	<u>16,811</u>
Excess of revenues over expenditures	<u>3,659</u>	<u>969</u>	<u>(404)</u>	<u>(1,373)</u>
Other financing sources (uses):				
Transfers in	-	2,690	2,690	-
Transfers out	-	(2,690)	(2,690)	-
Advances in	-	-	1,233	1,233
Advances out	(3,659)	(3,659)	(3,659)	-
Total other financing sources (uses).	<u>(3,659)</u>	<u>(3,659)</u>	<u>(2,426)</u>	<u>1,233</u>
Net change in fund balance	-	(2,690)	(2,830)	(140)
Fund balance at beginning of year	<u>1,267</u>	<u>1,267</u>	<u>1,267</u>	<u>-</u>
Prior year encumbrances appropriated	<u>1,423</u>	<u>1,423</u>	<u>1,423</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,690</u>	<u>\$ -</u>	<u>\$ (140)</u>	<u>\$ (140)</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental-federal	\$ 2,021,745	\$ 2,069,319	\$ 1,727,357	\$ (341,962)
Total revenues	<u>2,021,745</u>	<u>2,069,319</u>	<u>1,727,357</u>	<u>(341,962)</u>
Expenditures:				
Current:				
Support services-pupil				
Supplies and materials	14,322	15,001	15,001	-
Total support services-pupil	<u>14,322</u>	<u>15,001</u>	<u>15,001</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	1,091,641	1,143,397	952,667	190,730
Fringe benefits	497,482	521,069	459,660	61,409
Purchased services	319,918	311,072	204,657	106,415
Supplies and materials	33,482	34,522	31,419	3,103
Total support services-instructional staff	<u>1,942,523</u>	<u>2,010,060</u>	<u>1,648,403</u>	<u>361,657</u>
Operation of non-instructional services				
Purchased services	86,388	88,096	87,493	603
Total operation of non-instructional services	<u>86,388</u>	<u>88,096</u>	<u>87,493</u>	<u>603</u>
Total expenditures	<u>2,043,233</u>	<u>2,113,157</u>	<u>1,750,897</u>	<u>362,260</u>
Net change in fund balance	(21,488)	(43,838)	(23,540)	20,298
Fund balance at beginning of year	18,108	18,108	18,108	-
Prior year encumbrances appropriated	25,730	25,730	25,730	-
Fund balance at end of year.	<u>\$ 22,350</u>	<u>\$ -</u>	<u>\$ 20,298</u>	<u>\$ 20,298</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 82,284	\$ 82,284	\$ 81,920	\$ (364)
Total revenues	<u>82,284</u>	<u>82,284</u>	<u>81,920</u>	<u>(364)</u>
Expenditures:				
Current:				
Instruction-regular				
Capital outlay	616	330	330	-
Other	224	120	120	-
Total instruction-regular	<u>840</u>	<u>450</u>	<u>450</u>	<u>-</u>
Instruction-vocational				
Salaries and wages	2,253	2,600	1,033	1,567
Fringe benefits	348	402	280	122
Purchased services	11,395	13,152	13,021	131
Supplies and materials	60,956	62,040	61,783	257
Other	4,738	5,469	5,353	116
Total instruction-vocational	<u>79,690</u>	<u>83,663</u>	<u>81,470</u>	<u>2,193</u>
Support services-instructional staff				
Supplies and materials	2,266	1,214	1,214	-
Total support services-instructional staff	<u>2,266</u>	<u>1,214</u>	<u>1,214</u>	<u>-</u>
Total expenditures	<u>82,796</u>	<u>85,327</u>	<u>83,134</u>	<u>2,193</u>
Net change in fund balance	(512)	(3,043)	(1,214)	1,829
Fund balance (deficit)				
at beginning of year	(5,347)	(5,347)	(5,347)	-
Prior year encumbrances appropriated	8,869	8,869	8,869	-
Fund balance at end of year	<u>\$ 3,010</u>	<u>\$ 479</u>	<u>\$ 2,308</u>	<u>\$ 1,829</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal.	\$ 317,507	\$ 370,128	\$ 313,874	\$ (56,254)
Total revenues	<u>317,507</u>	<u>370,128</u>	<u>313,874</u>	<u>(56,254)</u>
Expenditures:				
Current:				
Instruction-special				
Salaries and wages	218,350	278,249	241,816	36,433
Fringe benefits	56,368	71,831	64,264	7,567
Purchased services	12,491	15,917	6,784	9,133
Supplies and materials	392	500	500	-
Total instruction-special.	<u>287,601</u>	<u>366,497</u>	<u>313,364</u>	<u>53,133</u>
Total expenditures	<u>287,601</u>	<u>366,497</u>	<u>313,364</u>	<u>53,133</u>
Net change in fund balance	29,906	3,631	510	(3,121)
Fund balance (deficit)				
at beginning of year.	537	537	537	-
Fund balance at end of year	<u>\$ 30,443</u>	<u>\$ 4,168</u>	<u>\$ 1,047</u>	<u>\$ (3,121)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 35,940	\$ 35,940	\$ 35,742	\$ (198)
Total revenues	<u>35,940</u>	<u>35,940</u>	<u>35,742</u>	<u>(198)</u>
Expenditures:				
Current:				
Support services-instructional staff				
Salaries and wages	28,713	28,713	28,713	-
Fringe benefits	3,528	3,528	3,528	-
Total support services-instructional staff	<u>32,241</u>	<u>32,241</u>	<u>32,241</u>	<u>-</u>
Operation of non-instructional services				
Supplies and materials	2,931	2,931	2,733	198
Total operation of non-instructional services	<u>2,931</u>	<u>2,931</u>	<u>2,733</u>	<u>198</u>
Total expenditures	<u>35,172</u>	<u>35,172</u>	<u>34,974</u>	<u>198</u>
Excess of revenues over expenditures	<u>768</u>	<u>768</u>	<u>768</u>	<u>-</u>
Other financing sources (uses):				
Advances out	(768)	(768)	(768)	-
Total other financing sources (uses)	<u>(768)</u>	<u>(768)</u>	<u>(768)</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance (deficit) at end of year	<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)
DRUG FREE SCHOOLS PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 27,434	\$ 27,719	\$ 27,133	\$ (586)
Total revenues	<u>27,434</u>	<u>27,719</u>	<u>27,133</u>	<u>(586)</u>
Expenditures:				
Current:				
Support services-pupil				
Salaries and wages	8,093	9,422	8,086	1,336
Fringe benefits	1,170	1,362	1,300	62
Purchased services	11,033	8,625	8,625	-
Total support services-pupil	<u>20,296</u>	<u>19,409</u>	<u>18,011</u>	<u>1,398</u>
Support services-instructional staff				
Supplies and materials	6,872	8,000	8,000	-
Total support services-instructional staff	<u>6,872</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Operation of non-instructional services				
Supplies and materials	268	312	95	217
Total operation of non-instructional services	<u>268</u>	<u>312</u>	<u>95</u>	<u>217</u>
Total expenditures	<u>27,436</u>	<u>27,721</u>	<u>26,106</u>	<u>1,615</u>
Net change in fund balance	(2)	(2)	1,027	1,029
Fund balance (deficit)				
at beginning of year.	(3,623)	(3,623)	(3,623)	-
Prior year encumbrances appropriated	3,625	3,625	3,625	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,029</u>	<u>\$ 1,029</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal.	\$ 45,548	\$ 47,598	\$ 47,598	\$ -
Total revenues	<u>45,548</u>	<u>47,598</u>	<u>47,598</u>	<u>-</u>
Expenditures:				
Current:				
Support services-instructional staff				
Salaries and wages	36,609	38,257	38,257	-
Fringe benefits	8,939	9,341	9,341	-
Total support services-instructional staff	<u>45,548</u>	<u>47,598</u>	<u>47,598</u>	<u>-</u>
Total expenditures	<u>45,548</u>	<u>47,598</u>	<u>47,598</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year.	<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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal.	\$ 206,928	\$ 212,441	\$ 147,702	\$ (64,739)
Total revenues	<u>206,928</u>	<u>212,441</u>	<u>147,702</u>	<u>(64,739)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	148,035	149,689	91,053	58,636
Fringe benefits	42,682	43,159	40,661	2,498
Purchased services	9,890	10,000	9,420	580
Total instruction-regular.	<u>200,607</u>	<u>202,848</u>	<u>141,134</u>	<u>61,714</u>
Total expenditures	<u>200,607</u>	<u>202,848</u>	<u>141,134</u>	<u>61,714</u>
Excess of revenues over expenditures	<u>6,321</u>	<u>9,593</u>	<u>6,568</u>	<u>(3,025)</u>
Other financing uses:				
Advances out	(6,321)	(6,321)	(6,321)	-
Total other financing uses	<u>(6,321)</u>	<u>(6,321)</u>	<u>(6,321)</u>	<u>-</u>
Net change in fund balance	-	3,272	247	(3,025)
Fund balance at beginning of year	-	-	-	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ 3,272</u>	<u>\$ 247</u>	<u>\$ (3,025)</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 FEDERAL GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal.	\$ 5,755	\$ 5,755	\$ 5,691	\$ (64)
Total revenues	<u>5,755</u>	<u>5,755</u>	<u>5,691</u>	<u>(64)</u>
Expenditures:				
Current:				
Support services-instructional staff				
Salaries and wages	2,323	2,600	2,600	-
Fringe benefits	327	366	366	-
Purchased services	447	500	500	-
Supplies and materials	2,658	2,975	2,975	-
Total support services-instructional staff	<u>5,755</u>	<u>6,441</u>	<u>6,441</u>	<u>-</u>
Total expenditures	<u>5,755</u>	<u>6,441</u>	<u>6,441</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(686)</u>	<u>(750)</u>	<u>(64)</u>
Other financing sources (uses):				
Transfers in	-	750	750	-
Transfers out	-	(750)	(750)	-
Total other financing sources (uses).	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(686)	(750)	(64)
Fund balance at beginning of year	<u>750</u>	<u>750</u>	<u>750</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 750</u>	<u>\$ 64</u>	<u>\$ -</u>	<u>\$ (64)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Charges for services	\$ 1,354,332	\$ 1,361,808	\$ 1,333,931	\$ (27,877)
Other revenue	73,491	73,897	66,778	(7,119)
Intergovernmental-state	8,951	9,000	9,022	22
Intergovernmental-federal	268,564	270,047	217,056	(52,991)
Total revenues	<u>1,705,338</u>	<u>1,714,752</u>	<u>1,626,787</u>	<u>(87,965)</u>
Expenditures:				
Current:				
Food service operations				
Salaries and wages	750,666	755,798	745,006	10,792
Fringe benefits	391,369	394,044	394,044	-
Purchased services	15,677	15,784	15,784	-
Supplies and materials	808,973	772,245	733,137	39,108
Total food service operations	<u>1,966,685</u>	<u>1,937,871</u>	<u>1,887,971</u>	<u>49,900</u>
Total expenditures	<u>1,966,685</u>	<u>1,937,871</u>	<u>1,887,971</u>	<u>49,900</u>
Excess of revenues (under) expenditures	<u>(261,347)</u>	<u>(223,119)</u>	<u>(261,184)</u>	<u>(38,065)</u>
Other financing sources:				
Transfers in	193,617	194,686	235,658	40,972
Total other financing sources	<u>193,617</u>	<u>194,686</u>	<u>235,658</u>	<u>40,972</u>
Net change in fund balance	(67,730)	(28,433)	(25,526)	2,907
Fund balance (deficit) at beginning of year	(13,349)	(13,349)	(13,349)	-
Prior year encumbrances appropriated	41,971	41,971	41,971	-
Fund balance (deficit) at end of year	<u>\$ (39,108)</u>	<u>\$ 189</u>	<u>\$ 3,096</u>	<u>\$ 2,907</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Charges for services	\$ 185,400	\$ 199,803	\$ 168,906	\$ (30,897)
Total revenues	<u>185,400</u>	<u>199,803</u>	<u>168,906</u>	<u>(30,897)</u>
Expenditures:				
Current:				
Regular instruction				
Supplies and materials	135,534	143,081	134,991	8,090
Total regular instruction.	<u>135,534</u>	<u>143,081</u>	<u>134,991</u>	<u>8,090</u>
Operation of non-instructional services				
Supplies and materials	59,486	67,130	62,092	5,038
Total operation of non-instructional services	<u>59,486</u>	<u>67,130</u>	<u>62,092</u>	<u>5,038</u>
Total expenditures	<u>195,020</u>	<u>210,211</u>	<u>197,083</u>	<u>13,128</u>
Excess of revenues over (under) expenditures	<u>(9,620)</u>	<u>(10,408)</u>	<u>(28,177)</u>	<u>(17,769)</u>
Other financing sources:				
Transfers in.	-	-	11,410	11,410
Advances in.	-	-	3,689	3,689
Advances (out)	(698)	(788)	(788)	-
Total other financing sources	<u>(698)</u>	<u>(788)</u>	<u>14,311</u>	<u>15,099</u>
Net change in fund balance	(10,318)	(11,196)	(13,866)	(2,670)
Fund balance at beginning of year	2,858	2,858	2,858	-
Prior year encumbrances appropriated	8,746	8,746	8,746	-
Fund balance (deficit) at end of year	<u>\$ 1,286</u>	<u>\$ 408</u>	<u>\$ (2,262)</u>	<u>\$ (2,670)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Other revenue	\$ 25,000	\$ 25,000	\$ 24,412	\$ (588)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>24,412</u>	<u>(588)</u>
Expenditures:				
Current:				
Operation of non-instructional services				
Salaries and wages	21,086	21,086	21,086	-
Fringe benefits	3,230	3,230	2,687	543
Supplies and materials	684	684	468	216
Total operation of non-instructional services	<u>25,000</u>	<u>25,000</u>	<u>24,241</u>	<u>759</u>
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>24,241</u>	<u>759</u>
Net change in fund balance	-	-	171	171
Fund balance at beginning of year	20,497	20,497	20,497	-
Fund balance at end of year	<u>\$ 20,497</u>	<u>\$ 20,497</u>	<u>\$ 20,668</u>	<u>\$ 171</u>

**SYLVANIA CITY SCHOOL DISTRICT
DEBT SERVICE FUND**

Section 5705.09, Revised Code

A fund provided for the retirement of serial bonds and short term loans. All revenues derived from general or special levies, either within or exceeding the statutory unvoted ten-mill limitation, which is levied for debt service on bonds or loans are paid into this fund.

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NONMAJOR DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 3,073,302	\$ 3,074,302	\$ 3,174,125	\$ 99,823
Other local revenue	1,000	-	-	-
Intergovernmental-state.	393,480	393,480	385,605	(7,875)
Total revenues	<u>3,467,782</u>	<u>3,467,782</u>	<u>3,559,730</u>	<u>91,948</u>
Expenditures:				
Current:				
Support services-fiscal				
Other	43,000	43,000	42,386	614
Total support services-fiscal.	<u>43,000</u>	<u>43,000</u>	<u>42,386</u>	<u>614</u>
Debt service:				
Principal retirement.	4,575,717	4,575,717	4,575,717	-
Interest and fiscal charges	1,319,681	1,319,681	1,319,381	300
Total debt service	<u>5,895,398</u>	<u>5,895,398</u>	<u>5,895,098</u>	<u>300</u>
Total expenditures.	<u>5,938,398</u>	<u>5,938,398</u>	<u>5,937,484</u>	<u>914</u>
Excess of revenues (under) expenditures	<u>(2,470,616)</u>	<u>(2,470,616)</u>	<u>(2,377,754)</u>	<u>92,862</u>
Other financing sources:				
Sale of notes	1,600,000	1,600,000	1,600,000	-
Premium on notes sold.	-	-	9,846	9,846
Total other financing sources.	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,609,846</u>	<u>9,846</u>
Excess (deficiency) of revenues and other financing sources over (under) Net change in fund balance	(870,616)	(870,616)	(767,908)	102,708
Fund balance at beginning of year	<u>1,111,516</u>	<u>1,111,516</u>	<u>1,111,516</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 240,900</u>	<u>\$ 240,900</u>	<u>\$ 343,608</u>	<u>\$ 102,708</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.

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2006

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Vocational Education Equipment</u>	<u>Total Nonmajor Capital Projects</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 784,744	\$ 1,156,827	\$ 49,051	\$ 1,990,622
Receivables:				
Taxes	376,500	-	-	376,500
Total assets.	<u>\$ 1,161,244</u>	<u>\$ 1,156,827</u>	<u>\$ 49,051</u>	<u>\$ 2,367,122</u>
Liabilities:				
Contracts payable.	\$ 80,512	\$ 235,009	\$ -	315,521
Intergovernmental payable	231	-	-	231
Deferred revenue.	358,283	-	-	358,283
Total liabilities.	<u>439,026</u>	<u>235,009</u>	<u>-</u>	<u>674,035</u>
Fund balances:				
Reserved for encumbrances.	217,417	388,819	-	606,236
Reserved for property tax unavailable for appropriation.	12,598	-	-	12,598
Unreserved-undesignated	492,203	532,999	49,051	1,074,253
Total fund balances	<u>722,218</u>	<u>921,818</u>	<u>49,051</u>	<u>1,693,087</u>
Total liabilities and fund balances.	<u>\$ 1,161,244</u>	<u>\$ 1,156,827</u>	<u>\$ 49,051</u>	<u>\$ 2,367,122</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, 2006

	Permanent Improvement	Building	Vocational Education Equipment	Total Nonmajor Capital Projects
Revenues:				
From local sources:				
Taxes	\$ 367,742	\$ -	\$ -	\$ 367,742
Earnings on investments	-	28,189	-	28,189
Intergovernmental - state	44,461	-	-	44,461
Total revenue	412,203	28,189	-	440,392
Expenditures:				
Current:				
Support services:				
Fiscal	7,271	-	-	7,271
Operations and maintenance	308,613	323,974	-	632,587
Pupil transportation	110,700	-	-	110,700
Central	-	433,015	-	433,015
Extracurricular activities	57,335	-	-	57,335
Facilities acquisition and construction	-	42,271	-	42,271
Total expenditures	483,919	799,260	-	1,283,179
Excess (deficiency) of revenues over (under) expenditures	(71,716)	(771,071)	-	(842,787)
Special Item:				
Proceeds from sale of bus garage	412,374	-	-	412,374
Net change in fund balances	340,658	(771,071)	-	(430,413)
Fund balances at beginning of year	381,560	1,692,889	49,051	2,123,500
Fund balances at end of year	\$ 722,218	\$ 921,818	\$ 49,051	\$ 1,693,087

**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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 352,492	\$ 352,492	\$ 363,911	\$ 11,419
Intergovernmental-state	44,959	44,959	44,461	(498)
Total revenues	<u>397,451</u>	<u>397,451</u>	<u>408,372</u>	<u>10,921</u>
Expenditures:				
Current:				
Support services-fiscal				
Other	3,437	7,323	7,323	-
Total support services-fiscal.	<u>3,437</u>	<u>7,323</u>	<u>7,323</u>	<u>-</u>
Support services-operations & maintenance				
Purchased services	46,545	55,295	54,289	1,006
Capital outlay	177,150	302,150	262,454	39,696
Total support services-operations & maintenance	<u>223,695</u>	<u>357,445</u>	<u>316,743</u>	<u>40,702</u>
Support services-pupil transportation				
Capital outlay	110,700	239,475	239,475	-
Total support services-pupil transportation	<u>110,700</u>	<u>239,475</u>	<u>239,475</u>	<u>-</u>
Extracurricular activities				
Capital outlay	117,500	117,500	117,500	-
Total extracurricular activities.	<u>117,500</u>	<u>117,500</u>	<u>117,500</u>	<u>-</u>
Total expenditures	<u>455,332</u>	<u>721,743</u>	<u>681,041</u>	<u>40,702</u>
Excess (deficiency) of revenues over (under) expenditures	(57,881)	(324,292)	(272,669)	51,623
Special Item:				
Proceeds from the sale of bus garage	-	-	412,374	412,374
Net change in fund balance	(57,881)	(324,292)	139,705	463,997
Fund balance at beginning of year	4,789	4,789	4,789	-
Prior year encumbrances appropriated	422,833	422,833	422,833	-
Fund balance (deficit) at end of year	<u>\$ 369,741</u>	<u>\$ 103,330</u>	<u>\$ 567,327</u>	<u>\$ 463,997</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 11,000	\$ 11,000	\$ 28,188	\$ 17,188
Total revenues	<u>11,000</u>	<u>11,000</u>	<u>28,188</u>	<u>17,188</u>
Expenditures:				
Current:				
Support services-operations & maintenance				
Purchased services	-	519,771	519,771	-
Capital outlay	<u>320</u>	<u>320</u>	<u>-</u>	<u>320</u>
Total support services-operations & maintenance	<u>320</u>	<u>520,091</u>	<u>519,771</u>	<u>320</u>
Support services-central				
Supplies and materials	-	843,000	433,015	409,985
Capital outlay	<u>-</u>	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Total support services-central	<u>-</u>	<u>850,000</u>	<u>433,015</u>	<u>416,985</u>
Facilities acquisition & construction				
Purchased services	<u>8,675</u>	<u>74,497</u>	<u>65,822</u>	<u>8,675</u>
Total facilities acquisition & construction.	<u>8,675</u>	<u>74,497</u>	<u>65,822</u>	<u>8,675</u>
Total expenditures	<u>8,995</u>	<u>1,444,588</u>	<u>1,018,608</u>	<u>425,980</u>
Net change in fund balance.	2,005	(1,433,588)	(990,420)	443,168
Fund balance at beginning of year	1,683,894	1,683,894	1,683,894	-
Prior year encumbrances appropriated	8,995	8,995	8,995	-
Fund balance at end of year	<u>\$ 1,694,894</u>	<u>\$ 259,301</u>	<u>\$ 702,469</u>	<u>\$ 443,168</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 EQUIPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 49,051	\$ 49,051	\$ 49,051	\$ -
Fund balance at end of year.	<u>\$ 49,051</u>	<u>\$ 49,051</u>	<u>\$ 49,051</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating transfers:				
Transfers out	\$ (14,627)	\$ (14,627)	\$ (14,627)	\$ -
Total operating transfers	<u>(14,627)</u>	<u>(14,627)</u>	<u>(14,627)</u>	<u>-</u>
Net income (loss)	(14,627)	(14,627)	(14,627)	-
Fund equity at beginning of year	<u>14,627</u>	<u>14,627</u>	<u>14,627</u>	<u>-</u>
Fund equity at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 235	\$ 235	\$ 694	\$ 459
Gifts and contributions	3,200	3,200	2,880	(320)
Total revenues	<u>3,435</u>	<u>3,435</u>	<u>3,574</u>	<u>139</u>
Expenditures:				
Current:				
Support services-pupil				
Scholarships awarded	220	220	118	102
Total support services-pupil	<u>220</u>	<u>220</u>	<u>118</u>	<u>102</u>
Extracurricular activities				
Scholarships awarded	4,600	5,800	4,800	1,000
Total extracurricular activities	<u>4,600</u>	<u>5,800</u>	<u>4,800</u>	<u>1,000</u>
Total expenditures	<u>4,820</u>	<u>6,020</u>	<u>4,918</u>	<u>1,102</u>
Net change in fund balance.	(1,385)	(2,585)	(1,344)	1,241
Fund balance at beginning of year	<u>17,443</u>	<u>17,443</u>	<u>17,443</u>	<u>-</u>
Fund balance at end of year	<u>\$ 16,058</u>	<u>\$ 14,858</u>	<u>\$ 16,099</u>	<u>\$ 1,241</u>

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	<u>Beginning Balance July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2006</u>
Student Managed Activities				
Assets:				
Equity in pooled cash and cash equivalents.	\$ <u>151,654</u>	\$ <u>183,913</u>	\$ <u>190,679</u>	\$ <u>144,888</u>
Liabilities:				
Accounts payable	\$ 1,800	\$ 695	\$ 1,800	\$ 695
Due to students	<u>149,854</u>	<u>183,218</u>	<u>188,879</u>	<u>144,193</u>
Total liabilities.	<u>\$ 151,654</u>	<u>\$ 183,913</u>	<u>\$ 190,679</u>	<u>\$ 144,888</u>

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STATISTICAL SECTION

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

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	S2 - S8
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	S9 - S15
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	S16 - S18
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	S20
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	S21 - S27

Sources: The District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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

NET ASSETS BY COMPONENT
LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 17,141,861	\$ 18,202,970	\$ 16,657,375	\$ 10,318,711
Restricted	2,637,434	4,117,629	2,528,858	6,386,458
Unrestricted	(4,421,995)	(12,997,333)	(14,853,379)	(9,287,298)
Total governmental activities net assets	<u>\$ 15,357,300</u>	<u>\$ 9,323,266</u>	<u>\$ 4,332,854</u>	<u>\$ 7,417,871</u>

Source: School District financial records.

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

CHANGES IN NET ASSETS
LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 30,983,869	\$ 29,734,135	\$ 31,395,058	\$ 29,937,224
Special	7,001,374	6,870,205	7,202,564	6,759,376
Vocational	2,242,348	2,039,407	2,176,073	2,172,461
Adult/Continuing	93,733	104,984	87,329	-
Other instructional	1,250,106	976,231	681,346	179,898
Support services:				
Pupil	4,508,486	4,422,882	4,039,903	3,855,724
Instructional staff	3,914,507	3,844,465	4,384,884	4,477,571
Board of education	14,144	12,463	10,632	12,060
Administration	6,800,388	6,314,181	5,061,340	5,107,351
Fiscal	1,371,982	1,332,056	1,265,944	1,160,693
Business	257,092	114,430	225,482	280,688
Operations and maintenance	7,885,775	6,817,301	8,733,003	8,025,706
Pupil transportation	4,330,919	4,097,703	3,976,985	3,624,072
Central	1,063,251	751,929	1,461,731	794,481
Operation of non-instructional services:				
Food service operations	2,049,360	2,058,230	2,039,811	2,080,857
Other non-instructional services	193,894	176,751	151,020	163,285
Extracurricular activities	2,355,560	2,278,115	2,053,611	2,037,124
Intergovernmental pass-through	897,049	930,217	907,497	986,413
Interest and fiscal charges	1,817,938	1,888,483	1,863,718	2,021,449
Total governmental activities expenses	<u>79,031,775</u>	<u>74,764,168</u>	<u>77,717,931</u>	<u>73,676,433</u>

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

CHANGES IN NET ASSETS - (Continued)
LAST FOUR FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Program Revenues	2006	2005	2004	2003
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 935,122	\$ 1,024,000	\$ 893,095	\$ 462,016
Vocational	-	-	-	1,425
Support services:				
Instructional staff	-	-	5,100	-
Operations and maintenance	38,992	44,857	72,358	102,597
Pupil transportation	27,269	23,464	-	-
Operation of non-instructional services:				
Food service operations	1,388,524	1,346,251	1,412,997	1,418,154
Other non-instructional services	118,879	103,465	102,062	72,862
Extracurricular activities	663,633	648,157	660,170	693,542
Operating grants and contributions:				
Instruction:				
Regular	212,949	263,692	346,782	319,141
Special	309,579	515,934	508,337	325,854
Vocational	91,123	89,407	63,287	87,289
Adult/Continuing	107,642	96,350	103,884	-
Other instructional	3,666	7,677	410	79,129
Support services:				
Pupil	67,417	31,857	30,718	25,417
Instructional staff	1,931,383	1,744,607	1,161,703	1,017,170
Administration	444	3,785	3,288	20,443
Business	-	-	-	4,984
Pupil transportation	-	-	-	345
Central	65,551	62,800	67,193	70,685
Operation of non-instructional services:				
Food service operations	289,164	259,066	258,420	285,140
Other non-instructional services	92,369	75,716	54,986	51,893
Extracurricular activities	74,856	34,347	-	-
Intergovernmental pass-through	897,347	885,712	899,005	860,000
Capital grants and contributions:				
Instruction:				
Regular	-	67,200	-	21,697
Support services:				
Instructional staff	-	-	-	125,206
Total governmental program revenues	<u>7,315,909</u>	<u>7,328,344</u>	<u>6,643,795</u>	<u>6,044,989</u>
Net (Expense)/Revenue				
Governmental activities	<u>\$ (71,715,866)</u>	<u>\$ (67,435,824)</u>	<u>\$ (71,074,136)</u>	<u>\$ (67,631,444)</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 51,488,436	\$ 47,111,824	\$ 42,673,705	\$ 38,308,914
Debt service	3,202,896	3,160,832	3,008,580	2,642,723
Capital outlay	364,431	369,331	349,872	180,764
Grants and entitlements not restricted to specific programs	21,526,126	21,321,319	21,428,816	21,036,372
Investment earnings	801,947	290,825	158,760	442,066
Gain on disposal of capital assets	6,674	-	-	2,852
Miscellaneous	216,016	172,105	369,386	304,665
Special item	143,374	-	-	-
Total governmental activities	<u>77,749,900</u>	<u>72,426,236</u>	<u>67,989,119</u>	<u>62,918,356</u>
Change in Net Assets				
Governmental activities	<u>\$ 6,034,034</u>	<u>\$ 4,990,412</u>	<u>\$ (3,085,017)</u>	<u>\$ (4,713,088)</u>

Source: School District financial records.

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

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2006</u>	<u>2005</u>	<u>2004 (1)</u>	<u>2003</u>
General Fund:				
Reserved	\$ 2,272,378	\$ 2,254,204	\$ 1,656,296	\$ 2,284,395
Unreserved	<u>2,155,699</u>	<u>(4,393,549)</u>	<u>(7,658,090)</u>	<u>(6,116,523)</u>
Total general fund	<u>4,428,077</u>	<u>(2,139,345)</u>	<u>(6,001,794)</u>	<u>(3,832,128)</u>
All Other Governmental Funds:				
Reserved	792,359	583,088	1,636,925	3,738,864
Unreserved, reported in:				
Special revenue funds	140,101	(90,766)	555,538	101,911
Debt service fund fund	362,596	1,141,004	2,091,935	3,468,252
Capital projects funds	<u>1,074,253</u>	<u>1,744,368</u>	<u>1,883,993</u>	<u>(913,723)</u>
Total all other governmental funds	<u>2,369,309</u>	<u>3,377,694</u>	<u>6,168,391</u>	<u>6,395,304</u>
Total governmental funds	<u>\$ 6,797,386</u>	<u>\$ 1,238,349</u>	<u>\$ 166,597</u>	<u>\$ 2,563,176</u>

Source: School District financial records.

(1) Amounts have been restated from those reported in the original CAFR to reflect either changes in accounting principle and/or prior period adjustments.

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999 (1)</u>	<u>1998 (1)</u>	<u>1997</u>
\$ 2,815,450	\$ 3,224,515	\$ 3,365,287	\$ 2,731,790	\$ 3,661,139	\$ 2,566,646
(2,958,516)	267,505	2,606,749	3,156,985	2,238,063	1,312,180
<u>(143,066)</u>	<u>3,492,020</u>	<u>5,972,036</u>	<u>5,888,775</u>	<u>5,899,202</u>	<u>3,878,826</u>
5,914,052	2,382,839	296,528	502,128	423,150	3,472,923
694,734	510,391	379,589	150,220	395,547	406,466
3,451,425	3,342,223	3,292,132	3,268,841	3,051,403	3,203,732
2,814,933	4,161,298	137,876	216,130	455,865	300,429
<u>12,875,144</u>	<u>10,396,751</u>	<u>4,106,125</u>	<u>4,137,319</u>	<u>4,325,965</u>	<u>7,383,550</u>
<u>\$ 12,732,078</u>	<u>\$ 13,888,771</u>	<u>\$ 10,078,161</u>	<u>\$ 10,026,094</u>	<u>\$ 10,225,167</u>	<u>\$ 11,262,376</u>

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

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2006</u>	<u>2005</u>	<u>2004 (1)</u>	<u>2003</u>	<u>2002</u>
Revenues					
From local sources:					
Taxes	\$ 55,207,780	\$ 50,306,220	\$ 45,422,049	\$ 41,700,728	\$ 38,522,083
Tuition	491,378	566,466	589,951	172,663	244,887
Transportation fees	27,269	23,464	36,255	-	-
Charges for services	1,332,634	1,282,798	1,396,508	1,445,337	-
Earnings on investments	776,067	290,825	170,510	443,378	948,258
Extracurricular	663,633	648,157	660,170	643,832	657,005
Classroom materials and fees	356,857	318,794	269,809	222,946	-
Other local revenues	600,337	563,471	635,577	609,183	347,257
Intergovernmental - State	22,623,156	22,602,678	22,736,068	22,377,116	22,714,450
Intergovernmental - Federal	3,000,940	2,441,572	2,353,799	1,761,550	1,426,921
Total revenues	<u>85,080,051</u>	<u>79,044,445</u>	<u>74,270,696</u>	<u>69,376,733</u>	<u>64,860,861</u>
Expenditures					
Current:					
Instruction:					
Regular	29,575,939	29,055,022	30,590,030	29,355,400	27,990,797
Special	6,877,085	6,879,201	7,197,379	6,648,192	6,126,227
Vocational	2,037,640	1,903,988	2,171,508	2,011,951	2,018,403
Adult/Continuing	93,733	1,073,761	87,442	-	-
Other	1,250,153	7,454	681,346	179,768	144,087
Current:					
Pupil	4,541,534	4,418,449	4,061,397	3,925,375	3,806,556
Instructional staff	3,811,317	3,894,986	4,347,743	4,368,015	3,732,868
Board of education	14,144	12,463	11,233	11,962	12,399
Administration	6,683,064	6,208,433	5,022,984	4,977,598	4,790,061
Fiscal	1,360,942	1,352,831	1,243,442	1,131,884	1,043,324
Business	256,634	124,546	287,409	271,592	197,388
Operations and maintenance	8,330,366	8,010,866	9,913,097	8,678,746	12,768,675
Pupil transportation	4,639,026	4,083,996	3,787,375	3,528,412	3,413,093
Central	1,049,167	762,766	1,526,409	1,102,515	1,206,998
Operation of non-instructional services:					
Food service operations	1,922,812	2,002,336	1,914,989	1,833,172	-
Other non-instructional services	193,896	176,907	156,720	162,549	59,276
Extracurricular activities	1,977,265	1,920,917	1,826,318	4,017,507	1,864,404
Intergovernmental pass-through	891,579	926,076	901,714	980,651	657,658
Facilities acquisitions and construction	42,271	657,551	1,947,505	2,940,085	1,006,163
Capital outlay	-	-	83,501	-	336,621
Debt service:					
Principal retirement	4,663,173	5,624,673	2,119,339	1,907,247	15,950,755
Interest and fiscal charges	1,332,641	1,382,953	1,374,146	1,528,711	1,123,013
Total expenditures	<u>81,544,381</u>	<u>80,480,175</u>	<u>81,253,026</u>	<u>79,561,332</u>	<u>88,248,766</u>
Excess of revenues over (under) expenditures	3,535,670	(1,435,730)	(6,982,330)	(10,184,599)	(23,387,905)
Other Financing Sources (Uses)					
Transfers in	263,073	384,818	2,595,385	248,695	318,378
Transfers (out)	(248,446)	(384,818)	(1,575,407)	(248,695)	(399,238)
Premium/accrued interest from sale of notes	-	-	-	11,610	13,365
Sale of assets	6,674	-	-	2,852	69,890
Capital lease transaction	-	-	83,501	-	336,621
Other uses	-	-	-	-	-
Payment to refunded bond escrow	-	-	-	-	-
Insurance proceeds from loss of assets	-	-	-	-	17,219
Sale of bonds	-	-	-	-	21,874,977
Sale of notes	1,600,000	2,500,000	3,500,000	-	-
Total other financing sources (uses)	<u>1,621,301</u>	<u>2,500,000</u>	<u>4,603,479</u>	<u>14,462</u>	<u>22,231,212</u>
Special Item:					
Proceeds from sale of bus garage	412,374	-	-	-	-
Increase (decrease) in reserve for inventory	(10,308)	7,482	(17,728)	1,235	-
Net change in fund balances	<u>\$ 5,559,037</u>	<u>\$ 1,071,752</u>	<u>\$ (2,396,579)</u>	<u>\$ (10,168,902)</u>	<u>\$ (1,156,693)</u>
Debt service as a percentage of expenditures	7.35%	8.71%	4.30%	4.32%	19.35%

	<u>2001</u>	<u>2000</u>	<u>1999 (1)</u>	<u>1998 (1)</u>	<u>1997</u>
\$	36,748,385	\$ 36,091,398	\$ 36,908,670	\$ 35,944,737	\$ 34,378,358
	137,519	270,226	15,572	88,925	92,127
	-	-	-	-	833
	-	-	-	-	-
	1,557,695	1,160,884	1,069,992	1,102,612	1,320,357
	-	-	-	-	433,614
	-	-	-	-	207,385
	1,316,633	1,308,400	1,022,217	1,279,528	426,820
	20,827,263	19,016,960	17,309,759	16,376,455	14,292,748
	1,341,317	1,230,427	784,733	837,721	780,077
	<u>61,928,812</u>	<u>59,078,295</u>	<u>57,110,943</u>	<u>55,629,978</u>	<u>51,932,319</u>
	26,947,375	24,869,739	24,803,226	23,166,767	27,902,062
	5,457,175	5,030,287	4,399,845	4,325,151	-
	2,042,525	2,063,191	2,046,812	2,360,112	-
	-	-	-	-	-
	121,822	118,574	179,036	140,218	-
	3,373,929	3,146,271	2,854,551	2,874,059	16,535,873
	3,398,420	3,183,548	2,741,480	2,585,809	-
	15,869	14,832	30,473	12,763	-
	4,173,953	4,162,339	3,635,000	3,825,876	-
	1,071,636	1,022,881	991,785	1,103,589	-
	236,723	238,612	209,187	184,737	-
	7,584,685	5,955,285	5,767,067	5,848,277	-
	2,873,063	2,640,418	2,583,575	2,665,929	-
	788,965	573,987	535,400	538,606	-
	-	-	-	-	-
	749,756	670,545	554,369	498,556	-
	1,546,509	1,583,618	1,326,855	1,333,206	1,201,437
	-	-	-	-	-
	1,409,162	54,222	752,111	2,886,376	-
	523,172	-	-	-	11,866,671
	3,017,868	3,246,862	3,411,861	2,116,862	1,751,862
	1,430,138	1,217,566	1,306,183	1,389,848	1,533,378
	<u>66,762,745</u>	<u>59,792,777</u>	<u>58,128,816</u>	<u>57,856,741</u>	<u>60,791,283</u>
	(4,833,933)	(714,482)	(1,017,873)	(2,226,763)	(8,858,964)
	928,780	1,119,967	1,636,937	172,798	138,634
	(973,454)	(1,172,056)	(1,818,137)	(257,049)	(415,289)
	122,798	-	-	-	-
	43,247	18,638	-	-	-
	523,172	-	-	-	-
	-	-	-	-	(3,521)
	-	-	-	(1,922,435)	-
	-	-	-	-	-
	8,000,000	-	-	1,996,240	-
	-	800,000	1,000,000	1,200,000	-
	<u>8,644,543</u>	<u>766,549</u>	<u>818,800</u>	<u>1,189,554</u>	<u>(280,176)</u>
	-	-	-	-	-
	-	-	-	-	-
\$	<u>3,810,610</u>	<u>\$ 52,067</u>	<u>\$ (199,073)</u>	<u>\$ (1,037,209)</u>	<u>\$ (9,139,140)</u>
	6.66%	7.47%	8.12%	6.06%	5.40%

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

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Collection Year	Real Property		Tangible Personal Property		Public Utility	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2006	\$ 1,417,326,410	\$ 4,049,504,029	\$ 72,685,948	\$ 387,658,389	\$ 19,593,690	\$ 78,374,760
2005	1,375,684,760	3,930,528,000	72,340,373	314,523,361	21,483,670	85,934,680
2004	1,338,151,170	3,823,288,000	72,148,998	300,620,825	21,737,770	86,951,080
2003	1,202,054,210	3,434,440,600	74,089,218	296,356,872	23,003,090	92,012,360
2002	1,165,494,720	3,329,984,914	79,150,281	316,601,124	22,909,220	91,636,880
2001	1,140,109,230	3,257,454,943	66,451,695	265,806,780	33,826,890	38,439,648
2000	949,793,290	2,713,695,114	68,362,885	273,451,540	34,977,260	39,746,886
1999	919,948,910	2,628,425,457	64,828,270	259,313,080	39,733,456	45,151,655
1998	894,618,520	2,556,052,914	62,422,222	249,688,888	38,107,550	43,304,034
1997	796,725,120	2,276,357,486	59,103,325	236,413,300	40,825,650	46,392,784

Source: Lucas County Auditor's Office

Total		
Assessed Value	Estimated Actual Value	%
\$ 1,509,606,048	\$ 4,515,537,178	33.43%
1,469,508,803	4,330,986,041	33.93%
1,432,037,938	4,210,859,905	34.01%
1,299,146,518	3,822,809,832	33.98%
1,267,554,221	3,738,222,918	33.91%
1,240,387,815	3,561,701,371	34.83%
1,053,133,435	3,026,893,541	34.79%
1,024,510,636	2,932,890,192	34.93%
995,148,292	2,849,045,836	34.93%
896,654,095	2,559,163,570	35.04%

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

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

Tax Year/ Collection Year	Overlapping Rates					Direct Rates
	Lucas County	City of Toledo	City of Sylvania	Sylvania Township	TARTA (a)	Sylvania City Schools
2005/2006	\$ 16.85	\$ 5.55	\$ 6.25	\$ 17.92	\$ 2.50	\$ 74.90
2004/2005	18.00	5.85	6.96	17.72	2.50	74.90
2003/2004	18.30	5.85	6.95	17.72	2.50	70.00
2002/2003	18.30	4.40	6.25	17.72	2.50	70.10
2001/2002	17.45	5.60	6.30	18.42	2.50	65.20
2000/2001	17.80	5.70	6.40	16.72	2.50	65.20
1999/2000	17.95	4.40	6.40	16.40	2.50	65.70
1998/1999	17.75	4.40	6.45	16.40	2.50	66.30
1997/1998	17.35	4.40	6.25	16.40	2.50	66.30
1996/1997	17.35	4.40	6.25	16.40	2.50	68.20

Source: Lucas County Auditor's Office

(a) Toledo Area Regional Transit Authority

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

PRINCIPAL TAXPAYERS
REAL PROPERTY
DECEMBER 31, 2005 AND DECEMBER 31, 1996

December 31, 2005			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
Kingston Residence of Sylvania	\$ 6,335,130	1	0.45%
Reynolds Road Fitness Center	6,296,990	2	0.44%
Naiasher Ogdensburg Accoc.	6,196,920	3	0.44%
National Amusements	4,326,750	4	0.31%
HK New Plan Exchange Property Oowner II	3,962,930	5	0.28%
Meijer Properties, Inc.	3,759,280	6	0.27%
Harvey Tolson	3,582,380	7	0.25%
Houck Properties	2,929,210	8	0.21%
Wal-Mart Real Estate	2,287,460	9	0.16%
Sylvania Apartments	2,800,000	10	0.20%
Total	\$ 42,477,050		\$ 1,417,326,410

December 31, 1996			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Real Estate Assessed Value
National Amusements	\$ 3,779,390	1	0.30%
Meijer Properties, Inc.	3,717,740	2	0.30%
Dunbar R.G. Inc.	3,341,920	3	0.27%
Starlight Plaza Associates	3,106,180	4	0.25%
Harris Management Services	2,842,260	5	0.23%
Harvey Tolson	2,473,530	6	0.20%
Andersons, Inc.	2,150,660	7	0.17%
James and Melinda Schwerkoske	2,047,550	8	0.17%
Joseph Goodell	1,903,410	9	0.15%
Hartford Corporation	1,876,960	10	0.15%
Total	\$ 27,239,600		796,725,120

Source: Lucas County Auditor's Office

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

PRINCIPAL TAXPAYERS
PERSONAL PROPERTY
DECEMBER 31, 2005 AND DECEMBER 31, 1996

December 31, 2005			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Tangible Pers. Property Assessed Value
Yark Automotive Group, Inc.	\$ 5,592,330	1	7.69%
Vin Devers Inc.	3,372,600	2	4.64%
Brown Motor Sales Company, Inc	2,553,070	3	3.51%
Block Communications Inc.	2,024,720	4	2.79%
Dave White Chevrolet	1,856,870	5	2.55%
Jim White Compnay	1,519,240	6	2.09%
Meijer Stores Limited Partnership	1,515,460	7	2.08%
Lowes Home Center	1,309,000	8	1.80%
Wal-Mart Stores East LP	1,287,320	9	1.77%
Kistler Ford Inc.	1,263,920	10	1.74%
Total	\$ 22,294,530		\$ 72,685,948

December 31, 1996			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total District Tangible Pers. Property Assessed Value
Yark Automotive Group, Inc.	\$ 4,010,240	1	0.32%
Meijer Stores Limited Partnership	2,545,700	2	0.21%
Dave White Chevrolet	2,210,010	3	0.18%
Vin Devers Inc.	2,187,500	4	0.18%
Brown Motor Sales Company, Inc	2,130,280	5	0.17%
Kistler Ford Inc.	2,089,190	6	0.17%
Reichert Stamping Company	1,958,780	7	0.16%
Franklin Park Lincoln	1,602,670	8	0.13%
George P Ballas GMC	1,424,120	9	0.11%
Andersons, Inc.	1,349,480	10	0.11%
Total	\$ 21,507,970		59,103,325

Source: Lucas County Auditor's Office

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

PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Current Levy	Delinquent Levy (2)	Total Levy	Current Collection	Percent of Current Levy Collected
2005/2006	\$ 53,898,047	\$ 2,222,368	\$ 56,120,415	\$ 53,310,559	98.91%
2004/2005	47,140,000	1,941,114	49,081,114	45,723,493	97.00%
2003/2004	44,158,560	1,839,940	45,998,500	43,986,116	99.61%
2002/2003	42,694,080	1,787,368	44,481,448	41,792,500	97.89%
2001/2002	42,092,409	1,546,087	43,638,496	41,953,504	99.67%
2000/2001	40,492,936	1,548,288	42,041,224	40,415,959	99.81%
1999/2000	40,281,973	1,605,384	41,887,357	40,003,676	99.31%
1998/1999	39,596,500	1,544,851	41,141,351	39,349,130	99.38%
1997/1998	39,608,000	1,775,022	41,383,022	39,402,767	99.48%
1996/1997	35,014,348	1,610,467	36,624,815	34,885,127	99.63%

Source: Lucas County Auditor's Office

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

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

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 1,316,508	\$ 54,627,067	97.34%
1,275,507	46,999,000	95.76%
1,249,279	45,235,395	98.34%
1,905,500	43,698,000	98.24%
908,227	42,861,731	98.22%
961,017	41,376,976	98.42%
1,194,755	41,198,431	98.36%
1,226,123	40,575,253	98.62%
865,857	40,268,624	97.31%
913,790	35,798,917	97.74%

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

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			(a) Total Primary Government	(b) Per Capita	(b) Per ADM
	General Obligation Bonds	General Obligation Notes	Capital Leases			
2006	\$ 31,295,202	\$ 1,600,000	\$ 144,719	\$ 33,039,921	\$ 681	\$ 4,357
2005	32,897,812	2,500,000	207,175	35,604,987	734	4,502
2004	34,453,560	3,505,930	264,125	38,223,615	788	4,776
2003	36,016,433	17,792	264,931	36,299,156	748	4,811
2002	37,142,143	29,654	504,894	37,676,691	776	4,978
2001	30,564,290	41,516	372,166	30,977,972	655	3,917
2000	24,231,078	853,378	-	25,084,456	627	3,139
1999	26,128,924	1,065,240	-	27,194,164	680	3,391
1998	27,997,800	1,277,101	-	29,274,901	732	3,704
1997	28,499,907	88,963	-	28,588,870	715	3,687

Sources:

(a) See notes to the financial statements regarding the District's outstanding debt information.

(b) See schedule " Demographic and Economic Statistic, Last Ten Years" for personal income, population and enrollment information.

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

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total		
2006	\$ 31,295,202	\$ 31,295,202	0.69%	\$ 645
2005	32,897,812	32,897,812	0.76%	678
2004	34,453,560	34,453,560	0.82%	710
2003	36,016,433	36,016,433	0.94%	742
2002	37,142,143	37,142,143	0.99%	765
2001	30,564,290	30,564,290	0.86%	646
2000	24,231,078	24,231,078	0.80%	606
1999	26,128,924	26,128,924	0.89%	654
1998	27,997,800	27,997,800	0.98%	700
1997	28,499,907	28,499,907	1.11%	713

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2006

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Sylvania City School District (1)	\$ 32,895,202	100.00%	\$ 32,895,202
Overlapping debt:			
Lucas County	105,140,000	17.07%	17,947,398
City of Sylvania	11,358,257	100.00%	11,358,257
Sylvania Area Joint Recreation District	4,415,000	100.00%	4,415,000
City of Toledo	550,898,000	2.87%	15,810,773
Ottawa Hills Village	<u>4,632,264</u>	1.37%	<u>63,462</u>
Total direct and overlapping debt	<u>\$ 709,338,723</u>		<u>\$ 82,490,092</u>

Source: Ohio Municipal Advisory Council

Note: Percent applicable to Sylvania City School District calculated using assessed valuation of the District area value contained within the noted governmental unit divided by assessed valuation of the governmental unit.

(1) Includes general obligations bonds outstanding and bond anticipation notes outstanding at fiscal year end.

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2006	\$ 135,864,544	\$ 31,295,202	\$ 463,372	\$ 30,831,830	\$ 105,032,714	22.69%
2005	132,255,792	32,897,812	1,209,292	31,688,520	100,567,272	23.96%
2004	128,883,414	34,453,560	2,124,880	32,328,680	96,554,734	25.08%
2003	116,923,187	36,016,433	3,488,965	32,527,468	84,395,719	27.82%
2002	114,079,880	37,142,143	3,536,864	33,605,279	80,474,601	29.46%
2001	111,634,903	30,564,290	3,414,884	27,149,406	84,485,497	24.32%
2000	94,782,009	24,231,078	3,364,097	20,866,981	73,915,028	22.02%
1999	92,205,957	26,128,924	3,413,987	22,714,937	69,491,020	24.63%
1998	89,563,346	27,997,800	-	27,997,800	61,565,546	31.26%
1997	80,698,869	28,499,907	-	28,499,907	52,198,962	35.32%

Source: Lucas County Auditor and District financial records

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rates</u>		
				<u>Lucas County</u>	<u>Ohio</u>	<u>United States</u>
2006	48,523	\$ 71,079	7,583	5.4%	5.1%	4.4%
2005	48,523	68,646	7,908	6.9%	5.9%	5.0%
2004	48,523	67,685	8,004	7.4%	5.7%	5.1%
2003	48,523	71,625	7,545	7.5%	5.5%	5.7%
2002	48,523	71,625	7,569	6.9%	5.3%	6.0%
2001	47,328	71,630	7,908	5.0%	4.8%	5.8%
2000	39,983	69,883	7,991	4.5%	3.9%	4.0%
1999	39,983	68,179	8,020	5.3%	4.0%	4.1%
1998	39,983	66,516	7,904	5.6%	4.3%	4.5%
1997	39,983	64,877	7,754	5.3%	4.6%	4.9%

(1) Years 1997-2000 from U.S. Census Bureau, 1990; Years 2001-2006 from U.S. Census Bureau, 2000

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

(3) District records

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

**STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY TYPE
LAST THREE FISCAL YEARS**

<u>Type</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Professional Staff:			
Teaching Staff:			
Elementary	128.50	120.50	134.50
Junior HS	84.33	84.33	99.33
High School	117.46	112.67	125.84
Tutors	2.00	9.50	3.00
Special Education Teaching	84.00	77.50	89.50
Vocational Ed Teaching	25.40	25.50	30.50
Others	29.76	35.46	26.59
Administration:			
District	42.00	44.00	43.00
Auxiliary Positions:			
Counselors	22.04	19.00	19.00
Speech	4.50	5.00	5.80
Occupational	-	3.00	-
Psychologist	5.44	5.00	5.00
Librarian/Media	13.90	14.90	15.90
Other	13.61	16.87	15.00
Support Staff:			
Secretarial/clerical	50.88	58.95	51.79
Aides	52.80	47.08	7.52
Hall monitor/Security	13.44	10.07	14.88
Cafeteria	32.51	32.60	30.19
Custodial	49.50	53.50	56.50
Maintenance	8.00	8.00	8.00
Bus Driver	51.08	50.46	49.01
Mechanics	5.50	6.50	5.50
Other	9.76	8.13	46.05
Extracurricular	66.79	63.68	76.65
Total	<u>913.20</u>	<u>912.20</u>	<u>959.05</u>

Source: School District records

Note: Information prior to 2004 not available.

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

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Instruction:										
Regular and Special										
Enrollment (students)	7,583	7,908	8,004	7,545	7,569	7,908	7,991	8,020	7,904	7,754
Graduates	641	638	614	607	599	582	596	595	535	551
Support services:										
Board of education										
Regular meetings per year	12	12	12	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Work sessions	11	10	11	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Special meetings per year	7	7	10	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Administration										
Student attendance rate	96.0%	95.9%	95.9%	96.0%	95.7%	95.9%	95.4%	95.4%	95.6%	95.6%
Fiscal										
Nonpayroll checks issued	7,148	6,687	6,654	8,222	8,859	8,899	9,081	9,532	9,242	8,133
Pupil transportation										
Avg. students transported daily	9,030	9,134	9,476	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Food service operations										
Meals served to students	199,077	193,959	226,196	276,873	270,944	(1)	(1)	(1)	(1)	(1)
Number of lunches served at free or reduced cost	91,143	85,363	72,221	86,354	79,651	(1)	(1)	(1)	(1)	(1)

Source: District records

(1) Information for fiscal year not available.

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

**CAPITAL ASSET STATISTICS
LAST FOUR FISCAL YEARS**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Land	\$ 2,040,544	\$ 2,040,544	\$ 2,040,544	\$ 2,040,544
Construction in progress	-	117,800	1,056,248	8,983,070
Land improvements	5,127,504	5,596,953	5,705,176	2,940,654
Buildings and improvements	38,540,496	39,239,405	38,132,378	30,978,414
Furniture, fixtures and equipment	837,683	953,048	960,611	1,178,206
Vehicles	691,371	333,658	406,924	496,979
Total Governmental Activities Capital Assets, net	<u>\$47,237,598</u>	<u>\$48,281,408</u>	<u>\$48,301,881</u>	<u>\$46,617,867</u>

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

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

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
Central Elementary (1929)							
Square feet	48,725	48,725	48,725	48,725	48,725	48,725	48,725
Capacity (students)	575	575	575	575	575	575	575
Enrollment	563	559	538	480	498	505	496
Highland Elementary (1965)							
Square feet	53,349	53,349	53,349	53,349	53,349	53,349	53,349
Capacity (students)	625	625	625	625	625	625	625
Enrollment	581	615	678	590	556	569	566
Hill View Elementary (1929)							
Square feet	46,994	46,994	46,994	46,994	46,994	46,994	46,994
Capacity (students)	500	500	500	500	500	500	500
Enrollment	417	420	384	339	387	401	425
Maplewood Elementary (1929)							
Square feet	44,328	44,328	44,328	44,328	44,328	44,328	44,328
Capacity (students)	450	450	450	450	450	450	450
Enrollment	385	380	462	404	399	386	426
Stranahan Elementary (1955)							
Square feet	50,169	50,169	50,169	50,169	50,169	50,169	50,169
Capacity (students)	650	650	650	650	650	650	650
Enrollment	426	437	455	409	451	456	489
Sylvan Elementary (1963)							
Square feet	39,160	39,160	39,160	39,160	39,160	39,160	39,160
Capacity (students)	475	475	475	475	475	475	475
Enrollment	356	370	382	375	384	371	361
Whiteford Elementary (1967)							
Square feet	47,272	47,272	47,272	47,272	47,272	47,272	47,272
Capacity (students)	525	525	525	525	525	525	525
Enrollment	400	413	423	403	432	436	462
Arbor Hills Jr. High School (1970)							
Square feet	80,635	80,635	80,635	80,635	80,635	80,635	80,635
Capacity (students)	700	700	700	700	700	700	700
Enrollment	639	694	690	653	678	681	651
McCord Jr. High School (1963)							
Square feet	76,363	76,363	76,363	76,363	76,363	76,363	76,363
Capacity (students)	800	800	800	800	800	800	800
Enrollment	674	685	713	657	643	682	709
Timberstone Jr. High School (1998)							
Square feet	103,100	103,100	103,100	103,100	103,100	103,100	103,100
Capacity (students)	700	700	700	700	700	700	700
Enrollment	591	649	668	640	589	592	585
Northview High School (1960)							
Square feet	201,592	201,592	201,592	201,592	201,592	201,592	201,592
Capacity (students)	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Enrollment	1,345	1,374	1,402	1,358	1,337	1,250	1,282
Southview High School (1976)							
Square feet	209,700	209,700	209,700	209,700	209,700	209,700	209,700
Capacity (students)	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment	1,295	1,311	1,270	1,237	1,213	1,238	1,272
Administrative Building (1929)							
Square feet	90,600	90,600	90,600	90,600	90,600	90,600	90,600
Support Services Facility (2004)							
Square feet	27,994	27,994	27,994	-	-	-	-

Source: District records

1999	1998	1997
48,725	48,725	48,725
575	575	575
508	528	608
53,349	53,349	53,349
625	625	625
567	572	665
46,994	46,994	46,994
500	500	500
426	421	476
44,328	44,328	44,328
450	450	450
412	436	558
50,169	50,169	50,169
650	650	650
454	449	555
39,160	39,160	39,160
475	475	475
379	376	460
47,272	47,272	47,272
525	525	525
461	432	504
80,635	80,635	80,635
700	700	700
643	676	575
76,363	76,363	76,363
800	800	800
678	647	694
103,100	103,100	-
700	700	-
596	566	-
201,592	201,592	201,592
1,300	1,300	1,300
1,203	1,243	1,233
209,700	209,700	209,700
1,400	1,400	1,400
1,273	1,265	1,221
90,600	90,600	90,600
-	-	-

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities (2)		Enrollment	Percent Change
	Expenses (1)	Cost per pupil	Expenses (1)	Cost per pupil		
2006	\$ 75,548,567	\$ 9,963	\$ 77,213,837	\$ 10,182	7,583	-4.11%
2005	72,813,930	\$ 9,208	\$ 72,875,685	\$ 9,215	7,908	-1.20%
2004	77,759,541	\$ 9,715	\$ 75,854,213	\$ 9,477	8,004	6.08%
2003	75,957,774	\$ 10,067	\$ 71,654,984	\$ 9,497	7,545	-0.32%
2002	71,174,998	\$ 9,403	N/A	N/A	7,569	-4.29%
2001	62,314,739	\$ 7,880	N/A	N/A	7,908	-1.04%
2000	55,328,331	\$ 6,924	N/A	N/A	7,991	-0.36%
1999	53,234,039	\$ 6,638	N/A	N/A	8,020	1.47%
1998	55,129,528	\$ 6,975	N/A	N/A	7,904	1.93%
1997	57,506,043	\$ 7,416	N/A	N/A	7,754	0.22%

Source: District records

(1) Debt Service totals have been excluded.

(2) The District implemented GASB 34 in fiscal year 2003.

Teaching Staff (3)	Pupil/Teacher Ratio	Student Attendance Percentage
455	16.67	96.0%
448	17.65	95.9%
497	16.10	95.9%
507	14.88	96.0%
509	14.87	95.7%
488	16.20	95.9%
503	15.89	95.4%
503	15.94	95.4%
503	15.71	95.6%
489	15.86	95.6%

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

**TEACHER STATISTICS
JUNE 30, 2006**

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>	<u>Pay Range</u>
Bachelor's Degree	244	45.35%	\$32,952 - \$59,643
Master's Degree	283	52.60%	\$35,918 - \$70,353
Educational Specialist	7	1.30%	\$36,610 - \$71,045
Ph.D.	4	0.74%	\$38,027 - \$72,461
	<u>538</u>	<u>100.00%</u>	

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	108	20.07%
6 - 10	104	19.33%
11 and over	326	60.59%
	<u>538</u>	<u>100.00%</u>

Source: School District Personnel Records

(1) The salary schedule contained in the current teachers' union collective bargaining agreement does not recognize degrees less than a bachelor's.

SYLVANIA CITY SCHOOL DISTRICT

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SYLVANIA CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2006

<u>Federal Grantor/Pass - Through Grantor Program Titles</u>	<u>Project Number</u>	<u>CFDA Number</u>	<u>Grant Receipts</u>	<u>Non-Cash Grant Receipts</u>	<u>Grant Expenditures</u>	<u>Non-Cash 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		\$33,168		\$33,168
National School Breakfast Program	4487505-PU06 4487505-PU05	10.553	\$ 9,936 <u>1,930</u>		\$ 9,936 <u>1,930</u>	
Total National School Breakfast Program			<u>11,866</u>		<u>11,866</u>	
National School Lunch Program	44875LL-P406 44875LL-P405	10.555	171,634 <u>33,557</u>		171,634 <u>33,557</u>	
Total National School Lunch Program			<u>205,191</u>		<u>205,191</u>	
TOTAL DEPARTMENT OF AGRICULTURE - Child Nutrition Cluster			<u>217,057</u>	33,168	<u>217,057</u>	33,168
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Pass through Ohio Department of Education:						
Adult Education - State Grant Program	44875AB-S105 44875AB-S106 44875AB-S206 44875AB-S105-C 44875AB-S205-C	84.002	8,245 50,693 28,740 8,481 <u>817</u>		8,245 50,693 28,911 8,481 <u>3,507</u>	
Total Adult Education			<u>96,976</u>		<u>99,837</u>	
<u>Special Education Cluster</u>						
Special Education Grants to States:						
IDEA - Part B	448756B-SF05P 448756B-SF06P	84.027	179,460 <u>1,547,897</u>		200,948 <u>1,543,683</u>	
Total IDEA - Part B			<u>1,727,357</u>		<u>1,744,631</u>	
Special Education Preschool Grant	44875PG-S106	84.173	<u>47,598</u>		<u>47,598</u>	
Total Special Education Cluster			<u>1,774,955</u>		<u>1,792,229</u>	
Vocational Education - Basic Grants to States	4487520-C105 4487520-C106	84.048	8,358 <u>73,563</u>		8,838 <u>70,735</u>	
Total Vocational Education - Basic Grants to States			<u>81,921</u>		<u>79,573</u>	
Grants to Local Educational Agencies:						
Title I	44875C1-S1-05 44875C1-S1-06	84.010	51,791 <u>262,083</u>		52,328 <u>261,036</u>	
Total Title I			<u>313,874</u>		<u>313,364</u>	
Drug Free Schools Grant	44875DR-S105 44875DR-S106	84.186	3,639 <u>23,493</u>		3,641 <u>22,464</u>	
Total Drug Free Schools Grant			<u>27,132</u>		<u>26,105</u>	

SYLVANIA CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
(CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2006

Innovative Education Program Strategy	44875C2-S105	84.298	10,445		10,445
	44875C2-S106		<u>25,297</u>		<u>25,205</u>
Total Innovative Education Program Strategy			<u>35,742</u>		<u>35,650</u>
Technology Literacy Challenge	44875TJ-S106	84.318	<u>5,691</u>		<u>6,441</u>
Advanced Placement Program	AVTF-2004	84.330	<u>208</u>		<u>208</u>
Improving Teacher Quality	44875TR-S105	84.367	21,838		21,838
	44875TR-S106		<u>125,865</u>		<u>117,517</u>
Total Improving Teacher Quality			<u>147,703</u>		<u>139,355</u>
TOTAL DEPARTMENT OF EDUCATION			<u>2,484,202</u>		<u>2,492,762</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
Pass through Ohio Department of Mental Retardation and Developmental Disabilities:					
Community Alternative Funding System	4800344	93.767	<u>1,098</u>		<u>1,098</u>
<u>TOTAL FEDERAL FINANCIAL ASSISTANCE</u>			<u>\$2,702,357</u>	<u>\$33,168</u>	<u>\$2,710,917</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, 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 8, 2006. 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 opinions 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.

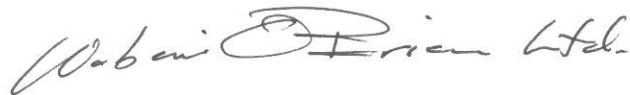
Board of Education
Sylvania City School District

Compliance and Other Matters

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

We noted certain matters that we reported to the management of Sylvania City School District in a separate letter dated December 8, 2006.

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.



December 8, 2006



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, 2006. 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, 2006.

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 reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be 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, 2006, and have issued our report thereon dated December 8, 2006. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material aspects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information 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.

Walter O'Brien Ltd.

December 8, 2006

SYLVANIA CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2006

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>
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Special Education Cluster:

84.027	IDEA Part B
84.173	Special Education Preschool Grant
84.010	Title I

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, 2006

NONE



Mary Taylor, CPA
Auditor of State

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 15, 2007**