



**Auditor of State
Betty Montgomery**

**SYCAMORE COMMUNITY SCHOOL DISTRICT
HAMILTON COUNTY**

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**SYCAMORE COMMUNITY SCHOOL DISTRICT
HAMILTON COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2004**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$0	\$69,285	\$0	\$69,285
National School Breakfast Program		10.553	23,878		23,878	
National School Lunch Program		10.555	174,394		174,394	
Total Nutrition Cluster			<u>198,272</u>	<u>69,285</u>	<u>198,272</u>	<u>69,285</u>
Child Nutrition Mini-Grant		10.574	2,000		-	
Total U.S. Department of Agriculture			<u>200,272</u>	<u>69,285</u>	<u>198,272</u>	<u>69,285</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Smaller Learning Community Grant	N/A	84.215	11,546		10,334	
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)	6B-SF	84.027	726,890		721,883	
Special Education - Preschool Grant	PG-S1	84.173	22,609		22,618	
Total Special Education Cluster			<u>749,499</u>	<u>-</u>	<u>744,501</u>	<u>-</u>
Grants to Local Educational Agencies (ESEA Title I)	C1-S1	84.010	280,673		281,023	
Drug-Free Schools Grant	DR-S1	84.186	19,823		20,013	
Innovative Educational Program Strategies	C2-S1	84.298	44,656		47,012	
Technology Literacy Challenge Fund Grants	TJ-S1	84.318	5,228		4,731	
Grants for School Repair and Renovation	AT-S1	84.352	-		1,073	
English Language Acquisition	T3-S1	84.365	40,305		32,499	
Improving Teacher Quality	TR-S1	84.367	168,789		171,069	
<i>Passed Through Great Oaks Institute of Technology and Career Development</i>						
Vocational Education - Basic Grants to State	N/A	84.048	10,182		10,182	
Total Department of Education			<u>1,330,701</u>		<u>1,322,437</u>	
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>						
NASA Education Grant	N/A	43.001	1,830		1,830	
Totals			<u><u>\$1,532,803</u></u>	<u><u>\$69,285</u></u>	<u><u>\$1,522,539</u></u>	<u><u>\$69,285</u></u>

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

**SYCAMORE COMMUNITY SCHOOL DISTRICT
HAMILTON COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2004**

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B—CHILD NUTRITION CLUSTER

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

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



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Sycamore Community School District
Hamilton County
4881 Cooper Road
Cincinnati, Ohio 45242

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the remaining aggregate fund information for Sycamore Community School District, Hamilton County, Ohio (the District), as of and for the fiscal year ended June 30, 2004, and have issued our report thereon dated December 15, 2004, wherein we noted the District reclassified its enterprise funds and business-type activities to governmental funds and activities. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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 grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance 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 over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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.

Sycamore Community School District
Hamilton County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the audit committee, management, the Board of Education, 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.

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

Betty Montgomery
Auditor of State

December 15, 2004



Auditor of State Betty Montgomery

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

Sycamore Community School District
Hamilton County
4881 Cooper Road
Cincinnati, Ohio 45242

To the Board of Education:

Compliance

We have audited the compliance of the Sycamore Community School District, Hamilton County, Ohio (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2004. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program 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 of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2004.

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 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.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants 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 Federal Awards Receipts and Expenditures

We have audited the basic financial statements of the District as of and for the year ended June 30, 2004, and have issued our report thereon dated December 15, 2004, wherein we noted the District reclassified its enterprise funds and business-type activities to governmental funds and activities. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards receipts and expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, the Board of Education, 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.



Betty Montgomery
Auditor of State

December 15, 2004

**SYCAMORE COMMUNITY SCHOOL DISTRICT
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 ' .505
JUNE 30, 2004**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs= Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under ' .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster: Special Education Grants to States CFDA # 84.027 Special Education – Preschool Grant CFDA # 84.173
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

COMPREHENSIVE ANNUAL FINANCIAL REPORT



ANNUAL REPORT for the fiscal year ended June 30, 2004



**Sycamore Community School District
Cincinnati, Ohio**

**Comprehensive Annual Financial Report
for the fiscal year ended June 30, 2004**



**Prepared by:
Office of the Treasurer**

**Beth A. Weber
Treasurer**

Sycamore Board of Education



Peter Hershberger
President



Mary Overman
Vice President



Dr. Vicki Hirsch
Board Member



J. Kenneth Richter
Board Member



Jean Staubach
Board Member



Beth Weber
Treasurer



Karen Mantia
Superintendent

INTRODUCTORY SECTION



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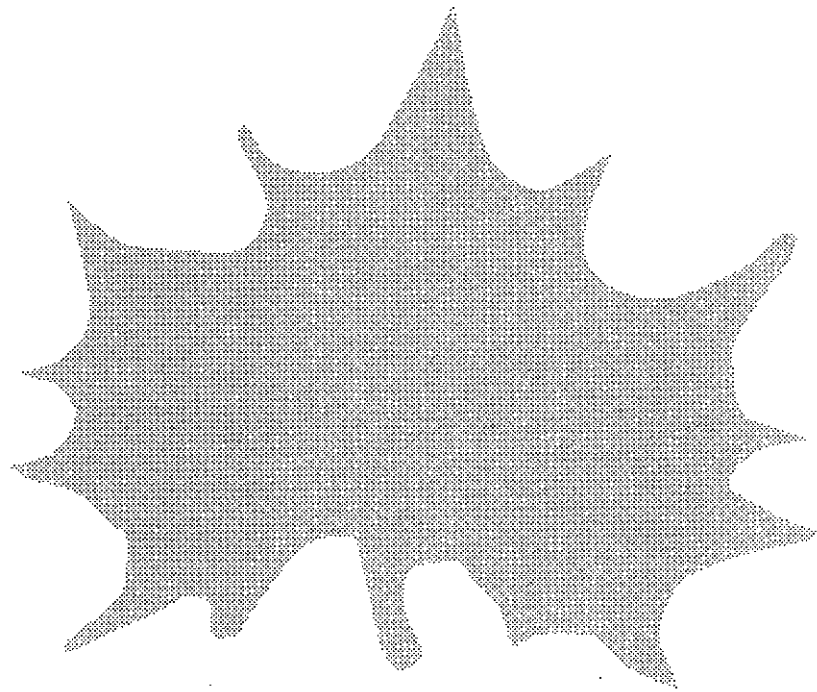
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December 15, 2004

To The Citizens and Board of Education of the Sycamore Community School District:

The Comprehensive Annual Financial Report [CAFR] of the Sycamore Community School District [District] for the fiscal year ended June 30, 2004, is hereby submitted. This report, prepared by the Treasurer's office, includes an unqualified opinion from the Auditor of State and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the taxpayers of the Sycamore Community School District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs.

This letter should be read in conjunction with the Management Discussion and Analysis (MD&A) that can be found immediately following the Independent Accountants' Report.

The Comprehensive Annual Financial Report is divided into three sections:

Introductory Section - This section introduces the reader to the report and includes a table of contents, this transmittal letter, a list of principal and elected officials, the District's organizational chart, the District's consultants and advisors, and the GFOA and ASBO certificates for financial reporting received for the June 30, 2003 CAFR. Also included are the District's major current and future initiatives.

Financial Section - This section includes the independent accountants' report on the financial statements, management's discussion and analysis, basic financial statements, notes to the basic financial statements, and the combining statements for non-major funds and other schedules that provide detailed information relative to the basic financial statements.

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

Copies of this report will be widely distributed throughout the District. A copy will be sent to all school buildings, the Greater Cincinnati Chamber of Commerce, the major businesses located within the District, other governments in Hamilton County, the branches of the Hamilton County Public Library located within the District, Moody's and Standard and Poor's financial rating services, major banks, realtors, the District Planning Commission and any other interested parties upon request.

THE REPORTING ENTITY AND SERVICES PROVIDED

The District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory, advanced placement, gifted, special education and vocational levels; a broad range of co-curricular and extra-curricular activities; adult and community education offerings and community recreation activities.

The District receives pass through grants from the State and distributes these grants to parochial/private schools located within the District. This activity is included in the entity as the Auxiliary Services Special Revenue Fund, because of the District's administrative involvement in the program. The parochial/private schools served are: Cincinnati Hills Christian Academy, Ursuline Academy, Archbishop Moeller High School, Blue Ash Educational Building and Ohio Valley Voices. While these organizations share operational and service similarity with the District, each is a legally separate and distinct entity. Because of their independent nature, none of these organizations are included in this report.

ECONOMIC CONDITION AND OUTLOOK

The District is located in southwestern Ohio, a suburb of Cincinnati, in the northeast part of Hamilton County. Approximately 52.6% of the District's tax base are agricultural and residential properties; the remainder is composed of a wide range of manufacturing, commercial and other business properties. The overall economic outlook for the area remains stable with low unemployment rates and low inflationary pressures.

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

THE DISTRICT AND ITS FACILITIES

Located in Hamilton County, north of Cincinnati, the Sycamore Community School District serves a population of approximately 37,500 people. Within the District boundaries are the Cities of Blue Ash and Montgomery, portions of Sycamore and Symmes Townships and small portions of the Cities of Evendale and Loveland. These growing and thriving communities are a blend of residential, business, high technology, and light industrial areas. Convenient access to interstate highways I-71, I-75 and interstate connector I-275 has helped in the spectacular growth of the area during the last twenty years. The greater Cincinnati area has long been known as one of the premier areas to live and work in the United States.

The District has a very strong industrial base in Blue Ash, along with a stable tax base in Symmes and Sycamore Townships and the City of Montgomery. The diversity of the tax base has protected the District during what have been unstable economic times through much of the nation and region.

In 2003-04, the District housed 5,702 students in one high school, one junior high, one middle school, and four elementary schools. Enrollment listed below includes pre-kindergarten at Symmes Elementary of 90 students and 45 joint vocational students at Sycamore High School.

Constructed	School Address	Enrollment As of October 2003
2002	Blue Ash Elementary 9541 Plainfield Road	505
1960	Maple Dale Elementary 6100 Hagewa Road	468
2003	Montgomery Elementary 9609 Montgomery Road	411
1989	Symmes Elementary 3173 Springdale Road	519
1964	E.H. Greene Intermediate 5200 Aldine Drive	864
1926	Sycamore Junior High 5757 Cooper Road	982
1974	Sycamore High School 7400 Cornell Road	1,953

ORGANIZATION OF THE SCHOOL DISTRICT

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

The Board members represent a cross section of professions in the community. The board members on June 30, 2004, were as follows:

Board Member	Began Service	Term Expires	Profession
Peter Hershberger	January, 1986	December, 2005	Travel Agency CEO
Dr. Vicki Hirsch	January, 2004	December, 2007	Retired Teacher
Mary Overman	January, 2002	December, 2005	Retired Teacher
J. Kenneth Richter	January, 2004	December, 2007	Retired Executive
Jean Staubach	January, 1998	December, 2005	Technical Writer

The Superintendent is the chief executive officer of the District, responsible directly to the Board for all educational and support operations. Dr. Karen Mantia was appointed Superintendent in September 2000, after serving the Northmont (Ohio) City Schools for twenty-four years. Dr. Mantia was a classroom teacher, assistant principal and director of curriculum there, prior to spending the last eight years of her tenure as assistant superintendent. She received undergraduate and master's degrees in education from Wright State University and a doctorate from the University of Sarasota.

The Treasurer of the District is Beth Weber. Ms. Weber joined the Sycamore administrative team in January 1999, bringing with her eight years of experience as a public school treasurer in Ohio. She received undergraduate degrees in finance and business economics, as well as a Masters in Business Administration, from Miami University in Oxford, Ohio. Ms. Weber is a member of the Ohio Association of Business Officials, serving on the organization's Professional Development Committee.

EMPLOYEE RELATIONS

In 2003-04 the District employed 542 certified personnel and 356 non-certified personnel. The starting salary for a teacher with a bachelor's degree for the period beginning September 1, 2004 will be \$36,660. The maximum teacher salary in 2004-2005 will be \$84,233.

The Sycamore Education Association (SEA), an affiliate of the Ohio Education Association (OEA), represents certificated employees of the District. The District and the SEA have entered into a collective bargaining agreement that expires July 31, 2005.

Classified employees are represented by the Ohio Association of Public School Employees. The School District and OAPSE entered into a three-year collective bargaining agreement which expired June 30, 2004. The District is currently in negotiations with OAPSE on a successor agreement.

SERVICES PROVIDED

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

The food service department served 327,552 plate lunches through the District's seven kitchens. This is accomplished through the full operation of three kitchens and four satellite sites, as well as a central bakery. The District currently offers a breakfast program at six sites.

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

The District offers regular instructional programs daily to students in grades K-12. Over 580 students receive special services, due to physical or mental handicapping conditions. Gifted services are provided in grades three and four in the area of math and in grades five and six in the areas of math and language arts. Advanced placement classes are provided at the high school in the areas of English, Math, Science, Social Studies, Art, Global Languages, and Computer Science. The District presented 484 high school diplomas in June, 2004.

CURRENT INITIATIVES

Curriculum and Instructional Services

A distinguishing element of our mathematics curriculum is that problem solving is used as a context for students to learn new concepts and skills. Using *Math Trailblazers K-4* and *Math Thematics 5-6*, students apply the mathematics they know and construct new mathematics as needed. Skills are no longer taught in isolation, we use a balance of skill practice along with problem solving. We are maintaining high expectations and providing access to rigorous mathematics for all students. Most of our students are prepared and successfully complete Algebra I at the junior high level.

Cisco Networking Academy

We began implementation of the Cisco Networking Academy Program at Sycamore High School. Cisco is a comprehensive e-learning program that provides students with the Internet technology skills essential in a global economy. Cisco delivers web-based content, online assessment, student performance tracking, hands-on labs, instructor training and support, and preparation for industry standard certifications.

The curriculum prepares students for the demands of the workplace and motivates them to continue their education and learning. The program recognizes multiple learning styles of students with Web-based, multimedia content; online assessment and evaluation throughout the course; hands-on labs; and instructor training and support. Upon completion, students have the opportunity to take a certification exam.

Through the Cisco Connection students and teachers have access to a community of users to share best practices, solve problems, and request assistance. Cisco ecosystem partners contribute expertise and Workplace Learning opportunities.

Class Ranking

We spent the year researching and analyzing the topic of Class Rank at Sycamore High School.

Our rationale:

- To serve the best interests of all students in our district.
- Grade distribution curve heavily weighted toward higher GPAs, students may not always compare favorably to those at other schools with less demanding academic expectations
- Parents are the best decision-makers about their children's educational future
- Parents and students should have flexibility in those decisions

Our decision:

- Sycamore High School will continue to rank students but will no longer report rank on any transcript
- Parents/students may choose to have ordinal rank reported for scholarships or service academy admissions
- This practice will begin with the Class of 2005 and will be reviewed annually.

FUTURE INITIATIVES

New Approach to Global Language

In 2004-05, Sycamore High School will implement a new approach to instruction of Global Languages. Last year, staff were charged with analyzing the viability of maintaining the global language program which included offerings in seven languages. They determined that technology could be used as a cost effective tool to support the program. A technology lab will be used to facilitate language instruction by allowing for combined classes. It will also be used to provide space for practice, assessment, intervention, and enrichment. By utilizing technology, the District will be able to continue a program of diverse offerings, provide opportunities for increased practice and proficiency for all students and allow for increased differentiation of instruction and learning. As noted above, this is a cost efficient approach to maintaining these programs. The projected five-year savings for this new approach is over \$500,000.

FINANCIAL INFORMATION

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

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statement in conformity with GAAP. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that: (1) the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

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

At the beginning of each fiscal year, the Board adopts a temporary appropriation measure. The Board then adopts a permanent appropriation measure in September.

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

All disbursements and transfers of cash between funds and functions require appropriation authority from the Board. Budgets are controlled at the function level within a fund. All purchase order requests must be approved by the individual program managers and certified by the Treasurer; necessary funds are then encumbered and purchase orders are released to vendors.

The accounting system used by the District allows on-line immediate financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. The financial statements are available to each approved District user and budget authority.

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

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

FINANCIAL CONDITION

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

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

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

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

As part of this reporting model, management is responsible for preparing a Management's Discussion and Analysis of the District, which follows this letter of transmittal, providing an assessment of the District's finances for 2004 and the outlook for the future.

CASH MANAGEMENT

Begun in fiscal year 1991, the District's cash management program addresses the issue of safety, liquidity, and yield while maximizing returns. The District uses the Star Ohio program investment pool operated by the Treasurer of State for ready cash and yield. Certificates of deposit and obligations of the United States Treasury are utilized for both short and intermediate terms. Treasury notes, treasury bills and agency notes are utilized for longer-term investments. Investment earnings for all funds during the fiscal year were \$556,576.

The District's investment policy is to minimize market risk while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by FDIC or collateralized. By law,

financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

RISK MANAGEMENT

The District constantly faces the risk of loss of assets by fire, storm, theft, accident or other catastrophes. Generally, the District shifts the burden of such losses by entering into a casualty insurance contract whereby an insurance company, in consideration of a premium payment, assumes the risk of all or a portion of these losses. During fiscal year 2004, the District contracted with Indiana Insurance for general liability, property, boiler and machinery insurance.

The District maintains an umbrella liability policy with limits of \$10,000,000 each occurrence, \$10,000,000 aggregate.

Boiler and machinery coverage has a \$1,000 deductible with a \$50,000,000 limit of liability per accident. School leader's errors and omissions liability is protected by Indiana Insurance Company with a \$1,000,000 each occurrence, \$1,000,000 aggregate limit.

Vehicles are covered by Indiana Insurance Company with a \$500 deductible for comprehensive and a \$500 deductible for collision.

Public officials' bond insurance is provided by Backus Insurance Company. The Treasurer, Superintendent and Board President are covered by bonds in the amounts \$100,000, \$25,000, and \$25,000 respectively. Honesty Blanket Position Coverage is \$15,000 per employee.

Employee health insurance is provided by Humana/Choice Care, a preferred provider organization.

INDEPENDENT AUDIT

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

AWARDS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada [GFOA] awarded a Certificate of Achievement to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2003. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ASBO Certificate

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

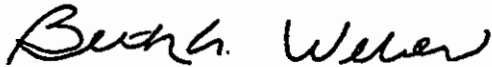
The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2003. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2004, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

ACKNOWLEDGEMENTS

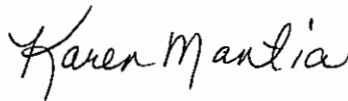
The preparation of the 2004 Comprehensive Annual Financial Report of the Sycamore Community School District was made possible by the dedicated service of Susan Crabill, Tina Triplett, Rita Clark, Patti Gardner, and Lisa Myers. Special recognition is given to Plattenburg and Associates, Incorporated, Certified Public Accountants for their assistance in the preparation of the CAFR and, the office of the Auditor of State for their audit of the CAFR. Finally, this report would not have been possible without the leadership and support of the District's Board of Education and the Sycamore Schools community.

The publication of this Comprehensive Annual Financial Report for the District is a major step in reinforcing the accountability of the District to the taxpayers of the community.

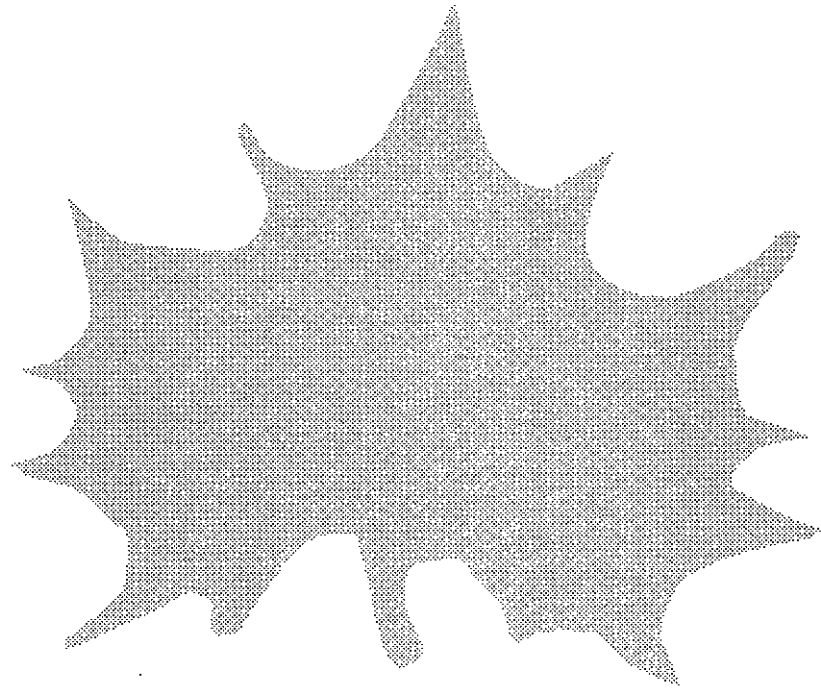
Respectfully submitted,



Beth A. Weber,
Treasurer



Karen Mantia,
Superintendent



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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sycamore Community School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

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



Nancy L. Zielle

President

Jeffrey R. Emer

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

SYCAMORE COMMUNITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2003

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

William F. Hall
President

Barbara W. Keller
Executive Director

**SYCAMORE COMMUNITY SCHOOL DISTRICT, OHIO
CONSULTANTS, ADVISORS AND LEGAL COUNSEL
AS OF JUNE 30, 2004**

CONSULTANTS AND ADVISORS

Architects: Cole + Russell Architects
537 E. Pete Rose Way, Suite 200
Cincinnati, OH 45202

McClory & Savage
618 Mt. Moriah Drive
Cincinnati, OH 45245-2113

Asbestos: Environmental Enterprises
10163 Cincinnati-Dayton Rd.
Cincinnati, OH 45241

Bond Counsel: Peck, Shaffer & Williams
425 Walnut Street
Cincinnati, OH 45202

Bond Underwriter: Seasongood & Mayer
300 Mercantile Library Building
414 Walnut Street
Cincinnati, OH 45202-3910

Construction Management: Turner Construction
250 W. Court Street, Suite 300
Cincinnati, OH 45202

Façade Forensics
5311 Salem Rd., Suite 100
Cincinnati, OH 45230

Data Processing: Beechglenn Development, Inc.
5576 Glenway Avenue
Cincinnati, OH 45238

Hamilton/Clermont Computer Association
7615 Harrison Avenue
Cincinnati, OH 45231

**SYCAMORE COMMUNITY SCHOOL DISTRICT, OHIO
CONSULTANTS, ADVISORS AND LEGAL COUNSEL
AS OF JUNE 30, 2004**

CONSULTANTS AND ADVISORS, cont.

Financial Reporting: Plattenburg & Associates
8280 Montgomery Road
Cincinnati, OH 45236

Independent Auditor: Betty Montgomery, Auditor of State
250 West Court Street, Suite 150E
Cincinnati, OH 45202

LEGAL COUNSEL

Attorneys: John Podgurski
9155 Chillecothe Road
Kirtland, OH 44094

Frost Brown Todd LLC
2500 PNC Center
201 East Fifth Street
Cincinnati, OH 45202-4182

Strauss & Troy
150 East Fourth Street
Cincinnati, OH 45202-4018

Taft Stettanius & Hollister
1800 Firststar Tower
425 Walnut Street
Cincinnati, OH 45202-3957

Bricker & Eckler LLP
100 South Third Street
Columbus, OH 43215-4291

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

SYCAMORE COMMUNITY SCHOOL DISTRICT, OHIO

LIST OF PRINCIPAL OFFICIALS

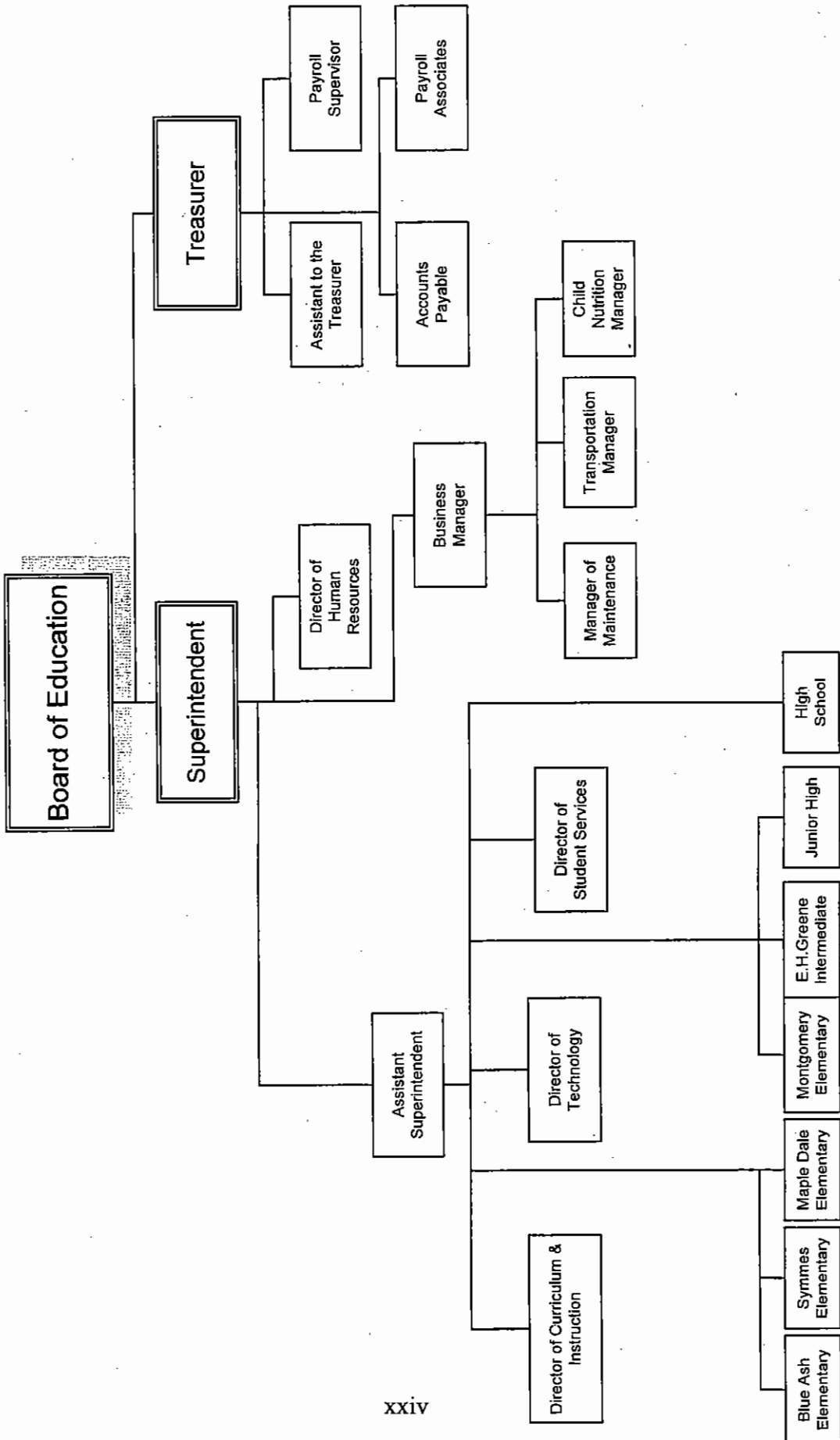
JUNE 30, 2004

Elected Officials

President, Board of Education	Peter Hershberger
Vice President, Board of Education	Mary Overman
Board Member	Dr. Vicki Hirsch
Board Member	J. Kenneth Richter
Board Member	Jean Staubach

Administrative Officials

Superintendent	Karen L. Mantia
Treasurer	Beth A. Weber
Assistant Superintendent	Adrienne James
Director of Human Resources	Robert J. Szakovits
Business Manager	Richard D. Camp, Jr.
Director of Student Services	Martha Angello
Director of Curriculum and Instruction	Peggy Phillips
Director of Technology	Mark E. Souders



FINANCIAL SECTION



Try this:

GOAL: To determine which type of light bulb requires more energy to light and remain lit.

With the handle pushed to the left, turn the crank clockwise to light the incandescent light bulb.

Switch the handle to the right side. Turn the crank clockwise to light the compact fluorescent or CFL bulb.

Which bulb made you work harder, therefore requiring more energy to light?

Incandescent bulbs send electrons through a filament. The filament gets hot enough to glow, producing light energy and heat energy. Toasters and electric heaters work in the same way.

In fluorescent bulbs, electrons fly through the thin gas called Argon. Electrons collide with gas atoms and the atoms give off light. Television picture tubes and gas lasers use flying electrons.



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Sycamore Community School District
Hamilton County
4881 Cooper Rd.
Cincinnati, Ohio 45242

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Sycamore Community School District, Hamilton County, Ohio (the District), as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sycamore Community School District, as of June 30, 2004 and, the respective changes in financial position where applicable, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 17, for the fiscal year ended June 30, 2004, the District reclassified activity formerly reported in the enterprise funds and as a business type activity to special revenue funds and governmental activity.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2004 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the budgetary schedules are not a required part of the basic financial statements, but are supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

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



Betty Montgomery
Auditor of State

December 15, 2004

**SYCAMORE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2004
(Unaudited)**

The discussion and analysis of Sycamore Community School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2004. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government issued June, 1999.

Financial Highlights

Key financial highlights for 2004 are as follows:

- In total, net assets decreased \$11,636,349.
- General revenues accounted for \$65,791,025 in revenue or 91.7% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,938,190 or 8.3% of total revenues of \$71,729,215.
- Total assets of governmental activities decreased by \$11,995,570 as taxes receivable increased by \$2,755,777 and cash and other receivables decreased by \$12,138,565.
- The District had \$83,365,564 in expenses related to governmental activities; \$5,938,190 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$65,791,025 were also used to provide for these programs.

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 *Statements 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. The General and Debt Service Funds are the major funds of the District.

Reporting the School 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 questions, "How did we do financially during 2004?" The *Statement of Net Assets* and the *Statement of Activities* answers this question. These statements include *all assets* and *liabilities* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the District presents:

- Governmental Activities – The District's programs and services are reported here and include instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds is presented in the Fund Financial Statements (see Table of Contents). 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.

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 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 financial statements.

The District as a Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole.

Table 1 provides a summary of the District's net assets for 2003 compared to 2004:

Table 1
Net Assets

	<u>Governmental Activities</u>	
	2003	2004
	<u>Restated</u>	<u></u>
Assets		
Current and Other Assets	\$97,531,409	\$88,147,422
Capital Assets	<u>74,747,761</u>	<u>72,136,178</u>
Total Assets	<u>172,279,170</u>	<u>160,283,600</u>
Liabilities		
Long-Term Liabilities	64,780,538	63,394,829
Other Liabilities	<u>47,160,298</u>	<u>48,186,786</u>
Total Liabilities	<u>111,940,836</u>	<u>111,581,615</u>
Net Assets		
Invested in Capital		
Assets Net of Debt	16,127,954	15,739,836
Restricted	11,559,221	9,723,547
Unrestricted	<u>32,651,159</u>	<u>23,238,602</u>
Total Net Assets	<u>\$60,338,334</u>	<u>\$48,701,985</u>

Total assets decreased \$11,995,570. Equity in pooled cash and cash equivalents decreased \$12,226,075. Taxes receivable increased \$2,755,777. Total liabilities decreased \$359,671, resulting in a net asset decrease of \$11,636,349. The above decreases are mostly due to expenses in excess of revenues.

Table 2 shows the change in net assets for fiscal years 2003 and 2004.

Table 2
Changes in Net Assets

	Governmental Activities 2003 <u>Restated</u>	Governmental Activities 2004 <u>2004</u>
Revenues		
Program Revenues:		
Charges for Services	\$2,577,526	\$2,643,700
Operating Grants	2,905,081	3,257,178
Capital Grants	156,517	37,312
General Revenue:		
Property Taxes	57,846,974	55,877,165
Grants and Entitlements	8,908,534	9,135,135
Other	<u>988,639</u>	<u>778,725</u>
Total Revenues	<u>73,383,271</u>	<u>71,729,215</u>
Program Expenses:		
Instruction	36,049,444	44,622,647
Support Services:		
Pupil and Instructional Staff Board, Administrative, Fiscal and Business	10,139,360	11,382,220
Operations and Maintenance	6,828,387	6,833,816
Pupil Transportation	6,920,404	7,069,157
Central	4,155,109	4,012,686
Operation of Non-Instructional Services	2,383,469	1,719,437
Extracurricular Activities	3,193,929	3,142,839
Interest and Fiscal Charges	1,639,991	1,513,312
	<u>2,764,963</u>	<u>3,069,450</u>
Total Expenses	<u>74,075,056</u>	<u>83,365,564</u>
Increase in Net Assets	(\$691,785)	(\$11,636,349)
Beginning Net Assets	<u>61,030,119</u>	<u>60,338,334</u>
Ending Net Assets	<u>\$60,338,334</u>	<u>\$48,701,985</u>

Governmental Activities

The District revenues came from mainly two sources. Property taxes levied for general purposes, Debt Service and grants and entitlements comprised 90.6% of the District's revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus Ohio districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 78% of revenue for governmental activities for the District in fiscal year 2004.

Instruction comprises 54% of governmental program expenses. Support services expenses were 37% of governmental program expenses. All other expenses including interest expense were 9%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

The decrease in tax revenues is the result of more taxes available for advance at the beginning of the year than at the end of the year. Instruction expense increased from the prior year due to the following: a contract increase resulted in higher salaries for teachers, health insurance costs increased approximately sixteen percent, the current year had more retirees than the previous year, there was an increase in depreciation relating to instruction and additional computers and math textbooks were purchased.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	<u>Restated 2003</u>	<u>2004</u>	<u>Restated 2003</u>	<u>2004</u>
Instruction	\$36,049,444	\$44,622,647	\$34,624,976	\$43,234,747
Support Services:				
Pupil and Instructional Staff	10,139,360	11,382,220	9,528,018	10,692,186
Board, Administration, Fiscal				
and Business	6,828,387	6,833,816	6,799,748	6,801,880
Operations and Maintenance	6,920,404	7,069,157	6,906,728	7,032,822
Pupil Transportation	4,155,109	4,012,686	4,089,891	3,975,286
Central	2,383,469	1,719,437	2,318,567	1,641,820
Operation of Non-Instructional Services	3,193,929	3,142,839	154,386	127,788
Extracurricular Activities	1,639,991	1,513,312	1,248,655	1,106,971
Interest and Fiscal Charges	<u>2,764,963</u>	<u>3,069,450</u>	<u>2,764,963</u>	<u>3,069,450</u>
Total Expenses	<u>\$74,075,056</u>	<u>\$83,365,564</u>	<u>\$68,435,932</u>	<u>\$77,427,374</u>

The District's Funds

As a major fund, the General Fund had \$61,398,165 in revenues and \$70,372,147 in expenditures. The General Fund balance decreased from \$38,446,778 to \$28,876,109. The Debt Service Fund had \$2,953,776 in revenues and \$3,511,797 in expenditures. The Debt Service Fund balance decreased from \$7,812,775 to \$7,254,754.

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 2004, the District amended its general fund budget numerous times, however none were significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, budget basis revenue was \$61,377,588, below original budget estimates of \$61,563,794. Of this \$186,206 difference, most was due to a conservative estimate for taxes and intergovernmental revenue.

The District's ending unobligated actual fund balance for the General Fund was \$1,157,329 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2004, the District had \$72,136,178 invested in land, buildings and equipment. Table 4 shows fiscal 2004 balances compared to fiscal 2003:

Table 4
Capital Assets at June 30
(Net of Depreciation)

	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2004</u>
Land	\$1,602,371	\$1,602,371
Land Improvements	1,962,702	2,108,957
Buildings	16,228,503	25,873,506
Buildings and Improvements	42,062,879	40,275,714
Equipment and Vehicles	2,585,693	2,275,630
Construction in Progress	<u>10,305,613</u>	<u>0</u>
Total Net Assets	<u>\$74,747,761</u>	<u>\$72,136,178</u>

Construction was completed and costs of construction were reclassified to buildings. Overall, capital assets decreased due to depreciation.

The District continues its ongoing commitment to maintaining and improving its capital assets.

Debt

At June 30, 2004, the District had \$56,396,342 in bonds and capital leases payable, \$2,313,815 due within one year. Table 5 summarizes bonds and capital leases outstanding at year end.

Table 5
Outstanding Debt, at Year End

	Governmental Activities 2003	Governmental Activities 2004
Total:		
General Obligation Bonds:		
Symmes Refunding	\$1,818,599	\$1,433,599
Bond Issue I	3,295,000	3,240,000
Bond Issue II	28,825,000	28,060,000
Bond Issue III	<u>8,435,000</u>	<u>8,170,000</u>
Subtotal Bonds	42,373,599	40,903,599
Capital Lease Payable:		
Sycamore High School	10,410,000	9,980,000
Blue Ash Elementary	5,335,000	5,195,000
Phone System	<u>501,208</u>	<u>317,743</u>
Subtotal Capital Lease Payable	<u>16,246,208</u>	<u>15,492,743</u>
Total Outstanding Debt at Year End	<u>\$58,619,807</u>	<u>\$56,396,342</u>

Detailed information relating to capital assets and debt is presented in the notes to the financial statements.

In 1998 the District passed a 2.39 mill bond issue, providing \$45 million for two new elementary buildings along with facility improvements at the other elementary schools, and the intermediate, junior high and high schools. The District maintains an AA+ bond rating from Standard and Poor's.

For the Future

Externally, the Ohio Supreme Court found the State of Ohio in March 1997, to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable." Since 1997, the State has directed its tax revenue growth toward school districts with little property tax wealth. In May of 2000, the Ohio Supreme Court again ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes which are inherently not "equitable" nor "adequate". The Court directed the Governor and the legislature to address the fundamental issues creating the inequities. In 2001, the Ohio legislature crafted a school-funding program to address the Court's concerns.

This scenario requires management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

With no increase in state funding projected, the District must increase revenues with an operating levy to the community in the near future. Financially, the future of the District is not without challenges. Management must diligently plan future expenditures.

All of the District's financial abilities will be needed to meet the challenges of the future. With careful planning and monitoring of the District's finances, the District's management is confident that the District can continue to provide a quality education for our students and provide a secure financial future.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, 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 Beth Weber, Treasurer at Sycamore Community School District, 4881 Cooper Road, Cincinnati, Ohio 45242.

Sycamore Community School District, Ohio
Statement of Net Assets
June 30, 2004

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$29,828,581
Restricted Cash and Investments	468,958
Receivables:	
Taxes	57,485,177
Accounts	75,491
Intergovernmental	201,826
Inventory	87,389
Nondepreciable Capital Assets	1,602,371
Depreciable Capital Assets, Net	<u>70,533,807</u>
 Total Assets	 <u>160,283,600</u>
Liabilities:	
Accounts Payable	394,955
Accrued Wages and Benefits	8,216,960
Retainage Payable	11,024
Accrued Interest Payable	222,247
Deferred Revenue	39,341,600
Long-Term Liabilities:	
Due Within One Year	3,554,711
Due In More Than One Year	<u>59,840,118</u>
 Total Liabilities	 <u>111,581,615</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	15,739,836
Restricted for:	
Special Revenue	646,043
Debt Service	7,442,318
Capital Projects	1,166,228
Set-Aside	468,958
Unrestricted	<u>23,238,602</u>
 Total Net Assets	 <u>\$48,701,985</u>

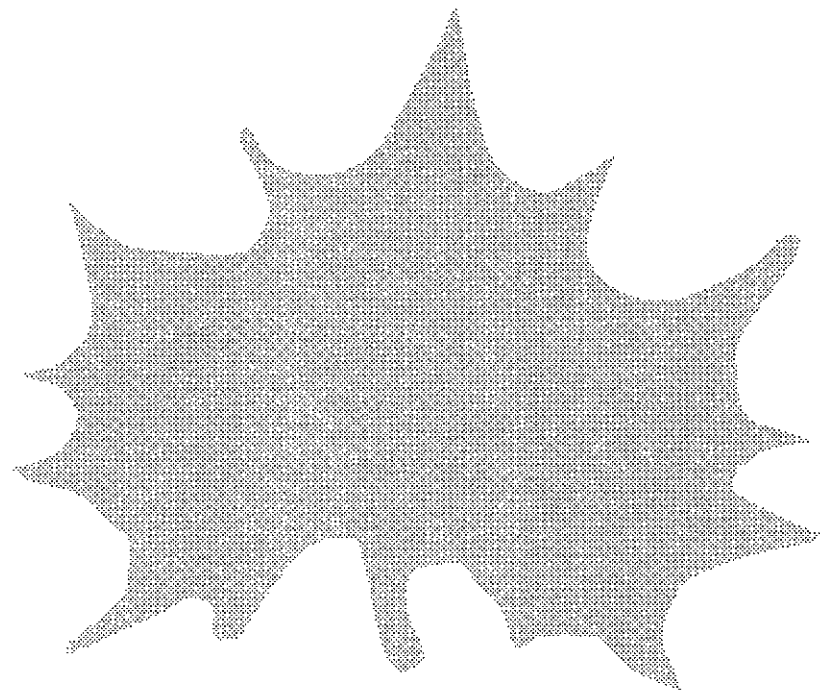
See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2004

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$37,975,420	\$768,582	\$487,488	\$0	(\$36,719,350)
Special	6,295,494	3,963	72,516	0	(6,219,015)
Vocational	217,197	0	0	0	(217,197)
Other	134,536	55,351	0	0	(79,185)
Support Services:					
Pupil	4,407,474	0	72,481	0	(4,334,993)
Instructional Staff	6,974,746	3,970	613,583	0	(6,357,193)
General Administration	31,941	0	0	0	(31,941)
School Administration	5,344,410	31,936	0	0	(5,312,474)
Fiscal	1,256,823	0	0	0	(1,256,823)
Business	200,642	0	0	0	(200,642)
Operations and Maintenance	7,069,157	35,247	1,088	0	(7,032,822)
Pupil Transportation	4,012,686	88	0	37,312	(3,975,286)
Central	1,719,437	0	77,617	0	(1,641,820)
Operation of Non-Instructional Services	3,142,839	1,338,222	1,932,405	0	127,788
Extracurricular Activities	1,513,312	406,341	0	0	(1,106,971)
Interest and Fiscal Charges	3,069,450	0	0	0	(3,069,450)
Total Governmental Activities	83,365,564	2,643,700	3,257,178	37,312	(77,427,374)
Totals	\$83,365,564	\$2,643,700	\$3,257,178	\$37,312	(\$77,427,374)

General Revenues:	
Property Taxes Levied for:	
General Purposes	52,801,962
Debt Service Purposes	3,075,203
Grants and Entitlements not Restricted to Specific Programs	9,135,135
Investment Earnings	556,576
Other Revenues	222,149
Total General Revenues and Transfers	65,791,025
Change in Net Assets	(11,636,349)
Net Assets Beginning of Year, Restated	60,338,334
Net Assets End of Year	\$48,701,985

See accompanying notes to the basic financial statements.



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Sycamore Community School District, Ohio
 Balance Sheet
 Governmental Funds
 June 30, 2004

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$21,228,951	\$6,486,854	\$2,112,776	\$29,828,581
Restricted Cash and Investments	468,958	0	0	468,958
Receivables:				
Taxes	54,711,550	2,773,627	0	57,485,177
Accounts	55,667	0	19,824	75,491
Intergovernmental	0	0	201,826	201,826
Inventory	70,142	0	17,247	87,389
Total Assets	76,535,268	9,260,481	2,351,673	88,147,422
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	157,344	0	237,611	394,955
Accrued Wages and Benefits	7,483,082	0	189,131	7,672,213
Compensated Absences	565,883	0	20,464	586,347
Retainage Payable	0	0	11,024	11,024
Deferred Revenue	39,452,850	2,005,727	95,855	41,554,432
Total Liabilities	47,659,159	2,005,727	554,085	50,218,971
Fund Balances:				
Reserved for Encumbrances	268,543	0	786,863	1,055,406
Reserved for Inventory	70,142	0	17,247	87,389
Reserved for Property Tax Advances	15,258,700	998,500	0	16,257,200
Reserved for Set-Aside	468,958	0	0	468,958
Unreserved, Undesignated, Reported in:				
General Fund	12,809,766	0	0	12,809,766
Special Revenue Funds	0	0	441,833	441,833
Debt Service Funds	0	6,256,254	0	6,256,254
Capital Projects Funds	0	0	551,645	551,645
Total Fund Balances	28,876,109	7,254,754	1,797,588	37,928,451
Total Liabilities and Fund Balances	\$76,535,268	\$9,260,481	\$2,351,673	\$88,147,422

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Assets of Governmental Activities
 June 30, 2004

Total Governmental Fund Balance		\$37,928,451
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		72,136,178
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	2,116,977	
Intergovernmental	<u>95,855</u>	
		2,212,832
In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(222,247)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Pension Obligation	(544,747)	
Compensated Absences	<u>(6,412,140)</u>	
		(6,956,887)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(56,396,342)</u>
Net Assets of Governmental Activities		<u><u>\$48,701,985</u></u>

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2004

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$50,806,412	\$2,623,178	\$0	\$53,429,590
Tuition and Fees	710,117	0	86,377	796,494
Investment Earnings	522,007	0	34,570	556,577
Intergovernmental	9,180,435	330,598	3,241,574	12,752,607
Extracurricular Activities	0	0	314,253	314,253
Charges for Services	0	0	1,460,917	1,460,917
Other Revenues	179,194	0	137,492	316,686
Total Revenues	61,398,165	2,953,776	5,275,183	69,627,124
Expenditures:				
Current:				
Instruction:				
Regular	32,901,502	0	874,576	33,776,078
Special	5,978,793	0	33,935	6,012,728
Vocational	303,214	0	0	303,214
Other	134,536	0	0	134,536
Support Services:				
Pupil	4,201,572	0	94,522	4,296,094
Instructional Staff	5,985,292	0	731,900	6,717,192
General Administration	31,605	0	0	31,605
School Administration	5,117,743	0	1,211	5,118,954
Fiscal	1,214,124	42,013	0	1,256,137
Business	203,014	0	0	203,014
Operations and Maintenance	6,760,737	0	1,980	6,762,717
Pupil Transportation	3,665,206	0	71,688	3,736,894
Central	1,455,463	0	104,727	1,560,190
Operation of Non-Instructional Services	1,910	0	3,014,832	3,016,742
Extracurricular Activities	1,013,169	0	427,037	1,440,206
Capital Outlay	27,845	0	2,261,396	2,289,241
Debt Service:				
Principal Retirement	753,465	1,470,000	0	2,223,465
Interest and Fiscal Charges	622,957	1,999,784	492,528	3,115,269
Total Expenditures	70,372,147	3,511,797	8,110,332	81,994,276
Excess of Revenues Over (Under) Expenditures	(8,973,982)	(558,021)	(2,835,149)	(12,367,152)
Other Financing Sources (Uses):				
Transfers In	0	0	596,687	596,687
Transfers (Out)	(596,687)	0	0	(596,687)
Total Other Financing Sources (Uses)	(596,687)	0	596,687	0
Net Change in Fund Balance	(9,570,669)	(558,021)	(2,238,462)	(12,367,152)
Fund Balance Beginning of Year, Restated	38,446,778	7,812,775	4,036,050	50,295,603
Fund Balance End of Year	\$28,876,109	\$7,254,754	\$1,797,588	\$37,928,451

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2004

Net Change in Fund Balance - Total Governmental Funds (\$12,367,152)

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

Governmental funds report capital asset additions as expenditures.
 However, in the statement of activities, the cost of those assets is
 allocated over their estimated useful lives as depreciation
 expense. This is the amount of the difference between capital
 asset additions and depreciation in the current period.

Capital assets used in governmental activities	702,355	
Depreciation Expense	<u>(3,299,052)</u>	(2,596,697)

Governmental funds only report the disposal of assets to the
 extent proceeds are received from the sale. In the statement
 of activities, a gain or loss is reported for each disposal. The
 amount of the proceeds must be removed and the gain or loss
 on the disposal of capital assets must be recognized. This is the
 amount of the difference between the proceeds and the gain or loss. (14,886)

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

Delinquent Property Taxes	2,116,977	
Intergovernmental	<u>23,497</u>	2,140,474

Repayment of bond principal is an expenditure in the
 governmental funds, but the repayment reduces long-term
 liabilities in the statement of net assets. 2,223,465

In the statement of activities interest expense is accrued when incurred,
 whereas in governmental funds an interest expenditure is reported
 when due. 45,819

Some expenses reported in the statement of activities do not require the
 use of current financial resources and therefore are not reported as
 expenditures in governmental funds.

Pension Obligation	(169,526)	
Compensated Absences	<u>(897,846)</u>	<u>(1,067,372)</u>

Change in Net Assets of Governmental Activities (\$11,636,349)

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2004

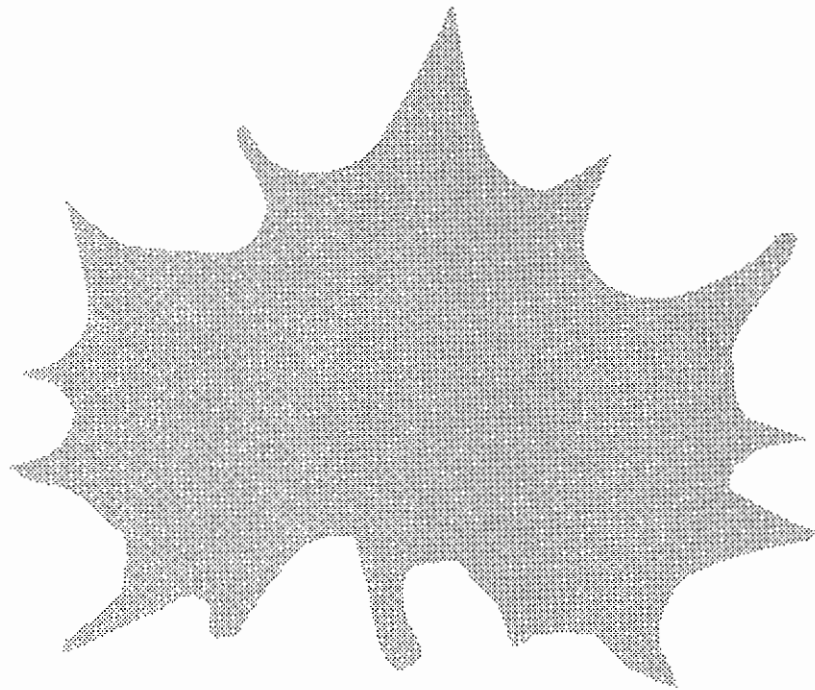
	<u>Private Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Investments	\$26,651	\$113,080
Receivables:		
Accounts	<u>0</u>	<u>10,000</u>
Total Assets	<u>26,651</u>	<u>\$123,080</u>
Liabilities:		
Other Liabilities	<u>0</u>	<u>123,080</u>
Total Liabilities	<u>0</u>	<u>\$123,080</u>
Net Assets:		
Held in Trust	<u>26,651</u>	
Total Net Assets	<u>\$26,651</u>	

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2004

	Private Purpose Trust
Additions:	
Investment Earnings	\$1,751
Other	1,919
Total Additions	<u>3,670</u>
Deductions:	
Other	<u>7,813</u>
Total Deductions	<u>7,813</u>
Change in Net Assets	(4,143)
Net Assets Beginning of Year	<u>30,794</u>
Net Assets End of Year	<u><u>\$26,651</u></u>

See accompanying notes to the basic financial statements.



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SYCAMORE COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2004

1. DESCRIPTION OF THE DISTRICT

The District was chartered by the Ohio State Legislature in 1949. In 1863 State laws were enacted to create the local Boards of Education. Today, the Sycamore Community School District ("District") operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 199.01 of the Ohio Revised Code.

The District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the District's instructional and support facilities staffed by 347 non-certified personnel and 514 certificated personnel to provide services to students and other community members.

The District is the 7th largest in Hamilton County in terms of enrollment. It currently operates 4 elementary schools, 1 intermediate school (grades 5-6), 1 junior high school (grades 7-8), and 1 high school (grades 9-12).

REPORTING ENTITY

In accordance with Governmental Accounting Standards Board [GASB] Statement 14, the financial reporting entity consists of a primary government. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

There are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds and account groups of those organizational entities for which its elected governing body is financially accountable. The District's major operations include education, pupil transportation, food service, and maintenance of District facilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

MEASUREMENT FOCUS

Government-wide Financial Statements

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements which provide a more detailed level of financial information.

The government-wide statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net assets. Fiduciary Funds are not included in entity-wide statements.

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

Fund Financial Statements

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 reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Fiduciary Funds are reported using the economic resources measurement focus (Accrual basis).

FUND ACCOUNTING

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental and fiduciary. The focus of government fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Governmental Funds

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

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

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

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 School 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 custodian in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only trust fund is a private purpose trust which accounts for scholarship programs for students.

3. 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. Fiduciary funds also use the accrual basis of accounting. Differences in the actual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

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, included property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. 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 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 year end: property taxes available for advance, grants and interest.

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, 2004, but which were levied to finance fiscal year 2005 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred 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. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

CASH AND CASH EQUIVALENTS

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as “equity in pooled cash and investments” on the financial statements.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits and repurchase agreements are reported at cost.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2004. 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, 2004.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2004 amounted to \$556,576.

INVENTORY

Inventories are presented at cost on a first-in, first-out basis and are expensed/expensed when used. Inventory consists of food held for resale and consumable supplies.

CAPITAL ASSETS

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of two thousand dollars (\$2,000). The District does not possess any infrastructure. Improvements that add to the value of an asset or materially extend an asset’s life 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 are depreciated, except land. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is allocated using the straight-line method over the following useful lives:

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>
Land Improvements	20 years
Buildings	45 years
Building Improvements	20 years
Equipment and Vehicles	5 - 20 years

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, laws of other government or imposed by enabling legislation. Restricted assets include the amount required by state statute to be set aside to create a reserve for textbooks and instructional material.

COMPENSATED ABSENCES

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time, when earned, for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the District's past experience of making termination payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount due to the employee at year end. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid.

The District's policies regarding compensated absences are determined by the state laws and/or negotiated agreements. In summary, the policies are as follows:

<u>Vacation</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How Earned	Not Eligible	25-30 days per year or 2.08-2.50 per month	10-25 days for each service year depending on length of service
Maximum Accumulation	Not Applicable	30 days Payoff up to 10 days/yr. unused earned	Double the max accumulated
Vested	Not Applicable	As Earned	As Earned
Termination Entitlement	Not Applicable	Paid upon termination	Paid upon termination
<u>Sick Leave</u>			
How Earned	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)
Maximum Accumulation	325 days	325 days	325 days
Vested	As Earned	As Earned	As Earned
Termination Entitlement	1/3 paid upon retirement	1/3 paid upon retirement	1/3 paid upon retirement

NET ASSETS

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

FUND BALANCE RESERVES AND DESIGNATIONS

The School 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 property taxes, advances, set-asides, inventory and encumbrances.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for set-aside represents monies required to be set aside by State statute to protect against cyclical changes in revenues and expenditures. The designation for budget stabilization represents revenues set aside that exceed statutorily required amounts.

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

FUND EQUITY

Reserved fund balances indicate a portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, supplies inventory, budget stabilization and property taxes. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The unreserved portion of fund equity, reflected for the Governmental Funds, is available for use within the specific purpose of those funds.

4. CASH AND CASH EQUIVALENTS

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 Investments."

State statute requires the classification of monies held by the District into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand.

Inactive Monies – Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies – 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. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) Repurchase agreements in the securities enumerated above.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds, and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits – At the year end, the carrying amount of the District's deposits was (\$468,984). The bank balance of deposits was \$346,770 of which \$208,106 was covered by federal depository insurance. The remaining balance of \$138,644 was covered by 105% public depository pool, which was collateralized with securities held by the pledging financial institution's trust department but not in the District's name.

Investments – The District's investments are categorized to give an indication of the level of risk assumed by the entity at year end (GASB Statement 3):

- Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name.

Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name.

Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its department or agent, but not in the District's name.

Based on the above criteria, the District's investments at year-end are classified as follows:

<u>Description</u>	<u>Category 3</u>	<u>Carrying Amount/ Fair Value</u>
Repurchase Agreement	\$278,651	\$278,651
Federal Agency Security	25,425,021	25,425,021
Money Market Funds*	0	368,855
State Treasury Pool*	<u>0</u>	<u>4,833,727</u>
Total Investments	<u>\$25,703,672</u>	<u>\$30,906,254</u>

*The District's Investment in the Ohio State Treasury Pool and Money Market Funds are not categorized because they are not evidenced by securities that exist in physical or book entry form.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

5. PROPERTY TAXES

Real property taxes collected in 2004 were levied in April on the assessed values as of January 1, 2003, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update ever third year.

Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 25 percent of true value (as defined). In 2004, each business was eligible to receive a \$10,000 exemption in assessed value which was reimbursed by the State.

Real property taxes are payable annually or semi-annually. In 2004, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

The Hamilton County Auditor remits portions of the taxes collected to all taxing districts with periodic settlements of real and public utility property taxes in February and August and tangible personal property taxes in June and October. The District records billed but uncollected property taxes as receivables at their estimated net realizable value.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2004 and for which there is an enforceable legal claim. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2004. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2004, was \$15,258,700 for General Fund and \$998,500 for Debt Service, and is recognized as revenue, with a corresponding reserve to fund balance since the Board did not appropriate these receivables for fiscal year 2004 operations. The amount available for advance at June 30, 2003 was \$15,258,700 for General Fund and \$998,500 for Debt Service, with a corresponding reserve to fund balance since the Board did not appropriate those receivables for fiscal year 2003 operations.

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

The assessed values upon which the fiscal year 2004 taxes were collected are:

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,371,349,390
Public Utility Personal	30,447,970
Tangible Personal Property	<u>183,532,570</u>
Total	<u>\$1,585,329,930</u>

6. RECEIVABLES

Receivables at June 30, 2004, consisted of taxes, accounts (rent and student fees), intergovernmental grants and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

7. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Government Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$1,602,371	\$0	\$0	\$1,602,371
<i>Capital assets being depreciated:</i>				
Land Improvements	2,842,223	284,350	0	3,126,573
Buildings	25,198,372	10,402,850	0	35,601,222
Building Improvements	44,521,165	0	0	44,521,165
Equipment and Vehicles	9,095,879	320,768	81,914	9,334,733
Construction in Progress	<u>10,305,613</u>	<u>0</u>	<u>10,305,613</u>	<u>0</u>
Totals at Historical Cost	<u>\$93,565,623</u>	<u>\$11,007,968</u>	<u>\$10,387,527</u>	<u>\$94,186,064</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	\$879,521	\$138,095	\$0	\$1,017,616
Building	8,969,869	757,847	0	9,727,716
Building Improvements	2,458,286	1,787,165	67,028	4,245,451
Equipment and Vehicles	<u>6,510,186</u>	<u>615,945</u>	<u>0</u>	<u>7,059,103</u>
Total Accumulated Depreciation	<u>\$18,817,862</u>	<u>\$3,299,052</u>	<u>\$67,028</u>	<u>\$22,049,886</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$74,747,761</u>			<u>\$72,136,178</u>

*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$2,323,940
Special	101,617
Support Services:	
Pupil	2,790
Instructional Staff	3,771
General Administration	336
School Administration	135,950
Fiscal	3,353
Business	210
Operations and Maintenance	194,705
Pupil Transportation	266,927
Central	155,070
Community Services	51,047
Extracurricular Activities	<u>59,336</u>
Total Depreciation Expense	<u>\$3,299,052</u>

8. LONG-TERM LIABILITIES

	<u>Maturity Dates</u>	<u>Beginning Principal Outstanding</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Principal Outstanding</u>	<u>Due In One Year</u>
<u>Governmental Activities:</u>						
<u>General Obligation Bonds:</u>						
Symmes Refunding 1998 4.60%	12/01/23	\$1,818,599	\$0	\$385,000	\$1,433,599	\$375,000
Bond Issue I 1998 3.25%	12/01/23	3,295,000	0	55,000	3,240,000	80,000
Bond Issue II 1998 3.00%	12/01/23	28,825,000	0	765,000	28,060,000	805,000
Bond Issue III 1998 3.40%	12/01/23	<u>8,435,000</u>	<u>0</u>	<u>265,000</u>	<u>8,170,000</u>	<u>275,000</u>
Total General Obligation Bonds		42,373,599	0	1,470,000	40,903,599	1,535,000
Compensated Absences		6,160,731	1,916,834	1,079,078	6,998,487	1,240,896
Capital Leases		<u>16,246,208</u>	<u>0</u>	<u>753,465</u>	<u>15,492,743</u>	<u>778,815</u>
Total Governmental Activities Long-Term Liabilities		<u>\$64,780,538</u>	<u>\$1,916,834</u>	<u>\$3,302,543</u>	<u>\$63,394,829</u>	<u>\$3,554,711</u>

General obligation bonds will be paid from the debt service fund. Compensated absences will be paid from the fund from the general fund and special revenue funds. Capital lease obligations will be paid from the general fund.

The District's Board of Education approved an Early Retirement Incentive program. Participation is open to employees who are at least fifty years of age, qualify for retirement with years purchased by the Board, and agree to retire within ninety days after notification that credit has been purchased. The credit may not exceed the lesser of two years or one-fifth of each member's total Ohio teaching service. The Board of Education limits the number of employees participating in the plan in any one year. The Board of Education has the option of paying the liability in its entirety or in installments. The year-end liability will be paid from the fund from which the person is paid in its entirety in January of 2005.

Principal and interest requirements to retire general obligation debt outstanding at year end are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$1,535,000	\$1,940,189	\$3,475,189
2006	1,595,000	1,876,907	3,471,907
2007	1,655,000	1,809,853	3,464,853
2008	1,478,247	1,978,775	3,457,022
2009	1,523,922	1,919,569	3,443,491
2010-2014	8,421,430	7,541,460	15,962,890
2015-2019	11,000,000	4,847,118	15,847,118
2020-2024	<u>13,695,000</u>	<u>1,744,073</u>	<u>15,439,073</u>
Totals	<u>\$40,903,599</u>	<u>\$23,657,944</u>	<u>\$64,561,543</u>

9. LEASES

CAPITAL LEASES

The District is leasing the project site from the University of Cincinnati where the construction occurred and is leasing the land to PS&W Holding Company. PS&W Holding Company has constructed the building and has assigned the land and building to US Bank, which is leasing the building to the District. US Bank, sold certificates of participation in the building lease. The District will make repayment every six months to US Bank. Interest rates range between 3.250% and 5.125%. The lease is renewable annually and expires in 2025. The intention of the District is to renew the lease annually.

The District has a capital lease for a phone system. The lease expires in 2006.

The leases for Sycamore High School, Blue Ash Elementary and the phone system meet the criteria of capital lease as defined by statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease generally as one that transfers benefits and risks of ownership to the lessee. Capital lease payments for the high school and elementary school will be made from the General fund and lease payments for the phone system will also be made from the General Fund. The gross amount of assets acquired under capital leases is \$20,061,123 in buildings and \$561,200 in equipment.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of fiscal year end.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Long-Term</u> <u>Debt</u>
2005	\$1,470,160
2006	1,401,472
2007	1,271,235
2008	1,274,775
2009	1,271,565
Thereafter	<u>16,219,904</u>
Total Minimum Lease Payments	22,909,111
Less: Amount Representing Interest	<u>(7,416,368)</u>
Present Value of Minimum Lease Payments	<u>\$15,492,743</u>

OPERATING LEASES

As described in the capital lease footnote above, the District has one operating lease involving the lease of School District land to PS&W Holding Company for \$1 per year.

10. PENSION PLANS

SCHOOL EMPLOYEES RETIREMENT SYSTEM

The School 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 43215-3476.

Plan members are required to contribute 9% of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14% of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17% of annual covered salary was the portion being used to fund pension obligations. For fiscal year 2002, 5.46% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$1,607,196, \$1,510,224, and \$1,365,204, respectively; 47.7% has been contributed for fiscal year 2004 and 100% for fiscal year 2003 and 2002.

STATE TEACHERS RETIREMENT SYSTEM

The School District participates in 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 East Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and 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 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, 2004, plan members were required to contribute 9.3% of their annual covered salaries. The School District was required to contribute 14%; 13% was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5%. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for members and employer contributions.

The School District's required contributions for pension obligations for the fiscal years ended June 30, 2004, 2003, and 2002 were \$5,112,072, \$4,847,064, and \$4,296,900, respectively; 97.7% has been contributed for fiscal year 2004 and 100% for fiscal year 2003 and 2002.

11. POST EMPLOYMENT 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 included hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provision 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.

For STRS, all benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. The Board currently allocates employer contributions equal to 4.5% of covered payroll to the Health Care Reserve Fund for which payments for health care benefits are paid. For the District, this amount equaled \$1,643,166 during the 2004 fiscal year. As of June 30, 2003, eligible benefit recipients totaled 108,294. For the fiscal year ended June 30, 2003, net health care costs paid by STRS were \$352,301,000.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium.

For 2003 fiscal year, employer contributions to fund health care benefits were 5.83% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established at \$14,500. The surcharge rate added to the unallocated portion of the 14% employer contribution rate provides for maintenance of the asset target level for the health care fund. For the District, this amount equaled \$669,282 during the 2004 fiscal year. The number of participants currently receiving health care benefits is approximately 50,000. For the fiscal year ended June 30, 2003, net health care costs paid by SERS were \$204,930,737.

12. CONTINGENT LIABILITIES

GRANTS

The District receives financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of June 30, 2004.

LITIGATION

The District's attorney estimates that all other potential claims against the District not covered by insurance resulting from all other litigation would not materially affect the financial statements of the District.

13. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2004, the District contracted with Indiana Insurance Company for general liability, property, boiler and machinery insurance.

The District maintains an umbrella liability policy with limits of \$10,000,000 each occurrence, \$10,000,000 aggregate.

Boiler and machinery coverage has a \$1,000 deductible with a \$50,000,000 limit of liability per accident. School leaders errors and omissions liability is protected by Indiana Insurance Company with a \$1,000,000 each occurrence, \$1,000,000 aggregate limit.

Vehicles are covered by Indiana Insurance Company with a \$500 deductible for comprehensive and a \$500 deductible for collision.

Public officials bond insurance is provided by Backus Insurance Company. The Treasurer, Superintendent and Board President are covered by bonds in the amounts \$100,000, \$25,000 and \$25,000 respectively. Honesty Blanket Position Coverage is \$15,000 per employee.

The amounts of settlements did not exceed insurance coverage for any of the past three fiscal years.

For fiscal year 2004 the District provided employee medical/surgical benefits through Humana/Choice Care, a Cincinnati based health maintenance organization.

14. STATE SCHOOL FUNDING DECISION

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

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

15. FUND BALANCE RESERVES FOR SET-ASIDES

The School 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 year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

For fiscal year ended June 30, 2004, the School District was no longer required to set aside funds in the budget reserve set-aside, with the exception of refund monies received from the Bureau of Workers' Compensation, which must be spent for specified purposes.

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside Reserve Balance as of June 30, 2003	(\$1,320,818)	\$ 0	\$ 468,958
Current Year Set-aside Requirement	811,124	811,124	0
Qualified Disbursements	(1,538,476)	0	0
Current Year Offsets	<u>0</u>	<u>(811,124)</u>	<u>0</u>
Set-Aside Reserve Balance as of June 30, 2004	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 468,958</u>
Restricted Cash as of June 30, 2004	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 468,958</u>
Carry Forward to FY2005	<u>(\$2,048,170)</u>	<u>\$ 0</u>	<u>\$ 0</u>

Offset credits for capital activity during the year exceeded the amount required for the set-aside, resulting in offset credits of \$63,287,732 available for carryover to offset capital reserve requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year for the capital acquisition set-aside. Qualifying disbursements and carryover from prior years for textbooks totaled \$2,859,295, resulting in \$2,048,170 for carryover to offset textbook requirements in future years.

16. INTERFUND TRANSFERS

As of June 30, 2004, transactions were as follows:

<u>Fund Type/Fund</u>	<u>Transfers</u>	
	<u>In</u>	<u>Out</u>
General	\$0	\$596,687
Nonmajor Funds:		
Extracurricular Student Activities	110,000	0
Permanent Improvement	<u>486,687</u>	<u>0</u>
Total Nonmajor Funds	<u>596,687</u>	<u>0</u>
Total All Funds	<u>\$596,687</u>	<u>\$596,687</u>

Transfers out of the General Fund were made to provide resources to the Extracurricular Student Activities and Permanent Improvement Funds.

17. PRIOR PERIOD ADJUSTMENT

The beginning net asset/fund balances of other governmental funds, enterprise and governmental activities has been adjusted for correction to the capital assets detail and the reclassification of enterprise funds as follows:

	Other Governmental <u>Funds</u>	<u>Enterprise</u>	Governmental <u>Activities</u>
June 30, 2003 Fund Balance/ Net Assets, as previously stated	\$4,008,280	\$138,015	\$60,670,427
Fund Reclassification	27,770	(138,015)	138,015
Net Governmental Capital Assets	<u>0</u>	<u>0</u>	<u>(470,108)</u>
June 30, 2003 Fund Balance/ Net Assets, as restated	<u>\$4,036,050</u>	<u>\$0</u>	<u>\$60,338,334</u>

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Sycamore Community School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2004

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$50,960,547	\$50,806,412	\$50,806,412	\$0
Tuition and Fees	690,913	684,789	688,823	4,034
Investment Earnings	523,587	472,846	522,003	49,157
Intergovernmental	9,237,672	9,209,732	9,209,732	0
Other Revenues	151,075	144,980	150,618	5,638
Total Revenues	61,563,794	61,318,759	61,377,588	58,829
Expenditures:				
Current:				
Instruction:				
Regular	32,624,812	32,420,068	32,191,094	228,974
Special	5,977,140	5,994,873	5,897,679	97,194
Vocational	231,287	237,700	228,212	9,488
Other	136,349	136,500	134,536	1,964
Support Services:				
Pupil	4,205,273	4,244,168	4,149,368	94,800
Instructional Staff	6,101,353	6,054,850	6,020,241	34,609
General Administration	32,031	41,975	31,605	10,370
School Administration	5,333,463	5,407,253	5,262,559	144,694
Fiscal	1,364,955	1,387,987	1,346,809	41,178
Business	207,509	205,080	204,750	330
Operations and Maintenance	7,156,111	7,061,383	7,060,977	406
Pupil Transportation	3,718,758	3,718,719	3,669,320	49,399
Central	1,763,872	1,833,463	1,740,423	93,040
Operation of Non-Instructional Services	6,576	6,489	6,489	0
Extracurricular Activities	1,202,116	1,213,922	1,186,135	27,787
Capital Outlay	30,753	30,344	30,344	0
Debt Service:				
Principal Retirement	570,000	570,000	570,000	0
Interest and Fiscal Charges	626,846	610,935	610,935	0
Total Expenditures	71,289,204	71,175,709	70,341,476	834,233
Excess of Revenues Over (Under) Expenditures	(9,725,410)	(9,856,950)	(8,963,888)	893,062
Other financing sources (uses):				
Advances In	245,648	242,382	242,382	0
Advances (Out)	(124,422)	(200,000)	(124,046)	75,954
Transfers (Out)	(604,726)	(785,000)	(596,687)	188,313
Total Other Financing Sources (Uses)	(483,500)	(742,618)	(478,351)	264,267
Net Change in Fund Balance	(10,208,910)	(10,599,568)	(9,442,239)	1,157,329
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	30,728,918	30,728,918	30,728,918	0
Fund Balance End of Year	\$20,520,008	\$20,129,350	\$21,286,679	\$1,157,329

See accompanying notes to the required supplementary information.

SYCAMORE COMMUNITY SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended June 30, 2004

1. BUDGETARY PROCESS

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by Board at the fund and function level within each individual fund. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2004.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Board during the year.

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and expendable trust funds (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	(\$9,570,669)
Net Adjustment for Revenue Accruals	221,805
Net Adjustment for Expenditure Accruals	175,168
Encumbrances	<u>(268,543)</u>
Budget Basis	<u>(\$9,442,239)</u>

**COMBINING STATEMENTS
AND INDIVIDUAL
FUND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Public School Support – Fund used to account for specific local revenue sources generated by individual school buildings. Expenditures include field trips, items to support co-curricular and extra-curricular programs, and recognition programs.

Other Grants – Fund used to account for local grants, i.e. Neediest Kids of All.

Extracurricular Student Activities – Fund used to account for student activity programs that do not have student management of the program, i.e. athletics, band, etc.

Auxiliary Services – Fund used to account for state funds used to provide services and materials to students attending non-public schools within the boundaries of the District.

Gifted Education – Fund used to account for state monies provided to support gifted education programs.

Management Information – Fund used to account for state monies provided to support the Education Management Information System.

Entry Year Program – Fund used to account for state monies provided to support training programs for beginning teachers.

OneNet Network – State grant used to support technology used for non-instructional purposes, i.e. networking.

SchoolNet Professional Development – State grant used to support professional development in the area of technology.

Ohio Reads – State grant created to support literacy programs.

Summer Intervention – State grant credited to account for summer intervention.

Career Education State – State grant used to present various career opportunities to students.

School Conflict Grant – State grant credited to support school conflicts.

Title VI B/ Pre-school – Fund used to account for federal monies provided to support programs for students with disabilities.

Vocational Education – Federal grant used to present various career opportunities to students.

Title III – Federal grant used to account for federal monies provided to support the District's ESL population.

Title I – Fund used to account for federal monies provided to support programs for educationally deprived students.

Title VI – Fund used to account for federal monies provided to support innovative educational programs.

Drug Free Schools – Fund used to account for federal monies provided to address drug abuse prevention and security in the schools.

EHA Pre-School – Fund used to account for federal monies provided to support programs for pre-school aged students with disabilities.

Title VI R – Fund used to account for federal monies provided to reduce student/teacher ratios.

Miscellaneous Federal Grants – Funds used to account for miscellaneous federal grants.

Food Service – Fund used to record financial transactions related to the food service operation.

Adult Education – Fund used to account for expenses related to the adult education program provided to the general public.

Community School – Fund used to account for student recreation program.

Capital Projects Funds

The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Permanent Improvement – Fund used to account for all transactions relating to acquiring, constructing or improving permanent improvements other than those authorized by special bond funds.

Building – Fund used to account for all transactions relating to bond funds used for construction and renovation of buildings.

SchoolNet Instructional – State grant used to purchase technology used for instructional purposes.

NONMAJOR FIDUCIARY FUNDS

Fiduciary fund types are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental unites and/or other funds.

Private Purpose Trust – Fund used to account for donations received by the District in a trustee capacity. Used for scholarships.

Agency Fund

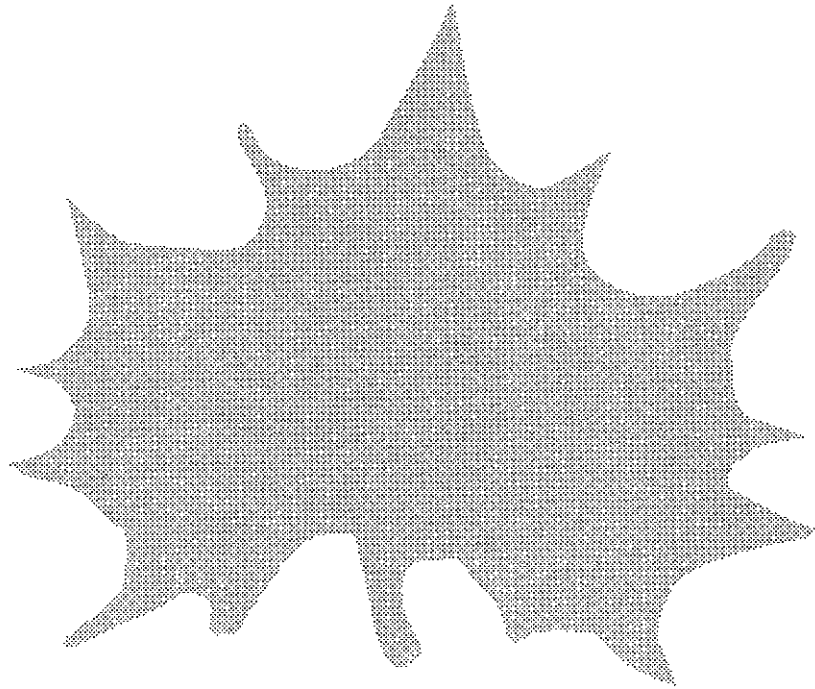
Student Activities – Fund used to account for resources that belong to various student groups in the District. Students are involved in the management of the program.

Sycamore Community School District, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$767,269	\$1,345,507	\$2,112,776
Receivables:			
Accounts	1,148	18,676	19,824
Intergovernmental	201,826	0	201,826
Inventory	17,247	0	17,247
Total Assets	987,490	1,364,183	2,351,673
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	50,680	186,931	237,611
Accrued Wages and Benefits	189,131	0	189,131
Compensated Absences	20,464	0	20,464
Retainage Payable	0	11,024	11,024
Deferred Revenue	95,855	0	95,855
Total Liabilities	356,130	197,955	554,085
Fund Balances:			
Reserved for Encumbrances	172,280	614,583	786,863
Reserved for Inventory	17,247	0	17,247
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	441,833	0	441,833
Capital Projects Funds	0	551,645	551,645
Total Fund Balances	631,360	1,166,228	1,797,588
Total Liabilities and Fund Balances	\$987,490	\$1,364,183	\$2,351,673

Sycamore Community School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Tuition and Fees	\$67,701	\$18,676	\$86,377
Investment Earnings	1,332	33,238	34,570
Intergovernmental	3,241,574	0	3,241,574
Extracurricular Activities	314,253	0	314,253
Charges for Services	1,460,917	0	1,460,917
Other Revenues	137,492	0	137,492
Total Revenues	5,223,269	51,914	5,275,183
Expenditures:			
Current:			
Instruction:			
Regular	703,451	171,125	874,576
Special	33,935	0	33,935
Support Services:			
Pupil	94,522	0	94,522
Instructional Staff	731,900	0	731,900
School Administration	1,211	0	1,211
Operations and Maintenance	1,980	0	1,980
Pupil Transportation	0	71,688	71,688
Central	81,586	23,141	104,727
Operation of Non-Instructional Services	2,927,657	87,175	3,014,832
Extracurricular Activities	427,037	0	427,037
Capital Outlay	0	2,261,396	2,261,396
Debt Service:			
Interest and Fiscal Charges	0	492,528	492,528
Total Expenditures	5,003,279	3,107,053	8,110,332
Excess of Revenues Over (Under) Expenditures	219,990	(3,055,139)	(2,835,149)
Other Financing Sources (Uses):			
Transfers In	110,000	486,687	596,687
Total Other Financing Sources (Uses)	110,000	486,687	596,687
Net Change in Fund Balance	329,990	(2,568,452)	(2,238,462)
Fund Balance Beginning of Year	301,370	3,734,680	4,036,050
Fund Balance End of Year	\$631,360	\$1,166,228	\$1,797,588



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Sycamore Community School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2004

	Public School Support	Other Grants	Extracurricular Student Activities	Auxiliary Services	Gifted Education	Management Information
Assets:						
Equity in Pooled Cash and Investments	\$97,574	\$10,069	\$134,117	\$260,540	\$160	\$0
Receivables:						
Accounts	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Inventory	0	0	0	0	0	0
Total Assets	97,574	10,069	134,117	260,540	160	0
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable	4,371	0	11,305	27,822	0	0
Accrued Wages and Benefits	0	0	0	14,286	0	0
Compensated Absences	0	0	0	0	0	0
Deferred Revenue	0	0	0	0	0	0
Total Liabilities	4,371	0	11,305	42,108	0	0
Fund Balances:						
Reserved for Encumbrances	16,095	841	39,974	98,586	159	0
Reserved for Inventory	0	0	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	77,108	9,228	82,838	119,846	1	0
Total Fund Balances	93,203	10,069	122,812	218,432	160	0
Total Liabilities and Fund Balances	\$97,574	\$10,069	\$134,117	\$260,540	\$160	\$0

Entry Year Program	OneNet Network	School Net Professional Development	Ohio Reads	Summer Intervention	Career Education State	School Conflict Grant	Title VI B / Pre-School
\$0	\$58	\$4,140	\$0	\$23,723	\$0	\$0	\$29,372
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	83,506
0	0	0	0	0	0	0	0
0	58	4,140	0	23,723	0	0	112,878
0	0	0	0	0	0	0	1,000
0	0	0	0	0	0	0	68,858
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	14,753
0	0	0	0	0	0	0	84,611
0	0	0	0	4,556	0	0	3,402
0	0	0	0	0	0	0	0
0	58	4,140	0	19,167	0	0	24,865
0	58	4,140	0	23,723	0	0	28,267
\$0	\$58	\$4,140	\$0	\$23,723	\$0	\$0	\$112,878

Continued

Sycamore Community School District, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2004

	Vocational Education	Title III	Title I	Title VI	Drug Free Schools	EHA Pre-School
Assets:						
Equity in Pooled Cash and Investments	\$0	\$8,037	\$1	\$2,498	\$1,673	\$0
Receivables:						
Accounts	0	0	0	0	0	0
Intergovernmental	0	76,964	0	1,983	6,232	0
Inventory	0	0	0	0	0	0
Total Assets	0	85,001	1	4,481	7,905	0
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable	0	4,656	0	0	849	0
Accrued Wages and Benefits	0	6,170	0	0	0	0
Compensated Absences	0	0	0	0	0	0
Deferred Revenue	0	65,116	0	1,983	6,232	0
Total Liabilities	0	75,942	0	1,983	7,081	0
Fund Balances:						
Reserved for Encumbrances	0	3,058	0	107	317	0
Reserved for Inventory	0	0	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	0	6,001	1	2,391	507	0
Total Fund Balances	0	9,059	1	2,498	824	0
Total Liabilities and Fund Balances	\$0	\$85,001	\$1	\$4,481	\$7,905	\$0

Title VI R	Miscellaneous Federal Grants	Food Service	Adult Education	Community School	Total Nonmajor Special Revenue Funds
\$0	\$3,738	\$156,012	\$3,768	\$31,789	\$767,269
0	0	1,148	0	0	1,148
6,182	1,589	25,370	0	0	201,826
0	0	17,247	0	0	17,247
<u>6,182</u>	<u>5,327</u>	<u>199,777</u>	<u>3,768</u>	<u>31,789</u>	<u>987,490</u>
0	0	67	0	610	50,680
0	0	99,817	0	0	189,131
0	0	20,464	0	0	20,464
6,182	1,589	0	0	0	95,855
<u>6,182</u>	<u>1,589</u>	<u>120,348</u>	<u>0</u>	<u>610</u>	<u>356,130</u>
0	1,200	53	0	3,932	172,280
0	0	17,247	0	0	17,247
0	2,538	62,129	3,768	27,247	441,833
0	3,738	79,429	3,768	31,179	631,360
<u>\$6,182</u>	<u>\$5,327</u>	<u>\$199,777</u>	<u>\$3,768</u>	<u>\$31,789</u>	<u>\$987,490</u>

Sycamore Community School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2004

	Public School Support	Other Grants	Extracurricular Student Activities	Auxiliary Services	Gifted Education
Revenues:					
Tuition and Fees	\$67,701	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	962	0
Intergovernmental	0	8,929	0	1,448,746	15,849
Extracurricular Activities	22,438	0	291,815	0	0
Charges for Services	0	0	0	0	0
Other Revenues	54,616	2,241	51,632	0	0
Total Revenues	144,755	11,170	343,447	1,449,708	15,849
Expenditures:					
Current:					
Instruction:					
Regular	182,040	23,187	712	0	0
Special	200	0	0	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	102	0	0	0	0
School Administration	1,211	0	0	0	0
Operations and Maintenance	1,980	0	0	0	0
Central	0	0	0	0	15,689
Operation of Non-Instructional Services	0	0	0	1,233,953	0
Extracurricular Activities	0	0	427,037	0	0
Total Expenditures	185,533	23,187	427,749	1,233,953	15,689
Excess of Revenues Over (Under) Expenditures	(40,778)	(12,017)	(84,302)	215,755	160
Other Financing Sources (Uses):					
Transfers In	0	0	110,000	0	0
Total Other Financing Sources (Uses)	0	0	110,000	0	0
Net Change in Fund Balance	(40,778)	(12,017)	25,698	215,755	160
Fund Balance Beginning of Year	133,981	22,086	97,114	2,677	0
Fund Balance End of Year	\$93,203	\$10,069	\$122,812	\$218,432	\$160

Management Information	Entry Year Program	OneNet Network	School Net Professional Development	Ohio Reads	Summer Intervention	Career Education State	School Conflict Grant
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0
21,028	9,900	21,000	4,140	8,000	88,890	4,802	200
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
21,028	9,900	21,000	4,140	8,000	88,890	4,802	200
0	5,654	0	0	8,000	65,167	4,802	3,200
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	4,246	0	1,325	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
21,028	0	43,872	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
21,028	9,900	43,872	1,325	8,000	65,167	4,802	3,200
0	0	(22,872)	2,815	0	23,723	0	(3,000)
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	(22,872)	2,815	0	23,723	0	(3,000)
0	0	22,930	1,325	0	0	0	3,000
\$0	\$0	\$58	\$4,140	\$0	\$23,723	\$0	\$0

Continued

Sycamore Community School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2004

	Title VI B / Pre-School	Vocational Education	Title III	Title I	Title VI
Revenues:					
Tuition and Fees	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	0	0
Intergovernmental	769,977	10,182	52,200	251,849	44,801
Extracurricular Activities	0	0	0	0	0
Charges for Services	0	0	0	0	0
Other Revenues	0	0	0	0	0
Total Revenues	769,977	10,182	52,200	251,849	44,801
Expenditures:					
Current:					
Instruction:					
Regular	6,329	10,182	11,101	217,088	22,739
Special	0	0	30,846	0	0
Support Services:					
Pupil	73,340	0	0	0	0
Instructional Staff	655,428	0	1,241	20,718	10,037
School Administration	0	0	0	0	0
Operations and Maintenance	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	0	0	0	11,152
Extracurricular Activities	0	0	0	0	0
Total Expenditures	735,097	10,182	43,188	237,806	43,928
Excess of Revenues Over (Under) Expenditures	34,880	0	9,012	14,043	873
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0
Net Change in Fund Balance	34,880	0	9,012	14,043	873
Fund Balance Beginning of Year	(6,613)	0	47	(14,042)	1,625
Fund Balance End of Year	\$28,267	\$0	\$9,059	\$1	\$2,498

Drug Free Schools	EHA Pre-School	Title VI R	Miscellaneous Federal Grants	Food Service	Adult Education	Community School	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$67,701
0	0	0	0	370	0	0	1,332
17,222	22,618	145,946	20,604	274,691	0	0	3,241,574
0	0	0	0	0	0	0	314,253
0	0	0	0	1,389,731	15,690	55,496	1,460,917
0	0	0	0	28,303	0	700	137,492
<u>17,222</u>	<u>22,618</u>	<u>145,946</u>	<u>20,604</u>	<u>1,693,095</u>	<u>15,690</u>	<u>56,196</u>	<u>5,223,269</u>
15,444	0	125,642	2,164	0	0	0	703,451
76	2,813	0	0	0	0	0	33,935
1,564	19,618	0	0	0	0	0	94,522
0	187	24,882	13,734	0	0	0	731,900
0	0	0	0	0	0	0	1,211
0	0	0	0	0	0	0	1,980
0	0	0	997	0	0	0	81,586
3,777	0	400	0	1,607,996	15,663	54,716	2,927,657
0	0	0	0	0	0	0	427,037
<u>20,861</u>	<u>22,618</u>	<u>150,924</u>	<u>16,895</u>	<u>1,607,996</u>	<u>15,663</u>	<u>54,716</u>	<u>5,003,279</u>
<u>(3,639)</u>	<u>0</u>	<u>(4,978)</u>	<u>3,709</u>	<u>85,099</u>	<u>27</u>	<u>1,480</u>	<u>219,990</u>
0	0	0	0	0	0	0	110,000
0	0	0	0	0	0	0	110,000
<u>(3,639)</u>	<u>0</u>	<u>(4,978)</u>	<u>3,709</u>	<u>85,099</u>	<u>27</u>	<u>1,480</u>	<u>329,990</u>
<u>4,463</u>	<u>0</u>	<u>4,978</u>	<u>29</u>	<u>(5,670)</u>	<u>3,741</u>	<u>29,699</u>	<u>301,370</u>
<u>\$824</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,738</u>	<u>\$79,429</u>	<u>\$3,768</u>	<u>\$31,179</u>	<u>\$631,360</u>

Sycamore Community School District, Ohio
 Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2004

	Permanent Improvement	Building	SchoolNet	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$322,106	\$1,023,401	\$0	\$1,345,507
Receivables:				
Accounts	18,676	0	0	18,676
Total Assets	340,782	1,023,401	0	1,364,183
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	186,931	0	186,931
Retainage Payable	0	11,024	0	11,024
Total Liabilities	0	197,955	0	197,955
Fund Balances:				
Reserved for Encumbrances	228,082	386,501	0	614,583
Unreserved, Undesignated, Reported in: Capital Projects Funds	112,700	438,945	0	551,645
Total Fund Balances	340,782	825,446	0	1,166,228
Total Liabilities and Fund Balances	\$340,782	\$1,023,401	\$0	\$1,364,183

Sycamore Community School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2004

	Permanent Improvement	Building	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues:				
Tuition and Fees	\$18,676	\$0	\$0	\$18,676
Investment Earnings	5,338	27,900	0	33,238
Total Revenues	24,014	27,900	0	51,914
Expenditures:				
Current:				
Instruction:				
Regular	138,339	0	32,786	171,125
Support Services:				
Pupil Transportation	71,688	0	0	71,688
Central	4,866	0	18,275	23,141
Operation of Non-Instructional Services	87,175	0	0	87,175
Capital Outlay	1,061,778	1,199,618	0	2,261,396
Debt Service:				
Interest and Fiscal Charges	0	492,528	0	492,528
Total Expenditures	1,363,846	1,692,146	51,061	3,107,053
Excess of Revenues Over (Under) Expenditures	(1,339,832)	(1,664,246)	(51,061)	(3,055,139)
Other Financing Sources (Uses):				
Transfers In	486,687	0	0	486,687
Total Other Financing Sources (Uses)	486,687	0	0	486,687
Net Change in Fund Balance	(853,145)	(1,664,246)	(51,061)	(2,568,452)
Fund Balance Beginning of Year	1,193,927	2,489,692	51,061	3,734,680
Fund Balance End of Year	\$340,782	\$825,446	\$0	\$1,166,228

Sycamore Community School District, Ohio
Statement of Changes In Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2004

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$84,344	\$28,736	\$0	\$113,080
Receivables:				
Accounts	10,000	0	0	10,000
Total Assets	<u>94,344</u>	<u>28,736</u>	<u>0</u>	<u>123,080</u>
Liabilities:				
Accounts Payable	600	0	600	0
Other Liabilities	93,744	29,336	0	123,080
Total Liabilities	<u>\$94,344</u>	<u>\$29,336</u>	<u>\$600</u>	<u>\$123,080</u>

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Public School Support Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Tuition and Fees	\$59,014	\$67,701	\$67,701	\$0
Extracurricular Activities	19,559	22,438	22,438	0
Other Revenues	48,107	55,038	55,189	151
Total Revenues	126,680	145,177	145,328	151
Expenditures:				
Current:				
Instruction:				
Regular	173,279	211,664	166,765	44,899
Special	208	200	200	0
Support Services:				
Instructional Staff	106	3,443	102	3,341
School Administration	1,258	1,817	1,211	606
Operations and Maintenance	2,057	2,342	1,980	362
Capital Outlay	14,940	14,378	14,378	0
Total Expenditures	191,848	233,844	184,636	49,208
Excess of Revenues Over (Under) Expenditures	(65,168)	(88,667)	(39,308)	49,359
Other financing sources (uses):				
Transfers In	13,320	15,281	15,281	0
Transfers (Out)	(34,259)	(32,971)	(32,971)	0
Total Other Financing Sources (Uses)	(20,939)	(17,690)	(17,690)	0
Net Change in Fund Balance	(86,107)	(106,357)	(56,998)	49,359
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	134,129	134,129	134,129	0
Fund Balance End of Year	\$48,022	\$27,772	\$77,131	\$49,359

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Other Grants Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$15,667	\$8,929	\$8,928	(\$1)
Other Revenues	3,933	2,241	2,241	0
Total Revenues	19,600	11,170	11,169	(1)
Expenditures:				
Current:				
Instruction:				
Regular	21,723	32,402	24,028	8,374
Total Expenditures	21,723	32,402	24,028	8,374
Net Change in Fund Balance	(2,123)	(21,232)	(12,859)	8,373
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	22,129	22,129	22,129	0
Fund Balance End of Year	\$20,006	\$897	\$9,270	\$8,373

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Extracurricular Student Activities Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Extracurricular Activities	\$295,068	\$290,471	\$291,815	\$1,344
Other Revenues	53,705	53,113	53,113	0
Total Revenues	348,773	343,584	344,928	1,344
Expenditures:				
Current:				
Instruction:				
Regular	685	1,857	712	1,145
Extracurricular Activities	450,413	508,299	467,935	40,364
Total Expenditures	451,098	510,156	468,647	41,509
Excess of Revenues Over (Under) Expenditures	(102,325)	(166,572)	(123,719)	42,853
Other financing sources (uses):				
Transfers In	111,226	110,000	110,000	0
Total Other Financing Sources (Uses)	111,226	110,000	110,000	0
Net Change in Fund Balance	8,901	(56,572)	(13,719)	42,853
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	106,553	106,553	106,553	0
Fund Balance End of Year	\$115,454	\$49,981	\$92,834	\$42,853

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Auxiliary Services Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$1,054	\$909	\$962	\$53
Intergovernmental	1,586,946	1,448,746	1,448,746	0
Total Revenues	1,588,000	1,449,655	1,449,708	53
Expenditures:				
Current:				
Operation of Non-Instructional Services	1,404,391	1,462,292	1,328,877	133,415
Total Expenditures	1,404,391	1,462,292	1,328,877	133,415
Net Change in Fund Balance	183,609	(12,637)	120,831	133,468
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	13,300	13,300	13,300	0
Fund Balance End of Year	\$196,909	\$663	\$134,131	\$133,468

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Gifted Education Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$16,000	\$15,849	\$15,849	\$0
Total Revenues	16,000	15,849	15,849	0
Expenditures:				
Current:				
Support Services:				
Central	13,500	15,849	15,849	0
Total Expenditures	13,500	15,849	15,849	0
Net Change in Fund Balance	2,500	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$2,500	\$0	\$0	\$0

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Management Information Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$21,000	\$21,028	\$21,028	\$0
Total Revenues	21,000	21,028	21,028	0
Expenditures:				
Current:				
Support Services:				
Central	20,000	21,028	21,028	0
Total Expenditures	20,000	21,028	21,028	0
Net Change in Fund Balance	1,000	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	<u>\$1,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Entry Year Program Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$9,900	\$9,900	\$0
Total Revenues	0	9,900	9,900	0
Expenditures:				
Current:				
Instruction:				
Regular	0	5,654	5,654	0
Support Services:				
Instructional Staff	0	4,246	4,246	0
Total Expenditures	0	9,900	9,900	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	OneNet Network Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$24,500	\$21,000	\$21,000	\$0
Total Revenues	24,500	21,000	21,000	0
Expenditures:				
Current:				
Support Services:				
Central	17,050	43,930	43,872	58
Total Expenditures	17,050	43,930	43,872	58
Net Change in Fund Balance	7,450	(22,930)	(22,872)	58
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	22,930	22,930	22,930	0
Fund Balance End of Year	\$30,380	\$0	\$58	\$58

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	School Net Professional Development Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$4,600	\$4,140	\$4,140	\$0
Total Revenues	4,600	4,140	4,140	0
Expenditures:				
Current:				
Support Services:				
Instructional Staff	1,325	5,465	1,325	4,140
Total Expenditures	1,325	5,465	1,325	4,140
Net Change in Fund Balance	3,275	(1,325)	2,815	4,140
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,325	1,325	1,325	0
Fund Balance End of Year	\$4,600	\$0	\$4,140	\$4,140

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Ohio Reads Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$8,000	\$8,000	\$8,000	\$0
Total Revenues	8,000	8,000	8,000	0
Expenditures:				
Current:				
Instruction:				
Regular	8,000	8,000	8,000	0
Total Expenditures	8,000	8,000	8,000	0
Excess of Revenues Over (Under) Expenditures	0	0	0	0
Other financing sources (uses):				
Advances in	2,667	2,000	2,000	0
Advances (Out)	(2,667)	(2,000)	(2,000)	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Summer Intervention Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$88,891	\$88,891	\$0
Total Revenues	0	88,891	88,891	0
Expenditures:				
Current:				
Instruction:				
Regular	0	88,891	69,723	19,168
Total Expenditures	0	88,891	69,723	19,168
Net Change in Fund Balance	0	0	19,168	19,168
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$19,168	\$19,168

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Career Education State Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$8,268	\$4,802	\$4,802	\$0
Total Revenues	8,268	4,802	4,802	0
Expenditures:				
Current:				
Instruction:				
Regular	6,212	4,802	4,802	0
Total Expenditures	6,212	4,802	4,802	0
Excess of Revenues Over (Under) Expenditures	2,056	0	0	0
Other financing sources (uses):				
Advances In	2,072	1,201	1,201	0
Advances (Out)	(2,068)	(1,201)	(1,201)	0
Total Other Financing Sources (Uses)	4	0	0	0
Net Change in Fund Balance	2,060	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$2,060	\$0	\$0	\$0

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	School Conflict Grant Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$200	\$200	\$0
Total Revenues	0	200	200	0
Expenditures:				
Current:				
Instruction:				
Regular	3,000	3,200	3,200	0
Total Expenditures	3,000	3,200	3,200	0
Net Change in Fund Balance	(3,000)	(3,000)	(3,000)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,000	3,000	3,000	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

Sycamore Community School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2004

	Title VI B / Pre-School Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	820,686	676,527	728,494	51,967
Total Revenues	820,686	676,527	728,494	51,967
Expenditures:				
Current:				
Instruction:				
Regular	6,920	6,902	6,329	573
Special	0	7,800	0	7,800
Support Services:				
Pupil	78,982	78,912	72,241	6,671
Instructional Staff	688,779	657,642	647,505	10,137
Total Expenditures	774,681	751,256	726,075	25,181
Excess of Revenues Over (Under) Expenditures	46,005	(74,729)	2,419	77,148
Other financing sources (uses):				
Advances In	35,627	30,000	30,000	0
Advances (Out)	(51,967)	(30,000)	(81,967)	(51,967)
Transfers In	16	15	15	0
Transfers (Out)	(16)	(15)	(15)	0
Total Other Financing Sources (Uses)	(16,340)	0	(51,967)	(51,967)
Net Change in Fund Balance	29,665	(74,729)	(49,548)	25,181
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	74,729	74,729	74,729	0
Fund Balance End of Year	\$104,394	\$0	\$25,181	\$25,181

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Vocational Education Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$10,000	\$10,182	\$10,182	\$0
Total Revenues	10,000	10,182	10,182	0
Expenditures:				
Current:				
Instruction:				
Regular	10,182	10,182	10,182	0
Total Expenditures	10,182	10,182	10,182	0
Excess of Revenues Over (Under) Expenditures	(182)	0	0	0
Other financing sources (uses):				
Advances In	3,395	2,546	2,546	0
Advances (Out)	(3,334)	(2,546)	(2,546)	0
Total Other Financing Sources (Uses)	61	0	0	0
Net Change in Fund Balance	(121)	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	(\$121)	\$0	\$0	\$0

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Title III Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$104,785	\$40,352	\$40,352	\$0
Total Revenues	104,785	40,352	40,352	0
Expenditures:				
Current:				
Instruction:				
Regular	30,186	12,663	12,531	132
Special	68,935	26,632	26,440	192
Support Services:				
Instructional Staff	3,236	1,241	1,241	0
Total Expenditures	102,357	40,536	40,212	324
Excess of Revenues Over (Under) Expenditures	2,428	(184)	140	324
Other financing sources (uses):				
Advances In	2,607	1,000	1,000	0
Advances (Out)	(2,597)	(1,000)	(1,000)	0
Transfers In	122	47	47	0
Transfers (Out)	(123)	(47)	(47)	0
Total Other Financing Sources (Uses)	9	0	0	0
Net Change in Fund Balance	2,437	(184)	140	324
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	184	184	184	0
Fund Balance End of Year	\$2,621	\$0	\$324	\$324

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Title I Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$387,664	\$251,847	\$280,673	\$28,826
Total Revenues	<u>387,664</u>	<u>251,847</u>	<u>280,673</u>	<u>28,826</u>
Expenditures:				
Current:				
Instruction:				
Regular	228,376	260,304	260,304	0
Support Services:				
Instructional Staff	<u>25,041</u>	<u>20,718</u>	<u>20,718</u>	<u>0</u>
Total Expenditures	<u>253,417</u>	<u>281,022</u>	<u>281,022</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>134,247</u>	<u>(29,175)</u>	<u>(349)</u>	<u>28,826</u>
Other financing sources (uses):				
Advances In	57,410	47,500	47,500	0
Advances (Out)	<u>(28,826)</u>	<u>(47,500)</u>	<u>(76,326)</u>	<u>(28,826)</u>
Total Other Financing Sources (Uses)	<u>28,584</u>	<u>0</u>	<u>(28,826)</u>	<u>(28,826)</u>
Net Change in Fund Balance	162,831	(29,175)	(29,175)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>29,176</u>	<u>29,176</u>	<u>29,176</u>	<u>0</u>
Fund Balance End of Year	<u>\$192,007</u>	<u>\$1</u>	<u>\$1</u>	<u>\$0</u>

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Title VI Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$73,755	\$31,101	\$44,801	\$13,700
Total Revenues	73,755	31,101	44,801	13,700
Expenditures:				
Current:				
Instruction:				
Regular	24,187	22,739	22,739	0
Support Services:				
Instructional Staff	7,778	10,037	10,037	0
Operation of Non-Instructional Services	13,687	16,735	14,342	2,393
Total Expenditures	45,652	49,511	47,118	2,393
Excess of Revenues Over (Under) Expenditures	28,103	(18,410)	(2,317)	16,093
Other financing sources (uses):				
Advances In	7,962	5,800	5,800	0
Advances (Out)	(13,700)	(5,800)	(19,500)	(13,700)
Transfers In	3,159	1,919	1,919	0
Transfers (Out)	(2,634)	(1,919)	(1,919)	0
Total Other Financing Sources (Uses)	(5,213)	0	(13,700)	(13,700)
Net Change in Fund Balance	22,890	(18,410)	(16,017)	2,393
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	18,410	18,410	18,410	0
Fund Balance End of Year	\$41,300	\$0	\$2,393	\$2,393

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Drug Free Schools Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$27,451	\$18,829	\$19,823	\$994
Total Revenues	27,451	18,829	19,823	994
Expenditures:				
Current:				
Instruction:				
Regular	18,311	15,759	15,661	98
Support Services:				
Pupil	2,052	2,075	1,665	410
Operation of Non-Instructional Services	4,749	3,853	3,853	0
Total Expenditures	25,112	21,687	21,179	508
Excess of Revenues Over (Under) Expenditures	2,339	(2,858)	(1,356)	1,502
Other financing sources (uses):				
Advances (Out)	(1,000)	0	(1,000)	(1,000)
Transfers In	10	7	7	0
Transfers (Out)	(9)	(7)	(7)	0
Total Other Financing Sources (Uses)	(999)	0	(1,000)	(1,000)
Net Change in Fund Balance	1,340	(2,858)	(2,356)	502
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,864	2,864	2,864	0
Fund Balance End of Year	\$4,204	\$6	\$508	\$502

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	EHA Pre-School Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$19,618	\$22,618	\$22,618	\$0
Total Revenues	19,618	22,618	22,618	0
Expenditures:				
Current:				
Instruction:				
Special	3,445	2,813	2,813	0
Support Services:				
Pupil	15,944	19,618	19,618	0
Instructional Staff	229	187	187	0
Total Expenditures	19,618	22,618	22,618	0
Excess of Revenues Over (Under) Expenditures	0	0	0	0
Other financing sources (uses):				
Advances In	0	6,600	6,600	0
Advances (Out)	0	(6,600)	(6,600)	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

Sycamore Community School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2004

	Title VI R Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$211,006	\$145,946	\$168,789	\$22,843
Total Revenues	<u>211,006</u>	<u>145,946</u>	<u>168,789</u>	<u>22,843</u>
Expenditures:				
Current:				
Instruction:				
Regular	119,432	145,787	145,787	0
Support Services:				
Instructional Staff	26,229	24,882	24,882	0
Operation of Non-Instructional Services	422	400	400	0
Total Expenditures	<u>146,083</u>	<u>171,069</u>	<u>171,069</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>64,923</u>	<u>(25,123)</u>	<u>(2,280)</u>	<u>22,843</u>
Other financing sources (uses):				
Advances In	17,920	17,000	17,000	0
Advances (Out)	(22,843)	(17,000)	(39,843)	(22,843)
Transfers In	7,728	6,182	6,182	0
Transfers (Out)	(6,517)	(6,182)	(6,182)	0
Total Other Financing Sources (Uses)	<u>(3,712)</u>	<u>0</u>	<u>(22,843)</u>	<u>(22,843)</u>
Net Change in Fund Balance	61,211	(25,123)	(25,123)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>25,123</u>	<u>25,123</u>	<u>25,123</u>	<u>0</u>
Fund Balance End of Year	<u>\$86,334</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Miscellaneous Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$6,116	\$20,604	\$20,604	\$0
Total Revenues	6,116	20,604	20,604	0
Expenditures:				
Current:				
Instruction:				
Regular	1,085	4,176	2,164	2,012
Special	538	1,073	1,073	0
Support Services:				
Instructional Staff	6,281	14,934	14,934	0
Central	500	997	997	0
Total Expenditures	8,404	21,180	19,168	2,012
Excess of Revenues Over (Under) Expenditures	(2,288)	(576)	1,436	2,012
Other financing sources (uses):				
Advances In	1,203	2,400	2,400	0
Advances (Out)	0	(2,400)	(2,400)	0
Total Other Financing Sources (Uses)	1,203	0	0	0
Net Change in Fund Balance	(1,085)	(576)	1,436	2,012
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,103	1,103	1,103	0
Fund Balance End of Year	\$18	\$527	\$2,539	\$2,012

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Food Service Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$387	\$338	\$370	\$32
Intergovernmental	215,053	205,406	205,406	0
Charges for Services	1,454,927	1,388,827	1,389,661	834
Other Revenues	29,632	28,303	28,303	0
Total Revenues	1,699,999	1,622,874	1,623,740	866
Expenditures:				
Current:				
Operation of Non-Instructional Services	1,786,020	1,698,508	1,601,609	96,899
Total Expenditures	1,786,020	1,698,508	1,601,609	96,899
Net Change in Fund Balance	(86,021)	(75,634)	22,131	97,765
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	133,756	133,756	133,756	0
Fund Balance End of Year	\$47,735	\$58,122	\$155,887	\$97,765

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Adult Education Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Charges for Services	\$20,000	\$15,690	\$15,690	\$0
Total Revenues	20,000	15,690	15,690	0
Expenditures:				
Current:				
Operation of Non-Instructional Services	23,120	19,431	15,663	3,768
Total Expenditures	23,120	19,431	15,663	3,768
Net Change in Fund Balance	(3,120)	(3,741)	27	3,768
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,741	3,741	3,741	0
Fund Balance End of Year	<u>\$621</u>	<u>\$0</u>	<u>\$3,768</u>	<u>\$3,768</u>

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Community School Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Charges for Services	\$49,377	\$54,912	\$55,496	\$584
Other Revenues	623	700	700	0
Total Revenues	50,000	55,612	56,196	584
Expenditures:				
Current:				
Operation of Non-Instructional Services	42,800	81,042	68,432	12,610
Total Expenditures	42,800	81,042	68,432	12,610
Net Change in Fund Balance	7,200	(25,430)	(12,236)	13,194
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	39,583	39,583	39,583	0
Fund Balance End of Year	\$46,783	\$14,153	\$27,347	\$13,194

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$2,847,377	\$2,853,778	\$2,853,778	\$0
Intergovernmental	300,625	301,301	301,301	0
Total Revenues	3,148,002	3,155,079	3,155,079	0
Expenditures:				
Current:				
Support Services:				
Fiscal	42,050	44,000	42,013	1,987
Debt Service:				
Principal Retirement	1,470,000	1,470,000	1,470,000	0
Interest and Fiscal Charges	2,002,823	1,999,873	1,999,784	89
Total Expenditures	3,514,873	3,513,873	3,511,797	2,076
Net Change in Fund Balance	(366,871)	(358,794)	(356,718)	2,076
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	6,843,570	6,843,570	6,843,570	0
Fund Balance End of Year	\$6,476,699	\$6,484,776	\$6,486,852	\$2,076

Sycamore Community School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2004

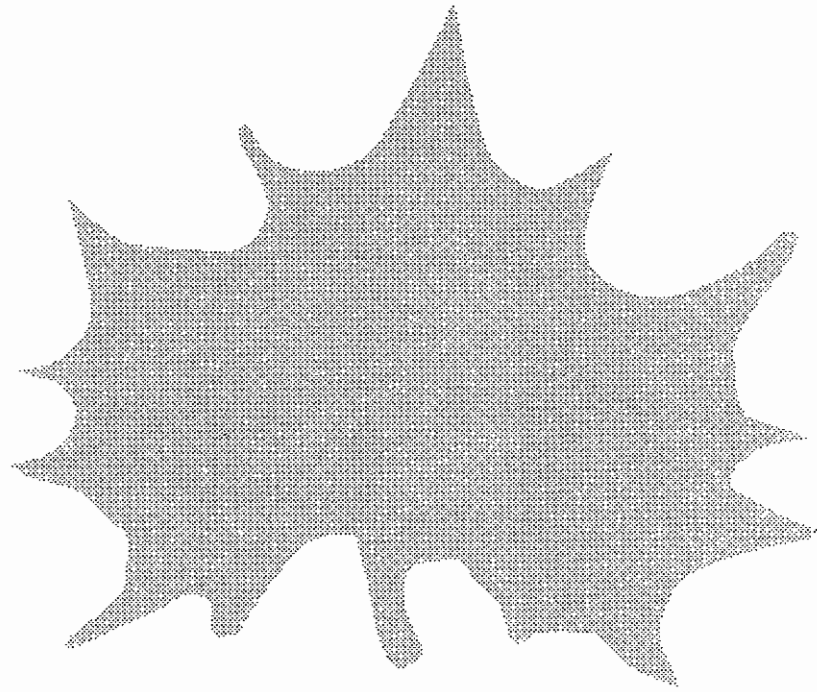
	Permanent Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Tuition and Fees	\$36,328	\$25,993	\$25,993	\$0
Investment Earnings	7,460	3,969	5,338	1,369
Total Revenues	43,788	29,962	31,331	1,369
Expenditures:				
Current:				
Instruction:				
Regular	103,261	166,117	156,868	9,249
Support Services:				
Pupil Transportation	47,190	71,688	71,688	0
Central	53,614	148,764	81,447	67,317
Operation of Non-Instructional Services	70,388	106,929	106,929	0
Capital Outlay	943,797	1,447,645	1,433,761	13,884
Total Expenditures	1,218,250	1,941,143	1,850,693	90,450
Excess of Revenues Over (Under) Expenditures	(1,174,462)	(1,911,181)	(1,819,362)	91,819
Other financing sources (uses):				
Transfers In	681,212	487,416	487,416	0
Transfers (Out)	(480)	(729)	(729)	0
Total Other Financing Sources (Uses)	680,732	486,687	486,687	0
Net Change in Fund Balance	(493,730)	(1,424,494)	(1,332,675)	91,819
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,426,700	1,426,700	1,426,700	0
Fund Balance End of Year	\$932,970	\$2,206	\$94,025	\$91,819

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	Building Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$5,883	\$25,541	\$27,900	\$2,359
Total Revenues	5,883	25,541	27,900	2,359
Expenditures:				
Current:				
Capital Outlay	217,278	2,187,989	1,926,771	261,218
Debt Service:				
Interest and Fiscal Charges	55,541	492,528	492,528	0
Total Expenditures	272,819	2,680,517	2,419,299	261,218
Excess of Revenues Over (Under) Expenditures	(266,936)	(2,654,976)	(2,391,399)	263,577
Other financing sources (uses):				
Transfers In	246,417	1,168,602	1,168,602	0
Transfers (Out)	(131,781)	(1,168,602)	(1,168,602)	0
Total Other Financing Sources (Uses)	114,636	0	0	0
Net Change in Fund Balance	(152,300)	(2,654,976)	(2,391,399)	263,577
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,841,366	2,841,366	2,841,366	0
Fund Balance End of Year	<u>\$2,689,066</u>	<u>\$186,390</u>	<u>\$449,967</u>	<u>\$263,577</u>

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2004

	SchoolNet Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$0	\$0	\$0	\$0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures:				
Current:				
Instruction:				
Regular	12,548	32,786	32,786	0
Support Services:				
Central	6,995	18,275	18,275	0
Total Expenditures	<u>19,543</u>	<u>51,061</u>	<u>51,061</u>	<u>0</u>
Net Change in Fund Balance	(19,543)	(51,061)	(51,061)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>51,061</u>	<u>51,061</u>	<u>51,061</u>	<u>0</u>
Fund Balance End of Year	<u>\$31,518</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>



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STATISTICAL SECTION



Sycamore Community School District, Ohio
 General Fund Revenues By Source
 Last Ten Years

TABLE 1

Fiscal Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Taxes	\$39,227,129	\$37,422,850	\$40,183,423	\$40,638,006	\$52,482,288	\$49,686,779	\$48,476,319	\$52,693,933	\$54,264,718	\$50,806,412
Intergovernmental	5,969,453	5,514,392	5,652,736	5,571,929	6,364,547	7,082,909	7,941,022	8,540,278	8,974,058	9,180,435
Investment Revenue	1,470,549	1,767,200	1,925,017	2,231,481	2,106,420	2,507,583	3,316,969	1,362,503	655,560	522,007
Tuition and Fees	236,716	118,644	218,302	139,774	377,671	594,533	646,098	428,576	654,090	710,117
Extracurricular Activities	4,851	9,223	2,990	2,272	1,404	531	30	0	0	0
Other Revenues	137,232	211,502	118,537	575,271	706,540	545,607	168,211	328,751	366,916	179,194
Total Revenues	\$47,045,930	\$45,043,811	\$48,101,005	\$49,158,733	\$62,038,870	\$60,417,942	\$60,548,649	\$63,354,041	\$64,915,342	\$61,398,165

Source: Sycamore Community School District records.

(1) The increase in taxes revenue between fiscal year 1998 and 1999 was the result of a 5.0 mill tax levy.

Sycamore Community School District, Ohio
 General Fund Expenditures by Function
 Last Ten Years

TABLE 2

Fiscal Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Regular Instruction	\$21,883,609	\$22,564,106	\$23,000,909	\$24,684,684	\$26,129,406	\$26,280,966	\$26,338,143	\$28,389,982	\$29,699,806	\$32,901,502
Special Instruction	1,736,945	2,779,142	3,220,520	3,547,398	3,598,887	3,998,918	5,088,783	4,940,095	5,868,248	5,978,793
Vocational Instruction	148,379	163,036	163,208	162,637	175,645	171,051	181,782	180,409	203,123	303,214
Other Instruction	27,226	52,883	56,413	32,077	85,052	63,000	70,576	56,871	69,126	134,536
Pupil	2,302,118	2,481,033	2,448,622	2,383,446	2,538,276	2,702,615	2,802,185	3,357,924	3,756,987	4,201,572
Instructional Staff	2,158,447	2,504,266	2,666,038	2,796,290	3,053,631	3,802,204	4,347,147	5,154,615	5,832,714	5,985,292
General Administration	26,028	29,062	26,855	22,135	32,830	17,016	28,832	30,843	36,329	31,605
School Administration	3,767,318	3,331,302	3,927,574	3,991,456	4,293,345	3,765,532	4,518,511	4,503,747	5,071,535	5,117,743
Fiscal	482,361	1,119,595	1,007,185	784,420	1,254,165	1,507,416	790,743	1,243,935	1,362,290	1,214,124
Business	144,570	154,959	158,024	179,271	154,754	138,391	211,648	186,068	221,471	203,014
Operations and Maintenance	4,659,730	4,131,654	4,463,118	4,678,335	4,588,150	5,453,764	5,746,358	6,460,214	6,936,162	6,760,737
Pupil Transportation	2,185,869	2,280,275	2,372,402	2,377,792	2,505,861	2,631,037	2,894,009	3,168,662	3,486,230	3,665,206
Central	691,084	869,022	367,400	1,067,335	772,181	803,005	916,078	1,094,381	1,310,626	1,455,463
Community Services	8,973	133,070	0	0	0	0	0	0	1,881	1,910
Extracurricular Activities	433,091	527,160	574,497	660,940	699,202	798,158	912,710	978,686	1,299,186	1,013,169
Capital Outlay	338,838	26,641	64,625	157,616	103,361	45,069	67,050	37,571	0	27,845
Debt Service	134,044	134,047	130,033	91,787	1,149,812	833,491	830,741	1,298,623	1,258,021	1,376,422
Total Expenditures	\$41,128,630	\$43,281,253	\$44,647,423	\$47,617,619	\$51,134,558	\$53,011,633	\$55,745,296	\$61,082,626	\$66,413,735	\$70,372,147

Source: Sycamore Community School District Records

Sycamore Community School District, Ohio
Property Tax Levies and Collections - Real and Public Utility Property
Last Ten Collection (Calendar) Years (1)

TABLE 3

Collection Year	Tax Levied (1)	Current Tax Collections (2)	Percent Collected	Delinquent Collection	Total Tax Collections	Percent Of Total Collections To Levy	Outstanding Delinquent Taxes (3)	Percent of Outstanding Delinquent Taxes To Tax Levied
1995	34,896,440	32,035,835	91.80%	328,626	32,364,461	92.74%	1,082,304	3.10%
1996	33,154,349	32,089,665	96.79%	592,643	32,682,308	98.58%	1,056,889	3.19%
1997	37,191,991	33,954,168	91.29%	695,281	34,649,449	93.16%	1,705,031	4.58%
1998	37,512,176	34,985,077	93.26%	817,634	35,802,711	95.44%	1,794,576	4.78%
1999	46,514,259	43,617,891	93.77%	1,389,336	45,007,227	96.76%	1,565,131	3.36%
2000	46,506,538	44,074,672	94.77%	792,973	44,867,645	96.48%	1,587,304	3.41%
2001	47,365,262	45,064,620	95.14%	665,666	45,730,286	96.55%	1,716,429	3.62%
2002	48,313,121	45,465,981	94.11%	847,542	46,313,523	95.86%	2,028,787	4.20%
2003	49,567,688	46,491,089	93.79%	1,021,764	47,512,853	95.85%	2,116,977	4.27%
2004	49,594,629	46,286,213	93.33%	830,241	47,116,454	95.00%	2,152,525	4.34%

Source: Hamilton County Auditor.

- (1) Taxes levied and collected are presented on a cash basis.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

Sycamore Community School District, Ohio
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Collection (Calendar) Years (1)

TABLE 4

Collection Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total		
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio (2)
1995	935,136,080	2,671,817,371	182,609,260	730,437,040	51,075,420	63,844,275	1,168,820,760	3,466,098,686	33.72%
1996	953,788,060	2,725,108,743	202,321,640	809,286,560	45,169,080	56,461,350	1,201,278,780	3,590,856,653	33.45%
1997	1,007,767,960	2,879,337,029	216,675,850	866,703,400	47,728,840	59,661,050	1,272,172,650	3,805,701,479	33.43%
1998	1,026,114,180	2,931,754,800	216,675,850	866,703,400	47,596,770	59,495,963	1,290,386,800	3,857,954,163	33.45%
1999	1,047,097,340	2,991,706,686	223,554,970	894,219,880	48,722,610	60,903,263	1,319,374,920	3,946,829,828	33.43%
2000	1,172,883,770	3,351,096,486	234,472,590	937,890,360	47,597,380	59,496,725	1,454,953,740	4,348,483,571	33.46%
2001	1,198,351,640	3,423,861,829	225,264,070	901,056,280	43,922,870	54,903,588	1,467,538,580	4,379,821,696	33.51%
2002	1,225,919,880	3,502,628,229	222,216,830	888,867,320	34,779,800	43,474,750	1,482,916,510	4,434,970,299	33.44%
2003	1,367,631,060	3,907,517,314	227,523,320	910,093,280	31,224,690	39,030,863	1,626,379,070	4,856,641,457	33.49%
2004	1,370,377,710	3,915,364,886	183,532,570	734,130,280	31,419,650	39,274,563	1,585,329,930	4,688,769,729	33.81%

Source: Hamilton County Auditor.

(1) Hamilton County Auditor property tax records are maintained on a calendar year basis.

(2) Ratio represents assessed value/total estimated value.

Sycamore Community School District, Ohio
Property Tax Rates (Per \$1,000 of Assessed Valuation)
Direct and Overlapping Governments
Last Ten Collection (Calendar) Years

TABLE 5

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Sycamore Community School District	\$60.40	\$60.49	\$60.84	\$60.84	\$60.84	\$61.53	\$54.14	\$54.14	\$54.14	\$54.14
Hamilton County	21.51	21.87	21.47	19.92	20.83	19.54	19.01	19.44	18.30	18.33
City of Blue Ash	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
City of Loveland	11.92	11.92	11.92	9.92	9.92	9.92	9.92	9.92	9.92	9.92
City of Montgomery	10.05	10.05	10.05	10.75	10.75	9.15	9.15	9.15	9.15	9.15
Village of Evendale	0.00	0.00	0.00	0.00	0.00	3.34	3.34	3.34	3.34	3.34
Village of Indian Hill	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.00	0.00
Sycamore Township	7.75	7.75	7.75	7.75	7.75	7.75	7.60	7.60	7.60	7.60
Symmes Township	13.45	13.45	11.75	11.75	11.75	11.90	11.00	11.00	11.00	11.00
Great Oaks Joint Vocational School	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70

Source: Hamilton County Auditor.

Sycamore Community School District, Ohio
 Ratio of Net General Bonded Debt to Assessed Value
 And Net Bonded Debt Per Capita
 Last Ten Years

TABLE 6

Year	Population (1)	Total Assessed Value (2)	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value (%)	Estimated Net Bonded Debt Per Capita
1995	33,362	1,168,820,760	5,625,000	3,026,463	2,598,537	0.22%	78
1996	33,362	1,201,278,780	5,200,000	3,361,356	1,838,644	0.15%	55
1997	33,362	1,272,172,650	4,775,000	4,080,080	694,920	0.05%	21
1998	33,362	1,290,386,800	5,948,599	6,651,807	0	0.00%	0
1999	36,076	1,319,374,920	52,373,599	7,099,000	45,274,599	3.43%	1,255
2000	36,076	1,454,953,740	49,538,599	6,874,826	42,663,773	2.93%	1,183
2001	37,447	1,467,538,580	47,228,599	6,838,321	40,390,278	2.75%	1,079
2002	37,447	1,482,916,510	44,848,599	6,867,562	37,981,037	2.56%	1,014
2003	37,447	1,626,379,070	42,373,599	6,814,275	35,559,324	2.19%	950
2004	37,447	1,585,329,930	40,903,599	6,486,854	34,416,745	2.17%	919

Sources: (1) Population estimates provided by the Cities of Blue Ash and Montgomery and Symmes Township.

(2) Hamilton County Auditor, calendar year basis.

Sycamore Community School District, Ohio
 Computation of Legal Debt Margin
 June 30, 2004

TABLE 7

Assessed Valuation of District		<u>\$1,585,329,930</u>
<u>Overall Direct Debt Limitation</u>		
Direct debt limitation		
9% of assessed valuation	\$142,679,694	
Amount available in Debt Service Fund	6,486,854	
Gross indebtedness	\$40,903,599	
Less: Debt exempt from limitation	0	
Debt subject to 9% limitation	<u>(40,903,599)</u>	
Legal debt margin within 9% limitation	<u>\$108,262,949</u>	
<u>Unvoted Direct Debt Limitation</u>		
Unvoted debt limitation		
0.1% of assessed valuation	\$1,585,330	
Amount available in Debt Service Fund	0	
related to unvoted debt	0	
Gross indebtedness authorized by the Board	0	
Less: Debt exempt from limitation	0	
Debt subject to 0.1% limitation	<u>0</u>	
Legal debt margin within 0.1% limitation	<u>\$1,585,330</u>	
<u>Energy Conservation Bond Limitation</u>		
Ohio Revised Code Section 133.042		
Debt limitation		
0.9% of assessed valuation	\$14,267,969	
Energy conservation notes authorized	0	
by the Board	0	
Legal debt margin within 0.9% limitation	<u>\$14,267,969</u>	

Source: Sycamore Community School District records.

Sycamore Community School District, Ohio
 Computation of Direct and Overlapping Debt
 June 30, 2004

TABLE 8

<u>Governmental Unit</u>	<u>Gross General Obligation</u>	<u>Percent Applicable to District (1)</u>	<u>Amount Applicable to District</u>
Direct:			
Sycamore Community School District	\$40,903,599	100.00%	\$40,903,599
Overlapping:			
City of Loveland	6,990,992	7.52%	525,723
City of Montgomery	8,599,000	100.00%	8,599,000
City of Sharonville	24,445,000	0.02%	4,889
Symmes Township	2,520,000	63.92%	1,610,784
Evendale Village	2,010,000	6.06%	121,806
Hamilton County	115,475,000	8.60%	9,930,850
Great Oaks Joint Vocational School	5,310,000	9.60%	509,760
Total overlapping:	\$165,349,992		\$21,302,812
Total direct and overlapping debt:	\$206,253,591		\$62,206,411

Source: Ohio Municipal Advisory Council

(1) Calculated by the Ohio Municipal Advisory Council.

TABLE 9

Sycamore Community School District, Ohio
Ratio of Annual Debt Service Expenditures
For General Bonded Debt to Total General Fund Expenditures
Last Ten Years

Fiscal Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (%)
1995	425,000	373,837	798,837	41,128,630	1.94%
1996	425,000	345,809	770,809	43,281,253	1.78%
1997	425,000	339,724	764,724	44,647,424	1.71%
1998	425,000	224,786	649,786	47,617,619	1.36%
1999	550,000	1,511,777	2,061,777	51,134,558	4.03%
2000	2,835,000	2,333,409	5,168,409	53,011,633	9.75%
2001	2,310,000	2,316,453	4,626,453	55,745,296	8.30%
2002	2,380,000	2,180,574	4,560,574	61,082,626	7.47%
2003	2,475,000	2,080,241	4,555,241	66,413,735	6.86%
2004	1,470,000	1,999,784	3,469,784	70,372,147	4.93%

Source: Sycamore Community School District records.

Sycamore Community School District, Ohio
 Demographic Statistics
 Last Ten Years

TABLE 10

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Cincinnati Metropolitan Area (3)</u>
1995	33,362	6,073	4.4%
1996	33,362	6,136	4.2%
1997	33,362	6,240	4.5%
1998	33,362	6,259	3.6%
1999	36,076	6,274	3.4%
2000	36,076	6,079	3.4%
2001	37,447	5,891	3.4%
2002	37,447	5,677	4.8%
2003	37,447	5,667	4.7%
2004	37,447	5,702	5.0%

Sources: (1) Estimates provided by the Cities of Blue Ash and Montgomery and Symmes Township.

(2) Sycamore Community School District records.

(3) Greater Cincinnati "2005 Economic Outlook"

Sycamore Community School District, Ohio
Construction, Bank Deposits and Property Values
Last Ten Years

TABLE 11

<u>Calendar Year</u>	<u>Construction (1)</u>	<u>Bank Deposits (2) (in Thousands)</u>	<u>Property Values (3)</u>
1995	47,946,368	17,301,493	935,136,080
1996	46,975,020	18,661,138	953,788,060
1997	73,701,554	21,598,936	1,007,767,960
1998	46,452,410	18,070,437	1,026,114,180
1999	64,902,234	24,305,322	1,047,097,340
2000	60,657,082	41,302,569	1,172,883,770
2001	103,005,627	76,137,192	1,198,351,640
2002	43,192,473	133,025,841	1,225,919,880
2003	53,283,955	145,359,134	1,367,631,060
2004	*	*	1,371,377,710

* - Information not available

Sources: (1) Cities of Blue Ash and Montgomery, Department of Economic Development and Planning.

(2) Total deposits of all banks headquartered in Hamilton County, Ohio. (includes national and state chartered banks.) Data was not available for the District only. Federal Reserve Bank, Cleveland.

(3) Hamilton County Auditor, calendar year basis - real property assessed values.

Sycamore Community School District, Ohio
Real and Tangible Personal Property
Top Ten Principal Taxpayers
June 30, 2004

TABLE 12

Name of Taxpayer	Tangible Personal & Real Property	% of Total Assessed Valuation
Duke Realty Limited	\$52,162,580	3.29%
Ethicon	23,253,760	1.47%
Proctor and Gamble	19,870,300	1.25%
CINERGY	17,461,490	1.10%
Governor's Hill	13,676,020	0.86%
VHH Ltd.	12,480,960	0.79%
Harold R. Silvermann LLC	8,638,440	0.54%
Cincinnati Bell Telephone	8,485,410	0.54%
Charleston at Blue Ash LLC	6,170,860	0.39%
HS Limited Partnership	<u>6,016,640</u>	0.38%
	<u>\$168,216,460</u>	<u>10.34%</u>

Source: Hamilton County Auditor.



**Auditor of State
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**SYCAMORE COMMUNITY SCHOOL DISTRICT
HAMILTON COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 10, 2005**