



**Auditor of State
Betty Montgomery**

**TECUMSEH LOCAL SCHOOL DISTRICT
CLARK COUNTY**

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**TECUMSEH LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005**

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Pass Through Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. Department of Agriculture						
<i>Passed through Ohio Department of Education</i>						
Nutrition Cluster:						
Food Distribution Program	10.550	N/A		\$83,638		\$83,638
School Breakfast Program	10.553	05-PU-04 05-PU-05	\$28,415 89,804 <u>118,219</u>		\$28,415 89,804 <u>118,219</u>	
National School Lunch Program	10.555	LL-P1-05 LL-P4-04 LL-P4-05	2,057 108,489 341,889 <u>452,435</u>		2,057 108,489 341,889 <u>452,435</u>	
Total National School Lunch Program						
Total U.S. Department of Agriculture - Nutrition Cluster			570,654	83,638	570,654	83,638
U.S. Department of Education						
<i>Passed through Ohio Department of Education</i>						
Title I Grants to Local Educational Agencies	84.010	C1-S1-04 C1-S1-04 C1-S1-05	56,202 395,550 <u>451,752</u>		107,050 384,956 <u>492,006</u>	
Total Title I Grants to Local Educational Agencies						
Migrant Education_State Grant Program	84.011	MG-S1-01 MG-S1-04 MG-S1-05	22,762 72,128 <u>94,890</u>		50,861 62,817 <u>113,678</u>	
Total Migrant Education_State Grant Program						
Special Education Grants to States	84.027	6B-SD-04-P 6B-SD-05 6B-SF-04 6B-SF-05	4,500 24,250 60,893 495,822 <u>585,465</u>		5,679 21,986 75,815 458,709 <u>562,189</u>	
Total Special Education Grants to States						
Safe and Drug-Free Schools and Communities_State Grants	84.186	DR-S1-03	16,593		16,593	
Eisenhower Professional Development Grant	84.281	MS-S1-01	(652)			
Twenty-First Century Community Learning Centers	84.287	T1-S1-05	78,043		78,497	
State Grants for Innovative Programs	84.298	C2-S1-05	15,275		15,275	
Education Technology State Grants	84.318	TJ-S1-05	12,419		13,841	
Comprehensive School Reform Demonstration	84.332	RF-S3-03	28,561		29,911	
English Language Acquisition Grants	84.365	T3-S1-05 T3-S2-05	36,445 9,946 <u>46,391</u>		40,111 6,832 <u>46,943</u>	
Total English Language Acquisition Grants						
Improving Teacher Quality State Grants	84.367	TR-S1-04 TR-S1-05	6,467 136,899 <u>143,366</u>		34,276 130,566 <u>164,842</u>	
Total Improving Teacher Quality State Grants						
Total U.S. Department of Education			<u>1,472,103</u>		<u>1,533,775</u>	
U.S. Department of Homeland Security (Passed through Ohio Emergency Management Agency)						
Public Assistance Grants	97.036		2,826		2,826	
Total Federal Financial Assistance			<u>\$2,045,583</u>	<u>\$83,638</u>	<u>\$2,107,255</u>	<u>\$83,638</u>

See accompanying notes to the Schedule of Federal Awards Expenditures.

**TECUMSEH LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – NUTRITION CLUSTER

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

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

NOTE C - MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.



**Auditor of State
Betty Montgomery**

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

Tecumseh Local School District
Clark County
9760 West National Road
New Carlisle, Ohio 45344

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tecumseh Local School District, Clark County, (the District), as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon December 21, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated December 21, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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

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

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

Betty Montgomery
Auditor of State

December 21, 2005



Auditor of State Betty Montgomery

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

Tecumseh Local School District
Clark District
9760 West National Road
New Carlisle, Ohio 45344

To the Board of Education:

Compliance

We have audited the compliance of Tecumseh Local School District, Clark County, (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended June 30, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Tecumseh Local School District, Clark County, complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2005. In a separate letter to the District's management dated December 21, 2005, we reported another matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

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

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**Internal Control Over Compliance
(Continued)**

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

Federal Awards Expenditure Schedule

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Tecumseh Local School District as of and for the year ended June 30, 2005, and have issued our report thereon dated December 21, 2005. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

December 21, 2005

**TECUMSEH LOCAL DISTRICT
CLARK COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
FOR THE YEAR ENDED JUNE 30, 2005**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #10.550, 10.553, 10.555 Nutrition Cluster and CFDA # 84.027 Special Education Grants to States
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

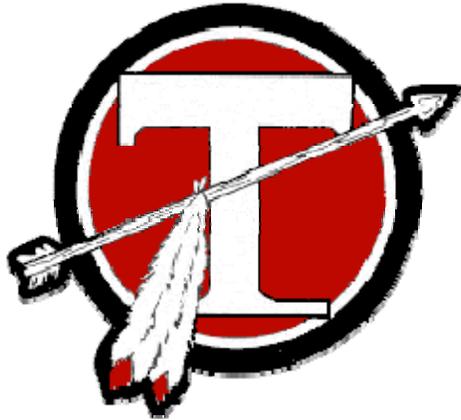
3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL PROGRAMS

None

**TECUMSEH LOCAL SCHOOL DISTRICT
CLARK COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
FISCAL YEAR END JUNE 30, 2005**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u> ; <i>Explain:</i>
2004-001	Ohio Rev. Code 5705.41(D) – Prior certification of availability of funds prior to incurring purchase obligations.	Yes	
2004-002	Nutrition Cluster – Eligibility Known Questioned Cost - \$593	Yes	Payment remitted to the Ohio Department of Education on 4/28/05.



TECUMSEH LOCAL SCHOOL DISTRICT

New Carlisle, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Issued by

TREASURER'S OFFICE

Debra Decker
Treasurer

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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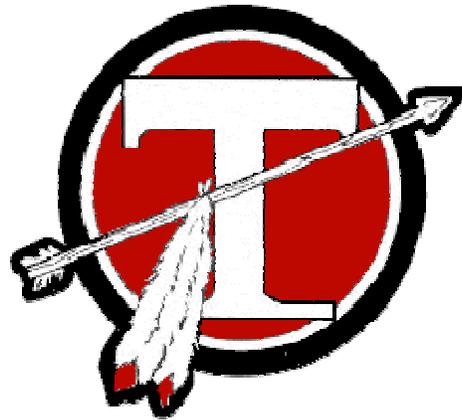
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TECUMSEH LOCAL SCHOOL DISTRICT



TECUMSEH LOCAL SCHOOLS

9760 West National Road
New Carlisle, Ohio 45344
(937) 845-3576

Jim Gay, Ph.D.
Superintendent
Matthew Curtis
Assistant Superintendent

Paula Crew
Director of Special Education &
Professional Development

Mike Lucas
Director
Debra Decker
Treasurer

Tecumseh High School
9830 West National Road
New Carlisle, Ohio 45344
845-4500

New Carlisle Middle School
1203 Kennison Avenue
New Carlisle, Ohio 45344
845-4460

Olive Branch Middle School
9712 West National Road
New Carlisle, Ohio 45344
845-4465

Donnelsville Elementary School
P.O. Box 130
150 East Main Street
Donnelsville, Ohio 45319
845-4540

Medway Elementary School
116 Middle Street
Medway, Ohio 45341
845-4475

Park Layne Elementary School
620 Cliffside Drive
New Carlisle, Ohio 45344
845-4470

Westlake Elementary School
621 Walsh Avenue
New Carlisle, Ohio 45344
845-4480

McAdams Early Childhood Center
1400 McAdams Drive
New Carlisle, Ohio 45344
845-4545

www.tecumseh.k12.oh.us

December 21, 2005

To the Citizens and Board of Education of the Tecumseh Local School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Tecumseh Local School District. The information reported is for the fiscal year ended June 30, 2005. The report contains financial statements, supplemental statements and schedules, as well as other financial and statistical information to provide complete and full disclosure of all material financial aspects of the District for fiscal year 2005. The responsibility for the accuracy, completeness and fairness of this report rests with the School District and more specifically, the Office of the Treasurer. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects. Our report is designed to present fairly the financial position, results of operation of the District as measured by the financial activity of its various funds.

This report is prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative services, and is representative of the School District's continuing commitment to provide meaningful financial information to the citizens of the School District.

The CAFR report is divided into three sections:

The Introductory Section introduces the reader to the report and provides an overview of the School District and area. It also includes a table of contents, this transmittal letter, Certificate of Achievement for Excellence in Financial Reporting for fiscal year 2004 from GFOA and ASBO, an organizational chart, and list of principal officials.

The Financial Section includes the unqualified opinion of our independent auditor, Betty Montgomery, Auditor of State. It also includes the management discussion and analysis, basic financial statements and the combining statements by fund type and other schedules providing detailed information relative to the basic financial statements.

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

THE REPORTING ENTITY AND SERVICES PROVIDED

The School District has reviewed its operating entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up Tecumseh Local School District (the primary government) and its potential component units.

This report includes all funds and account groups of the district. The funds are used to account for the primary government's assets, liabilities, fund balances, and results of operations (or revenues over/under expenses) for those activities.

This report includes all funds of the school district. The school district provides a full range of traditional and non-traditional education programs, services and facilities. These include all day pre-school and kindergarten, elementary and secondary curriculum at the general, college preparatory and vocational levels, a broad range of co-curricular and extracurricular activities, special education programs and facilities.

MISSION STATEMENT

The mission of the Tecumseh Local School District is to provide a variety of educational programs for students of all ages and abilities. Our school system strives to prepare learners to be responsible, contributing members of an ever-changing society, and to have a feeling of success, and pride in community.

SCHOOL DISTRICT DESCRIPTION AND ORGANIZATION

The Tecumseh Local School District was established in 1875 through the consolidation of existing land areas and school districts. The District serves an area of approximately 50 square miles. It is located in Clark County, and includes all of the City of New Carlisle and portions of Bethel and Pike Townships, with some parcels of property located in Miami County.

The School District is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio to provide educational services as authorized by State statute and/or federal guidelines. The School District is an independent district which operates under a locally elected Board form of government consisting of five members elected at-large for staggered four-year terms. The Board appoints the Superintendent and the Treasurer. All departments, with the exception of the Treasurer's Office, are under the authority of the Superintendent's Office.

The School District provides general and special education programs at four elementary schools serving grades kindergarten through five, two middle schools serving grades six through eight and one high school serving grades nine through twelve. At June 30, 2005, the district had approximately 3,511 students enrolled.

ECONOMIC CONDITION AND OUTLOOK

The Tecumseh Local School District is located in southwestern Clark County, which is just north of Dayton, Ohio and slightly to the west of Springfield, Ohio. Interstate 70 and Interstate 675 are only a few miles away. These major thoroughfares permit easy commuting to the Cities of Dayton and Springfield, as well as Wright Patterson Air Force Base (one of the areas largest employers).

The School District's tax base is supported mainly through residential and agricultural property. New housing projects have continued to be strong throughout the area, as lending rates have remained at record low levels for the past few years. The School District anticipates assessed property values and new housing projects to increase slightly or remain stable over the foreseeable future.

MAJOR INITIATIVES

Primary accomplishments for school year 2004-2005 were as follows:

Financial

Received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) of the United States and Canada for its Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2004. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR, whose content conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

Received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for its CAFR for fiscal year ended June 30, 2004. This award certifies that the CAFR substantially conformed to the principles and standards of financial reporting as recommended and adopted by ASBO.

Curriculum

- Revised quarterly benchmark assessments in all core academic subjects in grades k-12 aligning them with Ohio Content standards
- Developed a uniform data collection software program to track student progress on short cycle assessment
- Utilized Ohio Achievement test data to drive instruction and develop appropriate interventions
- Used "Running Records", DIBELS, and Developmental Reading Assessments (DRA) to determine student literacy levels at grades K-3

Staff Development

Conducted Professional Development Workshops in the areas of:

- Baldrige Framework for School Improvement-(Certified and Classified)
- Inclusion of student with disabilities into the general classroom setting
- Technology integration
- School Improvement strategies-Strengthening Ohio Schools (SOS)
- Teaching students learning English as a Second Language (ESL)
- Teacher collaboration

Facilities Initiatives

- Purchased three new school buses
- Began construction on four new elementary schools and a new middle school as well as remodeling the current high school with funding from the Ohio School Facilities Commission and local tax dollars.

Specific goals for the 2005-2006 school year are:

Finance

- Receive the Government Finance Officer's Association (GFOA) Certificate of Excellence in Financial Reporting for the District's 2005 Comprehensive Annual Financial Report
- Receive the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting for the District's 2005 Comprehensive Annual Financial Report
- Continue to review the District's internal control structure through the update of District policy and procedure manuals
- Continue to monitor and budget District resources

Curriculum

- Continue the revision process on Quarterly benchmark assessments K-12
- Continue to Implement the Reading Recovery program in collaboration with Title I services at elementary levels
- Implement after school tutoring program for students learning English as Second Language (ESL) Grades K-8
- Implement new Health curriculum in grades 9-12
- Collect and review Ohio Achievement, and Ohio Graduation Test Data
- Devise/Implement plan so all Tecumseh Local students achieve adequate yearly progress (AYP) on state tests

Staff Development

- Continue to provide workshops for all employees in the areas of assessment and data driven decision making
- Provide training in the integration of technology into the curriculum
- Provide opportunities in team building among staff of grades 6-8
- Provide opportunities for staff collaboration in goal setting and curriculum alignment

FINANCIAL INFORMATION

Internal Accounting and Budgetary Control

Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation. The management of the District is responsible for establishing and maintaining an internal control environment that provides reasonable assurance the District's financial statements are reliable, the District complied with applicable laws and regulations and the District is operating effectively and efficiently.

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

The District maintains its accounts and accounting records to facilitate budgetary control as outlined by Ohio Revised Code. Before October 1st of each fiscal year the Board adopts its annual appropriation measure. These appropriations may be amended as needed by Board action. Annual appropriations and any amendments may not exceed the County Budget Commissions official estimate of resources. The

County Auditor must certify that the Board's appropriation measures do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level for the General, Debt Service, Classroom Facilities and all other non-major governmental funds. All purchase order requests must be approved by the building principal, department supervisor, or appropriate central office director and must be certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests that exceed the available appropriations are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports which detail month and year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. Each administrator and school principal is furnished the reports showing the status of the budget accounts for which they are responsible. In addition, an on line inquiry system is available at each cost center site. As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy-making roles are covered by a separate, higher limit bond. Additional information on the District's budgetary accounts can also be found in notes to the basic financial statements.

Financial Condition

This is the third year the School District has prepared financial statements following GASB Statement 34, "Basic Financial Statements – 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-side statements distinguish between those activities of the School District that are governmental and those that are considered business-type 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 a reconciliation to the governmental activities accrual information presented in the government-wide financial statements.

Statement of Budgetary Comparisons

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

As part of this new reporting model, management is responsible for preparing a Discussion and Analysis of the School District. The discussion follows this letter of transmittal, providing an assessment of the School District's finances for 2005 and the outlook for the future.

CASH MANAGEMENT

The District's cash management program addresses the issues of safety, liquidity and yield while maximizing returns. All investments are spread among available investment options to insure maximum interest rates. Investment earnings for all funds during the fiscal year were \$701,623. The figure is higher than in the previous fiscal year due to the Ohio School Facilities Commission Building Project. The interest earned from the Ohio School Facilities Commission Building Project Investments is limited to the Building Project in accordance with Ohio Revised Code.

RISK MANAGEMENT

The District continues to protect its assets through a comprehensive insurance program. Insurance policies are in effect for fleet liability; property loss, boiler and machinery, builders risk, school errors and omissions liability, and excess liability are purchased through the Marsh Insurance Company.

All employees are covered under the District's liability policy. The Superintendent and Board President are covered with a \$20,000 performance bond. The Treasurer is covered with a \$100,000 performance bond.

The District uses the State Workers' Compensation plan and pays the premium based on a rate per \$100 of salaries. The School District is a member of Ohio School Boards Association Workers' Compensation Group Rating Program.

INDEPENDENT AUDIT

State statutes require the School District to be subjected to an annual examination by an independent auditor. Independent auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the School District's financial statements as of June 30, 2005. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Pursuant to statute, the State prescribed a uniform accounting system to standardize accounting classification and financial reporting for all governments in Ohio. The School District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to governments that publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose content conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. The District is submitting this report to GFOA to determine its eligibility for a certificate, which is the highest form of recognition in the area of governmental financial reporting.

The District will also seek the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2005. This award certifies that a Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an extensive review of the report by an expert panel of certified public accountants and practicing school business officials. The District believes our current report meets ASBO requirements.

ACKNOWLEDGEMENTS

The preparation of the 2005 Comprehensive Annual Financial Report was made possible by many, not only through effort but also through support. Thanks are extended to the Tecumseh Board of Education for their support of the Treasurer's office that allows reliable and progressive financial operations and reporting.

Appreciation for the preparation is extended to Clark, Schaefer, Hackett & Company, the Clark County Auditor's Office, and Richard Cost.

Respectfully submitted,

Debra G. Decker
Treasurer/CFO



TECUMSEH LOCAL SCHOOL DISTRICT

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

Tecumseh Local School District

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

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

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Tecumseh Local
School District,
Ohio

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

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



Nancy L. Zjelka

President

Jeffrey R. Emer

Executive Director

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2005

Board of Education

Beverly Quinn, Board President
Dan Studebaker, Board Vice President
Jim Snyder, Board Member
Gary Cochran, Board Member
Jane Manemann, Board Member

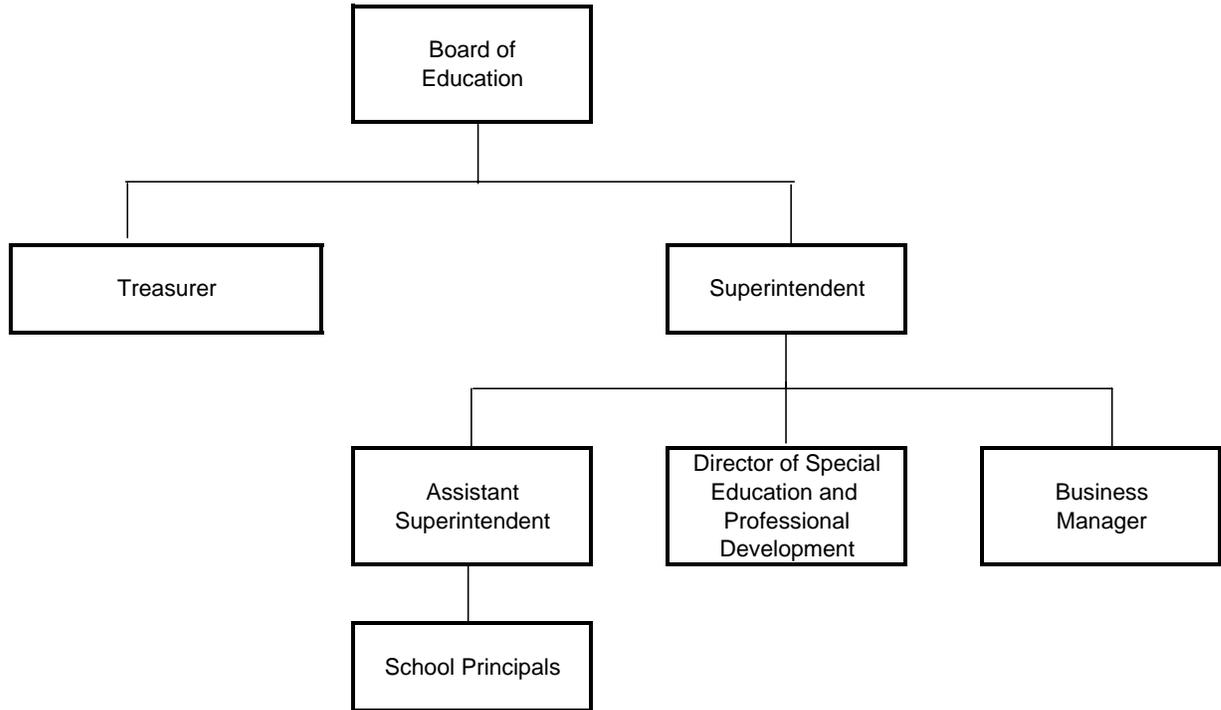
Administrative Team

James Gay, Superintendent
Matthew Curtis, Assistant Superintendent
Mike Lucas, Building Liason
Debra Decker, Treasurer
David Campbell, Director of Buildings, Grounds, Transportation and Food Service
Paula Crew, Director of Special Education and Professional Development

Michael Ostendorf, Principal, Tecumseh High School
Kirk Saulsbury, Unit Principal, Tecumseh High School
Jeffrey Renshaw, Unit Principal, Tecumseh High School
Brad Martin, Principal, Olive Branch Middle School
Cecil Foley, Principal, New Carlisle Middle School
Sharon Powers, Principal, Westlake Elementary School
Greg Baker, Principal, Park Layne Elementary School
Kelley Lacey, Principal, Medway Elementary School
Karyl Strader, Principal, Donnelsville Elementary School
Karyl Strader, Principal, McAdams Early Childhood Center

Vinia Roberts, School Psychologist
Mary Ann Rinaldo, School Psychologist
DeAnna Gehret, Title I Coordinator
Cindy Fisher, Curriculum Coordinator
Stacey Sizemore, Child Nutrition Director
Craig Eier, Athletic Director

**TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
ADMINISTRATIVE ORGANIZATION
AS OF JUNE 30, 2005**





Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Tecumseh Local School District
Clark County
9760 West National Road
New Carlisle, Ohio 45344

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 Tecumseh Local School District, Clark County, Ohio (the District), as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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 Tecumseh Local School District, Clark County, Ohio, as of June 30, 2005, and the respective changes in financial position, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2005, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Tecumseh Local School District
Clark County
Independent Accountants' Report

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



BETTY MONTGOMERY
Auditor of State

December 21, 2005

TECUMSEH LOCAL SCHOOL DISTRICT

Clark County, Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2005 (Unaudited)

The discussion and analysis of the Tecumseh Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2005. The intent of this discussion and analysis is to look at the School 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 School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2005 are as follows:

Overall:

- Total net assets increased \$3.3 million, which is due primarily to the District receiving additional property tax revenue as a result of voters approving levies that would allow the District to participate in the Classroom Facilities Assistance Program.
- Total assets of governmental activities decreased by \$19.5 million, attributed almost exclusively to the decrease in intergovernmental receivables. The decrease in intergovernmental receivables is due to the District's participation in the Classroom Facilities Assistance program. At the end of the previous year the District had just begun construction and had not received grant revenues associated with the Classroom Facilities Program. The District began receiving reimbursements during fiscal year 2005 reducing the amount of the receivable from prior year.
- General revenues accounted for \$27.9 million or 85 percent of total revenue. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions account for \$4.9 million or 15 percent of total revenues of \$32.9 million.
- The School District's \$29.6 million in expenses, of which \$4.9 million were offset by program specific charges for services, grants or contributions. General revenues, primarily property taxes, of \$27.9 million were used to offset the net expenses of \$24.7 million.
- The General Fund, Debt Service Fund and Classroom Facilities Fund, the only major funds, had \$26.0 million, \$1.3 million and \$18.1 million in revenues, respectively, and \$25.2 million, \$1.3 million and \$3.4 million in expenditures, respectively. These funds represent 91 percent of the total governmental funds revenues and 89 percent of governmental fund expenditures. The General Fund's balance did not change significantly over fiscal year 2004 with an increase of \$.8 million. The Debt Service fund balance experienced a decrease of \$20.8 million as a result of payment on short-term bond anticipation notes. The Classroom Facilities fund balance increased \$34.9 million as a result of receiving increased grant revenue and a transfer of bond proceeds from the Debt Service Fund.

TECUMSEH LOCAL SCHOOL DISTRICT

Clark County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
(Unaudited)

Using this Annual Financial Report

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregated view of the School District's finances and a longer-term view of those statements. 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 School District's most significant funds with all other non-major funds presented in total in one column. In the case of Tecumseh Local School District, the General Fund, Debt Service Fund and Classroom Facilities Fund are the major funds.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2005?" The Statement of Net Assets and the Statement of Activities 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 School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School 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 School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District does not have any business-type activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's General Fund, Debt Service Fund and Classroom Facilities Fund, the only major funds, begins on page 16. Fund financial reports provide detailed information about the General Fund, Debt Service Fund and Classroom Facilities Fund. The School District uses many funds to account for a multitude of financial transactions. However, these funds financial statements focus on the School District's

TECUMSEH LOCAL SCHOOL DISTRICT

Clark County, Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2005 (Unaudited)

most significant funds, and therefore only the General Fund, Debt Service Fund and Classroom Facilities Fund is presented separate from the other governmental funds.

Governmental Funds

The School 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, 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 School 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 are reconciled in the financial statements.

The School District as a Whole

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

Table 1 provides a summary of the School District's net assets for 2005 compared to 2004:

TABLE 1
NET ASSETS (in 000's)

	<u>2005</u>	<u>2004</u>
Assets		
Current and Other Assets	\$ 98,378	\$ 121,467
Capital Assets	7,140	3,538
Total Assets	<u>105,518</u>	<u>125,005</u>
Liabilities		
Long-term Liabilities	21,643	22,299
Other Liabilities	10,600	32,710
Total Liabilities	<u>32,243</u>	<u>55,009</u>
Net Assets		
Invested in Capital Assets, Net of Debt	7,003	1,676
Restricted	68,656	65,558
Unrestricted	(2,384)	2,762
Total Net Assets	<u>\$ 73,275</u>	<u>\$ 69,996</u>

The amount by which the School District's assets exceeded its liabilities is called net assets. As of June 30, 2005 the School District's net assets were \$73.3 million. Of that amount, approximately \$7.0 million was invested in capital assets, net of debt related to those assets. Another \$68.6 million was subject to external restrictions upon its use.

TECUMSEH LOCAL SCHOOL DISTRICT

Clark County, Ohio

Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2005
 (Unaudited)

Table 2 shows the changes in net assets for fiscal year 2005 compared to fiscal year 2004.

TABLE 2
 CHANGE IN NET ASSETS (in 000's)

	<u>2005</u>	<u>2004</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 2,105	\$ 2,095
Operating Grants and Contributions	2,588	2,224
Capital Grants and Contributions	255	67,421
General Revenues:		
Property Taxes	10,314	9,111
Grants and Entitlements	16,822	16,167
Other	797	164
Total Revenues	<u>32,881</u>	<u>97,182</u>
Program Expenses		
Instruction	16,200	17,104
Support Services:		
Pupils and Instructional Staff	3,123	3,130
Board of Education, Administration, Fiscal and Business	3,259	3,197
Plant Operation and Maintenance	2,679	2,882
Pupil Transportation	1,405	1,542
Central	131	50
Operation of Non-instructional services	1,421	1,805
Extracurricular Activities	524	140
Unallocated Depreciation	10	13
Interest and Fiscal Charges	850	284
Total Expenses	<u>29,602</u>	<u>30,147</u>
Increase (Decrease) in Net Assets	3,279	67,035
Net Assets at Beginning of Year	<u>69,996</u>	<u>2,961</u>
Net Assets at End of Year	<u>\$ 73,275</u>	<u>\$ 69,996</u>

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. Property taxes made up 31.3 percent of revenues for governmental activities for the Tecumseh Local School District for fiscal year 2005. The last operating levy approved by voters in the School District occurred in 1995. The School District is extremely dependent upon intergovernmental revenues provided by the State of Ohio and the federal government; approximately 60 percent of the School District's total revenue was

TECUMSEH LOCAL SCHOOL DISTRICT

Clark County, Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2005 (Unaudited)

received from intergovernmental sources during fiscal year 2005.

Despite not having sought new operating funds through a property tax levy in the past three years, the School District has been able to maintain a stable financial footing, however, the fund balance for the general fund is declining and new operating funds will be sought in the coming year.

Instruction comprises 55 percent of the School District's expenses for fiscal year 2005. Support services expenses make up 36 percent of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows 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.

TABLE 3
TOTAL AND COST OF PROGRAM SERVICES
(in 000's)

	2005		2004	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$ 16,200	\$ (14,326)	\$ 17,104	\$ (15,148)
Support Services:				
Pupils and Instructional Staff	3,123	(2,309)	3,130	(2,480)
Board of Education, Administration, Fiscal and Business	3,259	(2,936)	3,197	(3,068)
Plant Operation and Maintenance	2,679	(2,655)	2,882	64,532
Pupil Transportation	1,405	(1,315)	1,542	(1,508)
Central	131	(125)	50	(43)
Operation of Non-instructional services	1,421	113	1,805	(394)
Extracurricular Activities	524	(240)	140	-
Unallocated Depreciation	10	(10)	13	(13)
Interest and Fiscal Charges	850	(850)	284	(284)
Total Expenses	\$ 29,602	\$ (24,653)	\$ 30,147	\$ 41,594

Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Pupils and instructional staff include the activities involved with assisting the staff with the contents and process of teaching to pupils.

Board of education, administration, fiscal and business includes expenses associated with administrative and financial supervision of the District.

Plant operation and maintenance activities involve keeping the school grounds, buildings, and equipment in an effective working condition.

TECUMSEH LOCAL SCHOOL DISTRICT

Clark County, Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2005 (Unaudited)

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Central includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Operation of non-instructional services includes the preparation, delivery and servicing of lunches, snacks and other incidental meals to students and school staff in connection with school activities, as well as services provided to the community at-large.

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Unallocated depreciation represents current period depreciation charges associated with capital assets that are utilized by several different functions, typically school buildings throughout the District.

Interest and fiscal charges involves the transaction associated with the payment of interest and other related charges to debt of the School District.

The School District's Funds

Information about the School District's General Fund, Debt Service Fund and Classroom Facilities Fund, the only major funds, starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$49.9 million and expenditures of \$33.6 million. The net change in fund balance was most significant in the Debt Service Fund and Classroom Facilities Fund. As previously discussed, the changes are a result of debt payments and transfers of debt proceeds to be used to build six new school buildings and renovate the high school building.

General Fund Budgeting Highlights

The School 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 year 2005, the School District amended its general fund budget several times, none significant. Budgetary adjustments were required due to unanticipated reductions in revenues from state budget cuts. Other revenue and expenditure line items were also reviewed.

For the General Fund, budget basis revenue was \$25.3 million as compared to the original budget estimates of \$24.4 million. This difference included intergovernmental revenues initially budgeted at \$15.9 million with budget basis revenues coming in at \$16.8 million.

TECUMSEH LOCAL SCHOOL DISTRICT

Clark County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
(Unaudited)

Total actual expenditures on the original and final budget basis (cash outlays plus encumbrances) were \$2.2 million and \$.5million, respectively, below revenues, as well as \$1.7 million below original budget estimates, respectively.

Capital Assets

At the end of fiscal year 2005 and 2004, the School District had \$7.1 million and \$3.5 million, respectively, invested in land, buildings, furniture and equipment, and vehicles in governmental activities.

Table 4 shows fiscal year 2005 balances compared to 2004:

TABLE 4
CAPITAL ASSETS AT JUNE 30 (in 000's)

	<u>2005</u>	<u>2004</u>
Land and Improvements	\$ 520	\$ 520
Construction in Progress	5,248	1,654
Building and Improvements	8,893	8,893
Equipment	1,202	1,188
Vehicles	2,160	1,911
Less: Accumulated Depreciation	<u>(10,883)</u>	<u>(10,628)</u>
Total	<u>\$ 7,140</u>	<u>\$ 3,538</u>

Overall capital assets increased approximately \$3.6 million from fiscal year 2004. Increases in capital assets was primarily a result of the District participating in the Classroom Facilities Assistance Program.

For fiscal year 2000 and forward, Ohio law requires school districts to set aside three percent of certain revenues for capital improvements and an additional three percent for textbooks and instructional supplies. For fiscal year 2005, this amounts to \$519,145 for each set aside requirement. When fiscal year 2005 qualifying disbursements for the capital improvements and textbooks were netted against the cumulative set aside amounts for the year, no set aside for textbooks or capital improvements remained. See accompanying notes to the basic financial statements for more information.

TECUMSEH LOCAL SCHOOL DISTRICT

Clark County, Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2005 (Unaudited)

Capital asset acquisitions during fiscal year 2005 consisted primarily of construction costs associated with the Classroom Facilities Assistance Program at a cost of \$3.6 million. Other acquisitions included school buses and miscellaneous equipment.

Debt Administration

At June 30, 2005, the School District had a five-year renewable tax anticipation note of \$137,000 in outstanding debt. The note was issued for permanent improvements to be made to the School District's stadium. The debt will be repaid from proceeds of a tax levy collected by the County Auditor. Principal payments for fiscal year 2005 totaled \$137,000, the balance of which was renewed for another year.

In May 2004, general obligation bonds in the amount of \$20.6 million were issued to begin renovating or replacing eight school buildings in conjunction with funding from the Ohio School Facilities Commission. The outstanding debt on the general obligation bonds at year end is \$20.1 million. Principal payments totaled \$430,000 with the balance to be paid off during fiscal year 2032

At June 30, 2005 the School District's overall legal debt margin was \$25.7 million and the unvoted debt margin was \$.2 million. See accompanying notes to the basic financial statements for more information.

For the Future

Long- range financial projections indicate there is a need for additional operating revenue; therefore, the Tecumseh Local School District will ask the voters to approve an operating levy in the future. The School District has also implemented a three phase cost containment plan; phase I cuts will be implemented in FY 2005-2006.

The School District has also been affected by the ever-increasing enrollment in community schools. The cost to the School District for community schools in FY2003 was \$158,054 and increased in FY2004 to \$238,593.59; and also increased in FY2005 to \$331,608.13. The loss of these dollars will have a continuing impact on the financial picture. The School District's responsibility is to make the necessary adjustments to work within the confines of the projected financial picture. The ability to react to the community school impact is hindered by the lack of solid enrollment data until after the new school year has begun which are several months away for next year. The School District will continue to make spending reductions to offset the increases in the community school obligation.

TECUMSEH LOCAL SCHOOL DISTRICT

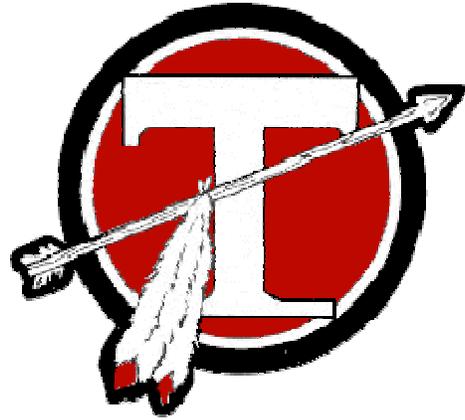
Clark County, Ohio

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2005 (Unaudited)

There was outstanding support from the local citizens and business community for the bond and maintenance levy November 2003. The Tecumseh Local School District and the Ohio School Facilities Commission (Classroom Facilities Assistance Program) entered into an agreement pursuant to Section 3318.30 ORC. January 2004. The Ohio School Facilities Commission agreed to pay 77% of the \$87,374,148 estimated budget leaving a balance of \$20,096,000 or 23% for Tecumseh Local School District. As of June 30, 2005 four of the six buildings were bid out and contracts awarded, they are as follows: Donnelsville Elementary, Medway Elementary, Park Layne Elementary, and New Carlisle Elementary. The Tecumseh Middle School and Tecumseh High School are scheduled to bid out in the summer of 2005. Proposed completion dates of the buildings are as follows: Donnelsville Elementary and Medway are scheduled for completion May 2006; Park Layne Elementary is scheduled to be complete October 2006; New Carlisle Elementary is scheduled to be completed on November 2006; Tecumseh Middle School is scheduled December 2006; and the Tecumseh High School is scheduled for completion in July 2007.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Treasurer's Office at Tecumseh Local Schools, 9760 W. National Road, New Carlisle, Ohio 45344 or call (937)845-3576.

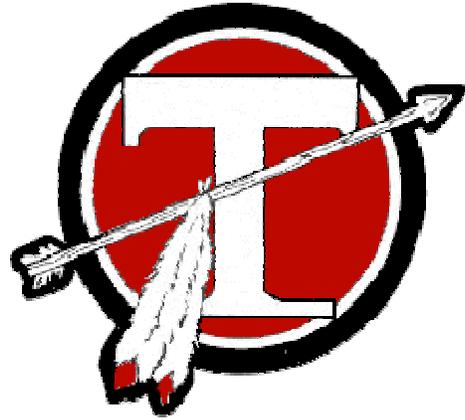


TECUMSEH LOCAL SCHOOL DISTRICT

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

STATEMENT OF NET ASSETS
JUNE 30, 2005

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents and investments	\$ 41,014,429
Cash and Cash Equivalents:	
In Segregated Accounts	2,500
Receivables:	
Property and other taxes	9,288,474
Accounts	30,482
Intergovernmental	47,653,485
Inventory of supplies and materials	175,227
Inventory held for resale	9,030
Prepaid items	124,659
Restricted Assets:	
Equity in pooled cash and cash equivalents	80,264
Non-depreciable capital assets	5,768,339
Depreciable capital assets, net	1,371,884
Total Assets	105,518,773
Liabilities:	
Accounts payable	169,801
Contracts payable	102,935
Accrued wages and benefits payable	2,964,961
Compensated absences	116,721
Intergovernmental payable	914,330
Deferred revenue	6,044,250
Early retirement incentive payable	150,000
Tax anticipation note payable	137,000
Long Term Liabilities:	
Due within one year	493,069
Due in more than one year	21,149,893
Total Liabilities	32,242,960
Net Assets:	
Invested in capital assets, net of related debt	7,003,223
Restricted for:	
Endowment:	
Non-expendable	2,108
Other purpose	756,518
Capital projects	67,631,391
Debt service	266,237
Unrestricted	(2,383,664)
Total Net Assets	\$ 73,275,813



TECUMSEH LOCAL SCHOOL DISTRICT

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for services & sales	Operating grants and contributions	Capital grants and contributions	Total Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$ 12,428,892	\$ 788,615	\$ 387,375	\$ -	\$ (11,252,902)
Special	2,507,116	131,468	566,675	-	(1,808,973)
Vocational	495,031	-	-	-	(495,031)
Other	769,478	-	-	-	(769,478)
Support Services:					
Pupils	1,901,670	-	484,288	-	(1,417,382)
Instructional staff	1,220,986	-	329,477	-	(891,509)
Board of education	77,506	-	-	-	(77,506)
Administration	2,581,740	-	169,834	-	(2,411,906)
Fiscal	565,001	-	-	153,006	(411,995)
Business	35,440	-	-	-	(35,440)
Operation and maintenance of plant	2,678,590	-	24,000	-	(2,654,590)
Pupil transportation	1,404,982	-	2,519	87,161	(1,315,302)
Central	130,628	-	5,835	-	(124,793)
Operation of non-instructional services	1,420,760	900,523	617,995	15,044	112,802
Extracurricular activities	524,477	284,825	-	-	(239,652)
Interest and fiscal charges	850,205	-	-	-	(850,205)
Unallocated depreciation *	9,552	-	-	-	(9,552)
Total Governmental Activities	\$ 29,602,054	\$ 2,105,431	\$ 2,587,998	\$ 255,211	(24,653,414)

General Revenues:

Property taxes levied for general purposes	8,346,895
Property taxes levied for capital improvements	769,136
Property taxes levied for debt service	1,197,161
Grants and entitlements not restricted to specific programs	16,822,096
Investment earnings	701,623
Miscellaneous	95,974
Total General Revenues	27,932,885
Changes in net assets	3,279,471
Net assets at beginning of year	69,996,342
Net assets at end of year	\$ 73,275,813

* - This amount excludes the depreciation that is included in the direct expense of the various functions.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005

	General Fund	Debt Service Fund	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents and Investments	\$ 2,545,458	\$ 364,062	\$ 35,847,169	\$ 2,257,740	\$ 41,014,429
Cash and Cash Equivalents:					
In Segregated Accounts	-	-	-	2,500	2,500
Receivables:					
Taxes	7,316,543	1,252,598	-	719,333	9,288,474
Accounts	30,482	-	-	-	30,482
Intergovernmental	-	-	47,012,461	641,024	47,653,485
Interfund	8,637	-	-	-	8,637
Prepaid Items	124,659	-	-	-	124,659
Inventory of Supplies and Materials	169,716	-	-	5,511	175,227
Inventory Held for Resale	-	-	-	9,030	9,030
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	80,264	-	-	-	80,264
Total Assets	\$ 10,275,759	\$ 1,616,660	\$ 82,859,630	\$ 3,635,138	\$ 98,387,187
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$ 118,460	\$ -	\$ -	\$ 51,341	\$ 169,801
Contracts Payable	-	-	101,435	1,500	102,935
Accrued Wages and Benefits	2,692,467	-	-	272,494	2,964,961
Intergovernmental Payable	787,635	-	-	126,695	914,330
Interfund Payable	-	-	-	8,637	8,637
Deferred Revenue	5,205,905	982,436	46,894,105	868,490	53,950,936
Compensated Absences Payable	112,238	-	-	4,483	116,721
Early Retirement Incentive Payable	150,000	-	-	-	150,000
Tax Anticipation Notes Payable	-	-	-	137,000	137,000
Total Liabilities	9,066,705	982,436	46,995,540	1,470,640	58,515,321
<u>Fund Balances:</u>					
<u>Reserved for:</u>					
Encumbrances	454,717	-	32,805,324	482,196	33,742,237
Supplies Inventory	169,716	-	-	14,541	184,257
Property Taxes	2,110,638	270,162	-	257,498	2,638,298
Reserved for Endowment	-	-	-	2,108	2,108
Budget Stabilization	80,264	-	-	-	80,264
<u>Unreserved, Undesignated:</u>					
General Fund	(1,606,281)	-	-	-	(1,606,281)
Debt Service Fund	-	364,062	-	-	364,062
Special Revenue Funds	-	-	-	491,403	491,403
Capital Projects Funds	-	-	3,058,766	916,752	3,975,518
Total Fund Balances	1,209,054	634,224	35,864,090	2,164,498	39,871,866
Total Liabilities and Fund Balances	\$ 10,275,759	\$ 1,616,660	\$ 82,859,630	\$ 3,635,138	\$ 98,387,187

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES

JUNE 30, 2005

Total Governmental Fund Balances:		\$	39,871,866
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			7,140,223
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.			47,906,686
Long-term liabilities which are not due and payable in the current period and therefore are not reported in the funds.			
Compensated Absences	(1,457,987)		
General Obligation Bonds Payable	<u>(20,184,975)</u>		
Total			<u>(21,642,962)</u>
Net Assets of Governmental Activities		\$	<u>73,275,813</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

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

	General Fund	Debt Service Fund	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 8,159,251	\$ 1,180,399	\$ -	\$ 782,321	\$ 10,121,971
Intergovernmental	16,822,096	153,006	17,538,210	2,417,311	36,930,623
Interest	78,583	-	597,235	25,805	701,623
Tuition and Fees	938,827	-	-	-	938,827
Charges for Services	-	-	-	900,526	900,526
Extracurricular Activities	-	-	-	266,049	266,049
Miscellaneous	23,783	-	1,200	52,147	77,130
Total Revenues	26,022,540	1,333,405	18,136,645	4,444,159	49,936,749
Expenditures:					
Current:					
Instruction:					
Regular	11,961,092	-	-	452,184	12,413,276
Special	1,970,059	-	-	520,365	2,490,424
Vocational	515,940	-	-	-	515,940
Other Instruction	769,478	-	-	-	769,478
Support Services:					
Pupils	1,483,877	-	-	440,870	1,924,747
Instructional Staff	1,019,879	-	-	188,986	1,208,865
Board of Education	77,506	-	-	-	77,506
Administration	2,386,463	-	-	193,043	2,579,506
Fiscal	523,586	22,377	-	14,483	560,446
Business	35,440	-	-	-	35,440
Plant Operation and Maintenance	2,585,577	-	-	56,603	2,642,180
Pupil Transportation	1,406,944	-	-	72,232	1,479,176
Central	125,308	-	-	5,320	130,628
Non-Instructional Services	12,722	-	3,453,201	1,546,750	5,012,673
Extracurricular Activities	357,022	-	-	164,066	521,088
Debt Service:					
Principal Retirement	-	430,000	-	-	430,000
Interest and Fiscal Charges	-	843,813	-	6,392	850,205
Total Expenditures	25,230,893	1,296,190	3,453,201	3,661,294	33,641,578
Excess of Revenues Over(Under) Expenditures	791,647	37,215	14,683,444	782,865	16,295,171
Other Financing Sources:					
Proceeds from Sale of Assets	18,844	-	-	-	18,844
Transfers-In	-	-	20,276,205	524,620	20,800,825
Transfers-Out	-	(20,800,825)	-	-	(20,800,825)
Total Other Financing Sources	18,844	(20,800,825)	20,276,205	524,620	18,844
Change in Fund Balance	810,491	(20,763,610)	34,959,649	1,307,485	16,314,015
Fund Balance at Beginning of Year, restated	398,563	21,397,834	904,441	857,013	23,557,851
Fund Balance at End of Year	\$ 1,209,054	\$ 634,224	\$ 35,864,090	\$ 2,164,498	\$ 39,871,866

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

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

Net Change in Fund Balances - Total Governmental Funds		\$ 16,314,015
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital asset additions	3,857,025	
Current year depreciation	<u>(255,434)</u>	
Total		3,601,591
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(17,074,068)
Repayment of long-term obligations is reported as an expenditure in the governmental funds but the repayment reduces long term liabilities in the statement of net assets.		
General Obligation Bond		430,000
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences payable		<u>7,933</u>
Change in Net Assets of Governmental Activities		<u>\$ 3,279,471</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

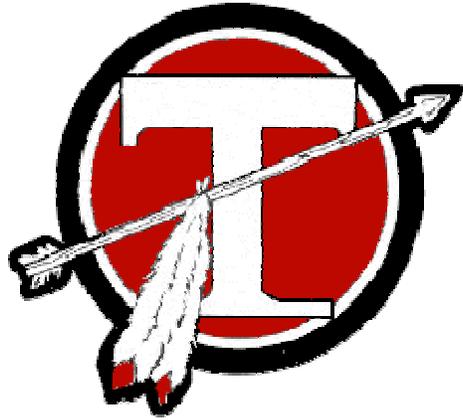
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:				
Taxes	\$ 7,465,627	\$ 7,533,225	\$ 7,533,225	\$ -
Intergovernmental	15,992,572	16,822,096	16,822,096	-
Interest	38,818	75,622	75,622	-
Tuition and Fees	913,254	934,047	934,047	-
Transportation	42,130	-	-	-
Gifts and Donations	-	7,550	7,550	-
Miscellaneous	21,381	11,054	11,054	-
Total Revenues	<u>24,473,782</u>	<u>25,383,594</u>	<u>25,383,594</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	12,726,732	12,073,989	12,073,989	-
Special	1,833,184	1,954,574	1,954,574	-
Vocational	516,002	547,721	547,721	-
Other Instruction	1,094,981	1,101,408	1,101,408	-
Support Services:				
Pupils	1,411,294	1,430,984	1,430,984	-
Instructional Staff	1,061,758	1,003,403	1,003,403	-
Board of Education	130,663	87,254	87,254	-
Administration	2,528,737	2,458,483	2,458,483	-
Fiscal	546,049	561,718	561,718	-
Business	40,549	38,117	38,117	-
Plant Operation and Maintenance	2,764,383	2,726,394	2,726,394	-
Pupil Transportation	1,640,463	1,414,908	1,414,908	-
Central	28,568	125,308	125,308	-
Non-Instructional Services	1,133	14,249	14,249	-
Extracurricular Activities	349,374	347,719	347,719	-
Capital Outlay	5,657	-	-	-
Total Expenditures	<u>26,679,527</u>	<u>25,886,229</u>	<u>25,886,229</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,205,745)</u>	<u>(502,635)</u>	<u>(502,635)</u>	<u>-</u>
Other Financing Sources (Uses):				
Refund of Prior Year Expenditures	56,328	807	807	-
Refund of Prior Year Receipts	(563)	(3,403)	(3,403)	-
Sale and Loss of Assets	1,590	18,839	18,839	-
Advances-In	40,138	-	-	-
Advances-Out	-	(8,638)	(8,638)	-
Total Other Financing Sources (Uses)	<u>97,493</u>	<u>7,605</u>	<u>7,605</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(2,108,252)</u>	<u>(495,030)</u>	<u>(495,030)</u>	<u>-</u>
Fund Balance at Beginning of Year	2,541,981	2,541,981	2,541,981	-
Prior Year Encumbrances Appropriated	733,160	733,160	733,160	-
Fund Balance at End of Year	<u>\$ 1,166,889</u>	<u>\$ 2,780,111</u>	<u>\$ 2,780,111</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND
JUNE 30, 2005**

	<u>AGENCY FUND</u>
<u>Assets:</u>	
Assets:	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 75,507</u>
 Total Assets	 <u><u>\$ 75,507</u></u>
 <u>Liabilities</u>	
Liabilities:	
Due to Students	<u>\$ 75,507</u>
 Total Liabilities	 <u><u>\$ 75,507</u></u>



TECUMSEH LOCAL SCHOOL DISTRICT

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 1 - DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY

Tecumseh Local School District (the “District”) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District operates under a locally elected Board form of government consisting of five members elected at-large for staggered four-year terms. The District provides educational services as authorized by State statute and/or federal guidelines.

The District was established in 1875 through the consolidation of existing land areas and school districts. The District serves an area of approximately 50 square miles. It is located in Clark County, and includes all of the City of New Carlisle and portions of Bethel and Pike Townships. It is staffed by 187 non-certified employees, 239 certificated full-time teaching personnel and 18 administrative employees who provide services to 3,635 students and other community members. The District currently operates 8 instructional buildings, 1 administrative building and 1 garage.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government of the District consists of all funds, departments, boards and agencies that are not legally separate from the District. For Tecumseh Local School District, this includes general operations, food service, latchkey and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing body and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations for which the District approves the budget, the issuance of debt or the levying of taxes. The District has no component units.

The District is associated with seven organizations, which are defined as jointly governed and one insurance purchasing pool. These organizations are discussed in Note 15 and 16 to the basic financial statements. These organizations are:

Jointly Governed Organizations:

- Miami Valley Educational Computer Association
- Southwestern Ohio Educational Purchasing Council
- Southwestern Ohio Instructional Technology Association
- Clark County Family and Children First Council
- Springfield/Clark County Joint Vocational School
- Tecumseh Education Foundation
- Miami Valley Special Education Regional Resource Center

Insurance Purchasing Pool:

- Southwestern Ohio Educational Purchasing Council Workers’ Compensation Group Rating Plan

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis Of Presentation

The 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.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net assets presents the financial condition of the governmental activities of the District at year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each program or function 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 grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the 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

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

B. 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.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 District's major governmental funds are as follows:

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 is available to the District 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, and the payment of, long-term debt issued to pay for the local share of the Classroom Facilities Assistance Program.

Classroom Facilities

The Classroom Facilities Fund is used to account for the expenses associated with the District's plan to replace five school buildings and renovate one school building through the Classroom Facilities Assistance Program.

The other governmental funds of the District account for grants and other resources and capital projects of the District whose uses are restricted to a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no funds, which are classified as trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund is used to account for resources that belong to various student groups in the District.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the Statement of Net Assets.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

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. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

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

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

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

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 on the operating statement as an expense with a like amount reported as donated commodities 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 governmental funds.

E. Budget Data

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue, are identified by the District. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2005.

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

F. Cash and Cash Equivalents

To improve cash management, cash received by the District is pooled. Monies for all funds, are maintained in this pool. Individual fund integrity is maintained through the District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet. The original contribution to the permanent fund is invested separately.

The District has segregated bank accounts for monies held separate from the District's central bank account. These interest bearing depository accounts are presented on the combined balance sheet as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the District Treasury.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

For purposes of the presentation on the financial statement, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents.

The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2005 amounted to \$78,583 which includes the general funds allocation as well as the allocations of all funds not specified in the Board's resolution. The Classroom Facilities Fund had interest earnings of \$597,235. The non-major funds also earned interest in the amount of \$25,805.

G. Inventory

On government-wide financial statements, inventories are presented at the lower cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption, donated food, and purchased food. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds, which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure is reported in the year in which services are consumed.

I. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the District for the purchase of textbooks and instructional materials and the creation of a reserve for budget stabilization. See Note 18 for additional information regarding set-sides.

J. Interfund Balances

On the fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as interfund receivables and interfund payables. Interfund balance amounts are eliminated in the statement of net assets.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Estimates

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

L. Capital Assets and Depreciation

General capital assets generally result from expenditures in the governmental funds. These assets are reported within the governmental activities on the government-wide statement of net assets but are not reported in the fund statements.

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

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	30 years
Furniture and Equipment	5 – 10 years
Vehicles	10 years

M. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures or 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 and uses in governmental funds. Repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them are not presented on the financial statement.

N. Compensated Absences

Vacation benefits are accumulated throughout the year; however, vacation time may not be carried from one year to the next. Employees with accrued vacation balances at June 30, 2005 receive a cash payout on the last payroll check of the fiscal year. Therefore, no accrual has been recorded for vacation leave at the District.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sick leave benefits are accrued as a liability using the vesting method which states that the District will estimate its liability based on sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as specified by the retirement system as well as other employees who are expected to become eligible in the future to receive such payments. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated sick leave for all employees after ten years of current service with the District.

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 employees who were retired at June 30, 2005 but were not paid as of that date. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

O. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

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

P. 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.

Q. Fund Balance Reserves

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for inventory of supplies and materials, property taxes, budget stabilization, endowment and encumbrances.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 budget stabilization represents money previously received through workers' compensation rebates which are required to be set-aside by statute to be spent on specific purposes.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

The following funds have fund equity deficits as of June 30, 2005:

	<u>Deficit Fund Equity</u>
Special Revenue	
Title I	\$ 6,667
Classroom Reduction	2,698
Food Service	33,410
Total Special Revenue	<u>\$ 42,775</u>

The deficit fund balances resulted from adjustments for accrued liabilities. Management expects the deficits in these funds to be corrected in early fiscal year 2006. The general fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - 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 fund liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (Continued)

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 Fund</u>
GAAP Basis	\$	810,491
Revenue Accruals		(638,946)
Expenditure Accruals		(1,224,344)
Advances		(8,638)
Encumbrances		569,008
Other		(2,601)
Budget Basis	\$	<u>(495,030)</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Monies held by the District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the District treasury. Active monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable orders of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Deposits: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. By Ohio law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds on deposit with that specific institution. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions. At year-end, the carrying amount of the District's deposits was \$19,518,138 and the bank balance was \$19,109,111. \$100,000 of the bank balance was covered by federal depository insurance and \$19,009,111 was collateralized with securities held by the pledging financial institution's agent but not in the District's name.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Investments: Investments are required to be reported at fair value. The Ohio Revised Code authorizes the District to invest in United States and State of Ohio Bonds, notes and other obligations; bank certificate of deposits; banker's acceptances; commercial paper notes rated prime and issued by United States Corporations; and STAROhio. Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. During fiscal year 2005, the District's invested in U.S. Treasury Obligations, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds and Notes and Federal National Mortgage Association Bonds and Notes.

As of June 30, 2005 the District has the following investments:

	Fair Value	Investment Maturity (in Years)			Standard & Poor's Rating
		Less than 1	1-2	2-3	
Federal Home Loan Mortgage Corporation (FHLMC)	3,067,872	39,788	94,354	2,933,730	AAA
Federal National Mortgage Association (FNMA)	869,117	819,320	49,797	-	AAA
Federal Home Loan Bank (FHLB)	16,990,515	14,512,996	20,019	2,457,500	AAA
FHLMC Discount Note	326,849	326,849	-	-	A-1+
FNMA Discount Note	248,661	248,661	-	-	A-1+
U.S. Treasury Notes	80,203	80,203	-	-	N/A
U.S. Treasury Bills	71,345	71,345	-	-	N/A
	<u>21,654,562</u>	<u>16,099,162</u>	<u>164,170</u>	<u>5,391,230</u>	

At year-end, Federal Home Loan Bank Bonds and Federal Home Loan Mortgage Corporation Bonds represented 78.46 percent and 14.17 percent, respectively, of the District's total investments.

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the school district fiscal year runs from July through June. First half tax collections are received by the school district in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the school district. Real property tax revenue received in calendar 2005 represents collections of calendar year 2004 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed value listed as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2005 represents collections of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2004 became a lien December 31, 2003 were levied after April 1, 2004 and are collected in 2005 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 6 - PROPERTY TAXES (Continued)

Tangible personal property tax revenue received during calendar 2005 (other than public utility property) represents the collection of 2004 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the value as of December 31, 2004. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

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

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

The amount available as an advance at June 30, 2005 was \$2,110,638 in the general fund, \$270,162 in the debt service fund and \$257,498 in the non-major funds.

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

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

	<u>2005 First Half Collections</u>		<u>2004 Second Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 252,600,330	90.14%	\$ 226,962,770	89.15%
Public Utility	9,818,010	3.50%	10,093,220	3.96%
Tangible Personal Property	<u>17,785,234</u>	<u>6.36%</u>	<u>17,527,729</u>	<u>6.89%</u>
Total Assessed Value	<u>\$ 280,203,574</u>	<u>100%</u>	<u>\$ 254,583,719</u>	<u>100%</u>
Tax rate per \$1,000 of assessed valuation	\$46.10		\$48.04	

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 7 - RECEIVABLES

Receivables at June 30, 2005, consisted of current and delinquent property taxes, accounts (student fees), intergovernmental grants and interfund transactions. 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 fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables recorded in nonmajor governmental funds were as follows:

	<u>Amount</u>
<u>Governmental Activities:</u>	
Ohio Reads	18,500
Summer Intervention	56,702
Title I - Immigrant	52,192
Title VI-B Grant	221,613
Title III	18,262
Title I Grant	140,940
Title VI-R Classroom Size Reduction Grant	49,224
Miscellaneous Federal Grants	<u>83,591</u>
Total Intergovernmental Receivables	<u>641,024</u>

The intergovernmental receivable of \$47,012,461 in the classroom facilities fund is a result of the District participating in the School Facilities Commission Program.

NOTE 8 - CAPITAL ASSETS

	Balance 6/30/04	Additions	Deductions	Balance 6/30/05
<u>Capital Assets, not being depreciated</u>				
Land	\$ 520,022	-	-	\$ 520,022
Construction in Progress	1,654,250	3,594,067	-	5,248,317
	<u>2,174,272</u>	<u>3,594,067</u>	<u>-</u>	<u>5,768,339</u>
<u>Capital Assets, being depreciated</u>				
Buildings and Improvements	8,893,141	-	-	8,893,141
Furniture and Equipment	1,188,261	14,098	-	1,202,359
Vehicles	1,911,343	248,860	-	2,160,203
	<u>11,992,745</u>	<u>262,958</u>	<u>-</u>	<u>12,255,703</u>
<u>Less: Accumulated Depreciation</u>				
Buildings and Improvements	(8,644,659)	(13,629)	-	(8,658,288)
Furniture and Equipment	(951,419)	(64,498)	-	(1,015,917)
Vehicles	(1,032,307)	(177,307)	-	(1,209,614)
	<u>(10,628,385)</u>	<u>(255,434) *</u>	<u>-</u>	<u>(10,883,819)</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,538,632</u>	<u>3,601,591</u>	<u>-</u>	<u>\$ 7,140,223</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 8 - CAPITAL ASSETS (Continued)

* - Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 19,891
Special	1,299
Support Services:	
Pupils	83
Instructional Staff	977
Administration	193
Fiscal	1,185
Operation and Maintenance of Plant	41,427
Pupil Transportation	169,276
Operation of Non-Instructional Services	8,853
Extracurricular Activities	2,698
	<u>245,882</u>
Unallocated Depreciation	9,552
Total Depreciation Expense	<u>\$ 255,434</u>

Unallocated depreciation is depreciation of the individual school buildings throughout the District which essentially serve all functions/programs, and therefore is not included as a direct expense of any function or program but disclosed as a separate expense.

NOTE 9 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2005, the District contracted with Marsh USA, Inc. for property, general liability and automobile insurance. Coverage provided by Marsh USA, Inc. is as follows:

Buildings and Contents – replacement cost (\$5,000 deductible)	\$301,000,000
Inland Marine Coverage (\$2,500 deductible)	50,000,000
Crime Insurance	500,000
Automobile Liability (\$500 deductible)	1,000,000
Uninsured Motorists (\$250 deductible)	1,000,000
School Errors & Omissions Liability (\$5,000 deductible)	1,000,000
General Liability:	
Per occurrence	1,000,000
Total per year	3,000,000
Umbrella Liability	5,000,000

Settled claims have not exceeded this commercial coverage in any of the past five years. There have been no significant reductions in insurance coverage from last year.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 9 - RISK MANAGEMENT (Continued)

B. Workers' Compensation

For fiscal year 2005, the District participated in the Southwest Ohio Educational Purchasing Council of Worker's Compensation Group Rating Plan (GRP), a workers' compensation insurance purchasing pool (see Note 16). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of CompManagement, Inc., provides administrative, cost control and actuarial services to the GRP.

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004, and 2003 were \$651,918, \$720,810, and \$752,592, respectively; 48 percent has been contributed for fiscal year 2005 and 100 percent for the fiscal years 2004 and 2003. \$339,397 represents the unpaid contribution for fiscal year 2005 and is recorded as a liability within the respective funds and the Statement of Net Assets.

B. State Teachers Retirement System

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

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2005, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

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 member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2005, 2004, and 2003 were \$1,777,177, \$1,979,384, and \$1,813,728; 84 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003. The District's contributions to the DC Plan for fiscal year 2005 were \$19,643. The District did not make any contributions to the Combined Plan.

NOTE 11 – POSTEMPLOYMENT BENEFITS

State Teachers Retirement System of Ohio (STRS Ohio) provides comprehensive healthcare benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Ohio Revised Code (R.C.), the State Teachers Retirement Board (the Board) has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. The R.C. grants authority to STRS Ohio to provide health care coverage to benefit recipients, spouses and dependents.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 11 – POSTEMPLOYMENT BENEFITS (Continued)

By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll.

The Retirement Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. For fiscal year ended June 30, 2005, the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The balance in the Health Care Stabilization Fund was \$3.1 billion on June 30, 2004 (the latest information available). For the District, this amount equaled \$132,074 during the 2005 fiscal year.

For the year ended June 30, 2004 (the latest information available), net health care costs paid by STRS Ohio were \$268,739,000. There were 111,853 eligible benefit recipients.

For SERS, the Ohio Revised Code gives the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2005, the allocation rate is 3.43 percent. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay has been established at \$27,400. For the School, the amount to fund health care benefits, including the surcharge, was \$279,606 for fiscal year 2005.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2004 (the latest information available), were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004 (the latest information available), the Retirement System's net assets available for payment of health care benefits of \$300.8 million. The number of benefit recipients currently receiving health care benefits is approximately 62,000.

NOTE 12 - EMPLOYEE BENEFITS

A. Compensated Absences

Accumulated Unpaid Sick Leave

Sick leave may be accumulated up to a maximum of 220 days for all district employees. Upon retirement, payment is made for one-fourth of the total unused sick leave balance up to a maximum of thirty-five days for all employees with ten or more years of current service with the District. Twelve percent of the remaining accrued but unused sick leave is paid, not to exceed nine days. The total obligation for sick leave accrual for the District as a whole as of June 30, 2005 was \$1,457,987.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 12 - EMPLOYEE BENEFITS (Continued)

Early Retirement Incentive

The Board of Education approved an early retirement incentive program. Upon initial eligibility for STRS retirement benefits, the Board agreed to pay a one-time lump sum of \$1,250 times each year of Tecumseh LSD service, not to exceed \$25,000, provided that such unit member has at least ten years of Tecumseh LSD service, the final five years of which must be consecutive and be in a paid status immediately prior to retirement.

At the end of the fiscal year 2005, the District had 6 employees who had chosen to accept the early retirement incentive. They will receive the payment 14 months following the effective date of separation. The liability at June 30, 2005, for these 6 employees has been recorded as an early retirement incentive liability in the fund from which the employees' salaries are paid.

B. Health Care Benefits

The District provides life insurance and accidental death and dismemberment insurance to employees through Medical Life Insurance Company. The District provides health insurance coverage through United Health Care of Ohio, Inc. Employee share of the total premium was 15 percent of the monthly premium. The premium varies with each employee depending on the terms of the union contract. Dental insurance is provided through CoreSource and vision benefits are provided through Vision Service Plan.

NOTE 13 - LONG-TERM OBLIGATIONS

The changes in the District's long-term obligations during fiscal year 2005 were as follows:

	Balance 6/30/04	Additions	Deductions	Balance 6/30/05	Amounts Due in One Year
Compensated Absences	\$ 1,683,782	-	225,795	\$ 1,457,987	\$ 108,069
General Obligation Bonds Payable	20,614,975	-	430,000	20,184,975	385,000
Total Governmental Activities	\$ 22,298,757	-	655,795	\$ 21,642,962	\$ 493,069

Compensated absences will be paid from the fund from which the employees' salaries are paid.

The District issued general obligation bonds for the construction and renovation of school buildings. The bonds have a variable interest rate ranging from 2.00% to 4.75% and mature in fiscal year 2032.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 13 - LONG-TERM OBLIGATIONS (Continued)

The District's debt service requirements at June 30, 2005 were as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate (%)</u>
2006	385,000	846,217	2.000
2007	395,000	837,924	2.250
2008	425,000	828,699	2.250
2009	445,000	818,077	2.625
2010	470,000	805,421	3.250
2011-2015	2,790,000	3,756,394	3.500 - 4.000
2016-2020	1,779,975	5,127,354	4.100 - 0.000
2021-2025	4,485,000	2,693,728	4.625 - 4.750
2026-2030	6,055,000	1,454,094	4.750
2031-2032	<u>2,955,000</u>	<u>142,381</u>	4.750
Total	\$ <u>20,184,975</u>	\$ <u>17,310,289</u>	

The District's overall legal debt margin was \$25,715,546 with an unvoted debt margin of \$280,204 and an energy conservation debt margin of \$2,521,832 at June 30, 2005.

NOTE 14 - SHORT-TERM OBLIGATION

The following is a summary of the note activity for the School District for the year ended June 30, 2005:

	<u>Balance 6/30/04</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 6/30/05</u>
Tax Anticipation Note, 4.92%	\$ 274,000	137,000	(274,000)	\$ 137,000
Bond Anticipation Note, 4.25%	<u>20,616,000</u>	<u>-</u>	<u>(20,616,000)</u>	<u>-</u>
Total	\$ <u>20,890,000</u>	<u>137,000</u>	<u>(20,890,000)</u>	\$ <u>137,000</u>

The District issued a five-year tax anticipation note on December 15, 2000 for permanent improvements to be made to the School District's stadium. The debt will be repaid from proceeds of a tax levy collected by the County Auditor.

On December 18, 2003 and January 22, 2004 bond anticipation notes were issued to begin the Classroom Facilities project. The bond anticipation notes were repaid in July 2004 using the proceeds from the general obligation bonds that were issued in May 2004.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Educational Computer Association

The District is a participant in the Miami Valley Educational Computer Association (MVECA) which is a computer consortium. MVECA is an association of public schools within the boundaries of Clark, Clinton, Fayette, Greene and Highland Counties and Cities of Springfield, Wilmington, Washington Court House, Xenia and Hillsboro. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts.

The governing board of MVECA consists of five Superintendents and two Treasurers of member school districts, with four of the five Superintendents and both Treasurers elected by a majority vote of all member school districts except the Greene County Career Center. The fifth Superintendent is from the Greene County Career Center. The District paid MVECA \$91,871 for services provided during the year. Financial information can be obtained from Gary Bosserman, who serves as Director, at 330 East Enon Road, Yellow Springs, Ohio 45387.

Southwestern Ohio Educational Purchasing Cooperative

The District is a member of the Southwestern Ohio Educational Purchasing Cooperative (SOEPC). SOEPC is made up of nearly 100 school districts in 12 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC.

Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the General Fund. During fiscal year 2005, the District paid \$127,585 to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Robert Brown, who serves as Director, at 1831 Harshman Road, Dayton, Ohio 45424.

Southwestern Ohio Instructional Technology Association

The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation organized to serve the educational needs of the area through television programming for the advancement of educational programs.

The Board of Trustees is comprised of twenty-one representatives of SOITA member schools or institutions. Nineteen representatives are elected from within the counties by the qualified members within the counties, i.e. Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby and Warren. Montgomery, Greene and Butler Counties elect two representatives per area. All others elect one representative per area. One at-large non-public representative is elected by the non-public school SOITA members from the State assigned SOITA service area. One at-large higher education representative is elected by higher education SOITA members from within the State assigned SOITA service area.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

All member districts are obligated to pay all fees, charges or other assessments as established by SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the General Fund. During the fiscal year 2005, the District paid \$5,834 to SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Steve Strouse, who serves as Director, at 150 East Sixth Street, Franklin, Ohio 45005.

Clark County Family and Children First Council

The Clark County Family and Children First Council (the Council) is a voluntary association established for the purpose to coordinate and integrate services within Clark County which are available for families and children and to establish a comprehensive, coordinated, multi-disciplinary, interagency system for the delivery of these services in order to more effectively meet the needs of families and children.

The Board of Trustees is comprised of eighteen representatives of each of the members of the Council, including the Superintendent of the Clark County Educational Service Center, who was appointed by the Superintendents of the Clark County schools. All members are obligated to pay all dues as established by the Council to aid the financing of the operations and programs of the Council. The District does not pay dues since the Clark County Educational Service Center represents the District.

Any member withdrawing from the Council must give one hundred eighty days written notice to the Council after formal action of the member's governing board. To obtain financial information, write to the Clark County Family and Children First Council, Marilyn Demma, who serves as Treasurer, at 6 West High Street, Suite 500, Springfield, Ohio 45502.

Springfield/Clark County Joint Vocational School

The Springfield/Clark County Joint Vocational School District (the JVS) is a legally separate body politic and corporate. The Board of the JVS consists of one representative from the following: Clark-Shawnee Local School District, Greenon Local School District, Northeastern Local School District, Northwestern Local School District, Southeastern Local School District, Tecumseh Local School District and the Clark County Educational Service Center; and two members from the Springfield City School District. The Tecumseh Local

School District is not able to impose its will on the JVS and no financial benefit/burden relationship exists. The JVS Board of Education is responsible for approving its own budgets, appointing personnel, and accounting and finance related activities. The District's students may attend the vocational school. During fiscal year 2005, the District did not contribute any money to the JVS. To obtain financial information, write to the Springfield/Clark County Joint Vocational School, Pam Ashbaugh, who serves as Treasurer, at 1901 Selma Road, Springfield, Ohio 45505.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

Tecumseh Education Foundation

The Tecumseh Education Foundation (TEF) is a non-profit community organization of business, civic, industry and educational interests whose purpose is to secure and distribute contributions to assist the District in enabling students to achieve their individual potential. The Board of Trustees is comprised of eleven representatives who are nominated and elected by a majority vote by the present trustees. One member of the Tecumseh Local School District Board of Education is designated annually by the Tecumseh Local School District Board to serve as one of the eleven trustees. Each of elected trustee serves a three year term, with one-third of the trustees being elected every year. The Superintendent of the District will serve in an ex officio capacity on a continuing basis. Officers of the TEF are elected annually by the Board of Trustees. The officers of the foundation shall consist of a President, a Vice-President, a Secretary, a Treasurer and other offices as the Board of Trustees may appoint. The President and Vice-President of the Board of Trustees shall be members of the Board of Trustees. The Secretary and Treasurer need not be members of the Board of Trustees.

The District is not able to impose its will on the TEF and no financial benefit/burden relationship exists. The TEF is responsible for approving its own budgets, appointing personnel, and accounting and finance related activities. The District did not contribute any money to the TEF during fiscal year 2005. To obtain financial information, write to the Tecumseh Educational Foundation, Rita Lane, who serves as President, at P.O. Box 305, New Carlisle, Ohio 45344.

Miami Valley Special Education Regional Resource Center

The Miami Valley Special Education Regional Resource Center (SERRC) is a jointly governed organization formed to initiate, expand, and improve special education programs and services for children with disabilities and their parents. The SERRC is governed by a fifty seven member board consisting of the superintendent of the thirty eight participating school districts and one representative from the University of Dayton. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained from Sharon Kindred, Montgomery County Educational Service Center, 200 S. Keowee Street, Dayton, Ohio 45402.

NOTE 16 - INSURANCE PURCHASING POOL

Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan

The District participates in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by an eleven member Executive Committee consisting of the Chairperson, the Vice-Chairperson, a representative from the Montgomery County Educational Service Center and eight members elected by majority vote of all member school districts. The Chief Administrator of GRP serves as the coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 17 - 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 decision 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 School District is currently unable to determine what effect, if any, this decision will have its future State funding and on its financial operations.

NOTE 18 - SET-ASIDE CALCULATIONS AND FUND RESERVES

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an amount for the acquisition and construction of capital improvements. Although the District had qualifying offsets and disbursements during the year that reduced the set-aside amount below zero for capital acquisitions, these extra amounts may not be used to reduce the set-aside requirement of future years. Excess disbursements related to the textbook reserve may be carried forward from year to year. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

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

	<u>Textbooks</u>	<u>Capital Acquisitions</u>	<u>Budget Stabilization</u>
Set-aside Reserve Balance as of June 30, 2004	\$ (529,590)	\$ -	\$ 80,264
Current Year Set-aside Requirement	519,145	519,145	-
Qualifying Disbursements	(456,209)	(3,737,624)	-
Current Year Offsets	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>(466,654)</u>	<u>(3,218,479)</u>	<u>80,264</u>
Set-aside Balances Carried Forward to Future Fiscal Years	\$ <u>(466,654)</u>	\$ <u>-</u>	\$ <u>80,264</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 18 - SET-ASIDE CALCULATIONS AND FUND RESERVES (continued)

Effective April 10, 2001, Am. Sub. Senate Bill 345 amended ORC Section 5705.29 effectively eliminating the requirement for the District to establish and maintain a budget stabilization reserve. The portion of monies which had previously accumulated in the budget stabilization reserve that were not related to workers' compensation rebates received by the District, are now available for ordinary operating costs incurred by the District and therefore are reported as unreserved and undesignated fund balance in the General Fund. Current State statute requires the District to continue reporting funds received that were related to workers' compensation rebates in the budget stabilization reserve. Restrictions exist as to the manner in which these funds may be spent. As the District's budget stabilization account is comprised entirely of workers' compensation rebate funds, the entire \$80,264 is maintained on the governmental funds' balance sheet as a reservation of fund balance and restricted "equity in pooled cash and cash equivalents" in the General Fund.

NOTE 19 - CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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 adverse effect on the overall financial position of the District at June 30, 2005.

B. Litigation

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

NOTE 20 – CHANGE IN ACCOUNTING PRINCIPLE/RESTATEMENT OF FUND BALANCE

A. Change in Accounting Principle

For the fiscal year 2005, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 40, "*Deposit and Investment Risk Disclosures*". GASB Statement No. 40 establishes and modifies disclosure requirements related to investment risk: credit risk, interest rate risk and foreign currency risk. This statement also establishes and modifies disclosure requirements for deposit risk: custodial credit risk and foreign currency risk.

B. Restatement of Fund Balance

For the fiscal year 2005, the District implemented the provisions of Governmental Accounting Standards Board (GASB) Technical Bulletin 2004-2. The implementation had the following effect on fund balance as previously reported.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

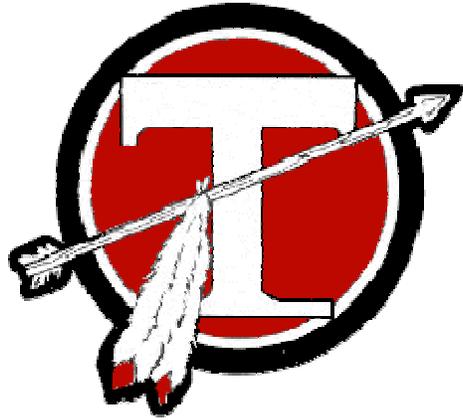
NOTE 20 – CHANGE IN ACCOUNTING PRINCIPLE/RESTATEMENT OF FUND BALANCE
(Continued)

	<u>General</u>	<u>Debt Service</u>	<u>Classroom Facilities</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
Fund Balance at June 30, 2004	\$ 836,406	\$ 21,397,834	\$ 904,441	\$ 916,258	\$ 24,054,939
GASB Technical Bulletin 2004-2	(437,843)	-	-	(59,245)	(497,088)
Adjusted Fund Balance at June 30, 2004	<u>\$ 398,563</u>	<u>\$ 21,397,834</u>	<u>\$ 904,441</u>	<u>\$ 857,013</u>	<u>\$ 23,557,851</u>

NOTE 21 – CONTRACT COMMITMENTS

At June 30, 2005 the District had the following contract commitments as a result of the District's participation in the School Facilities Commission Program:

<u>Contractor</u>	<u>Amount</u>
Active Electric	1,719,000
C&T Design Equipment	1,436,890
Central Fire Protection	621,367
Farnham Equipment Co.	1,006,480
Griffith Sheet Metal	2,188,567
Innovative Energy Solutions	1,086,120
Klechner Environmental	1,551,913
Lepi Environmental	35,732
McQuay International	786,071
Norwood Door & Hardware	893,870
Ohio Technical Services	174,874
Peterson Const	8,567,000
Roger Storer & Sons	837,802
Settle Muter Electric	1,650,000
Slagle Mechanical	632,000
Staffco Construction	5,263,500
Starco, Inc	1,883,525
Saturn Electric	1,443,000
Thomas & Marker	13,495,600
TP Mechanical	2,523,300
Total	<u>\$ 47,796,611</u>



TECUMSEH LOCAL SCHOOL DISTRICT

COMBINING STATEMENTS – NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditure for specified purposes. The following are descriptions of each Special Revenue Fund.

Public School Support

To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sale of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

Other Grants

To account for monies received under a local grant to provide educational supplies to disadvantaged students who otherwise could not afford them.

Special School

To account for monies collected by the individual schools such as gifts and donations, which are to be used to help purchase supplies and materials deemed necessary at the schools.

Classroom Facilities Maintenance

To account for monies received and expended in connection with contracts entered into by the District for the building and equipping of classroom facilities

School Improvement Model

To account for monies received per Section 5705.09 of the Ohio Revised Code. The revenue is used to implement educational programs

District Managed Student Activities

To account for local funds generated to assist student activities, which are managed by District personnel.

Management Information Systems

To account for state funds that are provided to assist the District in implementing a staff, student and financial information system as mandated by the Omnibus Education Reform Act of 1989.

Disadvantaged Pupil Impact Aid

To account for revenues received as part of the School Foundation Program to be used for dropout prevention, counseling services, student attendance or any program set up for the “targeted” students.

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Data Communications

To account for revenues received from the State to be used to install and provide support costs for data communication links to connect any school to the local A-site.

SchoolNet Professional Development

To account for state funds provided for technology professional development within the District.

Textbook Subsidy

To account for state funds provided for the purchase of textbooks by the District.

Ohio Reads Grant

To account for state funds provided for developing and instituting programs to increase student reading comprehension skills.

Summer Intervention

To account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Ohio Revised Code.

Vocational Education

To account for vocational education enhancements that expand the number of students enrolled in tech prep programs, enable students to develop career plans and replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

Miscellaneous State Grants

To account for revenues received from state agencies which are not classified elsewhere.

Title I Immigrant Grant

To account for monies received under a federal program for instructional programs of children of migratory agricultural workers; efforts to help youngsters who are deficient in oral English language facility and related language art skills; efforts to build foundation for expanded opportunities for useful adult employment.

Title VI-B Grant

To account for monies received under a federal grant to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full education opportunities to handicapped children at the elementary and secondary levels.

Title III

To account for monies received under a federal grant to develop and carry out elementary and secondary school programs to meet the educational needs of children of limited English proficiency.

Title I Grant

To account for monies received under a federal grant to assist schools in meeting the special needs of educationally deprived children.

NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)

Title VI

To account for monies received under a federal grant to assist schools with the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

Drug Free Schools Program

To account for monies received under a federal program to support the implementation of programs for drug abuse education and prevention.

Classroom Reduction

To account for grant providing funding to hire additional classroom teachers in grades one through three so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants

To account for monies received under federal grants which are not classified elsewhere.

Food Service Fund

To account for the financial transactions related to the food service operation of the School District.

Latchkey Fund

To account for the financial transactions related to the operation of after school latchkey programs at the various schools throughout the School District.

NONMAJOR CAPITAL PROJECT FUNDS

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings and additions to existing buildings, or for major renovation projects. The following are descriptions of each Capital Projects Fund.

Permanent Improvement

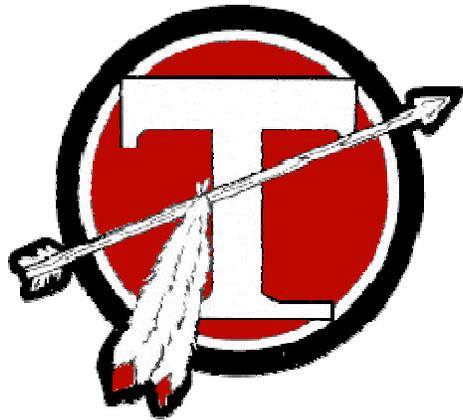
To account for the monies received through the District's two mill, permanent improvement levy that are used for the acquisition, construction or improvement of capital facilities other than those financed by the Non-Expendable Trust Fund.

LFI

To account for local match monies and expenditures associated with the District's participation in the Classroom Facilities Assistance Program.

Video Distance Learning

To account for monies received through a State grant to provide schools with the necessary equipment to facilitate video and teleconferencing capabilities to allow remote learning opportunities.



TECUMSEH LOCAL SCHOOL DISTRICT

TECUMSEH LOCAL SCHOOL DISTRICT
CLARK COUNTY, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 877,869	\$ 1,377,763	\$ 108	\$ 2,255,740
Cash and Cash Equivalents in Segregated Accounts	2,500	-	-	2,500
Investments	-	-	2,000	2,000
Receivables:				
Taxes	104,233	615,100		719,333
Intergovernmental	641,024	-	-	641,024
Supplies Inventory	5,511	-	-	5,511
Inventory held for Resale	9,030	-	-	9,030
Total Assets	<u>\$ 1,640,167</u>	<u>\$ 1,992,863</u>	<u>\$ 2,108</u>	<u>\$ 3,635,138</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$ 51,341	\$ -	\$ -	\$ 51,341
Contracts Payable	1,500	-	-	1,500
Accrued Wages and Benefits	272,494	-	-	272,494
Compensated Absences Payable	4,483	-	-	4,483
Interfund Payable	8,637	-	-	8,637
Intergovernmental Payable	126,695	-	-	126,695
Deferred Revenue	482,394	386,096	-	868,490
Tax Anticipation Notes Payable	-	137,000	-	137,000
Total Liabilities	<u>947,544</u>	<u>523,096</u>	<u>-</u>	<u>1,470,640</u>
Fund Equity:				
Reserved for Encumbrances	158,185	324,011	-	482,196
Reserved for Supplies Inventory	14,541	-	-	14,541
Reserved for Taxes	28,494	229,004	-	257,498
Reserved for Endowment	-	-	2,108	2,108
Unreserved	491,403	916,752	-	1,408,155
Total Fund Equity	<u>692,623</u>	<u>1,469,767</u>	<u>2,108</u>	<u>2,164,498</u>
Total Liabilities and Fund Equity	<u>\$ 1,640,167</u>	<u>\$ 1,992,863</u>	<u>\$ 2,108</u>	<u>\$ 3,635,138</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2005

	PUBLIC SCHOOL SUPPORT	OTHER GRANTS	SPECIAL SCHOOL	CLASSROOM FACILITIES MAINTENANCE	SCHOOL IMPROVEMENT MODEL
<u>Assets:</u>					
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 147,301	\$ 47,047	\$ 13,939	\$ 173,222	\$ 5,299
Cash in Segregated Accounts	-	-	-	-	-
Receivables:					
Taxes	-	-	-	104,233	-
Intergovernmental	-	-	-	-	-
Inventory Held for Resale	-	-	-	-	-
Supplies Inventory	-	-	-	-	-
Total Assets	\$ 147,301	\$ 47,047	\$ 13,939	\$ 277,455	\$ 5,299
<u>Liabilities and Fund Equity:</u>					
Liabilities:					
Accounts Payable	\$ 8,823	\$ -	\$ 666	\$ -	\$ -
Contracts Payable	-	-	-	1,500	-
Accrued Wages and Benefits	-	-	-	-	-
Accrued Interest Payable	-	-	-	-	-
Interfund Payable	-	-	-	-	-
Intergovernmental Payable	50	1,084	-	-	-
Deferred Revenue	-	-	-	75,739	-
Total Liabilities	8,873	1,084	666	77,239	-
Fund Equity:					
Reserved for Encumbrances	4,854	303	184	49,375	-
Reserved for Supplies Inventory	-	-	-	-	-
Reserved for Taxes	-	-	-	28,494	-
Unreserved	133,574	45,660	13,089	122,347	5,299
Total Fund Equity	138,428	45,963	13,273	200,216	5,299
Total Liabilities and Fund Equity	\$ 147,301	\$ 47,047	\$ 13,939	\$ 277,455	\$ 5,299

<u>DISTRICT MANAGED STUDENT ACTIVITIES</u>	<u>MANAGEMENT INFORMATION SYSTEMS</u>	<u>DISADVANTAGED PUPIL IMPACT AID</u>	<u>DATA COMMUNICATIONS</u>
\$ 55,477	\$ 3,485	\$ 41,057	\$ -
2,500	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 57,977</u>	<u>\$ 3,485</u>	<u>\$ 41,057</u>	<u>\$ -</u>
\$ 902	\$ -	\$ -	\$ -
-	-	-	-
-	-	3,760	-
-	-	-	-
-	468	1,600	-
-	-	-	-
<u>902</u>	<u>468</u>	<u>5,360</u>	<u>-</u>
11,422	-	-	-
-	-	-	-
-	-	-	-
<u>45,653</u>	<u>3,017</u>	<u>35,697</u>	<u>-</u>
<u>57,075</u>	<u>3,017</u>	<u>35,697</u>	<u>-</u>
<u>\$ 57,977</u>	<u>\$ 3,485</u>	<u>\$ 41,057</u>	<u>\$ -</u>

(continued)

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2005
(Continued)

	SCHOOL NET PROFESSIONAL DEVELOPMENT	TEXTBOOK SUBSIDY	OHIO READS GRANT	SUMMER INTERVENTION	VOCATIONAL EDUCATION
<u>Assets:</u>					
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 4,964	\$ 40,910	\$ 7,244	\$ 1,282	\$ -
Cash in Segregated Accounts	-	-	-	-	-
Receivables:					
Taxes	-	-	-	-	-
Intergovernmental	-	-	18,500	56,702	-
Inventory Held for Resale	-	-	-	-	-
Supplies Inventory	-	-	-	-	-
Total Assets	\$ 4,964	\$ 40,910	\$ 25,744	\$ 57,984	\$ -
<u>Liabilities and Fund Equity:</u>					
Liabilities:					
Accounts Payable	\$ 1,203	\$ -	\$ 4,156	\$ 97	\$ -
Contracts Payable	-	-	-	-	-
Accrued Wages and Benefits	-	-	-	-	-
Accrued Interest Payable	-	-	-	-	-
Interfund Payable	-	-	6,828	-	-
Intergovernmental Payable	-	-	1,438	18,380	-
Deferred Revenue	-	-	11,672	10,275	-
Total Liabilities	1,203	-	24,094	28,752	-
Fund Equity:					
Reserved for Encumbrances	2,992	-	3,071	305	-
Reserved for Supplies Inventory	-	-	-	-	-
Reserved for Taxes	-	-	-	-	-
Unreserved	769	40,910	(1,421)	28,927	-
Total Fund Equity	3,761	40,910	1,650	29,232	-
Total Liabilities and Fund Equity	\$ 4,964	\$ 40,910	\$ 25,744	\$ 57,984	\$ -

MISCELLANEOUS STATE GRANTS	TITLE I IMMIGRANT GRANT	TITLE VI-B GRANT	TITLE III GRANT
\$ 4,777	\$ 9,310	\$ 39,357	\$ 5,057
-	-	-	-
-	-	-	-
-	52,192	221,613	18,262
-	-	-	-
-	-	-	-
<u>\$ 4,777</u>	<u>\$ 61,502</u>	<u>\$ 260,970</u>	<u>\$ 23,319</u>
\$ -	\$ -	\$ 75	\$ -
-	-	-	-
-	9,313	58,216	-
-	-	-	-
-	-	-	-
-	10,694	12,243	1,919
-	17,194	175,383	13,528
<u>-</u>	<u>37,201</u>	<u>245,917</u>	<u>15,447</u>
435	650	7,056	376
-	-	-	-
-	-	-	-
4,342	23,651	7,997	7,496
<u>4,777</u>	<u>24,301</u>	<u>15,053</u>	<u>7,872</u>
<u>\$ 4,777</u>	<u>\$ 61,502</u>	<u>\$ 260,970</u>	<u>\$ 23,319</u>

(continued)

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2005
(Continued)

	TITLE I GRANT	TITLE VI GRANT	DRUG FREE SCHOOLS GRANT	CLASSROOM REDUCTION
<u>Assets:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 10,592	\$ -	\$ -	\$ 6,333
Cash in Segregated Accounts	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Intergovernmental	140,940	-	-	49,224
Inventory Held for Resale	-	-	-	-
Supplies Inventory	-	-	-	-
Total Assets	<u>\$ 151,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,557</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Accounts Payable	\$ 495	\$ -	\$ -	\$ -
Contracts Payable	-	-	-	-
Accrued Wages and Benefits	59,740	-	-	23,311
Compensated Absences Payable	-	-	-	-
Interfund Payable	-	-	-	-
Intergovernmental Payable	14,219	-	-	2,690
Deferred Revenue	83,745	-	-	32,254
Total Liabilities	<u>158,199</u>	<u>-</u>	<u>-</u>	<u>58,255</u>
Fund Equity:				
Reserved for Encumbrances	61	-	-	-
Reserved for Supplies Inventory	-	-	-	-
Reserved for Taxes	-	-	-	-
Unreserved	(6,728)	-	-	(2,698)
Total Fund Equity	<u>(6,667)</u>	<u>-</u>	<u>-</u>	<u>(2,698)</u>
Total Liabilities and Fund Equity	<u>\$ 151,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,557</u>

MISCELLANEOUS FEDERAL GRANTS	FOOD SERVICE	LATCHKEY	TOTAL
\$ 1,397	\$ 148,076	\$ 111,743	\$ 877,869
-	-	-	2,500
-	-	-	104,233
83,591	-	-	641,024
-	9,030	-	9,030
-	5,511	-	5,511
<u>\$ 84,988</u>	<u>\$ 162,617</u>	<u>\$ 111,743</u>	<u>\$ 1,640,167</u>
\$ 513	\$ 34,339	\$ 72	\$ 51,341
-	-	-	1,500
3,470	104,236	10,448	272,494
-	4,482	-	4,482
1,810	-	-	8,638
3,897	52,970	5,043	126,695
62,604	-	-	482,394
<u>72,294</u>	<u>196,027</u>	<u>15,563</u>	<u>947,544</u>
844	73,730	2,527	158,185
-	14,541	-	14,541
-	-	-	28,494
11,850	(121,681)	93,653	491,403
<u>12,694</u>	<u>(33,410)</u>	<u>96,180</u>	<u>692,623</u>
<u>\$ 84,988</u>	<u>\$ 162,617</u>	<u>\$ 111,743</u>	<u>\$ 1,640,167</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2005

	PERMANENT IMPROVEMENT	LFI	VIDEO DISTANCE LEARNING	TOTAL
<u>Assets:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 1,057,878	\$ 319,885	\$ -	\$ 1,377,763
Taxes Receivable	615,100	-	-	615,100
Total Assets and Other Debits	<u>\$ 1,672,978</u>	<u>\$ 319,885</u>	<u>\$ -</u>	<u>\$ 1,992,863</u>
<u>Liabilities and Fund Equity:</u>				
Liabilities:				
Deferred Revenue	\$ 386,096	\$ -	\$ -	\$ 386,096
Tax Anticipation Notes Payable	137,000	-	-	137,000
Total Liabilities	<u>523,096</u>	<u>-</u>	<u>-</u>	<u>523,096</u>
Fund Equity:				
Fund Balances:				
Reserved for Encumbrances	324,011	-	-	324,011
Reserved for Taxes	229,004	-	-	229,004
Unreserved	596,867	319,885	-	916,752
Total Fund Equity	<u>1,149,882</u>	<u>319,885</u>	<u>-</u>	<u>1,469,767</u>
Total Liabilities and Fund Equity	<u>\$ 1,672,978</u>	<u>\$ 319,885</u>	<u>\$ -</u>	<u>\$ 1,992,863</u>

TECUMSEH LOCAL SCHOOL DISTRICT
CLARK COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 118,270	\$ 664,051	\$ -	\$ 782,321
Intergovernmental	2,330,150	87,161	-	2,417,311
Interest	1,755	24,027	23	25,805
Charges for Services	900,526	-	-	900,526
Extracurricular Activities	266,049	-	-	266,049
Miscellaneous	52,147	-	-	52,147
Total Revenues	3,668,897	775,239	23	4,444,159
Expenditures:				
Current:				
Instruction:				
Regular	445,284	6,900	-	452,184
Special	520,365	-	-	520,365
Support Services:				
Pupils	440,870	-	-	440,870
Instructional Staff	188,986	-	-	188,986
Administration	189,360	3,683	-	193,043
Fiscal	2,203	12,280	-	14,483
Plant Operation and Maintenance	27,409	29,194	-	56,603
Pupil Transportation	14,117	58,115	-	72,232
Central	5,320	-	-	5,320
Non-Instructional Services	1,523,895	22,855	-	1,546,750
Extracurricular Activities	164,066	-	-	164,066
Debt Service:				
Interest and Fiscal Charges	-	6,392	-	6,392
Total Expenditures	3,521,875	139,419	-	3,661,294
Excess of Revenues Over(Under) Expenditures	147,022	635,820	23	782,865
Other Financing Sources:				
Transfers-In	-	524,620	-	524,620
Total Other Financing Sources (Uses)	-	524,620	-	524,620
Excess of Revenues and Other Financing Sources Over(Under) Expenditures	147,022	1,160,440	23	1,307,485
Fund Balance at Beginning of Year	545,601	309,327	2,085	857,013
Fund Balance at End of Year	<u>\$ 692,623</u>	<u>\$ 1,469,767</u>	<u>\$ 2,108</u>	<u>\$ 2,164,498</u>

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

	PUBLIC SCHOOL SUPPORT	OTHER GRANTS	SPECIAL SCHOOL	CLASSROOM FACILITIES MAINTENANCE	SCHOOL IMPROVEMENT MODEL
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ 118,270	\$ -
Intergovernmental	-	39,047	-	15,044	-
Interest	-	-	-	-	-
Charges for Services	-	-	-	-	-
Extracurricular Activities	89,318	-	2,273	-	-
Miscellaneous	26,802	7,000	6,747	-	-
Total Revenues	116,120	46,047	9,020	133,314	-
Expenditures:					
Current:					
Instruction:					
Regular	101,251	36	-	-	-
Special	-	-	-	-	-
Support Services:					
Pupils	981	6,123	-	-	-
Instructional Staff	-	3,631	666	-	-
Administration	-	-	-	-	-
Fiscal	-	-	-	2,203	-
Plant Operation and Maintenance	-	-	-	-	-
Pupil Transportation	-	-	-	-	-
Central	-	-	-	-	-
Non-Instructional Services	-	-	5,535	16,500	-
Extracurricular Activities	-	-	-	-	-
Total Expenditures	102,232	9,790	6,201	18,703	-
Excess of Revenues Over(Under) Expenditures	13,888	36,257	2,819	114,611	-
Fund Balance at Beginning of Year	124,540	9,706	10,454	85,605	5,299
Fund Balance at End of Year	<u>\$ 138,428</u>	<u>\$ 45,963</u>	<u>\$ 13,273</u>	<u>\$ 200,216</u>	<u>\$ 5,299</u>

<u>DISTRICT MANAGED STUDENT ACTIVITIES</u>	<u>MANAGEMENT INFORMATION SYSTEMS</u>	<u>DISADVANTAGED PUPIL IMPACT AID</u>	<u>DATA COMMUNICATIONS</u>
\$ -	\$ -	\$ -	\$ -
-	11,602	44,264	24,000
497	-	-	-
-	-	-	-
174,458	-	-	-
11,598	-	-	-
<u>186,553</u>	<u>11,602</u>	<u>44,264</u>	<u>24,000</u>
-	-	-	-
-	-	-	-
-	6,304	27,158	-
-	-	-	-
-	3,725	-	-
-	-	-	-
-	-	-	24,000
-	-	-	-
-	4,000	-	-
-	-	-	-
164,066	-	-	-
<u>164,066</u>	<u>14,029</u>	<u>27,158</u>	<u>24,000</u>
22,487	(2,427)	17,106	-
34,588	5,444	18,591	-
<u>\$ 57,075</u>	<u>\$ 3,017</u>	<u>\$ 35,697</u>	<u>\$ -</u>

(continued)

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

	SCHOOL NET PROFESSIONAL DEVELOPMENT	TEXTBOOK SUBSIDY	OHIO READS GRANT	SUMMER INTERVENTION	VOCATIONAL EDUCATION
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	24,140	-	50,828	60,425	763
Interest	-	-	-	-	-
Charges for Services	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>24,140</u>	<u>-</u>	<u>50,828</u>	<u>60,425</u>	<u>763</u>
Expenditures:					
Current:					
Instruction:					
Regular	-	-	37,604	42,964	763
Special	-	-	-	-	-
Support Services:					
Pupils	-	-	16,386	5,568	-
Instructional Staff	23,193	-	5,744	5,829	-
Administration	-	-	-	-	-
Fiscal	-	-	-	-	-
Plant Operation and Maintenance	-	-	-	-	-
Pupil Transportation	-	-	-	5,550	-
Central	-	-	1,320	-	-
Non-Instructional Services	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Total Expenditures	<u>23,193</u>	<u>-</u>	<u>61,054</u>	<u>59,911</u>	<u>763</u>
Excess of Revenues Over(Under) Expenditures	947	-	(10,226)	514	-
Fund Balance at Beginning of Year	<u>2,814</u>	<u>40,910</u>	<u>11,876</u>	<u>28,718</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 3,761</u>	<u>\$ 40,910</u>	<u>\$ 1,650</u>	<u>\$ 29,232</u>	<u>\$ -</u>

MISCELLANEOUS STATE GRANTS	TITLE I IMIGRANT GRANT	TITLE VI-B GRANT	TITLE III GRANT
\$ -	\$ -	\$ -	\$ -
9,601	107,126	566,302	47,210
-	-	-	-
-	-	-	-
-	-	-	-
<u>9,601</u>	<u>107,126</u>	<u>566,302</u>	<u>47,210</u>
971	15,561	12,850	33,733
-	37,733	103,472	-
3,647	40,818	305,693	6,364
2,078	-	65,884	1,583
-	5,155	106,026	-
-	-	-	-
-	583	-	-
-	1,001	-	1,235
-	-	-	-
-	773	-	734
-	-	-	-
<u>6,696</u>	<u>101,624</u>	<u>593,925</u>	<u>43,649</u>
2,905	5,502	(27,623)	3,561
<u>1,872</u>	<u>18,799</u>	<u>42,676</u>	<u>4,311</u>
<u>\$ 4,777</u>	<u>\$ 24,301</u>	<u>\$ 15,053</u>	<u>\$ 7,872</u>

(continued)

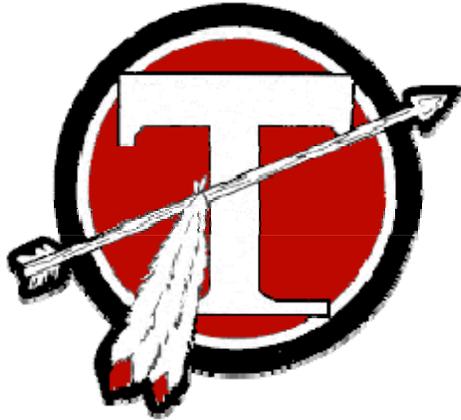
TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Continued)

	TITLE I GRANT	TITLE VI GRANT	DRUG FREE SCHOOLS GRANT	CLASSROOM REDUCTION
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	423,845	15,275	16,593	143,278
Interest	-	-	-	-
Charges for Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	423,845	15,275	16,593	143,278
Expenditures:				
Current:				
Instruction:				
Regular	19,843	15,275	-	150,776
Special	343,884	-	-	-
Support Services:				
Pupils	5,235	-	16,593	-
Instructional Staff	70,737	-	-	4,593
Administration	36,011	-	-	-
Fiscal	-	-	-	-
Plant Operation and Maintenance	-	-	-	-
Pupil Transportation	-	-	-	-
Central	-	-	-	-
Non-Instructional Services	-	-	-	-
Extracurricular Activities	-	-	-	-
Total Expenditures	475,710	15,275	16,593	155,369
Excess of Revenues Over(Under) Expenditures	(51,865)	-	-	(12,091)
Fund Balance at Beginning of Year	45,198	-	-	9,393
Fund Balance at End of Year	<u>\$ (6,667)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,698)</u>

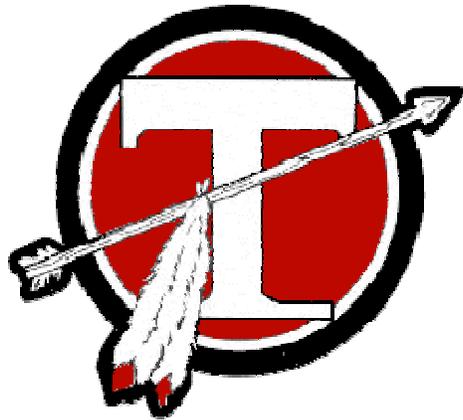
MISCELLANEOUS FEDERAL GRANTS	FOOD SERVICE	LATCHKEY	TOTAL
\$ -	\$ -	\$ -	\$ 118,270
112,812	617,995	-	2,330,150
-	1,258	-	1,755
-	770,347	130,179	900,526
-	-	-	266,049
-	-	-	52,147
<u>112,812</u>	<u>1,389,600</u>	<u>130,179</u>	<u>3,668,897</u>
13,657	-	-	445,284
35,276	-	-	520,365
-	-	-	440,870
5,048	-	-	188,986
38,443	-	-	189,360
-	-	-	2,203
2,826	-	-	27,409
6,331	-	-	14,117
-	-	-	5,320
-	1,398,509	101,844	1,523,895
-	-	-	164,066
<u>101,581</u>	<u>1,398,509</u>	<u>101,844</u>	<u>3,521,875</u>
11,231	(8,909)	28,335	147,022
1,463	(24,501)	67,845	545,601
<u>\$ 12,694</u>	<u>\$ (33,410)</u>	<u>\$ 96,180</u>	<u>\$ 692,623</u>

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

	PERMANENT IMPROVEMENT	LFI	VIDEO DISTANCE LEARNING	TOTAL
Revenues:				
Taxes	\$ 664,051	\$ -	\$ -	\$ 664,051
Intergovernmental	87,161	-	-	87,161
Interest	15,757	8,270	-	24,027
Total Revenues	766,969	8,270	-	775,239
Expenditures:				
Current:				
Instruction:				
Regular	4,500	-	2,400	6,900
Support Services:				
Administration	3,683	-	-	3,683
Fiscal	12,280	-	-	12,280
Plant Operation and Maintenance	29,194	-	-	29,194
Pupil Transportation	58,115	-	-	58,115
Non-Instructional Services	22,855	-	-	22,855
Debt Service:				
Interest and Fiscal Charges	6,392	-	-	6,392
Total Expenditures	137,019	-	2,400	139,419
Excess of Revenues Over(Under)				
Expenditures	629,950	8,270	(2,400)	635,820
Other Financing Sources (Uses):				
Operating Transfers-In	-	524,620	-	524,620
Total Other Financing Sources (Uses)	-	524,620	-	524,620
Excess of Revenues and Other				
Financing Sources Over(Under)				
Expenditures and Other Financing Uses	629,950	532,890	(2,400)	1,160,440
Fund Balance at Beginning of Year	519,932	(213,005)	2,400	309,327
Fund Balance at End of Year	\$ 1,149,882	\$ 319,885	\$ -	\$ 1,469,767



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



TECUMSEH LOCAL SCHOOL DISTRICT

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FOOD SERVICE SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Charges for Services	\$ 822,169	\$ 768,188	\$ 768,188	\$ -
Interest Earnings	306	1,258	1,258	-
Intergovernmental	500,000	594,464	594,464	-
Gifts and Donations	1,220	970	970	-
Total Revenues	<u>1,323,695</u>	<u>1,364,880</u>	<u>1,364,880</u>	<u>-</u>
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	11,880	9,277	9,277	-
Total Support Services	<u>11,880</u>	<u>9,277</u>	<u>9,277</u>	<u>-</u>
Non-Instructional Services:				
Salaries and Wages	557,735	527,961	527,961	-
Fringe Benefits	233,505	227,017	227,017	-
Purchased Services	44,700	93,589	93,589	-
Materials and Supplies	452,005	532,225	532,225	-
Capital Outlay - New	-	225	225	-
Capital Outlay - Replacement	2,000	87	87	-
Total Non-Instructional Services	<u>1,289,945</u>	<u>1,381,104</u>	<u>1,381,104</u>	<u>-</u>
Total Expenditures	<u>1,301,825</u>	<u>1,390,381</u>	<u>1,390,381</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>21,870</u>	<u>(25,501)</u>	<u>(25,501)</u>	<u>-</u>
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	-	593	593	-
Operating Transfers-In	20,000	-	-	-
Operating Transfers-Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>593</u>	<u>593</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>41,870</u>	<u>(24,908)</u>	<u>(24,908)</u>	<u>-</u>
Fund Equity at Beginning of Year	44,524	44,524	44,524	-
Prior Year Encumbrances Appropriated	25,847	25,847	25,847	-
Fund Equity at End of Year	<u>\$ 112,241</u>	<u>\$ 45,463</u>	<u>\$ 45,463</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
LATCHKEY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Charges for Services	\$ 98,750	\$ 130,179	\$ 130,179	\$ -
Total Revenues	<u>98,750</u>	<u>130,179</u>	<u>130,179</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Pupils:				
Purchased Services	-	5,122	5,122	-
Materials and Supplies	-	5,160	5,160	-
Pupil Transportation:				
Salaries and Wages	-	57	57	-
Fringe Benefits	-	9	9	-
Materials and Supplies	-	71	71	-
Total Support Services	<u>-</u>	<u>10,419</u>	<u>10,419</u>	<u>-</u>
Non-Instructional Services:				
Salaries and Wages	55,351	54,929	54,929	-
Fringe Benefits	32,200	22,385	22,385	-
Purchased Services	5,600	3,343	3,343	-
Materials and Supplies	24,307	15,976	15,976	-
Capital Outlay - New	12,500	-	-	-
Other	54,401	341	341	-
Total Non-Instructional Services	<u>184,359</u>	<u>96,974</u>	<u>96,974</u>	<u>-</u>
Total Expenditures	<u>184,359</u>	<u>107,393</u>	<u>107,393</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(85,609)	22,786	22,786	-
Other Financing Sources (Uses):				
Operating Transfers-In	4,995	-	-	-
Total Other Financing Sources (Uses)	<u>4,995</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses				
	(80,614)	22,786	22,786	-
Fund Equity at Beginning of Year	76,517	76,517	76,517	-
Prior Year Encumbrances Appropriated	9,843	9,843	9,843	-
Fund Equity at End of Year	<u>\$ 5,746</u>	<u>\$ 109,146</u>	<u>\$ 109,146</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
PUBLIC SCHOOL SUPPORT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Tuition and Fees	\$ 750	\$ -	\$ -	\$ -
Extracurricular Activities	94,260	89,317	89,317	-
Gifts and Donations	23,160	21,830	21,830	-
Miscellaneous	7,600	4,972	4,972	-
Total Revenues	<u>125,770</u>	<u>116,119</u>	<u>116,119</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	206,309	106,105	106,105	-
Support Services:				
Pupils	-	931	931	-
Total Expenditures	<u>206,309</u>	<u>107,036</u>	<u>107,036</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(80,539)	9,083	9,083	-
Other Financing Sources (Uses):				
Refund of Prior Year Expenditures	344	-	-	-
Total Other Financing Sources (Uses)	<u>344</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(80,195)	9,083	9,083	-
Fund Balance at Beginning of Year	123,420	123,420	123,420	-
Prior Year Encumbrances Appropriated	1,121	1,121	1,121	-
Fund Balance at End of Year	<u>\$ 44,346</u>	<u>\$ 133,624</u>	<u>\$ 133,624</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
OTHER GRANTS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ -	\$ 39,047	\$ 39,047	\$ -
Gifts and Donations	<u>9,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Total Revenues	<u>9,000</u>	<u>46,047</u>	<u>46,047</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	3,459	36	36	-
Support Services:				
Pupils	7,057	5,409	5,409	-
Instructional Staff	<u>2,706</u>	<u>3,933</u>	<u>3,933</u>	<u>-</u>
Total Expenditures	<u>13,222</u>	<u>9,378</u>	<u>9,378</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,222)	36,669	36,669	-
Fund Balance at Beginning of Year	9,803	9,803	9,803	-
Prior Year Encumbrances Appropriated	<u>274</u>	<u>274</u>	<u>274</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 5,855</u>	<u>\$ 46,746</u>	<u>\$ 46,746</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
SPECIAL SCHOOL SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Extracurricular Activities	\$ 4,500	\$ 2,273	\$ 2,273	\$ -
Gifts and Donations	650	-	-	-
Miscellaneous	<u>6,175</u>	<u>6,746</u>	<u>6,746</u>	<u>-</u>
Total Revenues	<u>11,325</u>	<u>9,019</u>	<u>9,019</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>21,781</u>	<u>7,355</u>	<u>7,355</u>	<u>-</u>
Total Expenditures	<u>21,781</u>	<u>7,355</u>	<u>7,355</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,456)	1,664	1,664	-
Fund Balance at Beginning of Year	10,425	10,425	10,425	-
Prior Year Encumbrances Appropriated	<u>31</u>	<u>31</u>	<u>31</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 12,120</u>	<u>\$ 12,120</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
SCHOOL IMPROVEMENT MODEL SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>5,299</u>	<u>5,299</u>	<u>5,299</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 5,299</u>	<u>\$ 5,299</u>	<u>\$ 5,299</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
CLASSROOM FACILITIES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Taxes	\$ 114,209	\$ 112,992	\$ 112,992	\$ -
Intergovernmental	<u>14,176</u>	<u>15,044</u>	<u>15,044</u>	<u>-</u>
Total Revenues	<u>128,385</u>	<u>128,036</u>	<u>128,036</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Fiscal	-	2,203	2,203	-
Non-Instructional Services	<u>106,000</u>	<u>65,875</u>	<u>65,875</u>	<u>-</u>
Total Expenditures	<u>106,000</u>	<u>68,078</u>	<u>68,078</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>22,385</u>	<u>59,958</u>	<u>59,958</u>	<u>-</u>
Fund Balance at Beginning of Year	9,389	9,389	9,389	-
Prior Year Encumbrances Appropriated	<u>53,000</u>	<u>53,000</u>	<u>53,000</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 84,774</u>	<u>\$ 122,347</u>	<u>\$ 122,347</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
DISTRICT MANAGED STUDENT ACTIVITIES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Interest	\$ -	\$ 496	\$ 496	\$ -
Extracurricular Activities	171,500	174,456	174,456	-
Gifts and Donations	12,800	10,750	10,750	-
Miscellaneous	<u>800</u>	<u>848</u>	<u>848</u>	<u>-</u>
Total Revenues	<u>185,100</u>	<u>186,550</u>	<u>186,550</u>	<u>-</u>
Expenditures:				
Current:				
Extracurricular Activities	<u>226,032</u>	<u>181,853</u>	<u>181,853</u>	<u>-</u>
Total Expenditures	<u>226,032</u>	<u>181,853</u>	<u>181,853</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(40,932)	4,697	4,697	-
Other Financing Sources (Uses):				
Operating Transfers-In	-	3,000	3,000	-
Operating Transfers-Out	<u>-</u>	<u>(3,000)</u>	<u>(3,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over(Under) Expenditures and Other Financing Uses	(40,932)	4,697	4,697	-
Fund Balance at Beginning of Year	33,023	33,023	33,023	-
Prior Year Encumbrances Appropriated	<u>7,909</u>	<u>7,909</u>	<u>7,909</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 45,629</u>	<u>\$ 45,629</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
ENTRY YEAR SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Total Revenues	\$ -	\$ 5,500	\$ 5,500	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	-	5,461	5,461	-
Total Expenditures	-	5,461	5,461	-
Deficiency of Revenues Under Expenditures	-	39	39	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 39</u>	<u>\$ 39</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
MANAGEMENT INFORMATION SYSTEMS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ 13,350	\$ 11,602	\$ 11,602	\$ -
Total Revenues	<u>13,350</u>	<u>11,602</u>	<u>11,602</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Pupils	20,000	6,040	6,040	-
Administration	917	5,643	5,643	-
Central	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Total Expenditures	<u>20,917</u>	<u>15,683</u>	<u>15,683</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,567)	(4,081)	(4,081)	-
Fund Balance at Beginning of Year	<u>7,567</u>	<u>7,567</u>	<u>7,567</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 3,486</u>	<u>\$ 3,486</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
DISADVANTAGED PUPIL IMPACT AID SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ 48,288	\$ 48,288	\$ 48,288	\$ -
Total Revenues	<u>48,288</u>	<u>48,288</u>	<u>48,288</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Pupils	<u>68,000</u>	<u>27,927</u>	<u>27,927</u>	<u>-</u>
Total Expenditures	<u>68,000</u>	<u>27,927</u>	<u>27,927</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,712)	20,361	20,361	-
Fund Balance at Beginning of Year	<u>20,696</u>	<u>20,696</u>	<u>20,696</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 984</u>	<u>\$ 41,057</u>	<u>\$ 41,057</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
DATA COMMUNICATIONS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ -	\$ 24,000	\$ 24,000	\$ -
Total Revenues	<u>-</u>	<u>24,000</u>	<u>24,000</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Plant Operation and Maintenance	-	24,000	24,000	-
Total Expenditures	<u>-</u>	<u>24,000</u>	<u>24,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
SCHOOLNET PROFESSIONAL DEVELOPMENT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ 4,140	\$ 24,140	\$ 24,140	\$ -
Total Revenues	<u>4,140</u>	<u>24,140</u>	<u>24,140</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instructional Staff	<u>3,203</u>	<u>26,185</u>	<u>26,185</u>	<u>-</u>
Total Expenditures	<u>3,203</u>	<u>26,185</u>	<u>26,185</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	937	(2,045)	(2,045)	-
Fund Balance at Beginning of Year	<u>2,814</u>	<u>2,814</u>	<u>2,814</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 3,751</u>	<u>\$ 769</u>	<u>\$ 769</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
TEXTBOOK SUBSIDY SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>40,910</u>	<u>40,910</u>	<u>40,910</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 40,910</u>	<u>\$ 40,910</u>	<u>\$ 40,910</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
OHIO READS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Intergovernmental	\$ 52,500	\$ 44,000	\$ 44,000	\$ -
Total Revenues	<u>52,500</u>	<u>44,000</u>	<u>44,000</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	33,944	29,653	29,653	-
Support Services:				
Pupils	10,117	15,919	15,919	-
Instructional Staff	20,763	7,820	7,820	-
Pupil Transportation	<u>1,803</u>	<u>1,320</u>	<u>1,320</u>	<u>-</u>
Total Expenditures	<u>66,627</u>	<u>54,712</u>	<u>54,712</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,127)	(10,712)	(10,712)	-
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	-	(10,226)	(10,226)	-
Advances-In	<u>-</u>	<u>6,828</u>	<u>6,828</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(3,398)</u>	<u>(3,398)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(14,127)	(14,110)	(14,110)	-
Fund Balance at Beginning of Year	11,319	11,319	11,319	-
Prior Year Encumbrances Appropriated	<u>2,808</u>	<u>2,808</u>	<u>2,808</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 17</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
SUMMER INTERVENTION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Intergovernmental	\$ 106,950	\$ 40,038	\$ 40,038	\$ -
Total Revenues	<u>106,950</u>	<u>40,038</u>	<u>40,038</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	90,123	44,489	44,489	-
Support Services:				
Pupils	15,423	7,750	7,750	-
Administration	8,041	2,955	2,955	-
Pupil Transportation	<u>14,525</u>	<u>5,127</u>	<u>5,127</u>	<u>-</u>
Total Expenditures	<u>128,112</u>	<u>60,321</u>	<u>60,321</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,162)	(20,283)	(20,283)	-
Fund Balance at Beginning of Year	18,865	18,865	18,865	-
Prior Year Encumbrances Appropriated	<u>2,297</u>	<u>2,297</u>	<u>2,297</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 879</u>	<u>\$ 879</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
VOCATION EDUCATION ENHANCEMENTS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Total Revenues	\$ -	\$ 763	\$ 763	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	-	763	763	-
Total Expenditures	-	763	763	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
MISCELLANEOUS STATE GRANTS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ 3,596	\$ 9,601	\$ 9,601	\$ -
Total Revenues	<u>3,596</u>	<u>9,601</u>	<u>9,601</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	971	971	-
Support Services:				
Pupils	-	3,647	3,647	-
Instructional Staff	<u>-</u>	<u>2,512</u>	<u>2,512</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>7,130</u>	<u>7,130</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,596	2,471	2,471	-
Fund Balance at Beginning of Year	<u>1,873</u>	<u>1,873</u>	<u>1,873</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 5,469</u>	<u>\$ 4,344</u>	<u>\$ 4,344</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
TITLE I IMIGRANT GRANT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ 147,081	\$ 94,890	\$ 94,890	\$ -
Total Revenues	<u>147,081</u>	<u>94,890</u>	<u>94,890</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	44,077	18,042	18,042	-
Special	45,594	37,859	37,859	-
Support Services:				
Pupils	61,823	47,356	47,356	-
Administration	12,180	5,679	5,679	-
Plant Operation and Maintenance	1,461	985	985	-
Pupil Transportation	3,744	2,575	2,575	-
Non-Instructional Services	<u>6,299</u>	<u>1,830</u>	<u>1,830</u>	<u>-</u>
Total Expenditures	<u>175,178</u>	<u>114,326</u>	<u>114,326</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(28,097)</u>	<u>(19,436)</u>	<u>(19,436)</u>	<u>-</u>
Fund Balance at Beginning of Year	25,731	25,731	25,731	-
Prior Year Encumbrances Appropriated	<u>2,366</u>	<u>2,366</u>	<u>2,366</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 8,661</u>	<u>\$ 8,661</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
TITLE VI-B GRANT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ 798,828	\$ 585,465	\$ 585,465	\$ -
Total Revenues	<u>798,828</u>	<u>585,465</u>	<u>585,465</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	15,300	12,850	12,850	-
Special	252,503	102,802	102,802	-
Support Services:				
Pupils	296,177	292,494	292,494	-
Instructional Staff	94,130	56,616	56,616	-
Administration	154,739	104,558	104,558	-
Pupil Transportation	2,080	-	-	-
Total Expenditures	<u>814,929</u>	<u>569,320</u>	<u>569,320</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(16,101)</u>	<u>16,145</u>	<u>16,145</u>	<u>-</u>
Fund Balance at Beginning of Year	1,618	1,618	1,618	-
Prior Year Encumbrances Appropriated	<u>14,483</u>	<u>14,483</u>	<u>14,483</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 32,246</u>	<u>\$ 32,246</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
TITLE III GRANT SPECIAL REVENUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Intergovernmental	\$ 53,245	\$ 42,476	\$ 42,476	\$ -
Total Revenues	<u>53,245</u>	<u>42,476</u>	<u>42,476</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	37,989	35,406	35,406	-
Support Services:				
Pupils	15,731	6,364	6,364	-
Instructional Staff	-	1,583	1,583	-
Pupil Transportation	3,229	-	-	-
Non-Instructional Services	<u>1,905</u>	<u>50</u>	<u>50</u>	<u>-</u>
Total Expenditures	<u>58,854</u>	<u>43,403</u>	<u>43,403</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,609)</u>	<u>(927)</u>	<u>(927)</u>	<u>-</u>
Other Financing Sources (Uses):				
Advances-Out				-
Operating Transfers-In	-	3,915	3,915	-
Operating Transfers-Out	<u>-</u>	<u>(3,915)</u>	<u>(3,915)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(5,609)</u>	<u>(927)</u>	<u>(927)</u>	<u>-</u>
Fund Balance at Beginning of Year	3,838	3,838	3,838	-
Prior Year Encumbrances Appropriated	<u>1,771</u>	<u>1,771</u>	<u>1,771</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 4,682</u>	<u>\$ 4,682</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
TITLE I GRANT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Intergovernmental	\$ 585,465	\$ 451,413	\$ 451,413	\$ -
Total Revenues	<u>585,465</u>	<u>451,413</u>	<u>451,413</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	27,973	20,413	20,413	-
Special	453,545	354,525	354,525	-
Support Services:				
Pupils	7,350	7,030	7,030	-
Instructional Staff	104,544	75,318	75,318	-
Administration	44,252	36,387	36,387	-
Total Expenditures	<u>637,664</u>	<u>493,673</u>	<u>493,673</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(52,199)</u>	<u>(42,260)</u>	<u>(42,260)</u>	<u>-</u>
Other Financing Sources (Uses):				
Operating Transfers-In	-	28,900	28,900	-
Operating Transfers-Out	-	(28,900)	(28,900)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(52,199)</u>	<u>(42,260)</u>	<u>(42,260)</u>	<u>-</u>
Fund Balance at Beginning of Year	44,660	44,660	44,660	-
Prior Year Encumbrances Appropriated	<u>7,539</u>	<u>7,539</u>	<u>7,539</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 9,939</u>	<u>\$ 9,939</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
TITLE V GRANT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ 24,012	\$ 15,275	\$ 15,275	\$ -
Total Revenues	<u>24,012</u>	<u>15,275</u>	<u>15,275</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	<u>15,275</u>	<u>15,275</u>	<u>15,275</u>	<u>-</u>
Total Expenditures	<u>15,275</u>	<u>15,275</u>	<u>15,275</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,737	-	-	-
Other Financing Sources (Uses):				
Refund of Prior Year Receipts	<u>(215)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(215)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	8,522	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 8,522</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
DRUG FREE SCHOOLS GRANT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Intergovernmental	\$ 16,593	\$ 16,593	\$ 16,593	\$ -
Total Revenues	<u>16,593</u>	<u>16,593</u>	<u>16,593</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Pupils	<u>16,593</u>	<u>16,593</u>	<u>16,593</u>	<u>-</u>
Total Expenditures	<u>16,593</u>	<u>16,593</u>	<u>16,593</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
CLASSROOM REDUCTION GRANT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Intergovernmental	\$ 173,502	\$ 132,775	\$ 132,775	\$ -
Total Revenues	<u>173,502</u>	<u>132,775</u>	<u>132,775</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	168,060	149,658	149,658	-
Support Services:				
Instructional Staff	<u>33,251</u>	<u>4,593</u>	<u>4,593</u>	<u>-</u>
Total Expenditures	<u>201,311</u>	<u>154,251</u>	<u>154,251</u>	<u>-</u>
Excess (Deficiency) of Revenues Over(Under) Expenditures	(27,809)	(21,476)	(21,476)	-
Other Financing Uses:				
Operating Transfers-In	-	10,591	10,591	-
Operating Transfers-Out	<u>-</u>	<u>(10,591)</u>	<u>(10,591)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Under Expenditures and Other Financing Uses	(27,809)	(21,476)	(21,476)	-
Fund Balance at Beginning of Year	25,782	25,782	25,782	-
Prior Year Encumbrances Appropriated	<u>2,027</u>	<u>2,027</u>	<u>2,027</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 6,333</u>	<u>\$ 6,333</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
MISCELLANEOUS FEDERAL GRANTS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Intergovernmental	\$ 171,170	\$ 91,825	\$ 91,825	\$ -
Total Revenues	<u>171,170</u>	<u>91,825</u>	<u>91,825</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	9,058	13,404	13,404	-
Special	60,612	35,121	35,121	-
Support Services:				
Instructional Staff	15,408	5,048	5,048	-
Administration	45,090	32,326	32,326	-
Plant Operation and Maintenance	-	2,826	2,826	-
Pupil Transportation	29,574	6,331	6,331	-
Non-Instructional Services	12,890	-	-	-
Total Expenditures	<u>172,632</u>	<u>95,056</u>	<u>95,056</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,462)	(3,231)	(3,231)	-
Other Financing Sources (Uses):				
Advances-In	-	1,810	1,810	-
Operating Transfers-In	-	1,463	1,463	-
Operating Transfers-Out	-	(1,463)	(1,463)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,810</u>	<u>1,810</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,462)	(1,421)	(1,421)	-
Fund Balance at Beginning of Year	<u>1,464</u>	<u>1,464</u>	<u>1,464</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2</u>	<u>\$ 43</u>	<u>\$ 43</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Taxes	\$ 625,285	\$ 620,275	\$ 620,275	\$ -
Intergovernmental	74,509	87,161	87,161	-
Interest	-	15,757	15,757	-
Total Revenues	<u>699,794</u>	<u>723,193</u>	<u>723,193</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	24,619	4,500	4,500	-
Support Services:				
Instructional Staff	1,592	-	-	-
Administration	940	9,483	9,483	-
Fiscal	3,118	12,280	12,280	-
Plant Operation and Maintenance	64,227	48,964	48,964	-
Pupil Transportation	23,435	58,115	58,115	-
Non-Instructional Services	9,129	53,934	53,934	-
Capital Outlay	-	267,588	267,588	-
Debt Service:				
Principal Retirement	34,250	137,000	137,000	-
Interest and Fiscal Charges	5,116	13,631	13,631	-
Total Expenditures	<u>166,426</u>	<u>605,495</u>	<u>605,495</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>533,368</u>	<u>117,698</u>	<u>117,698</u>	<u>-</u>
Fund Balance at Beginning of Year	611,220	611,220	611,220	-
Prior Year Encumbrances Appropriated	4,950	4,950	4,950	-
Fund Balance at End of Year	<u>\$ 1,149,538</u>	<u>\$ 733,868</u>	<u>\$ 733,868</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
CLASSROOM FACILITIES CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Intergovernmental	\$ 11,834,341	\$ 17,419,854	\$ 17,419,854	\$ -
Interest	205,000	496,794	496,794	-
Miscellaneous	-	1,200	1,200	-
Total Revenues	<u>12,039,341</u>	<u>17,917,848</u>	<u>17,917,848</u>	<u>-</u>
Expenditures:				
Current:				
Non-Instructional Services	9,537,386	9,233,124	9,233,124	-
Extracurricular Activities				-
Capital Outlay	<u>50,000</u>	<u>27,272,603</u>	<u>27,272,603</u>	<u>-</u>
Total Expenditures	<u>9,587,386</u>	<u>36,505,727</u>	<u>36,505,727</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,451,955</u>	<u>(18,587,879)</u>	<u>(18,587,879)</u>	<u>-</u>
Fund Balance at Beginning of Year	18,071,522	18,071,522	18,071,522	-
Prior Year Encumbrances Appropriated	<u>3,587,387</u>	<u>3,587,387</u>	<u>3,587,387</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 24,110,864</u>	<u>\$ 3,071,030</u>	<u>\$ 3,071,030</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
CLASSROOM FACILITES LFI CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Interest	\$ -	\$ 8,214	\$ 8,214	\$ -
Total Revenues	-	8,214	8,214	-
Expenditures:				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	8,214	8,214	-
Other Financing Sources (Uses):				
Proceeds from Sale of Notes	2,000	-	-	-
Total Other Financing Sources (Uses)	2,000	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,000	8,214	8,214	-
Fund Balance at Beginning of Year	311,671	311,671	311,671	-
Fund Balance at End of Year	\$ 313,671	\$ 319,885	\$ 319,885	\$ -

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
VIDEO DISTANCE LEARNING CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction:				
Regular	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>-</u>
Total Expenditures	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,400)	(2,400)	(2,400)	-
Fund Balance at Beginning of Year	-	-	-	-
Prior Year Encumbrances Appropriated	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 20, 2005

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Revenues:				
Taxes	\$ 1,131,857	\$ 1,146,399	\$ 1,146,399	\$ -
Intergovernmental	<u>140,527</u>	<u>153,006</u>	<u>153,006</u>	<u>-</u>
Total Revenues	<u>1,272,384</u>	<u>1,299,405</u>	<u>1,299,405</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Fiscal	9,061	22,377	22,377	-
Debt Service:				
Principal Retirement	20,616,000	21,046,000	21,046,000	-
Interest and Fiscal Charges	<u>184,825</u>	<u>1,110,748</u>	<u>1,110,748</u>	<u>-</u>
Total Expenditures	<u>20,809,886</u>	<u>22,179,125</u>	<u>22,179,125</u>	<u>-</u>
Excess (Deficiency) of Revenues Over(Under) Expenditures	(19,537,502)	(20,879,720)	(20,879,720)	-
Fund Balance at Beginning of Year	<u>21,243,783</u>	<u>21,243,783</u>	<u>21,243,783</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,706,281</u>	<u>\$ 364,063</u>	<u>\$ 364,063</u>	<u>\$ -</u>

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
PERMANENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE
Revenues:				
Interest	\$ 80	\$ 23	\$ 23	\$ -
Total Revenues	<u>80</u>	<u>23</u>	<u>23</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	<u>80</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>80</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	23	23	-
Fund Balance at Beginning of Year	<u>2,085</u>	<u>2,085</u>	<u>2,085</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,085</u>	<u>\$ 2,108</u>	<u>\$ 2,108</u>	<u>\$ -</u>

FIDUCIARY FUNDS

AGENCY FUNDS

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

Student Managed Activities

To account for the resources that belongs to the various student groups in the District. The funds account for sales and other revenue generating activities by student activity programs, which have students, involved in the management of the program.

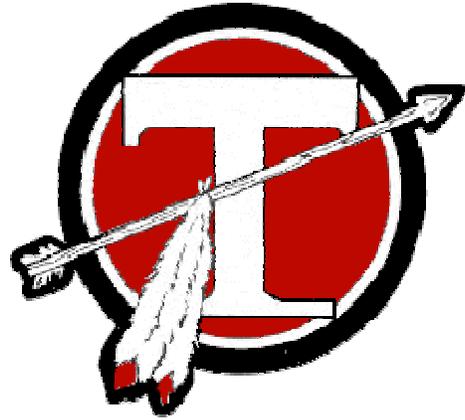
TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>ENDING BALANCE</u>
<u>Student Managed Activities:</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 59,344	\$ 99,727	\$ 83,564	\$ 75,507
Total Assets	<u>\$ 59,344</u>	<u>\$ 99,727</u>	<u>\$ 83,564</u>	<u>\$ 75,507</u>
Liabilities:				
Due to Students	59,344	99,727	83,564	75,507
Total Liabilities	<u>\$ 59,344</u>	<u>\$ 99,727</u>	<u>\$ 83,564</u>	<u>\$ 75,507</u>

STATISTICAL SECTION

The following unaudited statistical tables reflect social and economic data, financial trends and fiscal capacity of the School District.

The School District does not have, and has not had over the last ten years, any revenue bonds payable from the enterprise funds nor any general obligation bonded debt. Therefore, related statistical tables are not presented.



TECUMSEH LOCAL SCHOOL DISTRICT

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
DISTRICT-WIDE EXPENSES - GOVERNMENTAL ACTIVITIES
LAST THREE FISCAL YEARS (1)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Instruction	\$ 16,200,517	\$ 17,104,407	\$ 15,750,276
Support Services			
Pupils	1,901,670	1,858,505	1,762,477
Instructional Staff	1,220,986	1,271,540	1,396,954
Board of Education	77,506	83,781	88,949
Administration	2,581,740	2,582,005	2,979,557
Fiscal and Business	600,441	531,074	565,687
Plant Operation and Maintenance	2,678,590	2,881,766	2,973,783
Pupil Transportation	1,404,982	1,542,437	1,657,153
Central	130,628	49,767	44,385
Operation of Non-Instructional Services	1,420,760	1,804,409	1,467,373
Extracurricular Activities	524,477	140,632	443,605
Interest and Fiscal Charges	850,205	283,650	24,090
Unallocated Depreciation	9,552	13,121	9,551
Total	<u>\$ 29,602,054</u>	<u>\$ 30,147,094</u>	<u>\$ 29,163,840</u>

Source: School District Financial Records

(1) The School District first reported district-wide information in fiscal year 2003.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
DISTRICT-WIDE REVENUES - GOVERNMENTAL ACTIVITIES
LAST THREE FISCAL YEARS (1)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Program Revenues:</u>			
Charges for Services	\$ 2,105,431	\$ 2,095,026	\$ 1,999,972
Operating Grants and Contributions	2,587,998	2,224,510	2,124,813
Capital Grants and Contributions	255,211	67,421,146	136,496
<u>General Revenues:</u>			
Property Taxes	10,313,192	9,110,819	8,366,849
Grants and Entitlements not Restricted to Specific Programs	16,822,096	16,166,670	15,148,035
Investment Earnings	701,623	(52,805)	74,628
Miscellaneous	95,974	216,873	44,723
Total Revenue	<u>\$ 32,881,525</u>	<u>\$ 97,182,239</u>	<u>\$ 27,895,516</u>

Source: School District Financial Records

(1) The School District first reported district-wide information in fiscal year 2003.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
GENERAL FUND EXPENDITURES BY FUNCTION AND OTHER FINANCING USES
LAST TEN FISCAL YEARS

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Current:										
Instruction:										
Regular	\$ 1,970,059	\$ 1,931,695	\$ 1,487,670	\$ 1,574,406	\$ 1,521,798	\$ 1,400,857	\$ 1,444,932	\$ 1,264,838	\$ 1,320,400	\$ 1,291,790
Vocational	515,940	652,808	619,868	588,243	481,547	459,044	467,574	452,030	450,675	420,221
Other	769,478	1,012,978	857,250	421,655	526,582	-	-	-	-	-
Support Services:										
Pupils	1,483,877	1,395,555	1,419,322	1,210,360	1,149,863	1,136,357	1,002,600	1,108,806	872,505	780,095
Instructional Staff	1,019,879	1,043,497	1,067,360	1,002,271	838,933	727,545	600,972	581,790	545,237	388,482
Board of Education	77,506	82,886	88,949	67,056	46,024	44,253	37,625	38,439	30,446	29,623
Administration	2,386,463	2,394,596	2,819,687	2,542,112	2,323,350	2,227,355	2,120,631	1,692,055	1,594,409	1,359,622
Fiscal	523,586	485,959	528,484	480,254	436,743	413,572	407,135	348,243	346,059	297,362
Business	35,440	14,994	26,716	12,887	17,661	24,011	61,520	8,231	36,282	24,119
Plant Operation & Maintenance	2,585,577	2,695,657	2,650,611	2,590,197	2,406,213	2,110,292	2,203,206	2,010,469	1,943,005	1,715,372
Pupil Transportation	1,406,944	1,456,980	1,474,840	1,342,450	1,316,185	1,318,810	1,292,724	1,009,407	1,043,818	1,027,192
Central	125,308	42,895	37,513	31,309	35,176	25,100	30,608	34,083	36,933	29,692
Non-Instructional Services	12,722	336,697	3,130	-	-	-	-	-	-	-
Extracurricular Activities	357,022	2,024	329,432	311,391	295,724	299,298	280,408	291,792	252,007	232,245
Capital Outlay	-	-	-	6,249	10,045	5,265	5,300	3,047	4,114	13,627
Debt Service	-	-	-	-	-	-	-	100,000	-	-
Total	\$ 25,230,893	\$ 25,925,425	\$ 25,030,536	\$ 23,297,941	\$ 21,875,737	\$ 20,100,430	\$ 19,867,202	\$ 18,480,519	\$ 17,310,624	\$ 15,885,572

Source: School District Financial Records

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
GENERAL FUND REVENUES BY SOURCE AND OTHER FINANCING SOURCES
LAST TEN FISCAL YEARS

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Taxes	\$ 8,159,251	\$ 7,523,120	\$ 7,724,754	\$ 7,639,512	\$ 6,329,825	\$ 7,641,221	\$ 7,434,664	\$ 6,134,798	\$ 7,089,354	\$ 5,437,263
Intergovernmental	16,822,096	16,086,678	15,196,939	14,688,007	13,841,488	13,444,597	12,950,484	11,879,945	11,102,166	10,745,657
Interest	78,583	41,616	71,401	157,263	391,912	353,229	252,317	239,535	203,269	132,177
Tuition and Fees	938,827	958,173	891,842	432,766	263,615	193,160	159,948	142,307	149,689	132,029
Transportation	-	-	-	-	82,226	-	-	-	-	-
Rent	-	-	-	75,458	-	1,750	-	-	-	-
Gifts and Donations	-	10,046	5,000	-	5,750	-	-	-	-	-
Miscellaneous	23,783	109,695	8,072	23,319	93,144	4,415	11,637	131,039	5,197	6,897
Total	\$ 26,022,540	\$ 24,729,328	\$ 23,898,008	\$ 23,016,325	\$ 21,007,960	\$ 21,638,372	\$ 20,809,050	\$ 18,527,624	\$ 18,549,675	\$ 16,454,023

Source: School District Financial Records

TECUMSEH LOCAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS

YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY	ACCUMULATED OUTSTANDING DELINQUENT TAXES	PERCENTAGE OF ACCUMULATED DELINQUENT TAXES TO TOTAL TAX LEVY
2005	\$ 11,142,421	\$ 10,073,071	\$ 417,038	\$ 10,490,109	94.15%	\$ 652,311	5.85%
2004	9,604,901	8,576,293	415,606	8,991,899	93.62%	613,001	6.38%
2003	8,388,825	7,249,362	389,855	7,639,217	91.06%	749,608	8.94%
2002	9,499,314	7,977,459	443,463	8,420,922	88.65%	1,078,392	11.35%
2001	8,202,954	6,548,835	416,945	6,965,780	84.92%	1,237,174	15.08%
2000	8,020,829	7,148,489	391,656	7,540,145	94.01%	480,684	5.99%
1999	7,755,165	7,059,941	429,847	7,489,788	96.58%	265,377	3.42%
1998	7,225,406	6,409,112	389,590	6,798,702	94.09%	426,704	5.91%
1997	7,194,164	6,466,752	386,159	6,852,911	95.26%	341,253	4.74%
1996	7,631,720	6,718,817	457,388	7,176,205	94.03%	455,515	5.97%

Source: Clark County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

Includes state reimbursements of homestead and rollback exemptions.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
ASSESSED AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY
LAST TEN YEARS

COLLECTION YEAR	Real Estate		Public Utility Real and Personal		Tangible Personal		Total		Assessed Value Ratio
	Assessed Value	Actual Value (I)	Assessed Value	Actual Value (I)	Assessed Value	Actual Value (I)	Assessed Value	Actual Value (I)	
2005	\$ 252,600,330	\$ 721,715,229	\$ 9,818,010	\$ 28,051,457	\$ 17,785,234	\$ 80,841,973	\$ 280,203,574	\$ 830,608,658	33.73%
2004	226,962,770	648,465,057	10,093,220	28,837,771	17,527,729	79,671,495	254,583,719	756,974,324	33.63%
2003	226,944,270	648,412,200	10,136,640	28,961,829	17,525,869	76,199,430	254,606,779	753,573,459	33.79%
2002	220,345,160	629,557,600	9,930,650	11,284,830	18,124,292	72,497,168	248,400,102	713,339,598	34.82%
2001	204,034,560	582,955,886	14,049,160	15,964,955	16,515,230	66,060,920	234,598,950	664,981,760	35.28%
2000	201,715,160	576,329,029	15,650,590	17,784,761	15,393,791	61,575,164	232,759,541	655,688,954	35.50%
1999	199,533,980	570,097,086	14,756,850	16,769,148	14,400,288	57,601,152	228,691,118	644,467,385	35.49%
1998	172,513,370	492,895,343	13,044,240	14,823,000	12,018,698	48,074,792	197,576,308	555,793,135	35.55%
1997	170,430,840	486,945,257	10,544,150	11,981,989	15,203,210	60,812,840	196,178,200	559,740,086	35.05%
1996	168,218,330	480,623,800	10,823,970	12,299,966	13,780,810	55,123,240	192,823,110	548,047,006	35.18%

Source: Clark County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

- (1) This amount is calculated based on the following percentages:
 Real Estate is assessed at 35 percent of actual value
 Public Utility Real is assessed at 35 percent of actual value
 Tangible Personal Property is assessed at 25 percent of actual value
 Public Utility Personal is assessed at 88 percent of true value (with certain exceptions)

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN YEARS

COLLECTION YEAR	SCHOOL LEVY	COUNTY LEVY	JVS LEVY	CITY OF NEW CARLISLE LEVY	TOTAL LEVY (1)	CITY OF DONNELLSVILLE			LIBRARY DISTRICT LEVY (3)
						BETHEL TOWNSHIP LEVY (3)	PIKE TOWNSHIP LEVY (3)	LEVY (2)	
2005	46.10	12.83	3.00	9.00	70.93	8.20	10.60	10.50	0.12
2004	48.04	12.84	3.00	9.00	72.88	8.20	10.60	10.50	0.16
2003	42.60	13.09	3.00	9.00	67.69	8.20	10.60	9.50	0.16
2002	44.10	13.10	3.00	8.00	68.20	6.00	10.40	10.30	0.24
2001	44.10	13.10	3.00	8.00	68.20	6.00	10.40	10.30	0.24
2000	44.40	13.00	3.00	9.00	69.40	6.00	10.40	10.30	0.24
1999	44.40	13.75	3.00	9.00	70.15	6.00	7.40	10.30	0.24
1998	45.63	13.85	3.00	9.00	71.48	6.00	7.40	10.30	0.24
1997	46.18	13.85	3.00	10.80	73.83	6.00	7.40	10.30	0.24
1996	46.67	13.80	3.00	10.80	74.27	6.00	7.40	8.30	0.20

Source: Clark County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

- (1) Amount represents the total for City of New Carlisle residents
- (2) City of Donnelsville resides entirely within the Tecumseh Local School District
- (3) Certain portions of Bethel and Pike Townships, as well as the County Library are within the Tecumseh Local School District and are subject to the School Levy.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
JUNE 30, 2005

JURISDICTION	NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING (1)	PERCENTAGE APPLICABLE TO SCHOOL DISTRICT	AMOUNT APPLICABLE TO SCHOOL DISTRICT
Tecumseh Local School District	\$ 19,550,751	100.00%	\$ 19,550,751
City of New Carlisle	-	100.00%	-
Clark County	26,472,900	8.34% (2)	2,207,840
			\$ 21,758,591

Source: Clark County Auditor; Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

(1) - Includes all general obligation bonded debt less fund balance in debt service fund

(2) - Percentage of County's valuation within the School District compared to the total valuation of the County

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2005

Assessed Value		\$ <u>280,203,574</u>
<u>Overall Direct Debt Limitation:</u>		
Direct Debt Limitation - 9% of Assessed Valuation		\$ 25,218,322
Amount available in Debt Service Fund		634,224
Gross Indebtedness	(20,321,975)	
Less: Debt exempt from limitation	<u>20,184,975</u>	
Debt subject to 9% limitation		<u>(137,000)</u>
Legal Debt Margin within 9% limitation		<u>\$ 25,715,546</u>
<u>Unvoted Direct Debt Limitation</u>		
Unvoted debt limitation - .1% of Assessed Valuation		\$ 280,204
Amount available in Debt Service Fund		-
Gross Indebtedness authorized by the Board	-	
Less: Debt exempt from limitation	<u>-</u>	
Debt subject to .01% limitation		<u>-</u>
Legal Debt Margin within .01% limitation		<u>\$ 280,204</u>
Energy Conservation Bond Limitation		
Debt Limitation - .9% of Assessed Valuation		\$ 2,521,832
Energy Conservation Notes authorized by the Board		<u>-</u>
Legal Debt Margin within .09% limitation		<u>\$ 2,521,832</u>

Source: County Auditor and School District's financial records

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
RATIO OF ANNUAL DEBT PRINCIPAL AND INTEREST EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL
GENERAL FUND EXPENDITURES
LAST TWO YEARS (1)

Year	Debt Principal and Interest	General Fund Expenditures	Ratio
2005	1,355,923	25,499,835	5.3%
2004	-	25,925,425	0.0%

(1) The District had no general obligation bonds payable prior to 2004

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
STUDENT ENROLLMENT DATA
LAST TEN FISCAL YEARS/TEN YEAR PROJECTION

ACTUAL ENROLLMENT (1)

<u>FISCAL YEAR</u>	<u>SCHOOL ENROLLMENT</u>
2005	3,511
2004	3,610
2003	3,602
2002	3,616
2001	3,623
2000	3,772
1999	3,853
1998	3,783
1997	3,813
1996	3,875

TEN YEAR ENROLLMENT PROJECTION (2)

<u>FISCAL YEAR</u>	<u>SCHOOL ENROLLMENT</u>
2006	3,515
2007	3,511
2008	3,555
2009	3,560
2010	3,565
2011	3,550
2012	3,545
2013	3,531
2014	3,517
2015	3,521

(1) Source: District Records

(2) The ten year enrollment projection is required by Ohio law. The process of predicting enrollment is difficult at best, and should be considered only a judgement based on present information. The degree of potential error becomes greater each year into the future, particularly after the point at which predictions are made concerning children not yet born.

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
PROPERTY VALUE, CONSTRUCTION PERMITS AND BANK DEPOSITS
LAST TEN YEARS

YEAR	NUMBER OF BUILDING PERMITS ALL TYPE (1)	VALUATION OF CONSTRUCTION (1)	CERTIFIED COMMERCIAL BANK DEPOSITS (1)	ASSESSED PROPERTY VALUE (2)
2005	707	\$ 77,363,458	(3)	\$ 2,337,404,356
2004	821	40,133,494	(3)	2,168,098,582
2003	1,747	38,237,769	593,820,000	253,961,023
2002	1,227	41,904,244	630,634,000	248,400,102
2001	1,060	37,351,282	490,007,000	234,598,950
2000	1,167	46,322,022	462,453,000	232,759,541
1999	1,401	51,916,019	464,700,000	228,691,118
1998	1,310	40,102,393	437,272,000	197,576,308
1997	943	48,921,315	430,977,000	196,178,200
1996	859	41,487,154	436,256,000	192,823,110

(1) Source: Clark County, Ohio Annual Comprehensive Financial Report. Amounts reported are for Clark County as information specific to the District was not available. Information is presented on a calendar basis, the manner in which it is maintained by the County.

(2) Source: Clark County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

(3) Information not available

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
PRINCIPAL TAXPAYERS - REAL PROPERTY
DECEMBER 31, 2004

NAME OF TAXPAYER	ASSESSED VALUE (1)	PERCENT OF TOTAL ASSESSED VALUE
DAYTON POWER & LIGHT	\$ 2,112,840	0.84%
OHIO BELL TELEPHONE	1,825,170	0.72%
OHIO EDISON	1,788,820	0.71%
SENIOR CITIZENS ASSOCIATION	976,190	0.39%
BODNER PROPERTIES 4 LIMITED	766,210	0.30%
KROHN STEEL SERVICE CENTER	626,440	0.25%
SURBURBAN INVESTMENT COMPANY	615,550	0.24%
LAYNECREST ASSOCIATES LIMITED	580,060	0.23%
HARRUFF FAMILY LIMITED PARTNERSHIP	473,680	0.19%
STUDEBAKER NURSERIES INC	<u>443,400</u>	<u>0.17%</u>
Subtotal	10,208,360	4.04%
All Other Taxpayers	<u>242,391,970</u>	<u>95.96%</u>
Total Assessed Valuation	<u>\$ 252,600,330</u>	<u>100.00%</u>

Source: Clark County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

(1) Assessed Values are for collection year 2004

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
PRINCIPAL TAXPAYERS - TANGIBLE PERSONAL PROPERTY
DECEMBER 31, 2004

NAME OF TAXPAYER	ASSESSED VALUE (1)	PERCENT OF TOTAL ASSESSED VALUE
METALS USA CARBON FLAT ROLLED INC.	\$ 2,652,550	14.91%
NEW CARLISLE FORD INC	1,580,140	8.88%
MIAMI VALLEY FEED & GRAIN	1,503,088	8.45%
SOUTHWEST LANDMARK INC	1,257,902	7.07%
MARIN CHEVROLET-OLDSMOBILE INC	976,520	5.49%
NEW CARLISLE CHRYSLER PLYMOUTH DODGE INC	953,640	5.36%
ES & G ENTERPRISES LLC	751,810	4.23%
BEACH MANUFACTURING CO.	607,040	3.41%
JEFF SCHMITT BUICK GMC LLC	605,570	3.40%
MARTIN MARIETTA MATERIALS INC	<u>547,800</u>	<u>3.08%</u>
Subtotal	11,436,060	64.30%
All Other Taxpayers	<u>6,349,174</u>	<u>35.70%</u>
Total Assessed Valuation	<u>\$ 17,785,234</u>	<u>100.00%</u>

Source: Clark County, Ohio; County Auditor - Presented on calendar year basis because that is the manner the information is maintained by the County Auditor.

(1) Assessed Values are for collection year 2003

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
COST PER PUPIL
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>GENERAL FUND EXPENDITURES (1)</u>	<u>AVERAGE DAILY MEMBERSHIP (2)</u>	<u>PER PUPIL COST</u>
2005	\$ 25,499,835	3,511	\$ 7,263
2004	25,925,425	3,610	7,182
2003	25,030,536	3,602	6,949
2002	23,297,941	3,616	6,443
2001	21,875,737	3,623	6,038
2000	20,100,430	3,772	5,329
1999	19,867,202	3,853	5,156
1998	18,480,519	3,783	4,885
1997	17,310,624	3,813	4,540
1996	15,885,572	3,875	4,100

(1) Information is presented on a modified accrual basis

(2) Source: School District Financial Records

TECUMSEH LOCAL SCHOOL DISTRICT, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

<u>FISCAL YEAR</u>	<u>POPULATION (1)</u>	<u>SCHOOL ENROLLMENT (2)</u>	<u>UNEMPLOYMENT RATE (3)</u>
2005	19,252	3,511	6.7%
2004	19,261	3,610	7.1%
2003	19,554	3,602	7.1%
2002	19,933	3,616	5.9%
2001	19,352	3,623	4.5%
2000	19,381	3,772	4.3%
1999	19,422	3,853	4.2%
1998	19,503	3,783	4.6%
1997	19,622	3,813	5.6%
1996	19,651	3,875	4.7%

Source:

(1) District Estimate

(2) School District Records

(3) Ohio Bureau of Employment Services
 Estimated unemployment rate for Clark County



**Auditor of State
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TECUMSEH LOCAL SCHOOL DISTRICT

CLARK 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
JANUARY 12, 2006**