

**SYCAMORE COMMUNITY
SCHOOL DISTRICT, OHIO**

Single Audit Reports

June 30, 2005



**Auditor of State
Betty Montgomery**

Board of Education
Sycamore Community School District
Cincinnati, Ohio

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

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

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

BETTY MONTGOMERY
Auditor of State

January 13, 2006

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SYCAMORE COMMUNITY SCHOOL DISTRICT, OHIO

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SYCAMORE COMMUNITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2005

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Federal Revenues</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
<i>(Passed through Ohio Department of Education)</i>				
Nutrition Cluster:				
Food Donation	N/A	10.550	\$ 79,879	79,879
School Breakfast Program	05PU	10.553	32,923	32,923
National School Lunch Program	LLP4	10.555	<u>215,400</u>	<u>215,400</u>
Nutrition Cluster Total			<u>328,202</u>	<u>328,202</u>
Team Nutrition Grants	n/a	10.574	<u>-</u>	<u>1,956</u>
Total U.S. Department of Agriculture			<u>328,202</u>	<u>330,158</u>
 <u>U.S. Department of Education:</u>				
<i>(Passed through Ohio Department of Education)</i>				
Title I Grants to Local Educational Agencies	C1S1	84.010	234,649	234,649
Special Education Cluster:				
Special Education - Grants to States	6BSF	84.027	992,619	1,055,227
Special Education - Preschool Grants	PGS1	84.173	<u>27,428</u>	<u>27,428</u>
Special Education Cluster Total			<u>1,020,047</u>	<u>1,082,655</u>
Safe and Drug-Free Schools and Communities - State Grants	DRS1	84.186	22,057	23,369
Fund for the Improvement of Education	n/a	84.215	-	1,212
State Grants for Innovative Programs	C2S1	84.298	27,256	28,818
Education Technology State Grants	TJS1	84.318	6,296	5,954
English Language Acquisition Grants	T3S1/T3S2	84.365	67,292	82,723
Improving Teacher Quality State Grants	TRS1	84.367	128,166	126,795
<i>(Passed through Great Oaks Institute of Technology and Career Development)</i>				
Vocational Education - Basic Grants to States	n/a	84.048	<u>10,056</u>	<u>10,056</u>
Total U.S. Department of Education			<u>1,515,819</u>	<u>1,596,231</u>
Total Federal Awards			\$ <u>1,844,021</u>	<u>1,926,389</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

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

To the Board of Education
Sycamore Community School District, Ohio:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sycamore Community School District, Ohio (the School District) as of and for the year ended June 30, 2005, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 4, 2005 wherein we noted that the School District implemented Governmental Accounting Standards Board Statement No. 40 as well as Governmental Accounting Standards Board Technical Bulletin No. 2004-2. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Compliance And Other Matters

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

We noted certain matters that we reported to management of the School District in a separate letter dated November 4, 2005.

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

Clark, Schaefer, Hachett & Co.

Cincinnati, Ohio
November 4, 2005



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

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

To the Board of Education
Sycamore Community School District, Ohio:

Compliance

We have audited the compliance of Sycamore Community School District, Ohio (the School District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

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

Internal Control Over Compliance

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2005, and have issued our report thereon dated November 4, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
November 4, 2005

SYCAMORE COMMUNITY SCHOOL DISTRICT, OHIO

Schedule of Findings and Questioned Costs

Year Ended June 30, 2005

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	no
• Reportable condition(s) identified that are not considered to be material weaknesses?	no
Noncompliance material to financial statements noted?	no

Federal Awards

Internal Control over major programs:	
• Material weakness(es) identified?	no
• Reportable condition(s) identified not considered to be material weaknesses?	no
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings disclosed that are required To be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of major programs:

- Nutrition Cluster:*
 - CFDA 10.550 - Food Donation*
 - CFDA 10.553 - School Breakfast Program*
 - CFDA 10.555 - National School Lunch Program*
- Special Education Cluster:*
 - CFDA 84.027 – Special Education – Grants to States*
 - CFDA 84.173 – Special Education – Preschool Grants*

Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

SYCAMORE COMMUNITY SCHOOL DISTRICT, OHIO

Schedule of Prior Audit Findings

Year Ended June 30, 2005

The prior audit disclosed no instances of noncompliance with requirements of major federal programs. In addition, no reportable conditions or material weaknesses with internal controls over compliance were reported in the prior year.

**SYCAMORE COMMUNITY SCHOOL DISTRICT
CINCINNATI, OHIO**

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

**PREPARED BY:
OFFICE OF THE TREASURER
BETH WEBER, TREASURER**

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Sycamore Community School District, Ohio
Comprehensive Annual Financial Report
For the Year Ended June 30, 2005

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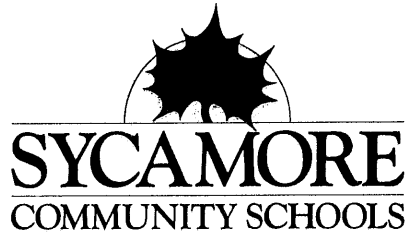
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INTRODUCTORY SECTION

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4881 Cooper Road • Cincinnati, Ohio 45242-6996
(513) 791-4848 • Fax (513) 791-4873

December 15, 2005

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

The Comprehensive Annual Financial Report [CAFR] of the Sycamore Community School District [District] for the fiscal year ended June 30, 2005, is hereby submitted. This report, prepared by the Treasurer's office, includes an unqualified opinion from the Clark, Schaefer, Hackett and Co. and conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the taxpayers of the Sycamore Community School District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs.

The Comprehensive Annual Financial Report is divided into three sections:

Introductory Section - This section introduces the reader to the report and includes a table of contents, this transmittal letter, a list of principal and elected officials, the District's organizational chart, the District's consultants and advisors, and the GFOA and ASBO certificates for financial reporting received for the June 30, 2004 CAFR. Also included are the District's major current and future initiatives.

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

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

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

THE REPORTING ENTITY AND SERVICES PROVIDED

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

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

ECONOMIC CONDITION AND OUTLOOK

The District is located in southwestern Ohio, a suburb of Cincinnati, in the northeast part of Hamilton County. Approximately 52.2% of the District's tax base consists of agricultural and residential properties; the remainder is composed of a wide range of manufacturing, commercial and other business properties. The overall economic outlook for the area remains stable with low unemployment rates and low inflationary pressures.

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

THE DISTRICT AND ITS FACILITIES

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

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

In 2004-05, the District housed 5,673 students in one high school, one junior high, one middle school, and four elementary schools. Enrollment listed below includes pre-kindergarten at Symmes Elementary of 71 students and 38 joint vocational students at Sycamore High School.

Constructed	School Address	Enrollment As of October 2004
2002	Blue Ash Elementary 9541 Plainfield Road	500
1960	Maple Dale Elementary 6100 Hagewa Road	447
2003	Montgomery Elementary 9609 Montgomery Road	478
1989	Symmes Elementary 3173 Springdale Road	522
1964	E.H. Greene Intermediate 5200 Aldine Drive	818
1926	Sycamore Junior High 5757 Cooper Road	972
1974	Sycamore High School 7400 Cornell Road	1,936

ORGANIZATION OF THE SCHOOL DISTRICT

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

The Board members represent a cross section of professions in the community. The board members on June 30, 2005, were as follows:

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

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

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

EMPLOYEE RELATIONS

In 2004-05 the District employed 478 certified personnel and 333 non-certified personnel. The starting salary for a teacher with a bachelor's degree for the period beginning September 1, 2005 will be \$36,660. The maximum teacher salary in 2004-2005 will be \$84,233.

The Sycamore Education Association (SEA), an affiliate of the Ohio Education Association (OEA), represents certificated employees of the District. The District and the SEA have entered into a collective bargaining agreement that expired July 31, 2005. The District is currently in negotiations with SEA on a successor agreement.

Classified employees are represented by the Ohio Association of Public School Employees. The District and OAPSE entered into a three-year collective bargaining agreement which expires June 30, 2007.

SERVICES PROVIDED

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

The food service department served 371,349 plate lunches through the District's seven kitchens. This is accomplished through the full operation of three kitchens and four satellite sites, as well as a central bakery. The District currently offers a breakfast program at six sites.

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

The District offers regular instructional programs daily to students in grades K-12. Over 573 students receive special services, due to physical or mental handicapping conditions. Gifted services are provided in grades three and four in the area of math and in grades five and six in the areas of math and language arts. Advanced placement classes are provided at the high school in the areas of English, Math, Science, Social Studies, Art, Global Languages, and Computer Science. The District presented 436 high school diplomas in June, 2005.

CURRENT INITIATIVES

Intervention Based Services (IBS)

The district is completing its implementation of a system based model for collaboration and decision making as staff address the needs of individual learners who are struggling with academic and/or behavioral components of their education. The IBS system is currently used at the K – 6th grade levels and is being piloted in the upper grade levels.

DIBELS

DIBELS, or the Dynamic Indicators of Basic Early Literacy, is a web-based, norm-referenced assessment tool used to assess our students' progress in reading. All kindergarten and first grade students are screened three times each year. Results are entered into the National DIBELS Database to establish a benchmark for how Sycamore students compare to other students across the United States. The DIBELS assessment is also used as a progress-monitoring tool from kindergarten through 12th grade.

District Diversity Advisory Council: In response to the district's strategic plan, a Diversity Advisory Council was established in December, 2005. Its purpose is to assist district officials examining how the needs of the district's diverse population are being met. From this research, the Council will make recommendations to the Superintendent for any modifications to the system.

DATA TEAMS

Each building in the district has established a team of teachers and administrators to examine performance data from the Ohio Achievement Tests and the Ohio Graduation Tests. The "Data Teams" interpret the data reported, examine district and building results, and help to establish intervention plans for increased student academic achievement needs. The Data Teams will also attend training presented by the Southwestern Ohio Special Education Regional Resource Center, or SERRC, on models for intervention and specialized services that will help us better address the academic achievement needs of all our students.

FUTURE INITIATIVES

District Wellness Policy

The Child Nutrition and WIC Reauthorization Act of 2004 mandates that each school district establish a local Wellness Policy by June 30, 2006. This policy must include goals for nutrition education, physical activity, and other school-based activities to promote student wellness; guidelines for all foods available on each school campus; and a plan for monitoring policy implementation.

The intent of this policy is to:
establish healthy school nutrition environments,
reduce childhood obesity, and
prevent diet-related chronic diseases.

"Challenging the Barriers" Cohort Study

Dr. Cathy Hamilton, a nationally-known consultant, will work with a cohort group of 30 Sycamore teachers and administrators on "Challenging the Barriers", a program of study designed to help educators meet the needs of a diverse student population. This four day training will include specific strategies and skills to help each building address the needs of all students. Participants in this workshop will present a series of staff development sessions to their colleagues in the Spring and Fall of 2006. This learning opportunity directly supports our district goals of meeting the needs of a diverse population and improving student achievement.

Science Materials Adoption

Members of the Elementary Science Teacher Curriculum Team are working with Emily Morgan, Science Coordinator for the Hamilton County Educational Service Center, to study the current books and kits available to implement the science curriculum K-4. This group will work on a selection process called "Analyzing Instructional Materials" or "AIM." A pilot of the materials will occur in March and April. The team will make a final selection of materials in May and send this recommendation to the Board of Education. Training opportunities will occur in summer, 2006.

Elementary Technology Implementation

Members of the Elementary Teacher Curriculum Team in Technology approved the Ohio Academic Content Standards in Technology in January, 2006. Upon the formal approval by the Board of Education, the team will meet to establish programs and software to be used in K - 4 classrooms. The team is also supporting the use of "Study Island," a web-based assessment program being piloted in grades three and four.

FINANCIAL INFORMATION

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

INTERNAL ACCOUNTING AND BUDGETARY CONTROL

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

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

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

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

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

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

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

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

FINANCIAL CONDITION

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

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

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

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

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

CASH MANAGEMENT

Begun in fiscal year 1991, the District's cash management program addresses the issue of safety, liquidity, and yield while maximizing returns. The District uses the Star Ohio program investment pool operated by the Treasurer of State for ready cash and yield. Certificates of deposit and obligations of the United States Treasury are utilized for both short and intermediate terms. Treasury notes, treasury bills and agency notes are utilized for longer-term investments. Investment earnings for all funds during the fiscal year were \$648,705.

The District's investment policy is to minimize market risk while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by FDIC or collateralized. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

RISK MANAGEMENT

The District constantly faces the risk of loss of assets by fire, storm, theft, accident or other catastrophes. Generally, the District shifts the burden of such losses by entering into a casualty insurance contract whereby an insurance company, in consideration of a premium payment, assumes the risk of all or a portion of these losses. During fiscal year 2005, the District contracted with Indiana Insurance for general liability, property, boiler and machinery insurance.

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

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

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

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

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

INDEPENDENT AUDIT

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

AWARDS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada [GFOA] awarded a Certificate of Achievement to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2004. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

ASBO Certificate

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

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2004. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2005, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

ACKNOWLEDGEMENTS

The preparation of the 2005 Comprehensive Annual Financial Report of the Sycamore Community School District was made possible by the dedicated service of Carolyn Huber, Tina Triplett, Rita Clark, Patti Gardner, and Lisa Myers. Special recognition is given to Plattenburg and Associates, Incorporated, Certified Public Accountants for their assistance in the preparation of the CAFR, Clark, Schaefer, Hackett and Co. for their audit of the CAFR, and Susan Crabill, former Assistant Treasurer, currently the Treasurer of Madeira City Schools. Finally, this report would not have been possible without the leadership and support of the District's Board of Education and the Sycamore Schools community.

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

Respectfully submitted,

Beth A. Weber,
Treasurer

Karen Mantia,
Superintendent

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sycamore Community School
District, Ohio

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

President

Jeffrey R. Emer

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

Sycamore Community Schools

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

**SYCAMORE COMMUNITY SCHOOL DISTRICT, OHIO
CONSULTANTS, ADVISORS AND LEGAL COUNSEL
AS OF JUNE 30, 2005**

CONSULTANTS AND ADVISORS

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

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

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

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

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

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

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

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

Beechglen Development, Inc.
5576 Glenway Avenue
Cincinnati, OH 45238

**SYCAMORE COMMUNITY SCHOOL DISTRICT, OHIO
CONSULTANTS, ADVISORS AND LEGAL COUNSEL
AS OF JUNE 30, 2005**

CONSULTANTS AND ADVISORS, cont.

Financial Reporting: Plattensburg & Associates
8260 Northcreek Drive, Suite 330
Cincinnati, OH 45236

Independent Auditor: Clark, Schaefer, Hackett & Company
105 Fourth Street, Suite 1500
Cincinnati, OH 45202

LEGAL COUNSEL

Attorneys: John Podgurski
9155 Chillecothe Road
Kirtland, OH 44094

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

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

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

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

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

SYCAMORE COMMUNITY SCHOOL DISTRICT, OHIO

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2005

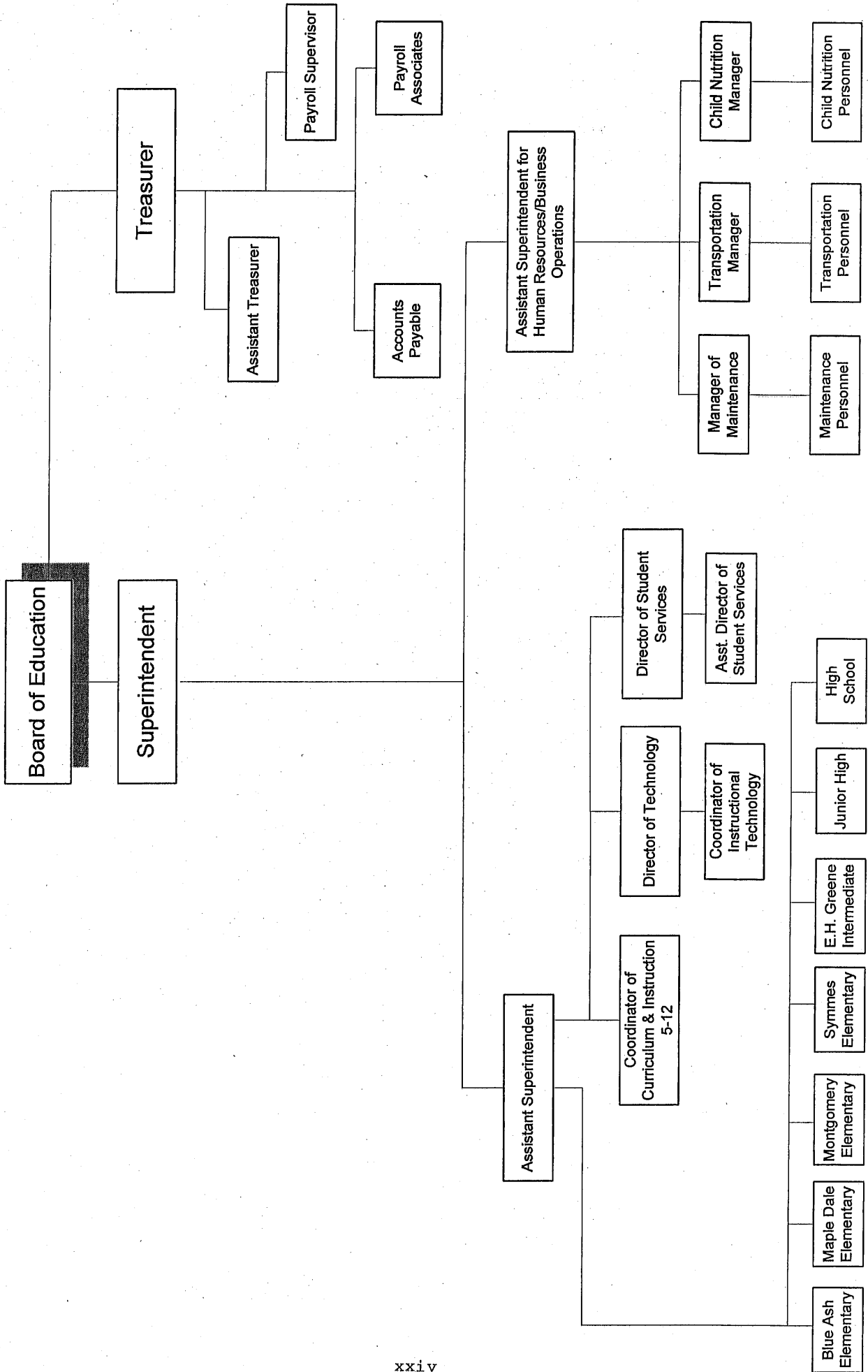
Elected Officials

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

Administrative Officials

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

Sycamore Community School District



**FINANCIAL
SECTION**



Clark, Schaefer, Hackett & Co.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Sycamore Community School District, Ohio:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sycamore Community School District, Ohio (the School District), as of and for the year ended June 30, 2005, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

As described in Note 18, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposits and Investment Risk Disclosures* and GASB Technical Bulletin No. 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employees* for the year ended June 30, 2005.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2005, on our consideration of School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information on pages 3 through 10 and 44 through 46, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
November 4, 2005

**SYCAMORE COMMUNITY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2005
(Unaudited)**

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

Financial Highlights

Key financial highlights for 2005 are as follows:

- In total, net assets increased \$3,199,914.
- General revenues accounted for \$76,505,805 in revenue or 92.6% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,154,192 or 7.4% of total revenues of \$82,659,997.
- Total assets of governmental activities increased by \$3,820,145 as taxes receivable increased by \$8,374,265, cash and other receivables decreased by \$2,320,256 and net capital assets decreased by \$2,218,204.
- The District had \$79,460,083 in expenses related to governmental activities; \$6,154,192 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$76,505,805 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

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

In the Government-wide Financial Statements, the District presents:

- **Governmental Activities** – The District's programs and services are reported here and include instruction, support services, operation of non-instructional services, extracurricular activities and interest and fiscal charges.

Fund Financial Statements

The analysis of the District's major funds is presented in the Fund Financial Statements (see Table of Contents). Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

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

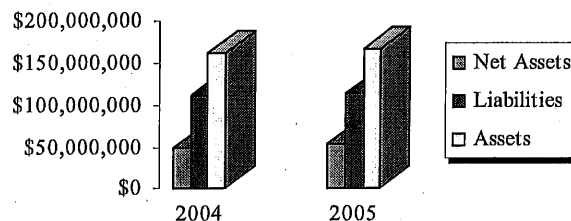
The District as a Whole

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

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

Table 1
Net Assets

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2005</u>
	<u>Restated</u>	
Assets		
Current and Other Assets	\$88,147,422	\$94,185,771
Capital Assets	<u>72,856,902</u>	<u>70,638,698</u>
Total Assets	<u>161,004,324</u>	<u>164,824,469</u>
Liabilities		
Long-Term Liabilities	63,394,829	63,121,325
Other Liabilities	<u>48,186,786</u>	<u>49,080,521</u>
Total Liabilities	<u>111,581,615</u>	<u>112,201,846</u>
Net Assets		
Invested in Capital		
Assets Net of Debt	16,460,560	16,556,171
Restricted	9,723,547	8,382,540
Unrestricted	<u>23,238,602</u>	<u>27,683,912</u>
Total Net Assets	<u>\$49,422,709</u>	<u>\$52,622,623</u>



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2005, the District's assets exceeded liabilities by \$52,622,623.

At year-end, capital assets represented 42.9% of total assets. Capital assets include land, land improvements, buildings, building improvements, equipment and vehicles and construction in progress. Capital assets, net of related debt to acquire the assets at June 30, 2005, was \$16,556,171. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

The balance of unrestricted net assets of \$27,683,912 may be used to meet the District's ongoing obligations to the students and creditors.

Table 2 shows the change in net assets for fiscal years 2004 and 2005.

Table 2
Changes in Net Assets

	Governmental Activities 2004 <u>Restated</u>	Governmental Activities 2005 <u>2005</u>
Revenues		
Program Revenues:		
Charges for Services	\$2,643,700	\$2,351,038
Operating Grants	3,257,178	3,720,400
Capital Grants	37,312	82,754
General Revenue:		
Property Taxes	55,877,165	65,778,621
Grants and Entitlements	9,135,135	9,799,439
Other	<u>778,725</u>	<u>927,745</u>
Total Revenues	<u>71,729,215</u>	<u>82,659,997</u>
Program Expenses:		
Instruction	44,622,647	42,719,293
Support Services:		
Pupil and Instructional Staff Board, Administrative, Fiscal and Business	11,382,220	9,421,914
Operations and Maintenance	6,833,816	6,862,475
Pupil Transportation	6,348,433	6,637,819
Central	4,012,686	4,159,013
Operation of Non-Instructional Services	1,719,437	1,719,113
Extracurricular Activities	3,142,839	3,729,322
Interest and Fiscal Charges	1,513,312	1,587,425
	<u>3,069,450</u>	<u>2,623,709</u>
Total Expenses	<u>82,644,840</u>	<u>79,460,083</u>
Change in Net Assets	(10,915,625)	3,199,914
Beginning Net Assets	<u>60,338,334</u>	<u>49,422,709</u>
Ending Net Assets	<u>\$49,422,709</u>	<u>\$52,622,623</u>

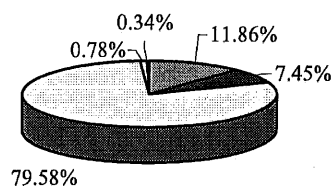
Governmental Activities

The District revenues came from mainly two sources. Property taxes levied for general purposes, Debt Service and grants and entitlements comprised 91.4% of the District's revenues for governmental activities.

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

Thus Ohio districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 79.58% of revenue for governmental activities for Sycamore Community School District in fiscal year 2005. The District's reliance upon tax revenues is demonstrated in the following graph:

Revenue Sources	2005	Percent of Total
General Grants	\$9,799,439	11.86%
Program Revenues	6,154,192	7.45%
General Tax Revenues	65,778,621	79.58%
Investment Earnings	648,705	0.78%
Other Revenues	279,040	0.34%
	<u>\$82,659,997</u>	<u>100.00%</u>



Instruction comprises 54% of governmental program expenses. Support services expenses were 36% of governmental program expenses. All other expenses including interest expense were 10%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

The increase in tax revenues is the result of an increase in the amount of taxes available for advance. Supporting services expenses decreased due to cost cutting measures taken by the District.

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	<u>Restated 2004</u>	<u>2005</u>	<u>Restated 2004</u>	<u>2005</u>
Instruction	\$44,622,647	\$42,719,293	\$43,234,747	\$41,534,990
Support Services:				
Pupil and Instructional Staff	11,382,220	9,421,914	10,692,186	8,371,142
Board, Administration, Fiscal and Business	6,833,816	6,862,475	6,801,880	6,828,469
Operations and Maintenance	6,348,433	6,637,819	6,312,098	6,618,360
Pupil Transportation	4,012,686	4,159,013	3,975,286	4,126,554
Central	1,719,437	1,719,113	1,641,820	1,651,849
Operation of Non-Instructional Services	3,142,839	3,729,322	(127,788)	327,984
Extracurricular Activities	1,513,312	1,587,425	1,106,971	1,222,834
Interest and Fiscal Charges	<u>3,069,450</u>	<u>2,623,709</u>	<u>3,069,450</u>	<u>2,623,709</u>
Total Expenses	<u>\$82,644,840</u>	<u>\$79,460,083</u>	<u>\$76,706,650</u>	<u>\$73,305,891</u>

The District's Funds

The District has one major governmental fund: the General Fund. Assets of this fund comprised \$83,787,933 (89%) of the total \$94,291,927 governmental funds assets.

General Fund: Fund balance at June 30, 2005 was \$33,468,069 including \$10,593,379 of unreserved balance, which represents 16% of expenditures for fiscal year 2005. The primary reasons for the increase in fund balance were increases in taxes revenue and decreases in expenditures for support services.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal 2005, the District amended its general fund budget numerous times. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, budget basis revenue was \$66,421,502, compared to original budget estimates of \$63,020,989. Of the \$3,400,513 difference, most was due to a conservative estimate for taxes and intergovernmental revenue.

The District's ending unobligated actual fund balance for the General Fund was \$1,633,228 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$70,638,698 invested in land, buildings and equipment. Table 4 shows fiscal 2005 balances compared to fiscal 2004:

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

	<u>Governmental Activities</u>	
	<u>2004 Restated</u>	<u>2005</u>
Land	\$1,602,371	\$1,602,371
Land Improvements	2,108,957	2,052,244
Buildings	25,873,506	25,106,924
Buildings and Improvements	40,275,714	39,753,683
Equipment and Vehicles	2,275,630	2,052,845
Construction in Progress	<u>720,724</u>	<u>70,631</u>
Total Net Capital Assets	<u>\$72,856,902</u>	<u>\$70,638,698</u>

Overall, capital assets decreased due to depreciation expense being greater than new purchases less the deletions for the year.

See Notes to the Basic Financial Statements for further details on the District's capital assets.

Debt

At fiscal year end, the District had \$54,082,527 in bonds and capital leases payable, \$2,333,928 due within one year. Table 5 summarizes bonds and capital leases outstanding at year end.

Table 5
Outstanding Debt, at Year End

	<u>Governmental Activities 2004</u>	<u>Governmental Activities 2005</u>
Total:		
General Obligation Bonds:		
Symmes Refunding	\$1,433,599	\$1,058,599
Bond Issue I	3,240,000	3,160,000
Bond Issue II	28,060,000	27,255,000
Bond Issue III	<u>8,170,000</u>	<u>7,895,000</u>
Subtotal Bonds	40,903,599	39,368,599
Capital Lease Payable:		
Sycamore High School	9,980,000	9,535,000
Blue Ash Elementary	5,195,000	5,050,000
Phone System	<u>317,743</u>	<u>128,928</u>
Subtotal Capital Lease Payable	<u>15,492,743</u>	<u>14,713,928</u>
Total Outstanding Debt at Year End	<u>\$56,396,342</u>	<u>\$54,082,527</u>

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

See Notes to the Basic Financial Statements for further details on the District's long-term obligations.

For the Future

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

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

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

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Beth Weber, Treasurer at Sycamore Community School District, 4881 Cooper Road, Cincinnati, Ohio 45242.

Sycamore Community School District, Ohio
Statement of Net Assets
June 30, 2005

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$27,360,046
Restricted Cash and Investments	468,958
Receivables:	
Taxes	65,859,442
Accounts	21,514
Intergovernmental	404,082
Inventory	71,729
Nondepreciable Capital Assets	1,673,002
Depreciable Capital Assets, Net	<u>68,965,696</u>
 Total Assets	 <u>164,824,469</u>
Liabilities:	
Accounts Payable	419,100
Accrued Wages and Benefits	7,898,377
Accrued Interest Payable	215,230
Deferred Revenue	40,547,814
Long-Term Liabilities:	
Due Within One Year	3,887,851
Due In More Than One Year	<u>59,233,474</u>
 Total Liabilities	 <u>112,201,846</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	16,556,171
Restricted for:	
Special Revenue	457,512
Debt Service	7,056,636
Capital Projects	399,434
Set-Aside	468,958
Unrestricted	<u>27,683,912</u>
 Total Net Assets	 <u>\$52,622,623</u>

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2005

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$36,314,004	\$456,736	\$601,914	\$50,295	(\$35,205,059)
Special	6,155,627	108	21,817	0	(6,133,702)
Vocational	2,386	0	0	0	(2,386)
Other	247,276	53,433	0	0	(193,843)
Support Services:					
Pupil	4,471,433	0	174,710	0	(4,296,723)
Instructional Staff	4,950,481	56	876,006	0	(4,074,419)
General Administration	30,560	0	0	0	(30,560)
School Administration	5,174,319	34,006	0	0	(5,140,313)
Fiscal	1,452,661	0	0	0	(1,452,661)
Business	204,935	0	0	0	(204,935)
Operations and Maintenance	6,637,819	19,459	0	0	(6,618,360)
Pupil Transportation	4,159,013	0	0	32,459	(4,126,554)
Central	1,719,113	0	67,264	0	(1,651,849)
Operation of Non-Instructional Services	3,729,322	1,422,649	1,978,689	0	(327,984)
Extracurricular Activities	1,587,425	364,591	0	0	(1,222,834)
Interest and Fiscal Charges	2,623,709	0	0	0	(2,623,709)
Total Governmental Activities	79,460,083	2,351,038	3,720,400	82,754	(73,305,891)

General Revenues:

Property Taxes Levied for:

General Purposes	62,619,099
Debt Service Purposes	3,159,522
Grants and Entitlements not Restricted to Specific Programs	9,799,439
Investment Earnings	648,705
Other Revenues	279,040

Total General Revenues 76,505,805

Change in Net Assets 3,199,914

Net Assets Beginning of Year, Restated 49,422,709

Net Assets End of Year \$52,622,623

See accompanying notes to the basic financial statements.

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Sycamore Community School District, Ohio
 Balance Sheet
 Governmental Funds
 June 30, 2005

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$20,191,023	\$7,169,023	\$27,360,046
Restricted Cash and Investments	468,958	0	468,958
Receivables:			
Taxes	62,949,130	2,910,312	65,859,442
Accounts	19,889	1,625	21,514
Intergovernmental	0	404,082	404,082
Interfund	106,156	0	106,156
Inventory	52,777	18,952	71,729
Total Assets	83,787,933	10,503,994	94,291,927
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	321,518	97,582	419,100
Accrued Wages and Benefits	7,641,609	256,768	7,898,377
Compensated Absences	1,207,607	0	1,207,607
Interfund Payable	0	106,156	106,156
Deferred Revenue	41,149,130	1,936,751	43,085,881
Total Liabilities	50,319,864	2,397,257	52,717,121
Fund Balances:			
Reserved for Encumbrances	552,955	247,331	800,286
Reserved for Inventory	52,777	18,952	71,729
Reserved for Property Tax Advances	21,800,000	1,100,000	22,900,000
Reserved for Set-Aside	468,958	0	468,958
Unreserved, Undesignated, Reported in:			
General Fund	10,593,379	0	10,593,379
Special Revenue Funds	0	361,739	361,739
Debt Service Funds	0	6,135,518	6,135,518
Capital Projects Funds	0	243,197	243,197
Total Fund Balances	33,468,069	8,106,737	41,574,806
Total Liabilities and Fund Balances	\$83,787,933	\$10,503,994	\$94,291,927

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
Reconciliation of Total Governmental Fund Balance to
Net Assets of Governmental Activities
June 30, 2005

Total Governmental Fund Balance \$41,574,806

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. 70,638,698

Other long-term assets are not available to pay for current-
period expenditures and therefore are deferred in the funds.

Delinquent Property Taxes	2,411,628	
Intergovernmental	<u>126,439</u>	
		2,538,067

In the statement of net assets interest payable is accrued when
incurred, whereas in the governmental funds interest is
reported as a liability only when it will require the use of
current financial resources. (215,230)

Some liabilities reported in the statement of net assets do not
require the use of current financial resources and therefore
are not reported as liabilities in governmental funds.

Compensated Absences	<u>(7,831,191)</u>	
		(7,831,191)

Long-term liabilities, are not due and payable in the current
period and therefore are not reported in the funds. (54,082,527)

Net Assets of Governmental Activities \$52,622,623

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2005

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$62,313,333	\$3,170,637	\$65,483,970
Tuition and Fees	466,710	127,519	594,229
Investment Earnings	624,183	24,521	648,704
Intergovernmental	9,506,923	4,065,086	13,572,009
Extracurricular Activities	0	316,869	316,869
Charges for Services	0	1,422,649	1,422,649
Other Revenues	140,861	158,954	299,815
Total Revenues	73,052,010	9,286,235	82,338,245
Expenditures:			
Current:			
Instruction:			
Regular	32,698,951	908,040	33,606,991
Special	5,733,676	115,983	5,849,659
Vocational	2,386	0	2,386
Other	247,276	0	247,276
Support Services:			
Pupil	3,880,025	330,996	4,211,021
Instructional Staff	4,423,565	593,508	5,017,073
General Administration	30,560	0	30,560
School Administration	4,948,786	668	4,949,454
Fiscal	1,393,459	39,656	1,433,115
Business	217,705	0	217,705
Operations and Maintenance	6,358,345	692	6,359,037
Pupil Transportation	3,673,981	193,941	3,867,922
Central	1,306,792	223,301	1,530,093
Operation of Non-Instructional Services	17,132	3,609,903	3,627,035
Extracurricular Activities	1,056,395	464,286	1,520,681
Capital Outlay	2,672	729,922	732,594
Debt Service:			
Principal Retirement	778,815	1,535,000	2,313,815
Interest and Fiscal Charges	690,534	1,940,192	2,630,726
Total Expenditures	67,461,055	10,686,088	78,147,143
Excess of Revenues Over (Under) Expenditures	5,590,955	(1,399,853)	4,191,102
Other Financing Sources (Uses):			
Transfers In	0	489,545	489,545
Transfers (Out)	(489,545)	0	(489,545)
Total Other Financing Sources (Uses)	(489,545)	489,545	0
Net Change in Fund Balance	5,101,410	(910,308)	4,191,102
Fund Balance Beginning of Year, Restated	28,366,659	9,017,045	37,383,704
Fund Balance End of Year	\$33,468,069	\$8,106,737	\$41,574,806

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2005

Net Change in Fund Balance - Total Governmental Funds \$4,191,102

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

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

Capital assets used in governmental activities	1,098,523	
Depreciation Expense	<u>(3,313,244)</u>	(2,214,721)

Governmental funds only report the disposal of assets to the
 extent proceeds are received from the sale. In the statement
 of activities, a gain or loss is reported for each disposal. The
 amount of the proceeds must be removed and the gain or loss
 on the disposal of capital assets must be recognized. This is the
 amount of the difference between the proceeds and the gain or loss. (3,483)

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

Delinquent Property Taxes	294,651	
Intergovernmental	<u>30,584</u>	325,235

Repayment of bond principal is an expenditure in the
 governmental funds, but the repayment reduces long-term
 liabilities in the statement of net assets. 2,313,815

In the statement of activities interest expense is accrued when incurred,
 whereas in governmental funds an interest expenditure is reported
 when due. 7,017

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

Compensated Absences	<u>(1,419,051)</u>	(1,419,051)
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Change in Net Assets of Governmental Activities	<u><u>\$3,199,914</u></u>
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See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2005

	Private Purpose Trust	Agency
Assets:		
Equity in Pooled Cash and Investments	<u>\$34,620</u>	<u>\$120,592</u>
Total Assets	<u>34,620</u>	<u>\$120,592</u>
Liabilities:		
Accounts Payable	0	105
Other Liabilities	<u>0</u>	<u>120,487</u>
Total Liabilities	<u>0</u>	<u>\$120,592</u>
Net Assets:		
Held in Trust	<u>34,620</u>	
Total Net Assets	<u>\$34,620</u>	

See accompanying notes to the basic financial statements.

Sycamore Community School District, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2005

	Private Purpose Trust
Additions:	
Investment Earnings	\$241
Other	<u>15,528</u>
Total Additions	<u>15,769</u>
Deductions:	
Other	<u>7,800</u>
Total Deductions	<u>7,800</u>
Change in Net Assets	7,969
Net Assets Beginning of Year	<u>26,651</u>
Net Assets End of Year	<u><u>\$34,620</u></u>

See accompanying notes to the basic financial statements.

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**SYCAMORE COMMUNITY SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2005**

1. DESCRIPTION OF THE DISTRICT

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

The District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the District's instructional and support facilities staffed by 325 non-certified personnel and 486 certificated personnel to provide services to students and other community members.

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

REPORTING ENTITY

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

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

The District is associated with two organizations that are defined as jointly governed organizations. These organizations include Hamilton/Clermont Cooperative Association and Great Oaks Institute of Technology and Development. These organizations are presented in Note 15.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

MEASUREMENT FOCUS

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

Fiduciary Funds are reported using the economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e. revenues) and decreases (i.e. expenses) in net total assets.

FUND ACCOUNTING

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

Governmental Funds

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

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

Fiduciary Funds

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

3. BASIS OF ACCOUNTING

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

Revenues – Exchange and Non-exchange Transactions

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes available for advance, grants and interest.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 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.

Expenses/Expenditures

On the accrual basis of accounting, expenditures are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

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

CASH AND CASH EQUIVALENTS

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

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

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2005. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2A7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2005.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2005 credited to the General Fund amounted to \$624,183 which includes \$19 assigned from other District funds.

INVENTORY

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

CAPITAL ASSETS

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of two thousand dollars (\$2,000). The District does not possess any infrastructure. Improvements that add to the value of an asset or materially extend an asset's life are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

RESTRICTED ASSETS

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other government or imposed by enabling legislation. Restricted assets include the amount required by state statute to be set aside to create a reserve for textbooks and instructional material.

COMPENSATED ABSENCES

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

Sick leave benefits are accrued as a liability using the termination method. The entire compensated absence liability is reported on the government-wide financial statements.

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

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

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

NET ASSETS

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

FUND BALANCE RESERVES AND DESIGNATIONS

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for property tax advances, set-asides, inventory and encumbrances.

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

INTERFUND ACTIVITY

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

INTERFUND ASSETS/LIABILITIES

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables" and "Interfund Payables". These amounts are eliminated on the governmental activities columns of the statement of net assets.

FUND EQUITY

Reserved fund balances indicate a portion of fund equity which is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, supplies inventory, budget stabilization and property taxes. The unreserved portion of fund equity, reflected for the Governmental Funds, is available for use within the specific purpose of those funds.

4. CASH AND CASH EQUIVALENTS

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the statement of net assets and balance sheet as "Equity in Pooled Cash and Investments."

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

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

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

Interim Monies – Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds, and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, 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 moneys deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and amended by GASB Statement 40, "Deposit and Investment Risk Disclosures".

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2005, \$404,117 of the District's bank balance of \$510,726 was exposed to custodial risk.

Investments

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Federal Agency Notes	\$18,759,646	0.56
Money Market Accounts	8,063,194	0.00
Repurchase Agreement	823,324	0.00
STAR Ohio	<u>1,023,806</u>	0.00
Total Fair Value	<u>\$28,669,970</u>	
Portfolio Weighted Average Maturity		0.36

Interest rate risk - In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk – It is the District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The District's investments in Federal Agencies and in the Money Market Funds were rated AAA by Standard & Poor's and Fitch Ratings and Aaa by Moody's Investors Service. Investments in STAR Ohio were rated AAA by Standard & Poor's. The repurchase agreement was not rated.

Concentration of credit risk – The District's investment policy requires investments to be diversified to reduce the risk of loss. The District's policy allows investments in Federal Agencies or Instrumentalities. The District has invested more than 66 percent of the District's investments in the Federal Home Loan Bank (19%), the Federal Home Loan Mortgage (13%), and the Federal National Mortgage Association (34%).

Custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the District's securities are either insured and registered in the name of the District or at least registered in the name of the District.

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

5. PROPERTY TAXES

Real property taxes collected in 2005 were levied in April on the assessed values as of January 1, 2004, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update ever third year.

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

Real property taxes are payable annually or semi-annually. In 2005, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th.

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2005 and for which there is an enforceable legal claim. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2005. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2005, was \$21,800,000 for General Fund and \$1,100,000 for Debt Service, and is recognized as revenue, with a corresponding reserve to fund balance since the Board did not appropriate these receivables for fiscal year 2005 operations.

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

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

	<u>Amount</u>
Agricultural/Residential and Other Real Estate	\$1,383,543,570
Public Utility Personal	36,040,650
Tangible Personal Property	<u>197,132,205</u>
Total	<u>\$1,616,716,425</u>

6. RECEIVABLES

Receivables at June 30, 2005, consisted of taxes, accounts, intergovernmental, and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

7. CAPITAL ASSETS

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

	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Government Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$1,602,371	\$0	\$0	\$1,602,371
Construction in Progress	720,724	493,120	1,143,213	70,631
<i>Capital assets being depreciated:</i>				
Land Improvements	3,126,573	84,024	0	3,210,597
Buildings	35,601,222	0	0	35,601,222
Building Improvements	44,521,165	1,284,944	0	45,806,109
Equipment and Vehicles	<u>9,334,733</u>	<u>379,648</u>	<u>156,213</u>	<u>9,558,168</u>
Totals at Historical Cost	<u>\$94,906,788</u>	<u>\$2,241,736</u>	<u>\$1,299,426</u>	<u>\$95,849,098</u>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	\$1,017,616	\$140,737	\$0	\$1,158,353
Building	9,727,716	766,582	0	10,494,298
Building Improvements	4,245,451	1,806,975	0	6,052,426
Equipment and Vehicles	<u>7,059,103</u>	<u>598,950</u>	<u>152,730</u>	<u>7,505,323</u>
Total Accumulated Depreciation	<u>\$22,049,886</u>	<u>\$3,313,244</u>	<u>\$152,730</u>	<u>\$25,210,400</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$72,856,902</u>			<u>\$70,638,698</u>

*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$2,351,093
Special	103,000
Support Services:	
Pupil	1,750
Instructional Staff	2,441
School Administration	135,257
Fiscal	3,353
Business	210
Operations and Maintenance	196,141
Pupil Transportation	242,475
Central	157,445
Community Services	60,229
Extracurricular Activities	<u>59,850</u>
Total Depreciation Expense	<u>\$3,313,244</u>

8. LONG-TERM LIABILITIES

	Maturity Dates	Beginning Principal Outstanding	Additions	Deductions	Ending Principal Outstanding	Due In One Year
<u>Governmental Activities:</u>						
General Obligation Bonds:						
Symmes Refunding 1998 4.60%	12/01/23	\$1,433,599	\$0	\$375,000	\$1,058,599	\$370,000
Bond Issue I 1998 3.25%	12/01/23	3,240,000	0	80,000	3,160,000	90,000
Bond Issue II 1998 3.00%	12/01/23	28,060,000	0	805,000	27,255,000	850,000
Bond Issue III 1998 3.40%	12/01/23	<u>8,170,000</u>	<u>0</u>	<u>275,000</u>	<u>7,895,000</u>	<u>285,000</u>
Total General Obligation Bonds		40,903,599	0	1,535,000	39,368,599	1,595,000
Capital Leases		<u>15,492,743</u>	<u>0</u>	<u>778,815</u>	<u>14,713,928</u>	<u>738,928</u>
Total Long Term Debt		56,396,342	0	2,313,815	54,082,527	2,333,928
Compensated Absences		<u>6,998,487</u>	<u>3,281,207</u>	<u>1,240,896</u>	<u>9,038,798</u>	<u>1,553,923</u>
Total Governmental Activities Long-Term Liabilities		<u>\$63,394,829</u>	<u>\$3,281,207</u>	<u>\$3,554,711</u>	<u>\$63,121,325</u>	<u>\$3,887,851</u>

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

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

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

<u>General Obligation Bonds</u>			
Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$1,595,000	\$1,876,906	\$3,471,906
2007	1,655,000	1,809,853	3,464,853
2008	1,478,247	1,978,775	3,457,022
2009	1,523,922	1,919,569	3,443,491
2010	1,566,430	1,838,790	3,405,220
2011-2015	8,835,000	6,886,075	15,721,075
2016-2020	11,575,000	4,285,037	15,860,037
2021-2024	<u>11,140,000</u>	<u>1,122,750</u>	<u>12,262,750</u>
Totals	<u>\$39,368,599</u>	<u>\$21,717,755</u>	<u>\$61,086,354</u>

9. LEASES

CAPITAL LEASES

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

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

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

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Long-Term</u> <u>Debt</u>
2006	\$1,401,472
2007	1,271,235
2008	1,274,775
2009	1,271,565
2010	1,271,545
Thereafter	<u>14,948,359</u>
Total Minimum Lease Payments	21,438,951
Less: Amount Representing Interest	<u>(6,725,023)</u>
Present Value of Minimum Lease Payments	<u>\$14,713,928</u>

OPERATING LEASES

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

10. PENSION PLANS

SCHOOL EMPLOYEES RETIREMENT SYSTEM

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004, and 2003 were \$1,647,072, \$1,607,196, and \$1,510,224, respectively; 49.6% has been contributed for fiscal year 2005 and 100% for fiscal year 2004 and 2003.

STATE TEACHERS RETIREMENT SYSTEM

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

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

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

For the fiscal year ended June 30, 2005, plan members were required to contribute 10% of their annual covered salaries. The School District was required to contribute 14%; 13% 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 members and employer contributions.

The School District's required contributions for pension obligations for the fiscal years ended June 30, 2005, 2004, and 2003 were \$4,998,900, \$5,112,072, and \$4,847,064, respectively; 83.6% has been contributed for fiscal year 2005 and 100% for fiscal year 2004 and 2003.

11. POST EMPLOYMENT BENEFITS

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

For STRS, all benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. The Board currently allocates employer contributions equal to 1% of covered payroll to the Health Care Reserve Fund for which payments for health care benefits are paid. For the District, this amount equaled \$357,064 during the 2005 fiscal year. As of June 30, 2004, eligible benefit recipients totaled 111,853. For the fiscal year ended June 30, 2004, net health care costs paid by STRS were \$268,739,000.

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

For 2004 fiscal year, employer contributions to fund health care benefits were 4.91% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2004, the minimum pay has been established at \$25,400. The surcharge rate added to the unallocated portion of the 14% employer contribution rate provides for maintenance of the asset target level for the health care fund. For the District, this amount equaled \$166,344 during the 2005 fiscal year. The number of participants currently receiving health care benefits is approximately 62,000. For the fiscal year ended June 30, 2004, net health care costs paid by SERS were \$223,443,805.

12. CONTINGENT LIABILITIES

GRANTS

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

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of June 30, 2005.

LITIGATION

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

13. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2005, the District contracted with Indiana Insurance Company for general liability, property, boiler and machinery insurance.

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

Boiler and machinery coverage has a \$2,500 deductible with a \$50,000,000 limit of liability per accident. School leaders errors and omissions liability is protected by Indiana Insurance Company with a \$1,000,000 each occurrence, \$1,000,000 aggregate limit.

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

Public officials bond insurance is provided by Backus Insurance Company. The Treasurer, Superintendent and Board President are covered by bonds in the amounts \$100,000, \$50,000 and \$50,000 respectively. Honesty Blanket Position Coverage is \$25,000 per employee.

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

For fiscal year 2005 the District provided employee medical/surgical benefits through Humana/Choice Care, a Cincinnati based health maintenance organization.

14. STATE SCHOOL FUNDING DECISION

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

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

15. JOINTLY GOVERNED ORGANIZATIONS

Great Oaks Joint Vocational School - The Great Oaks Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative each of the participating school districts' elected board. The Vocational School possesses its own budgeting and taxing authority. To obtain financial information write to the Great Oaks Joint Vocational School, John Wahle, who serves as Treasurer, at 3254 East Kemper Road, Cincinnati, Ohio 45241.

Hamilton/Clermont Cooperative Association - The School District is a participant in the Hamilton/Clermont Cooperative Association (H/CCA) which is a computer consortium. H/CCA is an association of 24 public school districts within the boundaries of Hamilton and Clermont Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of H/CCA consists of the superintendents and/or treasurers of the participating members. H/CCA is not accumulating significant financial resources nor is it experiencing fiscal stress that may cause an additional financial benefit to or burden on members in the future. Financial information can be obtained from the H/CCA, Al Porter, Director, at 7615 Harrison Avenue, Cincinnati, Ohio 45231-3107.

16. FUND BALANCE RESERVES FOR SET-ASIDES

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

For fiscal year ended June 30, 2005, the School District was no longer required to set aside funds in the budget reserve set-aside, with the exception of refund monies received from the Bureau of Workers' Compensation, which must be spent for specified purposes.

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set-aside Reserve Balance as of June 30, 2004	(\$2,048,170)	\$ 0	\$ 468,958
Current Year Set-aside Requirement	830,537	830,537	0
Qualified Disbursements	(1,340,274)	0	0
Current Year Offsets	0	(830,537)	0
Set-Aside Reserve Balance as of June 30, 2005	<u>(\$2,557,907)</u>	<u>\$ 0</u>	<u>\$ 468,958</u>
Restricted Cash as of June 30, 2005	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 468,958</u>
Carry Forward to FY2006	<u>(\$2,557,907)</u>	<u>\$ 0</u>	<u>\$ 0</u>

Offset credits for capital activity during the year exceeded the amount required for the set-aside, resulting in offset credits of \$62,820,452 available for carryover to offset capital reserve requirements of future years. Negative amounts are therefore not presented as being carried forward to the next fiscal year for the capital acquisition set-aside. Qualifying disbursements and carryover from prior years for textbooks totaled \$3,388,444, resulting in \$2,557,907 for carryover to offset textbook requirements in future years.

17. INTERFUND BALANCES/TRANSFERS

Interfund transactions at June 30, 2005, consisted of the following individual fund receivables and payables:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$106,156	\$0	\$0	\$489,545
Other Governmental Funds	<u>0</u>	<u>106,156</u>	<u>489,545</u>	<u>0</u>
	<u>\$106,156</u>	<u>\$106,156</u>	<u>\$489,545</u>	<u>\$489,545</u>

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization; to segregate and to return money to the fund from which it was originally provided once a project is completed.

18. CHANGE IN ACCOUNTING PRINCIPLE/PRIOR PERIOD ADJUSTMENT

For fiscal year 2005, the District has implemented GASB Statement No. 40, "Deposit and Investment Risk Disclosures". GASB 40 establishes and modifies disclosure requirements related to investment risk: credit risk (including custodial credit risk and concentrations of credit risk) and interest rate risk. This statement also establishes and modifies disclosure requirements for custodial credit risk on deposits. This statement applies to all state and local governments.

For fiscal year 2005, the District has implemented GASB Technical Bulletin No. 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers." This Bulletin addresses the amount that should be recognized as an expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment (OPEB) plans.

The implementation of GASB Technical Bulletin No. 2004-2 had the following effect on the fund balances of the major and nonmajor funds of the District as they were previously reported as of June 30, 2004:

	<u>General</u>	<u>Nonmajor</u>
Fund Balances, June 30, 2004	\$28,876,109	\$9,052,342
GASB Technical Bulletin No. 2004-2	<u>(509,450)</u>	<u>(35,297)</u>
Restated Fund Balance, June 30, 2004	<u>\$28,366,659</u>	<u>\$9,017,045</u>

A prior period adjustment is required to restate capital assets at June 30, 2004 due to an understatement of construction in progress in the prior year. This restatement had the following effect on net assets at June 30, 2004:

	<u>Governmental</u> <u>Activities</u>
Net assets as previously reported	\$48,701,985
Restatement for capital assets	<u>720,724</u>
Net assets, restated at July 1, 2004	<u>\$49,422,709</u>

19. COMPLIANCE AND ACCOUNTABILITY

The following individual funds had a deficit in fund balance at year end:

<u>Fund</u>	<u>Deficit</u>
Special Revenue Funds:	
Auxiliary Services	\$15,494
Title VI R	\$13,656

The deficit in fund balance was primarily due to accruals in GAAP. The general fund is liable for any deficit in these funds and will provide operating transfers when cash is required not when accruals occur.

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$52,847,449	\$55,699,014	\$55,772,033	\$73,019
Tuition and Fees	467,383	492,602	493,248	646
Investment Earnings	590,687	622,560	623,376	816
Intergovernmental	9,008,397	9,494,476	9,506,923	12,447
Other Revenues	107,073	112,850	112,998	148
Total Revenues	63,020,989	66,421,502	66,508,578	87,076
Expenditures:				
Current:				
Instruction:				
Regular	33,098,823	33,098,823	32,367,580	731,243
Special	5,929,363	5,929,363	5,798,367	130,996
Vocational	94,920	94,920	92,823	2,097
Other	252,862	252,862	247,276	5,586
Support Services:				
Pupil	3,979,177	3,979,177	3,891,266	87,911
Instructional Staff	4,762,359	4,762,359	4,657,146	105,213
General Administration	31,250	31,250	30,560	690
School Administration	5,120,324	5,120,324	5,007,202	113,122
Fiscal	1,434,403	1,434,403	1,402,713	31,690
Business	201,694	201,694	197,238	4,456
Operations and Maintenance	6,544,092	6,544,092	6,399,515	144,577
Pupil Transportation	3,798,504	3,798,504	3,714,585	83,919
Central	1,608,081	1,608,081	1,572,554	35,527
Extracurricular Activities	1,092,679	1,092,679	1,068,539	24,140
Capital Outlay	2,886	2,886	2,822	64
Debt Service:				
Principal Retirement	590,000	590,000	590,000	0
Interest and Fiscal Charges	712,636	712,636	683,857	28,779
Total Expenditures	69,254,053	69,254,053	67,724,043	1,530,010
Excess of Revenues Over (Under) Expenditures	(6,233,064)	(2,832,551)	(1,215,465)	1,617,086
Other financing sources (uses):				
Advances In	106,411	112,153	112,300	147
Advances (Out)	(223,391)	(223,391)	(218,456)	4,935
Transfers (Out)	(500,605)	(500,605)	(489,545)	11,060
Total Other Financing Sources (Uses)	(617,585)	(611,843)	(595,701)	16,142
Net Change in Fund Balance	(6,850,649)	(3,444,394)	(1,811,166)	1,633,228
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	21,536,845	21,536,845	21,536,845	0
Fund Balance End of Year	\$14,686,196	\$18,092,451	\$19,725,679	\$1,633,228

See accompanying notes to the required supplementary information.

SYCAMORE COMMUNITY SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For The Year Ended June 30, 2005

1. BUDGETARY PROCESS

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

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

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

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

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

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

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$5,101,410
Net Adjustment for Revenue Accruals	(6,431,132)
Net Adjustment for Expenditure Accruals	271,014
Encumbrances	<u>(752,458)</u>
Budget Basis	<u>(\$1,811,166)</u>

**COMBINING STATEMENTS
AND INDIVIDUAL
FUND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

Ohio Reads – State grant created to support literacy programs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Capital Projects Funds

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

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

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

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

NONMAJOR FIDUCIARY FUNDS

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

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

Agency Fund

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

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Sycamore Community School District, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$571,213	\$6,135,518	\$462,292	\$7,169,023
Receivables:				
Taxes	0	2,910,312	0	2,910,312
Accounts	1,625	0	0	1,625
Intergovernmental	404,082	0	0	404,082
Inventory	18,952	0	0	18,952
Total Assets	995,872	9,045,830	462,292	10,503,994
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	34,724	0	62,858	97,582
Accrued Wages and Benefits	256,768	0	0	256,768
Interfund Payable	106,156	0	0	106,156
Deferred Revenue	126,439	1,810,312	0	1,936,751
Total Liabilities	524,087	1,810,312	62,858	2,397,257
Fund Balances:				
Reserved for Encumbrances	91,094	0	156,237	247,331
Reserved for Inventory	18,952	0	0	18,952
Reserved for Property Tax Advances	0	1,100,000	0	1,100,000
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	361,739	0	0	361,739
Debt Service Funds	0	6,135,518	0	6,135,518
Capital Projects Funds	0	0	243,197	243,197
Total Fund Balances	471,785	7,235,518	399,434	8,106,737
Total Liabilities and Fund Balances	\$995,872	\$9,045,830	\$462,292	\$10,503,994

Sycamore Community School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$0	\$3,170,637	\$0	\$3,170,637
Tuition and Fees	\$108,297	0	\$19,222	\$127,519
Investment Earnings	11,183	0	13,338	24,521
Intergovernmental	3,689,816	324,975	50,295	4,065,086
Extracurricular Activities	316,869	0	0	316,869
Charges for Services	1,422,649	0	0	1,422,649
Other Revenues	158,954	0	0	158,954
Total Revenues	5,707,768	3,495,612	82,855	9,286,235
Expenditures:				
Current:				
Instruction:				
Regular	750,417	0	157,623	908,040
Special	115,983	0	0	115,983
Pupil	330,996	0	0	330,996
Instructional Staff	593,508	0	0	593,508
School Administration	668	0	0	668
Fiscal	0	39,656	0	39,656
Operations and Maintenance	692	0	0	692
Pupil Transportation	0	0	193,941	193,941
Central	97,257	0	126,044	223,301
Operation of Non-Instructional Services	3,590,149	0	19,754	3,609,903
Extracurricular Activities	464,286	0	0	464,286
Capital Outlay	14,378	0	715,544	729,922
Debt Service:				
Principal Retirement	0	1,535,000	0	1,535,000
Interest and Fiscal Charges	0	1,940,192	0	1,940,192
Total Expenditures	5,958,334	3,514,848	1,212,906	10,686,088
Excess of Revenues Over (Under) Expenditures	(250,566)	(19,236)	(1,130,051)	(1,399,853)
Other Financing Sources (Uses):				
Transfers In	126,288	0	363,257	489,545
Total Other Financing Sources (Uses)	126,288	0	363,257	489,545
Net Change in Fund Balance	(124,278)	(19,236)	(766,794)	(910,308)
Fund Balance Beginning of Year, Restated	596,063	7,254,754	1,166,228	9,017,045
Fund Balance End of Year	\$471,785	\$7,235,518	\$399,434	\$8,106,737

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Sycamore Community School District, Ohio
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2005

	Public School Support	Other Grants	Extracurricular Student Activities	Auxiliary Services	Gifted Education	Management Information
Assets:						
Equity in Pooled Cash and Investments	\$100,066	\$22,547	\$148,112	\$11,173	\$1	\$0
Receivables:						
Accounts	1,581	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0
Inventory	0	0	0	0	0	0
Total Assets	101,647	22,547	148,112	11,173	1	0
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable	4,889	0	15,335	0	0	0
Accrued Wages and Benefits	0	0	0	26,667	0	0
Interfund Payable	0	0	0	0	0	0
Deferred Revenue	0	0	0	0	0	0
Total Liabilities	4,889	0	15,335	26,667	0	0
Fund Balances:						
Reserved for Encumbrances	9,825	759	18,124	274	0	0
Reserved for Inventory	0	0	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	86,933	21,788	114,653	(15,768)	1	0
Total Fund Balances	96,758	22,547	132,777	(15,494)	1	0
Total Liabilities and Fund Balances	\$101,647	\$22,547	\$148,112	\$11,173	\$1	\$0

Entry Year Program	OneNet Network	School Net Professional Development	Ohio Reads	Summer Intervention	Career Education State	School Conflict Grant	Title VI B / Pre-School
\$0	\$58	\$2,400	\$0	\$9,933	\$0	\$0	\$46,822
0	0	0	0	0	0	0	0
0	0	0	0	10,161	0	0	288,908
0	0	0	0	0	0	0	0
0	58	2,400	0	20,094	0	0	335,730
0	0	0	0	0	0	0	1,822
0	0	0	0	0	0	0	77,664
0	0	0	0	6,314	0	0	80,057
0	0	0	0	0	0	0	66,756
0	0	0	0	6,314	0	0	226,299
0	0	0	0	9,933	0	0	40,816
0	0	0	0	0	0	0	0
0	58	2,400	0	3,847	0	0	68,615
0	58	2,400	0	13,780	0	0	109,431
\$0	\$58	\$2,400	\$0	\$20,094	\$0	\$0	\$335,730

Continued

Sycamore Community School District, Ohio
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2005

	Vocational Education	Title III	Title I	Title VI	Drug Free Schools	EHA Pre-School
Assets:						
Equity in Pooled Cash and Investments	\$0	\$12,391	\$1	\$936	\$360	\$0
Receivables:						
Accounts	0	0	0	0	0	0
Intergovernmental	0	65,172	0	8,319	3,145	0
Inventory	0	0	0	0	0	0
Total Assets	0	77,563	1	9,255	3,505	0
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable	0	6,852	0	0	272	0
Accrued Wages and Benefits	0	7,135	0	0	0	0
Interfund Payable	0	19,785	0	0	0	0
Deferred Revenue	0	41,221	0	8,319	3,145	0
Total Liabilities	0	74,993	0	8,319	3,417	0
Fund Balances:						
Reserved for Encumbrances	0	4,683	0	590	13	0
Reserved for Inventory	0	0	0	0	0	0
Unreserved, Undesignated, Reported in: Special Revenue Funds	0	(2,113)	1	346	75	0
Total Fund Balances	0	2,570	1	936	88	0
Total Liabilities and Fund Balances	\$0	\$77,563	\$1	\$9,255	\$3,505	\$0

Title VI R	Miscellaneous Federal Grants	Food Service	Adult Education	Community School	Total Nonmajor Special Revenue Funds
\$1,371	\$912	\$169,682	\$8,034	\$36,414	\$571,213
0	0	44	0	0	1,625
26,349	2,028	0	0	0	404,082
0	0	18,952	0	0	18,952
<u>27,720</u>	<u>2,940</u>	<u>188,678</u>	<u>8,034</u>	<u>36,414</u>	<u>995,872</u>
0	0	0	0	5,554	34,724
36,406	0	108,896	0	0	256,768
0	0	0	0	0	106,156
4,970	2,028	0	0	0	126,439
<u>41,376</u>	<u>2,028</u>	<u>108,896</u>	<u>0</u>	<u>5,554</u>	<u>524,087</u>
0	0	0	0	6,077	91,094
0	0	18,952	0	0	18,952
<u>(13,656)</u>	<u>912</u>	<u>60,830</u>	<u>8,034</u>	<u>24,783</u>	<u>361,739</u>
<u>(13,656)</u>	<u>912</u>	<u>79,782</u>	<u>8,034</u>	<u>30,860</u>	<u>471,785</u>
<u>\$27,720</u>	<u>\$2,940</u>	<u>\$188,678</u>	<u>\$8,034</u>	<u>\$36,414</u>	<u>\$995,872</u>

Sycamore Community School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005

	Public School Support	Other Grants	Extracurricular Student Activities	Auxiliary Services	Gifted Education	Management Information
Revenues:						
Tuition and Fees	\$50,318	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	5,264	0	4,121	0	0
Intergovernmental	0	11,000	0	1,507,072	14,633	18,014
Extracurricular Activities	12,932	0	303,937	0	0	0
Charges for Services	0	0	0	0	0	0
Other Revenues	65,714	3,791	61,929	0	0	0
Total Revenues	128,964	20,055	365,866	1,511,193	14,633	18,014
Expenditures:						
Current:						
Instruction:						
Regular	103,634	21,447	1,615	0	0	0
Special	950	893	0	0	0	0
Support Services:						
Pupil	0	1,525	0	12,270	0	0
Instructional Staff	5,087	0	0	0	0	0
School Administration	668	0	0	0	0	0
Operations and Maintenance	692	0	0	0	0	0
Central	0	0	0	0	14,792	18,014
Operation of Non-Instructional Services	0	0	0	1,731,877	0	0
Extracurricular Activities	0	0	464,286	0	0	0
Capital Outlay	14,378	0	0	0	0	0
Total Expenditures	125,409	23,865	465,901	1,744,147	14,792	18,014
Excess of Revenues Over (Under) Expenditures	3,555	(3,810)	(100,035)	(232,954)	(159)	0
Other Financing Sources (Uses):						
Transfers In	0	16,288	110,000	0	0	0
Total Other Financing Sources (Uses)	0	16,288	110,000	0	0	0
Net Change in Fund Balance	3,555	12,478	9,965	(232,954)	(159)	0
Fund Balance Beginning of Year, Restated	93,203	10,069	122,812	217,460	160	0
Fund Balance End of Year	\$96,758	\$22,547	\$132,777	(\$15,494)	\$1	\$0

Entry Year Program	OneNet Network	School Net Professional Development	Ohio Reads	Summer Intervention	Career Education State	School Conflict Grant	Title VI B / Pre-School
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0
4,400	21,000	4,140	8,000	85,527	4,315	100	1,146,019
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
4,400	21,000	4,140	8,000	85,527	4,315	100	1,146,019
4,400	0	0	8,000	95,470	4,315	100	86,641
0	0	0	0	0	0	0	55,168
0	0	0	0	0	0	0	270,815
0	0	5,880	0	0	0	0	562,651
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	21,000	0	0	0	0	0	28,745
0	0	0	0	0	0	0	56,147
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
4,400	21,000	5,880	8,000	95,470	4,315	100	1,060,167
0	0	(1,740)	0	(9,943)	0	0	85,852
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	(1,740)	0	(9,943)	0	0	85,852
0	58	4,140	0	23,723	0	0	23,579
\$0	\$58	\$2,400	\$0	\$13,780	\$0	\$0	\$109,431

Continued

Sycamore Community School District, Ohio
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005

	Vocational Education	Title III	Title I	Title VI	Drug Free Schools	EHA Pre-School
Revenues:						
Tuition and Fees	\$0	\$0	\$0	\$0	\$0	\$0
Investment Earnings	0	0	0	0	0	0
Intergovernmental	10,056	79,395	234,649	27,256	22,057	27,428
Extracurricular Activities	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	0
Other Revenues	0	0	0	0	0	0
Total Revenues	10,056	79,395	234,649	27,256	22,057	27,428
Expenditures:						
Current:						
Instruction:						
Regular	10,056	10,146	234,649	300	5,557	0
Special	0	58,972	0	0	0	0
Support Services:						
Pupil	0	0	0	8,000	10,958	27,428
Instructional Staff	0	1,357	0	11,143	4,277	0
School Administration	0	0	0	0	0	0
Operations and Maintenance	0	0	0	0	0	0
Central	0	12,150	0	0	0	0
Operation of Non-Instructional Services	0	2,839	0	9,375	2,001	0
Extracurricular Activities	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0
Total Expenditures	10,056	85,464	234,649	28,818	22,793	27,428
Excess of Revenues Over (Under) Expenditures	0	(6,069)	0	(1,562)	(736)	0
Other Financing Sources (Uses):						
Transfers In	0	0	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0	0	0
Net Change in Fund Balance	0	(6,069)	0	(1,562)	(736)	0
Fund Balance Beginning of Year, Restated	0	8,639	1	2,498	824	0
Fund Balance End of Year	\$0	\$2,570	\$1	\$936	\$88	\$0

Title VI R	Miscellaneous Federal Grants	Food Service	Adult Education	Community School	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$11,009	\$46,970	\$108,297
0	0	1,798	0	0	11,183
149,545	5,084	310,126	0	0	3,689,816
0	0	0	0	0	316,869
0	0	1,422,649	0	0	1,422,649
0	0	27,229	10	281	158,954
<u>149,545</u>	<u>5,084</u>	<u>1,761,802</u>	<u>11,019</u>	<u>47,251</u>	<u>5,707,768</u>
162,131	1,956	0	0	0	750,417
0	0	0	0	0	115,983
0	0	0	0	0	330,996
0	3,113	0	0	0	593,508
0	0	0	0	0	668
0	0	0	0	0	692
0	2,556	0	0	0	97,257
1,070	285	1,732,232	6,753	47,570	3,590,149
0	0	0	0	0	464,286
0	0	0	0	0	14,378
<u>163,201</u>	<u>7,910</u>	<u>1,732,232</u>	<u>6,753</u>	<u>47,570</u>	<u>5,958,334</u>
<u>(13,656)</u>	<u>(2,826)</u>	<u>29,570</u>	<u>4,266</u>	<u>(319)</u>	<u>(250,566)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>126,288</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>126,288</u>
<u>(13,656)</u>	<u>(2,826)</u>	<u>29,570</u>	<u>4,266</u>	<u>(319)</u>	<u>(124,278)</u>
<u>0</u>	<u>3,738</u>	<u>50,212</u>	<u>3,768</u>	<u>31,179</u>	<u>596,063</u>
<u>(\$13,656)</u>	<u>\$912</u>	<u>\$79,782</u>	<u>\$8,034</u>	<u>\$30,860</u>	<u>\$471,785</u>

Sycamore Community School District, Ohio
 Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2005

	Permanent Improvement	Building	SchoolNet	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$66,960	\$394,931	\$401	\$462,292
Total Assets	<u>66,960</u>	<u>394,931</u>	<u>401</u>	<u>462,292</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	62,732	126	0	62,858
Total Liabilities	<u>62,732</u>	<u>126</u>	<u>0</u>	<u>62,858</u>
Fund Balances:				
Reserved for Encumbrances	0	156,237	0	156,237
Unreserved, Undesignated, Reported in: Capital Projects Funds	4,228	238,568	401	243,197
Total Fund Balances	<u>4,228</u>	<u>394,805</u>	<u>401</u>	<u>399,434</u>
Total Liabilities and Fund Balances	<u>\$66,960</u>	<u>\$394,931</u>	<u>\$401</u>	<u>\$462,292</u>

Sycamore Community School District, Ohio
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Nonmajor Capital Projects Funds
 For the Fiscal Year Ended June 30, 2005

	Permanent Improvement	Building	SchoolNet	Total Nonmajor Capital Projects Funds
Revenues:				
Tuition and Fees	\$19,222	\$0	\$0	\$19,222
Investment Earnings	2,823	10,515	0	13,338
Intergovernmental	0	0	50,295	50,295
Total Revenues	22,045	10,515	50,295	82,855
Expenditures:				
Current:				
Instruction:				
Regular	107,729	0	49,894	157,623
Support Services:				
Pupil Transportation	193,941	0	0	193,941
Central	126,044	0	0	126,044
Operation of Non-Instructional Services	19,754	0	0	19,754
Capital Outlay	274,388	441,156	0	715,544
Total Expenditures	721,856	441,156	49,894	1,212,906
Excess of Revenues Over (Under) Expenditures	(699,811)	(430,641)	401	(1,130,051)
Other Financing Sources (Uses):				
Transfers In	363,257	0	0	363,257
Total Other Financing Sources (Uses)	363,257	0	0	363,257
Net Change in Fund Balance	(336,554)	(430,641)	401	(766,794)
Fund Balance Beginning of Year	340,782	825,446	0	1,166,228
Fund Balance End of Year	\$4,228	\$394,805	\$401	\$399,434

Sycamore Community School District, Ohio
Statement of Changes In Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2005

	Student Activity			Ending Balance
	Beginning Balance	Additions	Deductions	
Assets:				
Equity in Pooled Cash and Investments	\$113,080	\$7,512	\$0	\$120,592
Receivables:				
Accounts	10,000	0	10,000	0
Total Assets	<u>123,080</u>	<u>7,512</u>	<u>10,000</u>	<u>120,592</u>
Liabilities:				
Accounts Payable	0	105	0	105
Other Liabilities	123,080	7,512	10,105	120,487
Total Liabilities	<u>\$123,080</u>	<u>\$7,617</u>	<u>\$10,105</u>	<u>\$120,592</u>

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

Public School Support Fund				
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Tuition and Fees	\$28,539	\$47,942	\$50,318	\$2,376
Extracurricular Activities	7,335	12,321	12,932	611
Other Revenues	36,376	61,106	64,134	3,028
Total Revenues	72,250	121,369	127,384	6,015
Expenditures:				
Current:				
Instruction:				
Regular	108,456	127,178	117,777	9,401
Special	875	1,026	950	76
Support Services:				
Instructional Staff	182	214	198	16
School Administration	664	779	721	58
Operations and Maintenance	637	747	692	55
Capital Outlay	13,240	15,526	14,378	1,148
Total Expenditures	124,054	145,470	134,716	10,754
Excess of Revenues Over (Under) Expenditures	(51,804)	(24,101)	(7,332)	16,769
Other financing sources (uses):				
Transfers In	45	76	80	4
Transfers (Out)	(74)	(86)	(80)	6
Total Other Financing Sources (Uses)	(29)	(10)	0	10
Net Change in Fund Balance	(51,833)	(24,111)	(7,332)	16,779
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	97,567	97,567	97,567	0
Fund Balance End of Year	\$45,734	\$73,456	\$90,235	\$16,779

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Other Grants Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$61	\$5,220	\$5,220	\$0
Intergovernmental	128	10,999	11,000	1
Other Revenues	44	3,791	3,791	0
Total Revenues	233	20,010	20,011	1
Expenditures:				
Current:				
Instruction:				
Regular	8,400	27,904	22,204	5,700
Special	338	1,122	893	229
Support Services:				
Pupil	577	1,917	1,525	392
Total Expenditures	9,315	30,943	24,622	6,321
Excess of Revenues Over (Under) Expenditures	(9,082)	(10,933)	(4,611)	6,322
Other financing sources (uses):				
Transfers In	190	16,287	16,288	1
Total Other Financing Sources (Uses)	190	16,287	16,288	1
Net Change in Fund Balance	(8,892)	5,354	11,677	6,323
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	10,112	10,112	10,112	0
Fund Balance End of Year	\$1,220	\$15,466	\$21,789	\$6,323

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Extracurricular Student Activities Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Extracurricular Activities	\$267,996	\$303,863	\$303,938	\$75
Other Revenues	54,605	61,913	61,928	15
Total Revenues	<u>322,601</u>	<u>365,776</u>	<u>365,866</u>	<u>90</u>
Expenditures:				
Current:				
Instruction:				
Regular	1,422	1,678	1,615	63
Support Services:				
Extracurricular Activities	425,938	502,691	483,717	18,974
Total Expenditures	<u>427,360</u>	<u>504,369</u>	<u>485,332</u>	<u>19,037</u>
Excess of Revenues Over (Under) Expenditures	<u>(104,759)</u>	<u>(138,593)</u>	<u>(119,466)</u>	<u>19,127</u>
Other financing sources (uses):				
Transfers In	96,992	109,973	110,000	27
Total Other Financing Sources (Uses)	<u>96,992</u>	<u>109,973</u>	<u>110,000</u>	<u>27</u>
Net Change in Fund Balance	<u>(7,767)</u>	<u>(28,620)</u>	<u>(9,466)</u>	<u>19,154</u>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>134,113</u>	<u>134,113</u>	<u>134,113</u>	<u>0</u>
Fund Balance End of Year	<u>\$126,346</u>	<u>\$105,493</u>	<u>\$124,647</u>	<u>\$19,154</u>

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Auxiliary Services Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$3,984	\$4,120	\$4,120	\$0
Intergovernmental	1,457,377	1,507,071	1,507,072	1
Total Revenues	1,461,361	1,511,191	1,511,192	1
Expenditures:				
Current:				
Support Services:				
Operation of Non-Instructional Services	1,448,746	1,645,323	1,760,834	(115,511)
Total Expenditures	1,448,746	1,645,323	1,760,834	(115,511)
Net Change in Fund Balance	12,615	(134,132)	(249,642)	(115,510)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	260,539	260,539	260,539	0
Fund Balance End of Year	\$273,154	\$126,407	\$10,897	(\$115,510)

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Gifted Education Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$15,000	\$14,633	\$14,633	\$0
Total Revenues	15,000	14,633	14,633	0
Expenditures:				
Current:				
Support Services:				
Central	15,000	14,633	14,793	(160)
Total Expenditures	15,000	14,633	14,793	(160)
Net Change in Fund Balance	0	0	(160)	(160)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	159	159	159	0
Fund Balance End of Year	\$159	\$159	(\$1)	(\$160)

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Management Information Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$21,000	\$18,014	\$18,014	\$0
Total Revenues	21,000	18,014	18,014	0
Expenditures:				
Support Services:				
Central	21,000	18,014	18,014	0
Total Expenditures	21,000	18,014	18,014	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Entry Year Program Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$8,800	\$4,400	\$4,400	\$0
Total Revenues	8,800	4,400	4,400	0
Expenditures:				
Current:				
Instruction:				
Regular	8,800	4,400	4,400	0
Total Expenditures	8,800	4,400	4,400	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	OneNet Network Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$21,000	\$21,000	\$21,000	\$0
Total Revenues	21,000	21,000	21,000	0
Expenditures:				
Support Services:				
Central	21,000	21,000	21,000	0
Total Expenditures	21,000	21,000	21,000	(0)
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	58	58	58	0
Fund Balance End of Year	<u>\$58</u>	<u>\$58</u>	<u>\$58</u>	<u>\$0</u>

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	School Net Professional Development Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$4,140	\$4,140	\$0
Total Revenues	0	4,140	4,140	0
Expenditures:				
Current:				
Instruction:				
Support Services:				
Instructional Staff	2,429	7,288	5,880	1,408
Total Expenditures	2,429	7,288	5,880	1,408
Excess of Revenues Over (Under) Expenditures	(2,429)	(3,148)	(1,740)	1,408
Other financing sources (uses):				
Transfers In	0	4,140	4,140	0
Transfers (Out)	(1,711)	(5,132)	(4,140)	992
Total Other Financing Sources (Uses)	(1,711)	(992)	0	992
Net Change in Fund Balance	(4,140)	(4,140)	(1,740)	2,400
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,140	4,140	4,140	0
Fund Balance End of Year	\$0	\$0	\$2,400	\$2,400

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Ohio Reads Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$8,000	\$8,000	\$0
Total Revenues	0	8,000	8,000	0
Expenditures:				
Current:				
Instruction:				
Regular	0	8,000	8,000	0
Support Services:				
Total Expenditures	0	8,000	8,000	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Summer Intervention Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$73,515	\$75,366	\$75,366	\$0
Total Revenues	73,515	75,366	75,366	0
Expenditures:				
Current:				
Instruction:				
Regular	99,056	101,093	105,404	(4,311)
Total Expenditures	99,056	101,093	105,404	(4,311)
Excess of Revenues Over (Under) Expenditures	(25,541)	(25,727)	(30,038)	(4,311)
Other financing sources (uses):				
Advances In	12,012	12,314	12,314	0
Advances (Out)	(5,639)	(5,755)	(6,000)	(245)
Total Other Financing Sources (Uses)	6,373	6,559	6,314	(245)
Net Change in Fund Balance	(19,168)	(19,168)	(23,724)	(4,556)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	23,723	23,723	23,723	0
Fund Balance End of Year	\$4,555	\$4,555	(\$1)	(\$4,556)

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Career Education State Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$4,802	\$4,315	\$4,315	\$0
Total Revenues	4,802	4,315	4,315	0
Expenditures:				
Current:				
Instruction:				
Regular	4,802	4,315	4,315	0
Total Expenditures	4,802	4,315	4,315	0
Excess of Revenues Over (Under) Expenditures	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	School Conflict Grant Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$0	\$100	\$100	\$0
Total Revenues	0	100	100	0
Expenditures:				
Current:				
Instruction:				
Regular	0	100	100	0
Total Expenditures	0	100	100	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Title VI B / Pre-School Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$1,037,678	\$992,619	\$992,619	\$0
Total Revenues	1,037,678	992,619	992,619	0
Expenditures:				
Current:				
Instruction:				
Regular	111,046	107,567	107,568	(1)
Special	72,071	69,813	69,814	(1)
Support Services:				
Pupil	291,439	282,310	282,312	(2)
Instructional Staff	570,718	552,840	552,844	(4)
Central	30,124	29,181	29,181	0
Operation of Non-Instructional Services	57,962	56,147	56,147	0
Total Expenditures	1,133,360	1,097,858	1,097,866	(8)
Excess of Revenues Over (Under) Expenditures	(95,682)	(105,239)	(105,247)	(8)
Other financing sources (uses):				
Advances In	124,461	119,057	119,057	0
Advances (Out)	(40,261)	(39,000)	(39,000)	0
Transfers In	17,335	16,582	16,582	0
Transfers (Out)	(17,118)	(16,582)	(16,582)	0
Total Other Financing Sources (Uses)	84,417	80,057	80,057	0
Net Change in Fund Balance	(11,265)	(25,182)	(25,190)	(8)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	29,373	29,373	29,373	0
Fund Balance End of Year	\$18,108	\$4,191	\$4,183	(\$8)

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Vocational Education Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$10,182	\$10,056	\$10,056	\$0
Total Revenues	10,182	10,056	10,056	0
Expenditures:				
Current:				
Instruction:				
Regular	10,182	10,056	10,056	0
Total Expenditures	10,182	10,056	10,056	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Title III Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$95,882	\$67,291	\$67,292	\$1
Total Revenues	95,882	67,291	67,292	1
Expenditures:				
Current:				
Instruction:				
Regular	16,306	11,455	12,283	(828)
Special	81,037	56,931	61,044	(4,113)
Support Services:				
Instructional Staff	6,008	4,221	4,526	(305)
Central	16,419	11,535	12,368	(833)
Operation of Non-Instructional Services	5,362	3,767	4,039	(272)
Total Expenditures	125,132	87,909	94,260	(6,351)
Excess of Revenues Over (Under) Expenditures	(29,250)	(20,618)	(26,968)	(6,350)
Other financing sources (uses):				
Advances In	30,471	21,385	21,385	0
Advances (Out)	(2,124)	(1,492)	(1,600)	(108)
Transfers In	8,474	5,947	5,947	0
Transfers (Out)	(7,895)	(5,546)	(5,947)	(401)
Total Other Financing Sources (Uses)	28,926	20,294	19,785	(509)
Net Change in Fund Balance	(324)	(324)	(7,183)	(6,859)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	8,037	8,037	8,037	0
Fund Balance End of Year	\$7,713	\$7,713	\$854	(\$6,859)

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Title I Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$204,263	\$234,649	\$234,649	\$0
Total Revenues	204,263	234,649	234,649	0
Expenditures:				
Current:				
Instruction:				
Regular	204,263	234,649	234,649	0
Total Expenditures	204,263	234,649	234,649	0
Excess of Revenues Over (Under) Expenditures	0	0	0	0
Other financing sources (uses):				
Advances In	33,950	39,000	39,000	0
Advances (Out)	(33,950)	(39,000)	(39,000)	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1	1	1	0
Fund Balance End of Year	<u>\$1</u>	<u>\$1</u>	<u>\$1</u>	<u>\$0</u>

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Title VI Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$30,296	\$27,256	\$27,256	\$0
Total Revenues	30,296	27,256	27,256	0
Expenditures:				
Current:				
Instruction:				
Regular	311	302	300	2
Support Services:				
Pupil	8,293	8,060	8,000	60
Instructional Staff	11,551	11,227	11,143	84
Operation of Non-Instructional Services	10,329	10,040	9,965	75
Total Expenditures	30,484	29,629	29,408	221
Excess of Revenues Over (Under) Expenditures	(188)	(2,373)	(2,152)	221
Other financing sources (uses):				
Transfers In	2,779	2,500	2,500	0
Transfers (Out)	(2,591)	(2,519)	(2,500)	19
Total Other Financing Sources (Uses)	188	(19)	0	19
Net Change in Fund Balance	0	(2,392)	(2,152)	240
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,500	2,500	2,500	0
Fund Balance End of Year	\$2,500	\$108	\$348	\$240

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Drug Free Schools Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$24,094	\$22,057	\$22,057	\$0
Total Revenues	24,094	22,057	22,057	0
Expenditures:				
Current:				
Instruction:				
Regular	6,668	6,118	6,406	(288)
Support Services:				
Pupil	11,406	10,465	10,958	(493)
Instructional Staff	4,452	4,084	4,277	(193)
Operation of Non-Instructional Services	2,096	1,923	2,014	(91)
Total Expenditures	24,622	22,590	23,655	(1,065)
Excess of Revenues Over (Under) Expenditures	(528)	(533)	(1,598)	(1,065)
Other financing sources (uses):				
Transfers In	582	533	533	0
Transfers (Out)	(555)	(509)	(533)	(24)
Total Other Financing Sources (Uses)	27	24	0	(24)
Net Change in Fund Balance	(501)	(509)	(1,598)	(1,089)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,674	1,674	1,674	0
Fund Balance End of Year	\$1,173	\$1,165	\$76	(\$1,089)

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	EHA Pre-School Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$21,642	\$27,428	\$27,428	\$0
Total Revenues	21,642	27,428	27,428	0
Expenditures:				
Current:				
Support Services:				
Pupil	21,642	27,428	27,428	0
Total Expenditures	21,642	27,428	27,428	(0)
Excess of Revenues Over (Under) Expenditures	0	0	0	0
Other financing sources (uses):				
Advances In	2,919	3,700	3,700	0
Advances (Out)	(2,919)	(3,700)	(3,700)	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	0	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$0	\$0

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Title VI R Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$139,071	\$128,166	\$128,166	\$0
Total Revenues	139,071	128,166	128,166	0
Expenditures:				
Current:				
Instruction:				
Regular	137,741	126,941	125,725	1,216
Support Services:				
Operation of Non-Instructional Services	1,172	1,080	1,070	10
Total Expenditures	138,913	128,021	126,795	1,226
Excess of Revenues Over (Under) Expenditures	158	145	1,371	1,226
Other financing sources (uses):				
Advances In	16,276	15,000	15,000	0
Advances (Out)	(16,434)	(15,145)	(15,000)	145
Total Other Financing Sources (Uses)	(158)	(145)	0	145
Net Change in Fund Balance	0	0	1,371	1,371
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$1,371	\$1,371

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Miscellaneous Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$40,910	\$5,084	\$5,084	\$0
Total Revenues	40,910	5,084	5,084	0
Expenditures:				
Current:				
Instruction:				
Regular	11,039	1,889	1,956	(67)
Support Services:				
Instructional Staff	17,569	3,007	3,113	(106)
Central	14,426	2,469	2,556	(87)
Operation of Non-Instructional Services	1,609	275	285	(10)
Total Expenditures	44,643	7,640	7,910	(270)
Excess of Revenues Over (Under) Expenditures	(3,733)	(2,556)	(2,826)	(270)
Other financing sources (uses):				
Transfers In	3,999	497	497	0
Transfers (Out)	(2,805)	(480)	(497)	(17)
Total Other Financing Sources (Uses)	1,194	17	0	(17)
Net Change in Fund Balance	(2,539)	(2,539)	(2,826)	(287)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	3,739	3,739	3,739	0
Fund Balance End of Year	\$1,200	\$1,200	\$913	(\$287)

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Food Service Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$1,789	\$1,768	\$1,798	\$30
Intergovernmental	254,361	251,348	255,617	4,269
Charges for Services	1,416,799	1,400,020	1,423,797	23,777
Other Revenues	27,051	26,731	27,185	454
Total Revenues	<u>1,700,000</u>	<u>1,679,867</u>	<u>1,708,397</u>	<u>28,530</u>
Expenditures:				
Current:				
Support Services:				
Operation of Non-Instructional Services	1,796,350	1,796,350	1,694,727	101,623
Total Expenditures	<u>1,796,350</u>	<u>1,796,350</u>	<u>1,694,727</u>	<u>101,623</u>
Net Change in Fund Balance	(96,350)	(116,483)	13,670	130,153
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>156,008</u>	<u>156,008</u>	<u>156,008</u>	<u>0</u>
Fund Balance End of Year	<u>\$59,658</u>	<u>\$39,525</u>	<u>\$169,678</u>	<u>\$130,153</u>

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Adult Education Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Tuition and Fees	\$17,984	\$11,009	\$11,009	\$0
Other Revenues	16	10	10	0
Total Revenues	<u>18,000</u>	<u>11,019</u>	<u>11,019</u>	<u>0</u>
Expenditures:				
Current:				
Support Services:				
Operation of Non-Instructional Services	4,000	11,955	6,753	5,202
Total Expenditures	<u>4,000</u>	<u>11,955</u>	<u>6,753</u>	<u>5,202</u>
Net Change in Fund Balance	14,000	(936)	4,266	5,202
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>3,768</u>	<u>3,768</u>	<u>3,768</u>	<u>0</u>
Fund Balance End of Year	<u>\$17,768</u>	<u>\$2,832</u>	<u>\$8,034</u>	<u>\$5,202</u>

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Community School Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Tuition and Fees	\$49,703	\$44,231	\$46,970	\$2,739
Other Revenues	297	265	281	16
Total Revenues	50,000	44,496	47,251	2,755
Expenditures:				
Current:				
Support Services:				
Operation of Non-Instructional Services	31,800	67,687	51,021	16,666
Total Expenditures	31,800	67,687	51,021	16,666
Net Change in Fund Balance	18,200	(23,191)	(3,770)	19,421
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	31,790	31,790	31,790	0
Fund Balance End of Year	\$49,990	\$8,599	\$28,020	\$19,421

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$2,870,559	\$2,838,537	\$2,838,537	\$0
Intergovernmental	328,641	324,975	324,975	0
Total Revenues	<u>3,199,200</u>	<u>3,163,512</u>	<u>3,163,512</u>	<u>0</u>
Expenditures:				
Current:				
Support Services:				
Fiscal	39,716	39,716	39,656	60
Debt Service:				
Principal Retirement	1,535,000	1,535,000	1,535,000	0
Interest and Fiscal Charges	1,945,473	1,945,474	1,940,192	5,282
Total Expenditures	<u>3,520,189</u>	<u>3,520,190</u>	<u>3,514,848</u>	<u>5,342</u>
Net Change in Fund Balance	(320,989)	(356,678)	(351,336)	5,342
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>6,486,852</u>	<u>6,486,852</u>	<u>6,486,852</u>	<u>0</u>
Fund Balance End of Year	<u>\$6,165,863</u>	<u>\$6,130,174</u>	<u>\$6,135,516</u>	<u>\$5,342</u>

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Permanent Improvement Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Tuition and Fees	\$12	\$37,873	\$37,898	\$25
Investment Earnings	1	2,822	2,824	2
Total Revenues	13	40,695	40,722	27
Expenditures:				
Current:				
Instruction:				
Regular	13,805	73,954	107,729	(33,775)
Support Services:				
Pupil Transportation	24,852	133,136	193,941	(60,805)
Central	16,151	86,526	126,044	(39,518)
Operation of Non-Instructional Services	2,531	13,561	19,754	(6,193)
Capital Outlay	35,160	188,360	274,387	(86,027)
Total Expenditures	92,499	495,537	721,855	(226,318)
Excess of Revenues Over (Under) Expenditures	(92,486)	(454,842)	(681,133)	(226,291)
Other financing sources (uses):				
Transfers In	112	363,127	363,369	242
Transfers (Out)	(14)	(77)	(112)	(35)
Total Other Financing Sources (Uses)	98	363,050	363,257	207
Net Change in Fund Balance	(92,388)	(91,792)	(317,876)	(226,084)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	322,107	322,107	322,107	0
Fund Balance End of Year	\$229,719	\$230,315	\$4,231	(\$226,084)

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	Building Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Investment Earnings	\$9,887	\$9,326	\$10,515	\$1,189
Total Revenues	9,887	9,326	10,515	1,189
Expenditures:				
Current:				
Support Services:				
Capital Outlay	460,528	458,550	795,223	(336,673)
Total Expenditures	460,528	458,550	795,223	(336,673)
Excess of Revenues Over (Under) Expenditures	(450,641)	(449,224)	(784,708)	(335,484)
Other financing sources (uses):				
Transfers In	3,283	3,097	3,492	395
Transfers (Out)	(2,022)	(2,014)	(3,492)	(1,478)
Total Other Financing Sources (Uses)	1,261	1,083	0	(1,083)
Net Change in Fund Balance	(449,380)	(448,141)	(784,708)	(336,567)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,023,399	1,023,399	1,023,399	0
Fund Balance End of Year	\$574,019	\$575,258	\$238,691	(\$336,567)

Sycamore Community School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2005

	SchoolNet Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$50,295	\$50,295	\$50,295	\$0
Total Revenues	50,295	50,295	50,295	0
Expenditures:				
Current:				
Instruction:				
Regular	50,295	50,295	49,894	401
Total Expenditures	50,295	50,295	49,894	401
Net Change in Fund Balance	0	0	401	401
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0	0
Fund Balance End of Year	\$0	\$0	\$401	\$401

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**STATISTICAL
SECTION**

Sycamore Community School District, Ohio

General School System Revenues by Source - Government-Wide
Last Ten Fiscal Years *

TABLE 1

Fiscal Year	2003	2004	2005
Program Revenues:			
Charges for Services	\$2,577,526	\$2,643,700	\$2,351,038
Operating Grants and Contributions	2,905,081	3,257,178	3,720,400
Capital Grants and Contributions	156,517	37,312	82,754
General Revenues:			
Property Taxes Levied for: General Purposes	54,264,719	52,801,962	62,619,099
Debt Service	3,582,255	3,075,203	3,159,522
Grants and Entitlements not Restricted to Specific Programs	8,908,534	9,135,135	9,799,439
Investment Earnings	773,856	556,576	648,705
Other Revenues	214,783	222,149	279,040
Total Revenues	<u>\$73,383,271</u>	<u>\$71,729,215</u>	<u>\$82,659,997</u>

Source: Sycamore Community School District records.

* - Only information for years 2003-2005 available

Sycamore Community School District, Ohio

General School System Expenses by Function - Government-Wide
Last Ten Fiscal Years *

TABLE 2

Fiscal Year	2003	2004	2005
Instruction	\$36,049,444	\$44,622,647	\$42,719,293
Instructional Staff	6,288,450	6,974,746	4,950,481
Pupil	3,850,910	4,407,474	4,471,433
General Administration	36,236	31,941	30,560
School Administration	5,126,429	5,344,410	5,174,319
Business and Fiscal	1,665,722	1,457,465	1,657,596
Operations and Maintenance	6,920,404	6,348,433	6,637,819
Pupil Transportation	4,155,109	4,012,686	4,159,013
Central	2,383,469	1,719,437	1,719,113
Operation of Non-Instructional Services	3,193,929	3,142,839	3,729,322
Extracurricular Activities	1,639,991	1,513,312	1,587,425
Interest and Fiscal Charges	2,764,963	3,069,450	2,623,709
Total Expenditures	<u>\$74,075,056</u>	<u>\$82,644,840</u>	<u>\$79,460,083</u>

Source: Sycamore Community School District records.

* - Only information for years 2003-2005 available

TABLE 3

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

Fiscal Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Taxes	\$37,422,850	\$40,183,423	\$40,638,006	\$52,482,288	\$49,686,779	\$48,476,319	\$52,693,933	\$54,264,718	\$50,806,412	\$62,313,333
Intergovernmental	5,514,392	5,652,736	5,571,929	6,364,547	7,082,909	7,941,022	8,540,278	8,974,058	9,180,435	9,506,923
Investment Revenue	1,767,200	1,925,017	2,231,481	2,106,420	2,507,583	3,316,969	1,362,503	655,560	522,007	624,183
Tuition and Fees	118,644	218,302	139,774	377,671	594,533	646,098	428,576	654,090	710,117	466,710
Extracurricular Activities	9,223	2,990	2,272	1,404	531	30	0	0	0	0
Other Revenues	211,502	118,537	575,271	706,540	545,607	168,211	328,751	366,916	179,194	140,861
Total Revenues	\$45,043,811	\$48,101,005	\$49,158,733	\$62,038,870	\$60,417,942	\$60,548,649	\$63,354,041	\$64,915,342	\$61,398,165	\$73,052,010

Source: Sycamore Community School District records.

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

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

TABLE 4

Fiscal Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Regular Instruction	\$22,564,106	\$23,000,909	\$24,684,684	\$26,129,406	\$26,280,966	\$26,338,143	\$28,389,982	\$29,699,806	\$32,901,502	\$32,698,951
Special Instruction	2,779,142	3,220,520	3,547,398	3,598,887	3,998,918	5,088,783	4,940,095	5,868,248	5,978,793	5,733,676
Vocational Instruction	163,036	163,208	162,637	175,645	171,051	181,782	180,409	203,123	303,214	2,386
Other Instruction	52,883	56,413	32,077	85,052	63,000	70,576	56,871	69,126	134,536	247,276
Pupil	2,481,033	2,448,622	2,383,446	2,538,276	2,702,615	2,802,185	3,357,924	3,756,987	4,201,572	3,880,025
Instructional Staff	2,504,266	2,666,038	2,796,290	3,053,631	3,802,204	4,347,147	5,154,615	5,832,714	5,985,292	4,423,565
General Administration	29,062	26,855	22,135	32,830	17,016	28,832	30,843	36,329	31,605	30,560
School Administration	3,331,302	3,927,574	3,991,456	4,293,345	3,765,532	4,518,511	4,503,747	5,071,535	5,117,743	4,948,786
Fiscal	1,119,595	1,007,185	784,420	1,254,165	1,507,416	790,743	1,243,935	1,362,290	1,214,124	1,393,459
Business	154,959	158,024	179,271	154,754	138,391	211,648	186,068	221,471	203,014	217,705
Operations and Maintenance	4,131,654	4,463,118	4,678,335	4,588,150	5,453,764	5,746,358	6,460,214	6,936,162	6,760,737	6,358,345
Pupil Transportation	2,280,275	2,372,402	2,377,792	2,505,861	2,631,037	2,894,009	3,168,662	3,486,230	3,665,206	3,673,981
Central	869,022	367,400	1,067,335	772,181	803,005	916,078	1,094,381	1,310,626	1,455,463	1,306,792
Community Services	133,070	0	0	0	0	0	0	1,881	1,910	17,132
Extracurricular Activities	527,160	574,497	660,940	699,202	798,158	912,710	978,686	1,299,186	1,013,169	1,056,395
Capital Outlay	26,641	64,625	157,616	103,361	45,069	67,050	37,571	0	27,845	2,672
Debt Service	134,047	130,033	91,787	1,149,812	833,491	830,741	1,298,623	1,258,021	1,376,422	1,469,349
Total Expenditures	\$43,281,253	\$44,647,423	\$47,617,619	\$51,134,558	\$53,011,633	\$55,745,296	\$61,082,626	\$66,413,735	\$70,372,147	\$67,461,055

Source: Sycamore Community School District Records

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

TABLE 5

Collection Year	Tax Levied (1)	Current Tax Collections (2)	Percent Collected	Delinquent Collection	Total Tax Collections	Percent Of Total Collections To Levy	Outstanding Delinquent Taxes (3)	Percent of Outstanding Delinquent Taxes To Tax Levied
1996	33,154,349	32,089,665	96.79%	592,643	32,682,308	98.58%	1,056,889	3.19%
1997	37,191,991	33,954,168	91.29%	695,281	34,649,449	93.16%	1,705,031	4.58%
1998	37,512,176	34,985,077	93.26%	817,634	35,802,711	95.44%	1,794,576	4.78%
1999	46,514,259	43,617,891	93.77%	1,389,336	45,007,227	96.76%	1,565,131	3.36%
2000	46,506,538	44,074,672	94.77%	792,973	44,867,645	96.48%	1,587,304	3.41%
2001	47,365,262	45,064,620	95.14%	665,666	45,730,286	96.55%	1,716,429	3.62%
2002	48,313,121	45,465,981	94.11%	847,542	46,313,523	95.86%	2,028,787	4.20%
2003	49,567,688	46,491,089	93.79%	1,021,764	47,512,853	95.85%	2,116,977	4.27%
2004	49,594,629	46,286,213	93.33%	830,241	47,116,454	95.00%	2,152,525	4.34%
2005	58,596,261	56,184,633	95.88%	1,187,801	57,372,434	97.91%	2,411,628	4.12%

Source: Hamilton County Auditor.

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

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

TABLE 6

Collection Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total		
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1996	953,788,060	2,725,108,743	202,321,640	809,286,560	45,169,080	56,461,350	1,201,278,780	3,590,856,653	33.45%
1997	1,007,767,960	2,879,337,029	216,675,850	866,703,400	47,728,840	59,661,050	1,272,172,650	3,805,701,479	33.43%
1998	1,026,114,180	2,931,754,800	216,675,850	866,703,400	47,596,770	59,495,963	1,290,386,800	3,857,954,163	33.45%
1999	1,047,097,340	2,991,706,686	223,554,970	894,219,880	48,722,610	60,903,263	1,319,374,920	3,946,829,828	33.43%
2000	1,172,883,770	3,351,096,486	234,472,590	937,890,360	47,597,380	59,496,725	1,454,953,740	4,348,483,571	33.46%
2001	1,198,351,640	3,423,861,829	225,264,070	901,056,280	43,922,870	54,903,588	1,467,538,580	4,379,821,696	33.51%
2002	1,225,919,880	3,502,628,229	222,216,830	888,867,320	34,779,800	43,474,750	1,482,916,510	4,434,970,299	33.44%
2003	1,367,631,060	3,907,517,314	227,523,320	910,093,280	31,224,690	39,030,863	1,626,379,070	4,856,641,457	33.49%
2004	1,370,377,710	3,915,364,886	183,532,570	734,130,280	31,419,650	39,274,563	1,585,329,930	4,688,769,729	33.81%
2005	1,383,377,770	3,952,507,914	197,132,205	788,528,820	36,040,650	45,050,813	1,616,550,625	4,786,087,547	33.78%

Source: Hamilton County Auditor.

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

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

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

TABLE 7

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Sycamore Community School District	\$65.90	\$60.40	\$60.49	\$60.84	\$60.84	\$60.84	\$61.53	\$54.14	\$54.14	\$54.14
Hamilton County	21.06	21.51	21.87	21.47	19.92	20.83	19.54	19.01	19.44	18.30
City of Blue Ash	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08	3.08
City of Loveland	11.00	11.92	11.92	11.92	9.92	9.92	9.92	9.92	9.92	9.92
City of Montgomery	10.05	10.05	10.05	10.05	10.75	10.75	9.15	9.15	9.15	9.15
Village of Evendale	0.00	0.00	0.00	0.00	0.00	0.00	3.34	3.34	3.34	3.34
Village of Indian Hill	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.00
Sycamore Township	7.75	7.75	7.75	7.75	7.75	7.75	7.75	7.60	7.60	7.60
Symmes Township	12.80	13.45	13.45	11.75	11.75	11.75	11.90	11.00	11.00	11.00
Great Oaks Joint Vocational School	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70

Source: Hamilton County Auditor.

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

TABLE 8

Year	Population (1)	Total Assessed Value (2)	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value (%)	Estimated Net Bonded Debt Per Capita
1996	33,362	1,201,278,780	5,200,000	3,361,356	1,838,644	0.15%	55
1997	33,362	1,272,172,650	4,775,000	4,080,080	694,920	0.05%	21
1998	33,362	1,290,386,800	5,948,599	6,651,807	0	0.00%	0
1999	36,076	1,319,374,920	52,373,599	7,099,000	45,274,599	3.43%	1,255
2000	36,076	1,454,953,740	49,538,599	6,874,826	42,663,773	2.93%	1,183
2001	37,447	1,467,538,580	47,228,599	6,838,321	40,390,278	2.75%	1,079
2002	37,447	1,482,916,510	44,848,599	6,867,562	37,981,037	2.56%	1,014
2003	37,447	1,626,379,070	42,373,599	6,814,275	35,559,324	2.19%	950
2004	37,447	1,585,329,930	40,903,599	6,486,854	34,416,745	2.17%	919
2005	37,447	1,616,550,625	39,368,599	6,135,518	33,233,081	2.06%	887

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

(2) Hamilton County Auditor, calendar year basis.

Sycamore Community School District, Ohio
 Computation of Legal Debt Margin
 June 30, 2005

TABLE 9

Assessed Valuation of District	\$1,616,550,625
<hr/>	
<u>Overall Direct Debt Limitation</u>	
Direct debt limitation	
9% of assessed valuation	\$145,489,556
Amount available in Debt Service Fund	6,135,518
Gross indebtedness	\$39,368,599
Less: Debt exempt from limitation	0
Debt subject to 9% limitation	<u>(39,368,599)</u>
Legal debt margin within 9% limitation	<u>\$112,256,475</u>
<hr/>	
<u>Unvoted Direct Debt Limitation</u>	
Unvoted debt limitation	
0.1% of assessed valuation	\$1,616,551
Amount available in Debt Service Fund	0
related to unvoted debt	
Gross indebtedness authorized by the Board	0
Less: Debt exempt from limitation	0
Debt subject to 0.1% limitation	<u>0</u>
Legal debt margin within 0.1% limitation	<u>\$1,616,551</u>
<hr/>	
<u>Energy Conservation Bond Limitation</u>	
Ohio Revised Code Section 133.042	
Debt limitation	
0.9% of assessed valuation	\$14,548,956
Energy conservation notes authorized	
by the Board	0
Legal debt margin within 0.9% limitation	<u>\$14,548,956</u>

Source: Sycamore Community School District records.

Sycamore Community School District, Ohio
 Computation of Direct and Overlapping Debt
 June 30, 2005

TABLE 10

Governmental Unit	Gross General Obligation	Percent Applicable to District (1)	Amount Applicable to District
Direct			
Sycamore Community School District	\$39,368,599	100.00%	\$39,368,599
Overlapping:			
City of Loveland	5,800,000	7.14%	414,120
City of Indian Hill	5,005,000	0.05%	2,503
City of Montgomery	7,965,000	100.00%	7,965,000
City of Sharonville	23,980,000	0.02%	4,796
Symmes Township	7,950,000	63.55%	5,052,225
Evendale Village	1,785,000	6.80%	121,380
Hamilton County	123,280,000	8.64%	10,651,392
Great Oaks Joint Vocational School	4,340,000	9.28%	402,752
Total overlapping:	\$180,105,000		\$24,614,168
Total direct and overlapping debt:	\$219,473,599		\$63,982,767

Source: Ohio Municipal Advisory Council

(1) Calculated by the Ohio Municipal Advisory Council.

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

TABLE 11

Fiscal Year	Principal	Interest and Fiscal Charges	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (%)
1996	425,000	345,809	770,809	43,281,253	1.78%
1997	425,000	339,724	764,724	44,647,424	1.71%
1998	425,000	224,786	649,786	47,617,619	1.36%
1999	550,000	1,511,777	2,061,777	51,134,558	4.03%
2000	2,835,000	2,333,409	5,168,409	53,011,633	9.75%
2001	2,310,000	2,316,453	4,626,453	55,745,296	8.30%
2002	2,380,000	2,180,574	4,560,574	61,082,626	7.47%
2003	2,475,000	2,080,241	4,555,241	66,413,735	6.86%
2004	1,470,000	1,999,784	3,469,784	70,372,147	4.93%
2005	1,535,000	1,940,192	3,475,192	67,461,055	5.15%

Source: Sycamore Community School District records.

Sycamore Community School District, Ohio
 Demographic Statistics
 Last Ten Years

TABLE 12

Year	Population (1)	School Enrollment (2)	Unemployment Rate Cincinnati Metropolitan Area (3)
1996	33,362	6,136	4.2%
1997	33,362	6,240	4.5%
1998	33,362	6,259	3.6%
1999	36,076	6,274	3.4%
2000	36,076	6,079	3.4%
2001	37,447	5,891	3.4%
2002	37,447	5,677	4.8%
2003	37,447	5,667	4.7%
2004	37,447	5,702	5.0%
2005	37,447	5,673	5.1%

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

(2) Sycamore Community School District records.

(3) Greater Cincinnati "2006 Economic Outlook"

TABLE 13

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

Calendar Year	Construction (1)	Bank Deposits (2) (in Thousands)	Property Values (3)
1996	46,975,020	18,661,138	953,788,060
1997	73,701,554	21,598,936	1,007,767,960
1998	46,452,410	18,070,437	1,026,114,180
1999	64,902,234	24,305,322	1,047,097,340
2000	60,657,082	41,302,569	1,172,883,770
2001	103,005,627	76,137,192	1,198,351,640
2002	43,192,473	133,025,841	1,225,919,880
2003	53,283,955	145,359,134	1,367,631,060
2004	37,157,130	147,868,600	1,370,377,710
2005	35,368,576	149,199,466	1,383,377,770

- Sources:
- (1) Cities of Blue Ash and Montgomery, Department of Economic Development and Planning.
 - (2) Total deposits of all banks headquartered in Hamilton County, Ohio. (includes national and state chartered banks.) Data was not available for the District only. Federal Reserve Bank, Cleveland.
 - (3) Hamilton County Auditor, calendar year basis - real property assessed values.

Sycamore Community School District, Ohio
 Real and Tangible Personal Property
 Top Ten Principal Taxpayers
 June 30, 2005

TABLE 14

Name of Taxpayer	Tangible Personal & Real Property	% of Total Assessed Valuation
Duke Realty	\$54,417,390	3.43%
VHH Ltd.	12,480,960	0.79%
Governors Hill Partners	11,340,010	0.72%
Ethicon	9,684,300	0.61%
Harold R Silverman LLC	8,638,440	0.54%
CCIP 2 Village Brooke	7,525,010	0.47%
HK New Plan Exchange	6,016,710	0.38%
Charleston at Blue Ash LLC	5,845,010	0.37%
L W LTD	5,823,460	0.37%
Bethesda Properties	5,629,540	0.36%
	<u>\$127,400,830</u>	<u>7.83%</u>

Source: Hamilton County Auditor.



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

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 9, 2006**