

**WEST CLERMONT LOCAL
SCHOOL DISTRICT, OHIO**

Single Audit Reports

June 30, 2005



**Auditor of State
Betty Montgomery**

Board of Education
West Clermont Local School District
4350 Aicholtz Road, Suite 220
Cincinnati, Ohio 45245

We have reviewed the *Independent Auditor's Report* of the West Clermont Local School District, Clermont 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 West Clermont Local 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

May 31, 2006

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WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO

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WEST CLERMONT LOCAL 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	\$ 183,615	183,615
School Breakfast Program	05PU	10.553	13,686	13,686
National School Lunch Program	LLP4	10.555	472,167	472,167
Special Milk Program for Children	02PU	10.556	301	301
Nutrition Cluster Total			<u>669,769</u>	<u>669,769</u>
Total U.S. Department of Agriculture			<u>669,769</u>	<u>669,769</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	821,770	808,375
Special Education Cluster:				
Special Education - Grants to States	6BSF	84.027	1,921,373	2,084,125
Special Education - Preschool Grants	PGS1	84.173	110,453	114,614
Special Education Cluster Total			<u>2,031,826</u>	<u>2,198,739</u>
Safe and Drug-Free Schools and Communities - State Grants	DRS1	84.186	44,537	50,306
State Grants for Innovative Programs	C2S1	84.298	41,111	66,253
Education Technology State Grants	TJS1	84.318	42,090	41,686
English Language Acquisition Grants	T3S1/T3S2	84.365	27,764	27,764
Improving Teacher Quality State Grants	TRS1	84.367	275,661	246,423
<i>(Passed through Great Oaks Institute of Technology and Career Development)</i>				
Vocational Education - Basic Grants to States	n/a	84.048	15,220	13,521
Total U.S. Department of Education			<u>3,299,979</u>	<u>3,453,067</u>
<u>U.S. Department of Health & Human Services</u>				
Substance Abuse & Mental Health Services	n/a	93.243	51,809	51,809
Total U.S. Department of Health & Human Services			<u>51,809</u>	<u>51,809</u>
Total Federal Awards			\$ <u>4,021,557</u>	<u>4,174,645</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 School 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.



**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
West Clermont Local School District, Ohio:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Clermont Local 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 December 9, 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 2005-1.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2005-2.

We also noted certain additional matters that we reported to management of the School District in a separate letter dated December 9, 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
December 9, 2005



**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
West Clermont Local School District, Ohio:

Compliance

We have audited the compliance of West Clermont Local 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 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.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect West Clermont Local School District's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 2005-3.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

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 December 9, 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, Hachett & Co.

Cincinnati, Ohio
December 9, 2005

WEST CLERMONT LOCAL 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?	none
• Reportable condition(s) identified that are not considered to be material weaknesses?	yes
Noncompliance material to financial statements noted?	yes

Federal Awards

Internal Control over major programs:	
• Material weakness(es) identified?	no
• Reportable condition(s) identified not considered to be material weaknesses?	yes
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?	yes
Identification of major programs:	
<i>Special Education Cluster:</i>	
<i>CFDA 84.027 – Special Education – Grants to States</i>	
<i>CFDA 84.173 – Special Education – Preschool Grants</i>	
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

2005-1 Non-payroll Cash Disbursements

As part of our testing of internal control over non-payroll cash disbursements, we selected a sample of sixty (60) cash disbursements from throughout the fiscal year. For a significant portion of the fiscal year, the School District did have a permanent Treasurer. Our tests showed that prior to the hiring of the current Treasurer, certain controls over the non-payroll cash disbursement function could not be relied upon and may have been inadequate. We noted the following:

- Instances in which requisitions were not approved by supervisors and the Superintendent or Assistant Superintendent as required by internal policies.
- Items in which an invoice/purchase order or requisition was not marked "ok to pay", initialed or signed by the purchaser which would indicate the goods or services were received.
- No documentation of the approval of purchase orders by the Treasurer or other responsible official.

Deviations from internal control policies procedures could result in the misappropriation of public funds or overpayments to vendors. We understand the School District has made changes in the internal control process subsequent to year-end. We recommend the School District review its internal control procedures over non-payroll cash disbursements and take steps to ensure that internal controls are properly performed prior to the disbursement of cash.

2005-2 Non-payroll Cash Disbursements

Ohio Revised Code Section, 5705.41(D), states no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. The following exceptions to this basic requirement are provided by statute:

Then and Now Certificate: This exception provides that, if the fiscal officer can certify that both at the time that the contract or order was made and at the time that he is completing his certification, sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Board of Education can authorize the drawing of a warrant. The Board of Education has 30 days from the receipt of such certificate to approve payment by resolution or ordinance.

Amounts of less than \$3,000 may be paid by the fiscal officer without such affirmation of the Board of Education upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful.

As part of our testing over non-payroll cash disbursements, we noted 20 instances out of 151 items tested that did not have certification prior to the obligation date and neither of the two exceptions provided above were utilized.

Section III - Federal Award Findings and Questioned Costs

2005-3 Non-payroll Cash Disbursements

The reportable condition described at Finding 2005-1 is applicable to the School District's major federal programs.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO

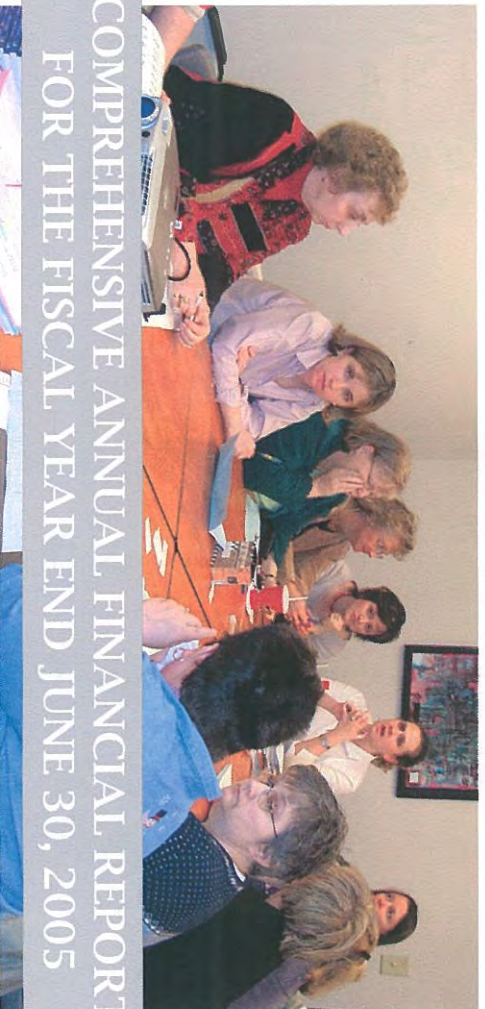
Schedule of Prior Audit Findings

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.



WEST CLERMONT LOCAL SCHOOL DISTRICT
CINCINNATI, OH



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

WEST CLERMONT LOCAL SCHOOL DISTRICT
CINCINNATI, OHIO

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

PREPARED BY:
OFFICE OF THE TREASURER
ALANA G. CROPPER, CPA

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

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Introductory Section



December 23, 2005

To the Citizens and Board of Education of the West Clermont Local School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the West Clermont Local School District (District) for the fiscal year ended June 30, 2005. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report is prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources. This report will provide taxpayers of the West Clermont Local School District with comprehensive financial data in a format, which will enable them to gain an understanding of the District's financial affairs. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report has been prepared by the Chief Financial Officer's Office and includes an opinion from Clark, Schaefer, Hackett & Co.

Copies of this report will be widely distributed throughout the District. A copy will be sent to all school buildings, the Chamber of Commerce, Clermont County Administrative Offices, Union Township, Pierce Township, Batavia Township, other governments in Clermont County, Moody's financial rating services, and any other interested parties.

The Comprehensive Annual Financial Report is divided into three sections:

The Introductory Section includes a table of contents, this transmittal letter, and a list of principal officials and the District's organizational chart. Also included are the District's major and future initiatives.

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

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

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). The District's MD&A can be found immediately following the report of the independent accountants.

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; special education programs and community recreation activities.

THE DISTRICT AND ITS FACILITIES

The District is comprised of several townships in Clermont County, including Union Township, Pierce Township, and Batavia Township. Enrollment for the 2004-2005 school year was 9,005 students, grades pre-K through 12. The District consists of eight elementary schools, two middle schools, and two high school campuses. West Clermont is the 23rd largest of Ohio's 613 school districts.

Name of Bldg Address	Grades Housed	Date of Original Building	Enrollment
Amelia Elementary 5 East Main Street Amelia, Ohio 45102	K-5	1932	648
Brantner Elementary 609 Brantner Lane Cincinnati, Ohio 45244	PreK-5	1963	532
Clough Pike Elementary 808 Clough Pike Cincinnati, Ohio 45245	PreK-5	1968	519
Holly Hill Elementary 3520 State Route 132 Amelia, Ohio 45102	K-5	1982	317
Mervin Elementary 1040 Gaskins Road Cincinnati, Ohio 45245	K-5	1969	687
Summerside Elementary 4639 Vermona Drive Cincinnati, Ohio 45245	K-5	1951	640
Willowville Elementary 4529 Schoolhouse Road Batavia, Ohio 45103	K-5	1968	540

Withamsville-Tobasco Elementary 733 Ohio Pike Cincinnati, Ohio 45245	PreK-5	1936	499
Amelia Middle 1341 Clough Pike Batavia, Ohio 45103	6-8	1961	1075
Glen Este Middle 4342 Glen Este-Withamsville Road Cincinnati, Ohio 45245	6-8	1963	1019
Amelia High 1351 Clough Pike Batavia, Ohio 45103	9-12	1960	1151
Glen Este High 4342 Glen Este-Withamsville Road Cincinnati, Ohio 45245	9-12	1963	1378

ORGANIZATION OF THE SCHOOL DISTRICT

The Board of Education of the West Clermont Local School District (Board) is composed of five members elected at large by the citizens of the District. The Board serves as the taxing authority, contracting body and policy initiator of the operation of the District. The Board is also responsible for the adoption of the tax budget, the annual operating budget and approves all expenditures of the District. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it by the Code. The current Board members, their terms and years on the Board as of June 30, 2005 are:

<u>Board Member</u>	<u>Current Term</u>	<u>Total Years</u>
Jo Ann Beamer	1/1/02 - 12/31/2005	23
Linda Bloom	1/1/04 - 12/31/2007	2
Jeff Burgess	1/1/02 - 12/31/2005	4
John Gray	1/1/02 - 12/31/2005	15
Barbara Hartman	1/1/04 - 12/31/2007	30

Superintendent is the chief executive director of the District and is responsible directly to the Board for all operations of the District. The Board of Education appointed Dr. Gary Brooks the new Superintendent, effective August 1, 2004. Brooks most recently served as Superintendent of the Batavia Local School District.

Prior to working with the Batavia District, Brooks served as principal of Deer Park Junior/Senior High School. He also spent six years as principal at Withamsville-Tobasco Elementary in the West Clermont District. Brooks received his doctorate from the University of Cincinnati, where he also earned a Bachelor of Fine Arts degree, a Master of Arts in Art Education and a Master of Arts in Education Administration.

The Treasurer is the chief financial officer of the District and is directly responsible to the Board for all financial operations, investments, custody of all District funds and assets, and serves as Secretary to the Board. Mrs. Alana Cropper was named district treasurer effective January 1, 2005. Mrs. Cropper came to West Clermont from Winton Woods City School District. Mrs. Cropper holds an undergraduate degree in accounting from the University of Kentucky, an MBA from Xavier University, and is a licensed certified public accountant.

All other District employees are responsible to the Superintendent and are employed by the Board upon the recommendation of the Superintendent.

EMPLOYEE RELATIONS

The District currently has approximately 766 full-time and 100 part-time employees.

The District's teachers are represented for collective bargaining purposes by the West Clermont Education Association (WEA, an affiliate of the Ohio Education Association and the National Education Association). The District has a two-year collective bargaining agreement with WEA, which expires July 31, 2007. The District's support staff is represented by the West Clermont Helping Ohio's Public Employees (HOPE, an OEA and NEA Affiliate). The District has a two-year collective bargaining agreement, which expires June 30, 2007.

ECONOMIC CONDITION AND OUTLOOK

Located in Clermont County, the West Clermont Local School District serves a population of approximately 27,822 people. Within the District boundaries are the majority of Union Township, as well as parts of Pierce Township and Batavia Township. These rapidly growing and thriving communities are a blend of residential, business, high technology, and light industrial areas. Convenient access to State Route 32 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 noted as one of the premiere areas to live and work in the United States.

A strong industrial base in Union Township is currently in mid development stage. A tax incentive district supports this multi use development. The District has entered into an agreement with the Union Township trustees to provide the District reimbursement for lost tax revenue as a result of the tax incentives used to attract new businesses. In addition, significant residential growth in all segments continues to provide a stable tax base for the District for many years. With general economic conditions improving, prospects for continued growth look favorable. We are always striving to provide the very best opportunities to every child, while carefully guarding the District's resources.

The last tax levy was passed in March 2004. The residents of the District approved a \$7.9 mill emergency levy. Collections of the levy began in January of 2005.

SERVICES PROVIDED

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

Transportation is provided for over 7,870 students each day. The District fleet of 98 buses travels over 5,996 miles each day, transporting to 43 different sites. In addition to making more than 89 daily runs, the department transported both public and non-public students on 600 extra-curricular trips during the year.

The food service department served 580,719 plate lunches throughout the District's kitchens. This is accomplished through the full operation of 6 kitchens. The District currently offers a breakfast program at Holly Hill Elementary.

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 programs.

Limited health services are provided by a registered nurse and 16 health aides throughout the district.

The District offers regular instructional programs daily to students in grades K-12. Approximately 244 students participated in the specific trades through Great Oaks Joint Vocational School programs. About 850 students receive special services, due to physical or mental handicapping conditions. In grades K-12, approximately 980 students have been identified as gifted.

MAJOR CURRENT AND FUTURE INITIATIVES

Creating the Schools We Need

West Clermont's strategic plan, *Creating the Schools We Need*, was developed in collaboration between parents, staff, students and community members involved on a district Planning Council. The following purpose statements were adopted by the West Clermont School Board and endorsed by the West Clermont Education Association.

- Develop a school culture that embraces all students.
- Teach from a curriculum that is based on state and national standards.
- Base instruction on current research and utilize proven best practices.
- Hold students accountable to high standards.
- Engage students in active learning and quality work in the classroom.
- Develop critical and creative thinkers.
- Foster a love of learning.
- Provide safe facilities conducive to learning.

High School Redesign

The District's goal is to create small learning communities that engage students in active, inquiry-based learning, stress depth of competency, and maintain high expectations for all students in an atmosphere that provides each individual personal support. This is achieved through the redesign of the two high schools into ten smaller "schools within a school". The new schools opened in August 2002.

The small school design was implemented with donations from the Bill and Melinda Gates Foundation, KnowledgeWorks Foundation, Corning Precision Lens, Harvard University Institute for School Leadership and the University of Minnesota Center for School Change. The design changes will allow us to meet the following goals:

1. Guarantee an environment that fosters respect for individual differences.
2. Achieve recognition as a World-Class school district through continuous improvement in all areas of the school organization.
3. Become a nationally recognized leader in customer-focused, performance driven education.

CHALLENGES FOR 2005-2006 AND BEYOND

- Provide sufficient facilities and classrooms for the student population.
- Recruit and retain a quality staff.
- Provide resources for staff development.
- Ensure that technology in the schools keeps pace with the needs of students.
- Increase communications with our community to ensure meeting the changing needs of our community.

Building a solid foundation of literacy is a core precept of West Clermont's curriculum and classroom focus. Beginning in elementary, students' skills and achievements are measured to ensure progress is being made on an individual basis. This gives teachers and parents specific, individualized information about the student's development, which allows them to better work with them. As they progress through elementary school, they are taught by highly trained teachers whose skills are developed through extensive programs such as reading recovery and other literacy based programs.

BELIEFS

West Clermont's vision

Our Mission is to ensure academic excellence for all students, in a safe environment, supported by parents and the community.

West Clermont's character values

West Clermont is proud to be recognized as a school district of character by the Character Council of Greater Cincinnati & Northern Kentucky.

LONG RANGE BUILDING AND MAINTENANCE PLANS

The District, as part of its strategic planning, in conjunction with the Ohio School Facilities Commission, completed an Educational Facilities Master Plan in 2003. This plan has provided the blueprint for a ten-year facility improvement plan. The improvements will be funded through proceeds from a future bond issue. The facility improvement plan includes the construction of four new elementary buildings (two replacing old buildings), renovation of six elementary schools and various improvements/additions to the middle and high school buildings to bring them in compliance with the new standards. This plan is a living document and may be modified to meet the changing needs of the district and it's parents.

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 Controls

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 is compiled to allow for the preparation of the financial statements in a conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its 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, ensure that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary measure is first adopted, the permanent appropriation must be adopted within three months.

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 require appropriation authority from the Board. Budgets are controlled at the fund level. 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 provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. In addition to interim financial statements, each program manager is furnished monthly reports showing the status of the budget account(s) for which he or she is responsible. Each program manager may request additional financial reports during the month when necessary.

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 basic financial statements. Additional information on the District's budgetary accounts can also be found in the notes to the basic financial statements.

Cash Management

The District's cash management program addresses the issues of safety, liquidity and yield while maximizing returns. The District utilizes the Star Ohio program investment pool operated by the Treasurer of State for ready cash and yield. Treasury notes, bankers' acceptances, commercial paper and repurchase agreements are utilized for longer-term investments. Interest earned for all funds during the fiscal year was \$208,694.

The cash management program is designed to minimize cash on hand and maximize investment holdings. All investments are spread among available investment options to insure maximum interest rates.

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 the 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 continues to protect its assets through a comprehensive insurance program. A schedule of insurance in force at June 30, 2005 is included in the Notes to the Basic Financial Statements.

Independent Audit

Provisions of State statute require that the District's financial statements be subjected to an annual examination by an independent auditor. Clark, Schaefer, Hackett & 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 effective with its annual financial report since the 1979 calendar year.

Awards

The District received the coveted Certificate in Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for the 2004 Comprehensive Annual Financial Report. This year's report will also be submitted for this award. We feel that the contents of the report are easily readable, efficiently organized and conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The District believes our current report conforms to the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

The District will also seek the Association of School Business (ASBO) Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2005. The District received the Certificate of Achievement for Excellence in Financial Reporting from ASBO for the 2004 Comprehensive Annual Financial Report. This award certifies that a Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. This award is granted only after an extensive review of the report by an expert panel of certified public accountants and practicing school business officials.

Acknowledgement

The preparation of the 2005 Comprehensive Annual Financial Report of the West Clermont Local School District was made possible by the dedicated service of the entire Treasurer's staff. Sincere appreciation is extended to Toni Meyer for her efforts. 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,

A handwritten signature in cursive script that reads "Alana G. Cropper".

Alana G. Cropper, CPA
Treasurer

WEST CLERMONT LOCAL SCHOOL DISTRICT
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2005

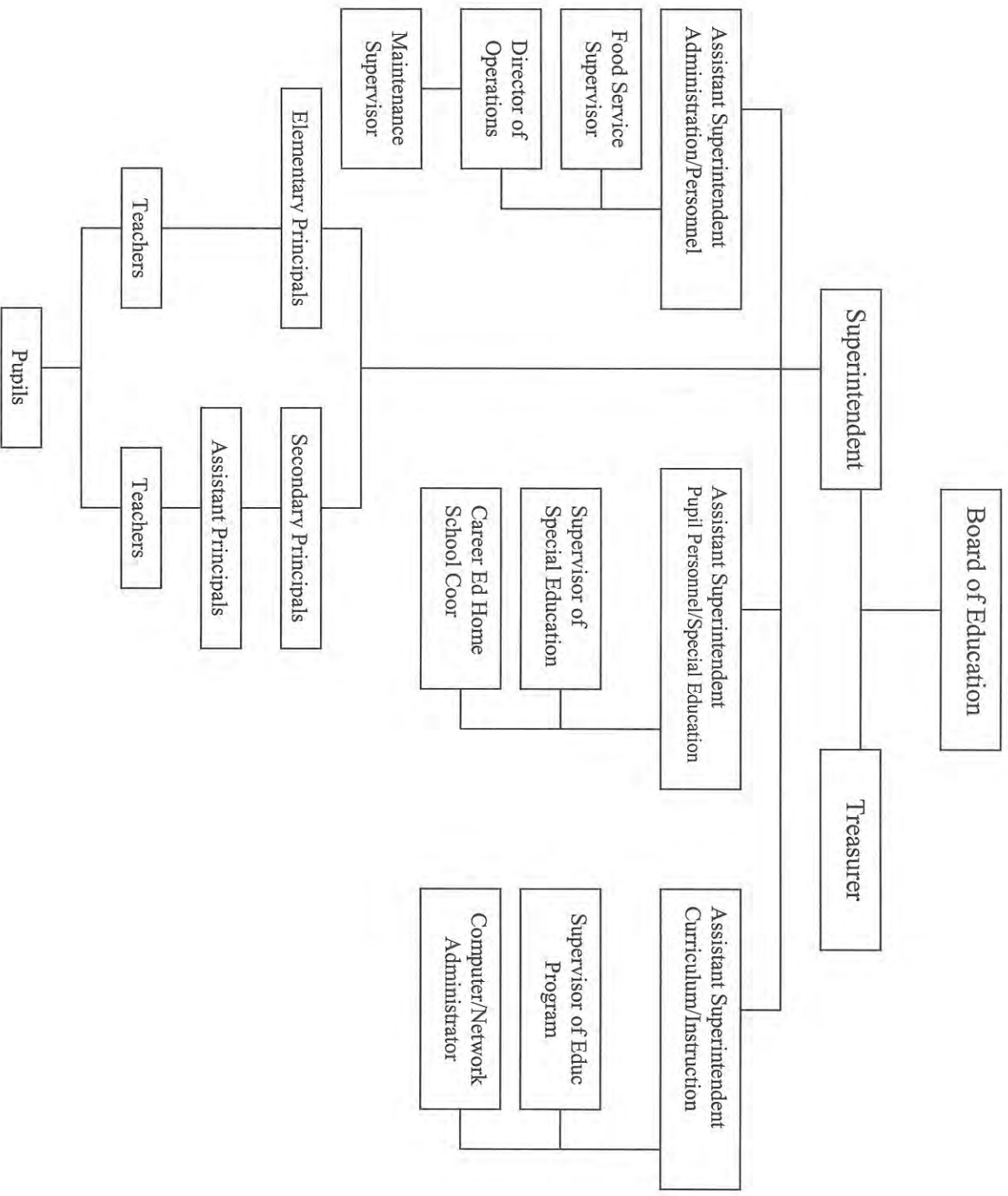
BOARD OF EDUCATION

President John F. Gray
Vice President Jeff Burgess
Board Member Jo Ann Beamer
Board Member Linda Bloom
Board Member Barbara Hartman

ADMINISTRATIVE OFFICIALS

Superintendent Gary Brooks
Treasurer Alana G. Cropper, CPA
Assistant Superintendent- John W. Abegglen
Administration and Personnel
Assistant Superintendent- Albert L. Delgado
Pupil Personnel/Special Education
Assistant Superintendent- Mary Ellen Steele-Pierce
Curriculum/Instruction
Director of Operations G. Edward Dyer
Supervisor of Educational Programs Lesley A. Quatrone
Supervisor of Educational Programs Matthew A. White

West Clermont Local School District
 Organizational Chart as of June 30, 2005



Certificate of Achievement for Excellence in Financial Reporting

Presented to

West Clermont
Local School District,
Ohio

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

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



President



Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

WEST CLERMONT LOCAL SCHOOL DISTRICT

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

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


President


Executive Director

Financial Section



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

INDEPENDENT AUDITORS' REPORT

To the Board of Education
West Clermont Local 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 West Clermont Local 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 and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 22, 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 December 9, 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 on pages 3 through 10 is not a required part of the basic financial statements but is 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.



Cincinnati, Ohio
December 9, 2005

WEST CLERMONT LOCAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2005
(Unaudited)

The discussion and analysis of West Clermont Local 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:

- Net assets for governmental activities totaled \$12,341,714. Net assets of governmental activities increased \$359,412 from 2004.
- General revenues accounted for \$65,904,359 in revenue or 88% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$9,321,713 or 12% of total revenues of \$75,226,072.
- The District had \$74,866,660 in expenses related to governmental activities; \$9,321,713 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$65,904,359 were also used to provide for these programs.
- All governmental funds had total revenues and other financing sources of \$75,691,898. All governmental funds had total expenditures and other financing uses of \$75,675,953. The net change in fund balance for the year was \$15,945.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

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

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

In the Statement of Net Assets and the Statement of Activities, the overall financial position of the District is presented in the following manner:

- Governmental Activities – Most of the District’s programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Reporting the District’s Most Significant Funds

Fund Financial Statements

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

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

The District as a Whole

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

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

	Governmental Activities	
	2004 Restated	2005
Assets		
Current and Other Assets	\$50,403,862	\$47,401,507
Capital Assets	<u>23,994,850</u>	<u>23,391,379</u>
Total Assets	<u>74,398,712</u>	<u>70,792,886</u>
Liabilities		
Long-Term Liabilities	20,466,160	18,967,904
Other Liabilities	<u>41,950,250</u>	<u>39,483,268</u>
Total Liabilities	<u>62,416,410</u>	<u>58,451,172</u>
Net Assets		
Invested in Capital		
Assets Net of Debt	6,029,361	6,889,385
Restricted	6,195,949	6,738,223
Unrestricted	<u>(243,008)</u>	<u>(1,285,894)</u>
Total Net Assets	<u>\$11,982,302</u>	<u>\$12,341,714</u>

Total assets decreased \$3,605,826. Equity in pooled cash and cash equivalents decreased \$3,444,679. Taxes receivable increased \$296,877. Total liabilities decreased \$3,965,238, resulting in a net asset increase of \$359,412.

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 \$12,341,714.

At year-end, capital assets represented 33% of total assets. Capital assets include land, land improvements, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2005, was \$6,889,385. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$6,738,223, represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use. The District has (\$1,285,894) in unrestricted net assets at fiscal year end.

Table 2 shows the change in net assets for fiscal year 2005 with comparisons to fiscal year 2004.

Table 2
Changes in Net Assets

	Governmental Activities 2004 Restated	Governmental Activities 2005
Revenues		
Program Revenues:		
Charges for Services	\$2,648,736	\$2,805,357
Operating Grants	4,784,246	6,379,711
Capital Grants	61,292	136,645
General Revenue:		
Property Taxes	31,906,520	37,357,261
Grants and Entitlements	27,430,700	27,451,955
Other	<u>927,620</u>	<u>1,095,143</u>
Total Revenues	<u>67,759,114</u>	<u>75,226,072</u>
Program Expenses:		
Instruction	43,618,331	45,366,150
Support Services:		
Pupil and Instructional Staff	6,775,101	7,140,862
School and General Administration, Fiscal and Business	6,085,592	6,889,769
Operations and Maintenance	4,782,004	5,011,415
Pupil Transportation	5,855,472	6,018,844
Central	871,925	702,041
Operation of Non-Instructional Services	2,572,351	2,052,972
Extracurricular Activities	1,188,731	1,216,578
Interest and Fiscal Charges	<u>709,324</u>	<u>468,029</u>
Total Expenses	<u>72,458,831</u>	<u>74,866,660</u>
Increase (Decrease) in Net Assets	<u>(4,699,717)</u>	<u>359,412</u>
Beginning Net Assets	<u>16,682,019</u>	<u>11,982,302</u>
Ending Net Assets	<u>\$11,982,302</u>	<u>\$12,341,714</u>

Of the total governmental activities revenues of \$75,226,072, \$9,321,713 is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, \$37,357,261 (57%) comes from property tax levies and \$27,451,955 (42%) is from state and federal funding. This District's operations are reliant upon its property tax levy and the state's foundation program.

Net assets increased \$359,412 which was caused mainly by an increase in property taxes.

Governmental Activities

The District revenues are mainly from two sources. Property taxes levied for general purposes and grants and entitlements comprised 95% 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 do not receive additional property taxes related to increases in appraised values and must regularly return to the voters to maintain a constant level of service. Property taxes made up 50% of revenue for governmental activities for the District in fiscal year 2005.

Instruction comprises 61% of governmental program expenses. Support services expenses were 34% of governmental program expenses. All other expenses and interest expense was 5%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

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

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2004 Restated	2005	2004 Restated	2005
Instruction	\$43,618,331	\$45,366,150	(\$40,573,319)	(\$41,789,249)
Support Services:				
Pupil and Instructional Staff	6,775,101	7,140,862	(4,908,189)	(4,206,554)
School and General Administration,				
Fiscal and Business	6,085,592	6,889,769	(5,982,456)	(6,843,411)
Operations and Maintenance	4,782,004	5,011,415	(4,673,044)	(4,929,554)
Pupil Transportation	5,855,472	6,018,844	(5,791,180)	(5,961,159)
Central	871,925	702,041	(816,518)	(668,559)
Operation of Non-Instructional Services	2,572,351	2,052,972	(561,382)	48,859
Extracurricular Activities	1,188,731	1,216,578	(946,145)	(727,291)
Interest and Fiscal Charges	709,324	468,029	(709,324)	(468,029)
Total Expenses	<u>\$72,458,831</u>	<u>\$74,866,660</u>	<u>(\$64,961,557)</u>	<u>(\$65,544,947)</u>

The District's Funds

Information about the District's major fund is presented in the Fund Financial Statements (see Table of Contents). These funds are accounted for using the modified accrual basis of accounting. As the major fund, the General Fund had \$65,010,781 in revenues and \$65,062,249 in expenditures. The General Fund's balance at year end was \$122,321.

The District's general fund balance decreased by \$277,169. The decrease in fund balance can be attributed to the expenditure growth rate exceeding revenue growth.

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; however these amendments were not significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the budget in an attempt to deal with unexpected changes in state revenues and subsequently reduced expenditures.

For the General Fund, budget basis (actual) revenue was \$62,272,011, over the original budget estimates of \$61,146,931. Of this \$1,125,080 difference, most was due to taxes and intergovernmental revenue.

The District's ending unobligated cash balance for the General Fund was \$483,349 above the original budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2005, the District had \$23,391,379 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>2004 Restated</u>	<u>2005</u>
	<u>Governmental Activities</u>	
Land	\$4,233,242	\$4,233,242
Buildings and Improvements	18,992,884	18,278,125
Equipment	658,941	720,401
Vehicles	<u>109,783</u>	<u>159,611</u>
Total Net Assets	<u>\$23,994,850</u>	<u>\$23,391,379</u>

The decrease in capital assets is due to \$351,845 in additions offset by the recognition of \$955,316 in depreciation.

Debt

At June 30, 2005, the District had \$16,501,994 in bonds and capital leases outstanding, \$1,603,516 due within one year. Table 5 summarizes debt outstanding at year end.

Table 5
Outstanding Debt, at Year End

	Governmental Activities 2004 Restated	Governmental Activities 2005
Bonds Payable:		
School Improvement Bonds	\$840,000	\$435,000
School Improvement Bonds	200,000	100,000
School Improvement Refund 2002	<u>10,325,000</u>	<u>9,490,000</u>
Total Bonds Payable	11,365,000	10,025,000
Capital Leases Payable:	<u>6,638,785</u>	<u>6,476,994</u>
Total Outstanding Debt at Year End	<u>\$18,003,785</u>	<u>\$16,501,994</u>

The School Improvement Bonds and School Improvement Refund 2002 were paid out of the Debt Service Fund. All of the capital leases were paid out of the General Fund.

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

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. Financially, the future of the District is not without challenges. Management must diligently plan future expenditures.

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

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Alana Cropper, Treasurer at West Clermont Local School District, 4350 Aicholtz Road, Suite 220, Cincinnati, Ohio 45245.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 STATEMENT OF NET ASSETS
 JUNE 30, 2005

	Governmental Activities
ASSETS:	
Equity in pooled cash and investments	\$5,791,228
Receivables:	
Taxes	40,298,669
Accounts	56,728
Intergovernmental	1,215,760
Materials and supplies inventory	39,122
Nondepreciable capital assets	4,233,242
Depreciable capital assets, net	19,158,137
TOTAL ASSETS	\$70,792,886
LIABILITIES:	
Accounts payable	\$518,918
Accrued wages and benefits	5,133,655
Deferred revenue	32,354,097
Intergovernmental payable	1,444,733
Accrued interest payable	31,865
Long-term liabilities:	
Due within one year	2,117,174
Due within more than one year	16,850,730
TOTAL LIABILITIES	58,451,172
NET ASSETS:	
Invested in capital assets, net of related debt	6,889,385
Restricted for:	
Special Revenue	2,670,671
Debt Service	2,811,495
Capital Projects	1,256,057
Unrestricted	(1,285,894)
TOTAL NET ASSETS	\$12,341,714

See accompanying notes.

WEST CLERMONT LOCAL 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 Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction:					
Regular	\$36,084,853	\$740,108	\$1,467,280	\$55,987	(\$33,821,478)
Special	9,167,892	101,295	1,212,231	0	(7,854,366)
Vocational	113,405	0	0	0	(113,405)
Support services:					
Pupil	4,253,465	0	1,194,802	0	(3,058,663)
Instructional staff	2,887,397	0	1,716,533	22,973	(1,147,891)
General administration	41,272	0	0	0	(41,272)
School administration	5,473,982	0	46,358	0	(5,427,624)
Fiscal	1,328,772	0	0	0	(1,328,772)
Business	45,743	0	0	0	(45,743)
Operations & maintenance	5,011,415	81,861	0	0	(4,929,554)
Pupil transportation	6,018,844	0	0	57,685	(5,961,159)
Central	702,041	0	33,482	0	(668,559)
Non-instructional services	2,052,972	1,392,806	709,025	0	48,859
Extracurricular activities	1,216,578	489,287	0	0	(727,291)
Debt service:					
Interest and fiscal charges	468,029	0	0	0	(468,029)
Total governmental activities	\$74,866,660	\$2,805,357	\$6,379,711	\$136,645	(\$65,544,947)
		General revenues:			
		Property taxes levied for:			
		General purposes			35,490,717
		Debt Service			1,866,544
		Grants and entitlements not restricted to specific programs			27,451,955
		Earnings on investments			208,694
		Other revenues			886,449
		Total general revenues			65,904,359
		Change in net assets			359,412
		Net assets beginning of year, restated			11,982,302
		Net assets end of year			\$12,341,714

See accompanying notes.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:			
Equity in pooled cash and investments	\$591,880	\$5,199,348	\$5,791,228
Receivables:			
Taxes	38,448,038	1,850,631	40,298,669
Accounts	7,440	49,288	56,728
Interfund	96,454	0	96,454
Intergovernmental	0	1,215,760	1,215,760
Inventory	0	39,122	39,122
TOTAL ASSETS	\$39,143,812	\$8,354,149	\$47,497,961
LIABILITIES AND FUND BALANCE:			
Liabilities:			
Accounts payable	\$338,676	\$180,242	518,918
Accrued wages and benefits	4,836,059	297,596	5,133,655
Interfund payable	0	96,454	96,454
Intergovernmental payable	1,356,027	88,706	1,444,733
Compensated absences payable	281,091	221	281,312
Deferred revenue	32,209,638	2,320,708	34,530,346
Total liabilities	39,021,491	2,983,927	42,005,418
Fund Balances			
Reserved-			
Reserved for encumbrances	0	258,620	258,620
Reserved for inventory	0	39,122	39,122
Reserved for property tax advances	6,238,400	329,400	6,567,800
Unreserved, Undesignated, Reported in:			
General Fund	(6,116,079)	0	(6,116,079)
Special Revenue Funds	0	1,282,991	1,282,991
Debt Service Fund	0	2,241,080	2,241,080
Capital Projects Funds	0	1,219,009	1,219,009
Total fund balances	122,321	5,370,222	5,492,543
TOTAL LIABILITIES AND FUND BALANCES	\$39,143,812	\$8,354,149	\$47,497,961

See accompanying notes.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO
 NET ASSETS OF GOVERNMENTAL ACTIVITIES
 JUNE 30, 2005

Total Governmental Fund Balance

\$5,492,543

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.

Land and improvements	4,233,242
Buildings and improvements	33,457,644
Furniture and equipment	2,094,044
Vehicles	410,341
Accumulated depreciation	(16,803,892)
Total Capital Assets	23,391,379

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

Taxes - delinquent receivables	1,376,812
Intergovernmental	799,437
Total	2,176,249

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

(31,865)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable	10,025,000
Capital lease payable	6,476,994
Unamortized premium on bonds	1,193,185
Compensated absences	991,413
Total	(18,686,592)

Net Assets of Governmental Activities

\$12,341,714

See accompanying notes.

**WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
AND GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
From local sources:			
Taxes	\$35,782,488	\$1,888,934	\$37,671,422
Tuition and fees	172,118	736,850	908,968
Charges for services	1,004	1,392,806	1,393,810
Earnings on investments	185,850	22,844	208,694
Extracurricular activities	21,081	489,287	510,368
Other local revenues	271,217	214,292	485,509
Intergovernmental	28,577,023	5,686,615	34,263,638
Total revenues	65,010,781	10,431,628	75,442,409
Expenditures:			
Current:			
Instruction:			
Regular	32,958,048	2,360,203	35,318,251
Special	7,655,212	1,386,783	9,041,995
Vocational	113,405	0	113,405
Support services:			
Pupil	3,808,634	508,379	4,317,013
Instructional staff	1,027,225	1,865,737	2,892,962
General administration	41,272	0	41,272
School administration	5,239,178	184,916	5,424,094
Fiscal	1,296,344	29,939	1,326,283
Business	44,298	0	44,298
Operations & maintenance	4,969,223	56,351	5,025,574
Pupil transportation	5,910,961	0	5,910,961
Central	728,541	8,061	736,602
Non-instructional services	0	1,924,854	1,924,854
Extracurricular activities	907,421	301,824	1,209,245
Debt service:			
Principal retirement	161,791	1,340,000	1,501,791
Interest and fiscal charges	200,696	397,168	597,864
Total expenditures	65,062,249	10,364,215	75,426,464
Excess (deficiency) of revenues over (under) expenditures	(51,468)	67,413	15,945
Other financing sources (uses):			
Transfers in	11,167	238,322	249,489
Transfers out	(236,868)	(12,621)	(249,489)
Total other financing sources (uses)	(225,701)	225,701	0
Net change in fund balances	(277,169)	293,114	15,945
Fund balances, July 1 (restated)	399,490	5,077,108	5,476,598
Fund balance, June 30	<u>\$122,321</u>	<u>\$5,370,222</u>	<u>\$5,492,543</u>

See accompanying notes.

**WEST CLERMONT LOCAL 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

\$15,945

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital asset additions, net	351,845	
Depreciation expense	(955,316)	
Total Capital Assets		(603,471)

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

Delinquent property taxes	(314,121)	
Intergovernmental	97,784	
Total		(216,337)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Bond principal	1,340,000	
Lease principal	161,791	
Total		1,501,791

In the statement of activities, interest is accrued, whereas in the governmental funds, and interest expenditure is reported when due.

129,835

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.

(468,351)

Change in net assets of governmental activities

\$359,412

See accompanying notes.

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$36,562,866	\$33,081,288	\$33,081,288	\$0
Tuition and fees	90,500	172,119	172,119	0
Investment earnings	89,500	185,850	185,850	0
Intergovernmental	24,179,065	28,577,023	28,577,023	0
Other revenues	225,000	255,731	255,731	0
Total revenues	<u>61,146,931</u>	<u>62,272,011</u>	<u>62,272,011</u>	<u>0</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	33,364,781	33,646,074	33,646,074	0
Special	7,766,804	7,848,713	7,848,713	0
Vocational	111,205	113,405	113,405	0
Support services:				
Pupil	3,728,550	3,818,550	3,818,550	0
Instructional staff	1,040,910	1,059,910	1,059,910	0
General administration	47,584	54,584	54,584	0
School administration	5,210,216	5,290,247	5,290,247	0
Fiscal	1,287,229	1,307,229	1,307,229	0
Business	42,600	44,700	44,700	0
Operations and maintenance	5,019,898	5,020,601	5,020,601	0
Pupil transportation	5,811,431	5,841,431	5,841,431	0
Central	712,231	733,231	733,231	0
Extracurricular activities	810,419	870,182	870,182	0
Capital Outlay				
Debt Service:				
Interest	227,621	227,621	227,621	0
Total expenditures	<u>65,181,479</u>	<u>65,876,478</u>	<u>65,876,478</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,034,548)</u>	<u>(3,604,467)</u>	<u>(3,604,467)</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	0	10,135	10,135	0
Advances in	200,000	359,087	359,087	0
Advances (out)	0	(96,454)	(96,454)	0
Transfers (out)	0	(19,500)	(19,500)	0
Total other financing sources (uses)	<u>200,000</u>	<u>253,268</u>	<u>253,268</u>	<u>0</u>
Net change in fund balance	<u>(3,834,548)</u>	<u>(3,351,199)</u>	<u>(3,351,199)</u>	<u>0</u>
Fund balance - beginning	2,986,872	2,986,872	2,986,872	0
Prior year encumbrances appropriated	673,091	673,091	673,091	0
Fund balance - ending	<u>(\$174,585)</u>	<u>\$308,764</u>	<u>\$308,764</u>	<u>\$0</u>

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 JUNE 30, 2005

	Private Purpose Trust	Agency
ASSETS:		
Equity in pooled cash and investments	\$4,589	<u>\$111,549</u>
LIABILITIES:		
Due to student groups	\$0	\$107,926
Due to others	0	3,533
TOTAL LIABILITIES	0	<u>\$111,459</u>
NET ASSETS:		
Held in trust	<u>4,589</u>	
TOTAL NET ASSETS	<u>\$4,589</u>	

See accompanying notes.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Private Purpose Trust
Additions:	
Earnings on investments	\$52
Donations	3,103
Total additions	3,155
Deductions:	
Award	1,753
Change in net assets	1,402
Net assets beginning of year	3,187
Net assets end of year	\$4,589

See accompanying notes.

WEST CLERMONT LOCAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2005

1. DESCRIPTION OF THE DISTRICT

West Clermont Local School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. This Board of Education controls the District's twelve instructional/support facilities staffed by 260 non-certified and 606 certificated personnel who provide services to students and other community members.

The District was established in 1967 through the consolidation of Amelia Local School District, Glen Este-Mt. Carmel Local School District, and the Withamsville Tobasco School District and operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code. The legislative power of the District is vested in the Board of Education, consisting of five members elected at-large for staggered four year terms.

The District is located in western Clermont County, including portions of Union and Pierce townships. It is the 23rd largest in the state of Ohio (among 611 school districts) in terms of enrollment and the largest in Clermont County. It currently operates 8 elementary schools, 2 middle schools, 2 comprehensive high schools, and 1 administrative building.

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.

A. Reporting Entity

The reporting entity is composed of the primary government. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For West Clermont Local School District, this includes general operations, food service, and student related activities of the District.

Potential component units were reviewed for possible inclusion in the reporting entity. Component units are legally separate organizations for which the District is financially

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

Union Township, Pierce Township, and the Clermont County Public Library are separate bodies politic and corporate. Elected or appointed officials are independent of any District relationships, administer the provisions of each entity's services and act as the taxing authority for these services.

The following activities are included within the reporting entity:

Parochial Schools – Within the District boundaries, St. Bernadette, St. Thomas More, St. Veronica (operated through the Cincinnati Catholic Diocese), Eastern Hills Educational Building and Christian Center Academy are operated as private schools. Current State legislation provides funding to these parochial and private schools. These monies are received and disbursed on behalf of the schools by the Treasurer of the District, as directed by the schools. The activity of these State monies by the District are reflected in a special revenue fund for financial reporting purposes.

The District is associated with four organizations; two of which are defined as jointly governed organizations, one as an insurance purchasing pool, and one as a public entity risk pool. These organizations include the Hamilton Clermont Cooperative Association/Unified Purchasing, Great Oaks Joint Vocational School, the Ohio School Boards Association Workers' Compensation Group Rating Plan, and the Clermont County Health Trust.

MEASUREMENT FOCUS

Government-wide Financial Statements

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

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

are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

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

Fiduciary Funds, except Agency 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 District's fiduciary funds consist of a private purpose trust fund and agency funds. The trust fund is used to account for assets held by the District under a trust agreement for student scholarships and is 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 agency funds account for those student activities which consist of a student body, president, treasurer and a faculty advisor.

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.

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

Expenditures

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures). 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. Investments are reported at fair value which is based on quoted market prices.

The District has invested funds in Money Market Funds, Federal Agency Securities and 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 Rule2A7 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 amounted to \$208,746.

INVENTORY

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

CAPITAL ASSETS

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of two thousand five hundred dollars (\$2,500). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

<u>Description</u>	Governmental Activities	<u>Estimated Lives</u>
Buildings		45 years
Building Improvements		20 years
Equipment		10 - 20 years

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

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

For governmental fund financial statements, the expenditure for unpaid compensated absences are recognized when due. The related liability is recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid.

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 enabling legislation 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.

INTERFUND ACTIVITY

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

FUND EQUITY

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

4. CASH AND CASH EQUIVALENTS

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined 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) Repurchase agreements in the securities enumerated above.
- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.

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

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 No. 40 "Deposit and Investment Risk Disclosures".

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District's custodial credit risk policy requires that deposits be collateralized as required by ORC Chapter 135. At year-end, \$5,771,164 of the District's bank balance of \$5,871,164 was exposed to custodial credit risk since it was uninsured and collateralized with

securities held by the pledging financial institutions' trust department or agent, but not in the District's name.

Investments

The District's investment in the Ohio State Treasury Pool and Money Market (STAROhio) is not evidenced by securities that exist in physical or book entry form. Investments in STAROhio were rated AAAm by Standard & Poor's. The fair value of the District's investment in STAROhio is \$1,308,445 at June 30, 2005.

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 at 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 every third year.

Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 25 percent of true value (as defined). In 2005, 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 Clermont 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 \$6,238,400 for General Fund and

\$329,400 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	\$1,129,329,110
Public Utility Personal	39,249,410
Tangible Personal Property	<u>86,719,042</u>
Total	<u>\$1,255,297,562</u>

6. RECEIVABLES

Receivables at June 30, 2005, consisted of taxes, accounts (rent and student fees) and intergovernmental grants. 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:

	Restated Beginning Balance	Additions	Deductions	Ending Balance
Government Activities				
<i>Capital assets not being depreciated:</i>				
Land	\$4,233,242	\$0	\$0	\$4,233,242
<i>Capital assets being depreciated:</i>				
Buildings & Improvements	33,453,012	4,632	0	33,457,644
Equipment	1,827,985	266,059	0	2,094,044
Vehicles	<u>334,687</u>	<u>81,154</u>	5,500	<u>410,341</u>
Totals at Historical Cost	<u>\$39,848,926</u>	<u>\$351,845</u>	<u>\$5,500</u>	<u>\$40,195,271</u>
Less Accumulated Depreciation:				
Buildings & Improvements	\$14,460,128	\$719,391	\$0	\$15,179,519
Equipment	1,169,044	204,599	0	1,373,643
Vehicles	<u>224,904</u>	<u>31,326</u>	5,500	<u>250,730</u>
Total Accumulated Depreciation	<u>\$15,854,076</u>	<u>\$955,316</u>	<u>\$5,500</u>	<u>\$16,803,892</u>
Governmental Activities Capital Assets, Net	<u>\$23,994,850</u>	<u>(\$603,471)</u>	<u>\$0</u>	<u>\$23,391,379</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$747,697
Special	1,014
Support Services:	
Pupils	1,485
Instructional Staff	5,382
School Administration	100,201
Fiscal	5,210
Business	1,365
Operations and Maintenance	44,241
Pupil Transportation	2,020
Central	5,331
Operation of Non-Instructional Services:	33,849
Extracurricular Activities:	7,521
Total Depreciation Expense	<u>\$955,316</u>

8. LONG-TERM LIABILITIES

	Original Issue	Maturity Dates	Restated Beginning Balance Outstanding	Additions	Deductions	Ending Balance Outstanding	Due In One Year
Governmental Activities:							
General Obligation Bonds:							
School Improvement 1995 6.76%	\$2,600,000	2/01/05	\$200,000	\$ 0	\$100,000	\$100,000	\$100,000
School Improvement 1995 6.06%	13,000,000	2/01/05	840,000	0	405,000	435,000	435,000
School Improvement Refund 2002 2.00%-4.25%	11,075,000	2/01/19	10,325,000	0	835,000	9,490,000	880,000
Less deferred amounts:							
Unamortized Premiums			<u>1,315,136</u>	<u>0</u>	<u>121,951</u>	<u>1,193,185</u>	<u>109,669</u>
Total General Obligation Bonds			12,680,136	0	1,461,951	11,218,185	1,524,669
Compensated Absences			1,147,239	495,311	369,825	1,272,725	403,989
Capital Leases, as restated			<u>6,638,785</u>	<u>0</u>	<u>161,791</u>	<u>6,476,994</u>	<u>188,516</u>
Total Governmental Activities			<u>\$20,466,160</u>	<u>\$495,311</u>	<u>\$1,993,567</u>	<u>\$18,967,904</u>	<u>\$2,117,174</u>
Long-Term Liabilities, as restated							

General obligation bonds will be paid from the debt service fund. Compensated absences will be paid from the fund from which the person is paid. Capital lease obligations will be paid from the general fund.

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

Fiscal Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2006	1,415,000	357,551	\$1,772,551
2007	510,000	326,985	836,985
2008	535,000	314,560	849,560
2009	560,000	293,873	853,873
2010-2014	2,855,000	1,857,779	4,712,779
2015-2019	3,035,000	2,302,125	5,337,125
2020	1,115,000	27,875	1,142,875
Totals	<u>\$10,025,000</u>	<u>\$5,480,748</u>	<u>\$15,505,748</u>

9. PRIOR YEAR DEFEASANCE OF DEBT

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the District's financial statements. On June 30, 2005, \$11.075 million of bonds outstanding are considered defeased.

10. LEASES

CAPITAL LEASES

The District, in prior years, has entered into capital leases.

The leases for Amelia High School and the copiers meet the criteria of a 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 copiers will be made from the general fund.

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

Fiscal Year Ending June 30	Long-Term Debt
2006	\$451,549
2007	442,537
2008	2,756,449
2009	209,211
2010	210,939
2011-2015	3,880,299
2016-2019	<u>315,292</u>
Total Minimum Lease Payments	8,302,276
Less: Amount Representing Interest	<u>(1,825,282)</u>
Present Value of Minimum Lease Payments	<u>\$6,476,994</u>

Capital assets acquired under capital leases in accordance with Statement of Financial Accounting Standards No. 13 are as follows:

Land	\$2,302,349
Buildings and Improvements	5,277,000
Equipment	457,906

The District has entered into two capital leases, in prior years, for a total of 13 copiers, which will be used throughout the District. One of the copier leases is for 12 copiers with an interest rate of 9.09% and is paid (both principal and interest) monthly for 60 months. The second copier lease is for 1 copier with an interest rate of 7.95% and is paid (both principal and interest) monthly for 60 months. The District has also entered into capital leases with the Rickenbacker Port Authority (RPA) for an addition to Amelia High School consisting of ten classrooms, one multipurpose room with related fixtures, roof improvements to buildings and energy conservation measures throughout the District. The RPA capital leases will also be used to purchase 47.083 acres of land on Elick Road in Union Township. The RPA capital leases will have variable interest rates which will be paid either monthly or every six months depending on the lease agreement. The \$2,838,000 RPA capital lease will pay interest every six months and will have one principal payment due on December 1, 2014. The \$2,439,000 RPA capital lease will pay interest monthly and will have one principal payment due on December 1, 2007. The \$1,022,000 RPA capital lease will pay interest monthly and will pay principal yearly due on January 1 until 2019.

11. PENSION PLANS

SCHOOL EMPLOYEES RETIREMENT SYSTEM

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

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14% of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 5.8% of annual covered salary was the portion being used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004, and 2003 were \$1,097,952 \$993,924, and \$914,292, respectively; 44.3% has been contributed for fiscal year 2005 and 100% for fiscal years 2004 and 2003.

STATE TEACHERS RETIREMENT SYSTEM

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 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 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 District's required contributions for pension obligations for the fiscal years ended June 30, 2005, 2004, and 2003 were \$4,550,136, \$4,707,972, and \$4,522,248, respectively; 83.3% has been contributed for fiscal year 2005 and 100% for fiscal years 2004 and 2003.

12. 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.

All STRS Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$336,878 for the fiscal year 2005.

STRS Ohio pays health care benefits from the Health Care Reserve Fund. For the year ended June 30, 2004, net health care costs paid by STRS Ohio were \$268,739,000 and STRS Ohio had 111,853 eligible benefit recipients.

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.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2005, employer contributions to fund health care benefits were 4.91 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay was established at \$25,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2005 fiscal year equaled \$430,341.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2004, were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, SERS had net assets available for payment of health care benefits of 300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

13. CONTINGENT LIABILITIES

GRANTS

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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.

14. JOINTLY GOVERNED ORGANIZATIONS

The Hamilton Clermont Cooperative Association/Unified Purchasing Association

The Hamilton Clermont Cooperative Association/Unified Purchasing Association is a jointly governed organization among a two county consortium of school districts. The Unified Purchasing Cooperative was organized under the Hamilton Clermont Cooperative Association to benefit member districts with a more economically sound purchasing mechanism for general school, office and cafeteria supplies. The Unified Purchasing Cooperative organization is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility by the participating governments. Complete financial statements for H/CCA can be obtained from their administrative offices at 7615 Harrison Avenue, Cincinnati, Ohio 45231.

The Great Oaks Joint Vocational School District

The Great Oaks Joint Vocational School District, a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the participating school district's elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. Great Oaks Joint Vocational School was formed for the purpose of providing vocational education opportunities to the students of the member school districts, which includes the students of the West Clermont Local School District. The District has no ongoing financial interest in, nor responsibility for the Joint Vocational School. To obtain financial information, write to the Great Oaks Joint Vocational School, John Wahle, Treasurer, at 3254 East Kemper Rd., Cincinnati, Ohio 45241-1545.

15. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, employee injuries, and natural disasters. The District addresses these risks by maintaining a comprehensive risk management program through the purchase of various types of liability, inland marine, and property insurance from private carriers. Settled claims have not exceeded commercial coverage in any of the past three years.

A summary of significant coverage follows:

Building Contents-replacement cost (\$2,500 deductible)	\$110,589,600
Inland Marine Coverage (\$1,000 deductible)	338,800
Boiler and Machinery (\$1,000 deductible)	13,800,000
Automobile Liability (\$2,500 deductible)	2,000,000
Earthquake (\$2,500 deductible)	10,000,000
General Liability Per Occurrence	1,000,000
Employee Benefit Liability Total Per Year (Aggregate)	1,000,000

16. INSURANCE PURCHASING POOL

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three-member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

The Clermont County Health Trust (the Trust), an insurance purchasing pool, is a health trust formed to provide affordable and desirable dental, life, medical, and other disability group insurance for member's employees, eligible dependents and designated beneficiaries of such employees. The Board of Directors consists of one representative from each of the participating members and are elected by the vote of a majority of the member school districts. The District pays premiums to a third party administrator, McElroy Minister, which in turn buys the insurance policies from various insurance companies. Upon termination, the District shall be

responsible for prompt payment of all plan liabilities accruing as a result of such termination and maintain no right to any assets of the Trust. The District may terminate participation in the Trust for the benefit if its employees upon written notice to the Trustee delivered at least sixty days prior to the annual review date of the policy. Financial information can be obtained from the Clermont County Health Trust at P.O. Box 526 Middletown, Ohio 45042.

17. STATE SCHOOL FUNDING DECISION

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

18. BUDGETARY PROCESS

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts 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 the 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 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.

	<u>General</u>	
Net Change in Fund Balance		
GAAP Basis		15,945
Net Adjustment for Revenue Accruals		(2,738,770)
Net Adjustment for Expenditure Accruals		(345,235)
Encumbrances		(283,139)
Budget Basis		<u>(3,351,199)</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:		
Disadvantaged Pupil Impact Aid		\$4,590
Title VIB		12,929
Preschool Grant		3,373

The deficit in fund balance was primarily due to delays in cash being received to the District from the Ohio State Department of Education. The general fund is liable for any deficit in these funds and will provide operating transfers when cash is required and not when accruals occur.

Non-Compliance

Ohio Revised Code Section 5705.39 states the total appropriation from each fund should not exceed the total estimated revenue.

At June 30, 2005, the following District fund had a deficit fund balance (original budget basis) in the following amounts:

General Fund	\$174,585
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20. FUND BALANCE RESERVES FOR SET-ASIDES

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

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set-aside Reserve Balance as of June 30, 2004	(\$283,272)	\$ 0
Current Year Set-aside Requirement	1,296,626	1,296,626
Qualified Disbursements	(1,418,975)	(2,285,991)
Current Year Offsets	<u>0</u>	<u>0</u>
Set-Aside Cash Carried Forward to Future Years (\$405,621)		\$ 0
Set-Aside Reserve Balance as of June 30, 2005	\$ <u>0</u>	\$ <u>0</u>

Qualified disbursements and offset credits for capital activity during the year exceeded the amount required for the set-aside. Qualifying disbursements and carryover from prior years for textbooks totaled \$1,418,975, resulting in \$405,621 for carryover to offset textbook requirements in future years.

21. INTERFUND BALANCES/TRANSFERS

As of June 30, 2005, interfund transactions and interfund receivables and payables were as follows:

Fund Type/Fund	Interfund		Transfers	
	Receivable	Payable	In	Out
General	\$96,454	\$0	\$11,167	\$236,868
Nonmajor Funds:				
Public School Support	0	0	100	4,677
Other Grants	0	0	0	100
District Managed Student Activities	0	0	19,500	7,344
Title VIB	0	94,314	35,000	0
Title III	0	0	0	0
Title VI Innovative Projects	0	0	7,024	0
Preschool Grant	0	0	0	500
E-rate	0	0	2,844	0
Miscellaneous Federal Grants	0	2,140	0	0
Uniform School Supply	0	0	854	0
Debt Service	0	0	173,000	0
Total Nonmajor Funds	0	96,454	238,322	12,621
Total All Funds	\$96,454	\$96,454	\$249,489	\$249,489

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.

22. CHANGE IN ACCOUNTING PRINCIPLE/PRIOR PERIOD ADJUSTMENT

The District has implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures* which addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk and outlines disclosure requirements.

Also, the District has implemented GASB Technical Bulletin 2004-2, Recognition of Pension and Other Post Employment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers. The Technical Bulletin clarifies 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 post employment benefit plan.

In addition, adjustments have been made for the over accrual of an accounts payable, changes to capital leases and capital asset detail, and bond issuance costs and premiums that had not been previously recorded when the bonds were issued, as follows:

	Governmental Funds	Governmental Activities
June 30, 2004 Fund Balance/ Net Assets, as previously stated	\$5,732,673	\$12,652,409
Bond premiums		(1,315,136)
Capital leases		(38,000)
Capital assets, net	(658,400)	280,704
Accrued wages and benefits	402,325	402,325
Accounts payable	402,325	402,325
June 30, 2004 Fund Balance/ Net Assets, as restated	<u>\$5,476,598</u>	<u>\$11,982,302</u>

The District did not include all capital leases on their fiscal year 2004 statements and made the proper adjustments in 2005, so that all capital leases are included. The District did not include equipment, capital assets, net, that was purchased in prior years on its detail and made the proper adjustment in 2005. Bond premiums were not recorded when the bonds were refunded during 2003.

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.

Mental Health: To account for state funds, which provided mental health programs to the students of the district.

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

Other Grants: To account for local funds, which are provided to assist the District with various programs.

District Managed Student Activities: To account for those student activity programs, which have student participation in the activity, but do not have student management of the programs. This fund includes athletic programs as well as band, cheerleaders, drama clubs, and other similar types of activities.

Auxiliary Services: To account for state funds that provide services and materials to students attending non-public schools within the boundaries of the District.

Education Management Information System: To account for state funds provided to assist the district in implementing a state required staff, student, and financial reporting system.

Entry Year Programs: To account for state funds received for the implementation of entry-year mentoring programs for first year teachers.

Disadvantaged Pupil Impact Aid: To account for state funds, which provide instructional programs and materials for disadvantaged students. These funds are currently used to operate the Garfield Alternative Education Center.

Network Connectivity: To account for state funds, related to the District's Network Connectivity Program.

SchoolNet Professional Development: To account for state funds, which provide professional development opportunities and programs for District staff in the area of computers and related technology.

OhioReads: To account for state funds received for reading improvement and intervention programs designed to improve elementary student achievement scores in reading and for the establishment of volunteer reading coordinators at each school building.

Summer Intervention Program: To account for state funds, related to the District's Summer Intervention Program.

Career Education: To account for state funds related to the career education state grant.

Miscellaneous State Grants: To account for state funds that are legally restricted to expenditures for specified purposes.

Title VI B: To account for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

Vocational Education: To account for federal funds used in the development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, cooperative education, advisory committees, and work-study projects.

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

Title I: To account for federal funds for services provided to meet special educational needs of educationally deprived children (formerly called Chapter I).

Title VI Innovative Projects: To account for federal funds to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; programs to enhance personal excellence of students and student achievement (formerly called Chapter II).

Drug Free Schools: To account for federal funds for the establishment, operation and improvement programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

Preschool Grant: To account for federal funds received to provide programs to handicapped preschool children.

E-rate: To account for federal funds, which are used for the E-rate program.

Improving Teacher Quality: To account for federal funds received to provide for improving the quality of teachers.

Miscellaneous Federal Grants: To account for federal funds received to provide programs to assure that needy families with children obtain the education, training and employment and support services that will help them avoid long-term welfare dependence.

Food Service: To account for all revenues and expenses related to the provision of food services, including breakfast and lunch, for the District students and staff.

Uniform School Supply: To account for the purchase and sale of school supplies as adopted by the Board of Education for resale to students of the District.

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

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: To account for all transactions relating to the improvements made to existing District facilities.

SchoolNet: To account for state funds received for the purchase of computer technology for all classrooms in kindergarten through fourth grade.

Individual Grant: To account for state funds received for the installation and implementation of a distance learning program with surrounding school districts.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS:				
Equity in pooled cash and investments	\$1,654,102	\$2,241,080	\$1,304,166	\$5,199,348
Receivables:				
Taxes	0	1,850,631	0	1,850,631
Accounts	49,288	0	0	49,288
Intergovernmental	1,215,760	0	0	1,215,760
Inventory	39,122	0	0	39,122
TOTAL ASSETS	\$2,958,272	\$4,091,711	\$1,304,166	\$8,354,149
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts payable	\$132,133	\$0	\$48,109	180,242
Accrued wages and benefits	297,596	0	0	297,596
Interfund payable	96,454	0	0	96,454
Intergovernmental payable	88,706	0	0	88,706
Compensated absences payable	221	0	0	221
Deferred revenue	799,477	1,521,231	0	2,320,708
Total liabilities	1,414,587	1,521,231	48,109	2,983,927
Fund Balances				
Reserved-				
Reserved for encumbrances	221,572	0	37,048	258,620
Reserved for inventory	39,122	0	0	39,122
Reserved for property tax advances	0	329,400	0	329,400
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,282,991	0	0	1,282,991
Debt Service Fund	0	2,241,080	0	2,241,080
Capital Projects Funds	0	0	1,219,009	1,219,009
Total fund balances	1,543,685	2,570,480	1,256,057	5,370,222
TOTAL LIABILITIES AND FUND BALANCES	\$2,958,272	\$4,091,711	\$1,304,166	\$8,354,149

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
From local sources:				
Taxes	\$0	\$1,888,934	\$0	\$1,888,934
Tuition and fees	736,850	0	0	736,850
Charges for services	1,392,806	0	0	1,392,806
Earnings on investments	7,237	0	15,607	22,844
Extracurricular activities	489,287	0	0	489,287
Other local revenues	214,292	0	0	214,292
Intergovernmental	5,396,618	211,037	78,960	5,686,615
Total revenues	8,237,090	2,099,971	94,567	10,431,628
Expenditures:				
Current:				
Instruction:				
Regular	1,708,631	0	651,572	2,360,203
Special	1,386,783	0	0	1,386,783
Support services:				
Pupil	508,379	0	0	508,379
Instructional staff	1,830,939	0	34,798	1,865,737
School administration	184,916	0	0	184,916
Fiscal	1,179	28,760	0	29,939
Operations & maintenance	35,150	0	21,201	56,351
Central	8,061	0	0	8,061
Non-instructional services	1,924,854	0	0	1,924,854
Extracurricular activities	301,824	0	0	301,824
Debt service:				
Principal retirement	0	1,340,000	0	1,340,000
Interest and fiscal charges	0	397,168	0	397,168
Total expenditures	7,890,716	1,765,928	707,571	10,364,215
Excess (deficiency) of revenues over (under) expenditures	346,374	334,043	(613,004)	67,413
Other financing sources (uses):				
Transfers in	65,322	173,000	0	238,322
Transfers out	(12,621)	0	0	(12,621)
Total other financing sources (uses)	52,701	173,000	0	225,701
Net change in fund balances	399,075	507,043	(613,004)	293,114
Fund balances, July 1 (restated)	1,144,610	2,063,437	1,869,061	5,077,108
Fund balance, June 30	\$1,543,685	\$2,570,480	\$1,256,057	\$5,370,222

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

	Mental Health	Public School Support	Other Grants	District Managed Student Activities	Auxiliary Services
ASSETS:					
Equity in pooled cash and investments	\$4,302	\$234,194	\$184,444	\$74,065	\$207,268
Receivables:					
Accounts	0	16,933	0	14,432	0
Intergovernmental	0	0	0	0	0
Inventory	0	0	0	0	0
TOTAL ASSETS	\$4,302	\$251,127	\$184,444	\$88,497	\$207,268
LIABILITIES AND FUND BALANCE:					
Liabilities:					
Accounts payable	\$0	\$13,356	\$6,469	\$1,923	\$52,441
Accrued wages and benefits	0	0	0	0	28,257
Interfund payable	0	0	0	0	0
Intergovernmental payable	0	0	0	0	8,379
Compensated absences payable	0	0	0	0	0
Deferred revenue	0	0	0	0	0
Total liabilities	0	13,356	6,469	1,923	89,077
Fund Balances					
Reserved-					
Reserved for encumbrances	0	17,054	10,853	7,060	91,513
Reserved for inventory	0	0	0	0	0
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	4,302	220,717	167,122	79,514	26,678
Total fund balances	4,302	237,771	177,975	86,574	118,191
TOTAL LIABILITIES AND FUND BALANCES	\$4,302	\$251,127	\$184,444	\$88,497	\$207,268

Education Management Information System	Entry Year Programs	Disadvantaged Pupil Impact Aid	Network Connectivity	SchoolNet Professional Development	OhioReads	Summer Intervention	Career Education
\$27,460	\$2,148	\$8,607	\$38,990	\$1,488	\$3,934	\$27,008	\$4,910
0	0	0	0	0	0	0	0
0	0	0	0	0	0	61,099	0
0	0	0	0	0	0	0	0
\$27,460	\$2,148	\$8,607	\$38,990	\$1,488	\$3,934	\$88,107	\$4,910
\$0	\$1,030	\$0	\$12,175	\$0	\$0	\$7,541	\$0
0	0	10,163	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	3,034	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	61,099	0
0	1,030	13,197	12,175	0	0	68,640	0
3,721	1,102	0	13,630	315	0	18,051	0
0	0	0	0	0	0	0	0
23,739	16	(4,590)	13,185	1,173	3,934	1,416	4,910
27,460	1,118	(4,590)	26,815	1,488	3,934	19,467	4,910
\$27,460	\$2,148	\$8,607	\$38,990	\$1,488	\$3,934	\$88,107	\$4,910

Continued

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS - (Concluded)
 JUNE 30, 2005

	Miscellaneous State Grants	Title VI B	Vocational Education	Title III	Title I	Title VI Innovative Projects
ASSETS:						
Equity in pooled cash and investments	\$16,070	\$34,391	\$1,698	\$0	\$102,414	\$7,678
Receivables:						
Accounts	0	0	0	0	0	0
Intergovernmental	0	161,561	0	0	444,461	32,687
Inventory	0	0	0	0	0	0
TOTAL ASSETS	\$16,070	\$195,952	\$1,698	\$0	\$546,875	\$40,365
LIABILITIES AND FUND BALANCE:						
Liabilities:						
Accounts payable	\$0	\$6,836	\$0	\$0	\$6,180	\$0
Accrued wages and benefits	0	83,026	0	0	90,958	0
Interfund payable	0	94,314	0	0	0	0
Intergovernmental payable	0	24,705	0	0	27,161	0
Compensated absences payable	0	0	0	0	0	0
Deferred revenue	0	0	0	0	254,675	32,687
Total liabilities	0	208,881	0	0	378,974	32,687
Fund Balances						
Reserved-						
Reserved for encumbrances	5,688	0	0	0	1,293	1,369
Reserved for inventory	0	0	0	0	0	0
Unreserved, Undesignated, Reported in:						
Special Revenue Funds	10,382	(12,929)	1,698	0	166,608	6,309
Total fund balances	16,070	(12,929)	1,698	0	167,901	7,678
TOTAL LIABILITIES AND FUND BALANCES	\$16,070	\$195,952	\$1,698	\$0	\$546,875	\$40,365

									Total Normalor Special Revenue Funds
Drug Free Schools	Preschool Grant	E-rate	Improving Teacher Quality	Miscellaneous Federal Grants	Food Service	Uniform School Supply			
\$0	\$1,824	\$33,482	\$76,399	\$2,131	\$346,793	\$212,404	\$1,654,102		
0	0	0	0	0	0	17,923	49,288		
8,364	0	0	433,380	11,412	62,796	0	1,215,760		
0	0	0	0	0	39,122	0	39,122		
<u>\$8,364</u>	<u>\$1,824</u>	<u>\$33,482</u>	<u>\$509,779</u>	<u>\$13,543</u>	<u>\$448,711</u>	<u>\$230,327</u>	<u>\$2,958,272</u>		
\$0	\$0	\$0	\$19,633	\$0	\$840	\$3,709	\$132,133		
0	4,354	0	0	0	80,838	0	297,596		
0	0	0	0	2,140	0	0	96,454		
0	843	0	457	0	24,127	0	88,706		
0	0	0	0	0	221	0	221		
8,364	0	0	433,380	9,272	0	0	799,477		
8,364	5,197	0	453,470	11,412	106,026	3,709	1,414,587		
0	0	0	15,088	2,131	18,287	14,417	221,572		
0	0	0	0	0	39,122	0	39,122		
0	(3,373)	33,482	41,221	0	285,276	212,201	1,282,991		
0	(3,373)	33,482	56,309	2,131	342,685	226,618	1,543,685		
<u>\$8,364</u>	<u>\$1,824</u>	<u>\$33,482</u>	<u>\$509,779</u>	<u>\$13,543</u>	<u>\$448,711</u>	<u>\$230,327</u>	<u>\$2,958,272</u>		

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

	Mental Health	Public School Support	Other Grants	District Managed Student Activities	Auxiliary Services
Revenues:					
From local sources:					
Tuition and fees	\$0	\$67,565	\$0	\$0	\$0
Charges for services	0	0	0	0	0
Earnings on investments	0	0	0	0	2,761
Extracurricular activities	0	159,067	0	328,008	0
Other local revenues	0	206,291	0	0	0
Intergovernmental	2,200	0	393,151	0	577,294
Total revenues	2,200	432,923	393,151	328,008	580,055
Expenditures:					
Current:					
Instruction:					
Regular	0	45,552	179,560	0	576,910
Special	0	3,835	0	0	80,743
Support services:					
Pupil	611	334,982	0	0	39,694
Instructional staff	0	7,272	36,555	0	0
School administration	0	0	0	0	0
Fiscal	0	0	0	0	0
Operations & maintenance	0	0	0	0	0
Central	0	0	0	0	0
Non-instructional services	0	0	0	0	0
Extracurricular activities	0	456	0	301,368	0
Total expenditures	611	392,097	216,115	301,368	697,347
Excess (deficiency) of revenues over (under) expenditures	1,589	40,826	177,036	26,640	(117,292)
Other financing sources (uses):					
Transfers in	0	100	0	19,500	0
Transfers out	0	(4,677)	(100)	(7,344)	0
Total other financing sources (uses)	0	(4,577)	(100)	12,156	0
Net change in fund balances	1,589	36,249	176,936	38,796	(117,292)
Fund balances, July 1 (restated)	2,713	201,622	1,039	47,778	235,483
Fund balance, June 30	\$4,302	\$237,771	\$177,975	\$86,574	\$118,191

Education Management Information System	Entry Year Programs	Disadvantaged Pupil Impact Aid	Network Connectivity	SchoolNet Professional Development	OhioReads	Summer Intervention	Career Education
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
28,174	34,100	106,599	36,000	6,750	14,000	130,471	8,298
28,174	34,100	106,599	36,000	6,750	14,000	130,471	8,298
0	0	0	0	0	0	0	0
0	0	0	24,201	0	0	143,295	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
13,307	32,982	116,832	0	11,182	0	0	3,388
15,023	0	0	0	0	14,547	2,165	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
28,330	32,982	116,832	24,201	11,182	14,547	145,460	3,388
(156)	1,118	(10,233)	11,799	(4,432)	(547)	(14,989)	4,910
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
(156)	1,118	(10,233)	11,799	(4,432)	(547)	(14,989)	4,910
27,616	0	5,643	15,016	5,920	4,481	34,456	0
\$27,460	\$1,118	(\$4,590)	\$26,815	\$1,488	\$3,934	\$19,467	\$4,910

Continued

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

	Miscellaneous State Grants	Title VIB	Vocational Education	Title III	Title I	Title VI Innovative Projects
Revenues:						
From local sources:						
Tuition and fees	\$0	\$0	\$0	\$0	\$0	\$0
Charges for services	0	0	0	0	0	0
Earnings on investments	0	0	0	0	0	0
Extracurricular activities	0	0	0	0	0	0
Other local revenues	0	0	0	0	0	0
Intergovernmental	8,458	1,897,757	15,220	22,955	1,001,114	41,111
Total revenues	8,458	1,897,757	15,220	22,955	1,001,114	41,111
Expenditures:						
Current:						
Instruction:						
Regular	5,478	57,209	0	0	23,763	0
Special	0	547,433	0	24,465	725,277	0
Support services:						
Pupil	15,775	0	13,522	0	0	0
Instructional staff	8,240	1,152,786	0	0	67,464	34,945
School administration	0	123,639	0	0	59	0
Fiscal	0	1,179	0	0	0	0
Operations & maintenance	0	0	0	0	0	0
Central	0	0	0	0	0	0
Non-instructional services	0	0	0	0	0	0
Extracurricular activities	0	0	0	0	0	1,309
Total expenditures	29,493	1,882,246	13,522	24,465	816,563	36,254
Excess (deficiency) of revenues over (under) expenditures	(21,035)	15,511	1,698	(1,510)	184,551	4,857
Other financing sources (uses):						
Transfers in	0	35,000	0	0	0	7,024
Transfers out	0	0	0	0	0	0
Total other financing sources (uses)	0	35,000	0	0	0	7,024
Net change in fund balances	(21,035)	50,511	1,698	(1,510)	184,551	11,881
Fund balances, July 1 (restated)	37,105	(63,440)	0	1,510	(16,650)	(4,203)
Fund balance, June 30	\$16,070	(\$12,929)	\$1,698	\$0	\$167,901	\$7,678

	Drug Free Schools	Preschool Grant	E-rate	Improving Teacher Quality	Miscellaneous Federal Grants	Food Service	Uniform School Supply	Total Nonmajor Special Revenue Funds
	\$0	\$0	\$0	\$0	\$0	\$0	\$669,285	\$736,950
	0	0	0	0	0	1,392,806	0	1,392,806
	0	0	0	0	0	4,476	0	7,237
	0	0	0	0	0	0	2,212	489,287
	0	0	0	0	0	8,001	0	214,292
	0	0	0	0	0	515,782	0	5,396,618
44,537	110,453	33,482	275,661	93,051	1,921,065	671,497	8,237,090	
44,537	110,453	33,482	275,661	93,051	1,921,065	671,497	8,237,090	
	0	0	0	29,799	0	0	622,864	1,708,631
	0	5,030	0	0	0	0	0	1,386,783
48,598	0	0	0	0	51,809	0	0	508,379
0	64,113	0	235,294	0	35,420	0	0	1,830,939
0	44,030	0	0	0	0	0	0	184,916
0	0	0	0	0	0	0	0	1,179
0	0	0	0	0	0	35,150	0	35,150
0	0	8,061	0	0	0	0	0	8,061
1,649	0	0	8,061	0	3,690	1,918,206	0	1,924,854
0	0	0	0	0	0	0	0	301,824
50,247	113,173	8,061	265,093	90,919	1,953,356	622,864	7,890,716	
50,247	113,173	8,061	265,093	90,919	1,953,356	622,864	7,890,716	
(5,710)	(2,720)	25,421	10,568	2,132	(32,291)	48,633	346,374	
0	0	2,844	0	0	0	0	854	65,322
0	(500)	0	0	0	0	0	0	(12,621)
0	(500)	2,844	0	0	0	0	854	52,701
(5,710)	(3,220)	28,265	10,568	2,132	(32,291)	49,487	399,075	
5,710	(153)	5,217	45,741	(1)	374,976	177,131	1,144,610	
\$0	(\$3,373)	\$33,482	\$56,309	\$2,131	\$342,685	\$226,618	\$1,543,685	

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

	Permanent Improvement	SchoolNet	Individual Grant	Total Nonmajor Capital Projects Funds
ASSETS:				
Equity in pooled cash and investments	\$1,301,260	\$2,906	\$0	\$1,304,166
TOTAL ASSETS	\$1,301,260	\$2,906	\$0	\$1,304,166
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Accounts payable	\$48,109	\$0	\$0	48,109
Total liabilities	48,109	0	0	48,109
Fund Balances				
Reserved-				
Reserved for encumbrances	37,048	0	0	37,048
Unreserved, Undesignated, Reported in:				
Capital Projects Funds	1,216,103	2,906	0	1,219,009
Total fund balances	1,253,151	2,906	0	1,256,057
TOTAL LIABILITIES AND FUND BALANCES	\$1,301,260	\$2,906	\$0	\$1,304,166

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

	Permanent Improvement	SchoolNet	Individual Grant	Total Nonmajor Capital Projects Funds
Revenues:				
From local sources:				
Earnings on investments	\$15,607	\$0	\$0	\$15,607
Intergovernmental	0	78,960	0	78,960
Total revenues	15,607	78,960	0	94,567
Expenditures:				
Current:				
Instruction:				
Regular	572,612	78,960	0	651,572
Support services:				
Instructional staff	0	32,399	2,399	34,798
Operations & maintenance	21,201	0	0	21,201
Total expenditures	593,813	111,359	2,399	707,571
Net change in fund balances	(578,206)	(32,399)	(2,399)	(613,004)
Fund balances, July 1 (restated)	1,831,357	35,305	2,399	1,869,061
Fund balance, June 30	\$1,253,151	\$2,906	\$0	\$1,256,057

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

	Student Activity			
	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS:				
Equity in pooled cash and investments	\$113,577	\$206,588	\$212,239	\$107,926
TOTAL ASSETS	\$113,577	\$206,588	\$212,239	\$107,926
LIABILITIES AND FUND BALANCE:				
Due to student groups	\$113,577	\$206,588	\$212,239	\$107,926
TOTAL LIABILITIES	\$113,577	\$206,588	\$212,239	\$107,926
	District Agency			
	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS:				
Equity in pooled cash and investments	\$3,533	\$0	\$0	\$3,533
TOTAL ASSETS	\$3,533	\$0	\$0	\$3,533
LIABILITIES AND FUND BALANCE:				
Other liabilities	\$3,533	\$0	\$0	\$3,533
TOTAL LIABILITIES	\$3,533	\$0	\$0	\$3,533
	Total Agency Funds			
	Beginning Balance	Additions	Deductions	Ending Balance
ASSETS:				
Equity in pooled cash and investments	\$117,110	\$206,588	\$212,239	\$111,459
TOTAL ASSETS	\$117,110	\$206,588	\$212,239	\$111,459
LIABILITIES AND FUND BALANCE:				
Due to student groups	\$113,577	\$206,588	\$212,239	\$107,926
Other liabilities	3,533	0	0	3,533
TOTAL LIABILITIES	\$117,110	\$206,588	\$212,239	\$111,459

West Clermont Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Mental Health Special Revenue Fund
 For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$40,000	\$2,200	\$2,200	\$0
Total revenues	40,000	2,200	2,200	0
EXPENDITURES				
Current:				
Support services:				
Pupil	42,713	614	614	0
Total expenditures	42,713	614	614	0
Net change in fund balance	(2,713)	1,586	1,586	0
Fund balance - beginning	2,713	2,713	2,713	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	\$0	\$4,299	\$4,299	\$0

West Clermont Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Public School Support Special Revenue Fund
 For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Tuition and fees	\$70,000	\$67,564	\$67,564	\$0
Extracurricular activities	160,000	153,187	153,187	0
Other revenues	205,000	199,283	199,283	0
Total revenues	<u>435,000</u>	<u>420,034</u>	<u>420,034</u>	<u>0</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	60,500	46,501	46,501	0
Special	20,500	3,835	3,835	0
Support services:				
Pupil	534,759	357,670	357,670	0
Instructional staff	9,500	7,272	7,272	0
Extracurricular activities	0	456	456	0
Total expenditures	<u>625,259</u>	<u>415,734</u>	<u>415,734</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(190,259)</u>	<u>4,300</u>	<u>4,300</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Advances in	0	1,767	1,767	0
Advances (out)	0	(19,562)	(19,562)	0
Transfers in	0	100	100	0
Total other financing sources (uses)	<u>0</u>	<u>(17,695)</u>	<u>(17,695)</u>	<u>0</u>
Net change in fund balance	<u>(190,259)</u>	<u>(13,395)</u>	<u>(13,395)</u>	<u>0</u>
Fund balance - beginning	205,639	205,639	205,639	0
Prior year encumbrances appropriated	11,539	11,539	11,539	0
Fund balance - ending	<u>\$26,919</u>	<u>\$203,783</u>	<u>\$203,783</u>	<u>\$0</u>

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Other Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Other revenues	\$453,000	\$393,151	\$393,151	\$0
Total revenues	453,000	393,151	393,151	0
EXPENDITURES				
Current:				
Instruction:				
Regular	359,645	191,492	191,492	0
Support services:				
Instructional staff	45,000	37,654	37,654	0
Total expenditures	404,645	229,146	229,146	0
Excess (deficiency) of revenues over (under) expenditures	48,355	164,005	164,005	0
OTHER FINANCING SOURCES (USES)				
Advances (out)	0	(91,220)	(91,220)	0
Transfers (out)	0	(100)	(100)	0
Total other financing sources (uses)	0	(91,320)	(91,320)	0
Net change in fund balance	48,355	72,685	72,685	0
Fund balance - beginning	42,865	42,865	42,865	0
Prior year encumbrances appropriated	51,574	51,574	51,574	0
Fund balance - ending	\$142,794	\$167,124	\$167,124	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
District Managed Student Activities Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Extracurricular Activities	\$275,000	\$313,076	\$313,076	\$0
Other revenues	0	500	500	0
Total revenues	<u>275,000</u>	<u>313,576</u>	<u>313,576</u>	<u>0</u>
EXPENDITURES				
Current:				
Extracurricular activities	314,077	314,308	314,308	0
Total expenditures	<u>314,077</u>	<u>314,308</u>	<u>314,308</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,077)</u>	<u>(732)</u>	<u>(732)</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Advances (out)	0	(23,598)	(23,598)	0
Transfers in	0	19,500	19,500	0
Transfers (out)	0	(854)	(854)	0
Total other financing sources (uses)	<u>0</u>	<u>(4,952)</u>	<u>(4,952)</u>	<u>0</u>
Net change in fund balance	<u>(39,077)</u>	<u>(5,684)</u>	<u>(5,684)</u>	<u>0</u>
Fund balance - beginning	62,675	62,675	62,675	0
Prior year encumbrances appropriated	8,090	8,090	8,090	0
Fund balance - ending	<u>\$31,688</u>	<u>\$65,081</u>	<u>\$65,081</u>	<u>\$0</u>

West Clermont Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Auxiliary Services Special Revenue Fund
 For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Investment earnings	\$2,550	\$2,760	\$2,760	\$0
Intergovernmental	871,851	577,295	577,295	0
Total revenues	<u>874,401</u>	<u>580,055</u>	<u>580,055</u>	<u>0</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	907,630	675,682	675,682	0
Special	105,342	87,243	87,243	0
Support services:				
Pupil	65,602	40,016	40,016	0
Total expenditures	<u>1,078,574</u>	<u>802,941</u>	<u>802,941</u>	<u>0</u>
Net change in fund balance	<u>(204,173)</u>	<u>(222,886)</u>	<u>(222,886)</u>	<u>0</u>
Fund balance - beginning	204,172	204,172	204,172	0
Prior year encumbrances appropriated	82,028	82,028	82,028	0
Fund balance - ending	<u>\$82,027</u>	<u>\$63,314</u>	<u>\$63,314</u>	<u>\$0</u>

West Clermont Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Education Management Information System Special Revenue Fund
 For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$27,635	\$28,174	\$28,174	\$0
Total revenues	<u>27,635</u>	<u>28,174</u>	<u>28,174</u>	<u>0</u>
EXPENDITURES				
Current:				
Support services:				
Instructional staff	29,054	17,027	17,027	0
School administration	25,081	15,042	15,042	0
Total expenditures	<u>54,135</u>	<u>32,069</u>	<u>32,069</u>	<u>0</u>
Net change in fund balance	<u>(26,500)</u>	<u>(3,895)</u>	<u>(3,895)</u>	<u>0</u>
Fund balance - beginning	26,501	26,501	26,501	0
Prior year encumbrances appropriated	1,133	1,133	1,133	0
Fund balance - ending	<u>\$1,134</u>	<u>\$23,739</u>	<u>\$23,739</u>	<u>\$0</u>

West Clermont Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Entry Year Programs Special Revenue Fund
 For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$16,500	\$34,100	\$34,100	\$0
Total revenues	16,500	34,100	34,100	0
EXPENDITURES				
Current:				
Support services:				
Instructional staff	16,500	34,084	34,084	0
Total expenditures	16,500	34,084	34,084	0
Net change in fund balance	0	16	16	0
Fund balance - beginning	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	\$0	\$16	\$16	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Disadvantaged Pupil Impact Aid Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$106,600	\$106,599	\$106,599	\$0
Total revenues	106,600	106,599	106,599	0
EXPENDITURES				
Current:				
Support services:				
Instructional staff	131,568	122,961	122,961	0
Total expenditures	131,568	122,961	122,961	0
Net change in fund balance	(24,968)	(16,362)	(16,362)	0
Fund balance - beginning	24,968	24,968	24,968	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	\$0	\$8,606	\$8,606	\$0

West Clermont Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Network Connectivity Special Revenue Fund
 For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$15,016	\$36,000	\$36,000	\$0
Total revenues	15,016	36,000	36,000	0
EXPENDITURES				
Current:				
Instruction:				
Regular	22,085	37,831	37,831	0
Total expenditures	22,085	37,831	37,831	0
Net change in fund balance	(7,069)	(1,831)	(1,831)	0
Fund balance - beginning	10,368	10,368	10,368	0
Prior year encumbrances appropriated	4,648	4,648	4,648	0
Fund balance - ending	\$7,947	\$13,185	\$13,185	\$0

West Clermont Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 SchoolNet Professional Development Special Revenue Fund
 For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$6,420	\$6,750	\$6,750	\$0
Total revenues	6,420	6,750	6,750	0
EXPENDITURES				
Current:				
Support services:				
Instructional staff	12,240	11,996	11,996	0
Total expenditures	12,240	11,996	11,996	0
Net change in fund balance	(5,820)	(5,246)	(5,246)	0
Fund balance - beginning	5,820	5,820	5,820	0
Prior year encumbrances appropriated	600	600	600	0
Fund balance - ending	\$600	\$1,174	\$1,174	\$0

West Clermont Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Ohio Reads Special Revenue Fund
 For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$14,481	\$14,000	\$14,000	\$0
Total revenues	14,481	14,000	14,000	0
EXPENDITURES				
Current:				
Support services:				
Instructional staff	18,962	14,547	14,547	0
Total expenditures	18,962	14,547	14,547	0
Net change in fund balance	(4,481)	(547)	(547)	0
Fund balance - beginning	4,481	4,481	4,481	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	\$0	\$3,934	\$3,934	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Summer Intervention Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$235,510	\$130,471	\$130,471	\$0
Total revenues	235,510	130,471	130,471	0
EXPENDITURES				
Current:				
Instruction:				
Regular	240,085	184,023	184,023	0
Support services:				
School administration	2,500	2,165	2,165	0
Total expenditures	242,585	186,188	186,188	0
Net change in fund balance	(7,075)	(55,717)	(55,717)	0
Fund balance - beginning	7,034	7,034	7,034	0
Prior year encumbrances appropriated	57,639	57,639	57,639	0
Fund balance - ending	\$57,598	\$8,956	\$8,956	\$0

West Clermont Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Career Education Special Revenue Fund
 For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$9,000	\$8,298	\$8,298	\$0
Total revenues	9,000	8,298	8,298	0
EXPENDITURES				
Current:				
Support services:				
Pupil	9,000	3,388	3,388	0
Total expenditures	9,000	3,388	3,388	0
Net change in fund balance	0	4,910	4,910	0
Fund balance - beginning	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	\$0	\$4,910	\$4,910	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Miscellaneous State Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$41,429	\$8,458	\$8,458	\$0
Total revenues	41,429	8,458	8,458	0
EXPENDITURES				
Current:				
Instruction:				
Regular	1,218	5,479	5,479	0
Support services:				
Pupil	35,000	15,775	15,775	0
Instructional staff	35,000	13,927	13,927	0
Total expenditures	71,218	35,181	35,181	0
Net change in fund balance	(29,789)	(26,723)	(26,723)	0
Fund balance - beginning	29,789	29,789	29,789	0
Prior year encumbrances appropriated	7,317	7,317	7,317	0
Fund balance - ending	\$7,317	\$10,383	\$10,383	\$0

West Clermont Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title VI-B Special Revenue Fund
 For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$2,382,138	\$1,921,373	\$1,921,373	\$0
Total revenues	2,382,138	1,921,373	1,921,373	0
EXPENDITURES				
Current:				
Instruction:				
Regular	40,000	54,570	54,570	0
Special	500,000	523,889	523,889	0
Support services:				
Pupil	205,000	243,513	243,513	0
Instructional staff	1,104,390	1,183,097	1,183,097	0
School administration	105,000	110,423	110,423	0
Total expenditures	1,954,390	2,115,492	2,115,492	0
Excess (deficiency) of revenues over (under) expenditures	427,748	(194,119)	(194,119)	0
OTHER FINANCING SOURCES (USES)				
Advances in	0	94,314	94,314	0
Advances (out)	(196,374)	(196,374)	(196,374)	0
Total other financing sources (uses)	(196,374)	(102,060)	(102,060)	0
Net change in fund balance	231,374	(296,179)	(296,179)	0
Fund balance - beginning	18,356	18,356	18,356	0
Prior year encumbrances appropriated	280,848	280,848	280,848	0
Fund balance - ending	\$530,578	\$3,025	\$3,025	\$0

West Clermont Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Vocational Educational Special Revenue Fund
 For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$15,000	\$15,220	\$15,220	\$0
Total revenues	<u>15,000</u>	<u>15,220</u>	<u>15,220</u>	<u>0</u>
EXPENDITURES				
Current:				
Support services:				
Pupil	15,000	13,521	13,521	0
Total expenditures	<u>15,000</u>	<u>13,521</u>	<u>13,521</u>	<u>0</u>
Net change in fund balance	0	1,699	1,699	0
Fund balance - beginning	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	<u>\$0</u>	<u>\$1,699</u>	<u>\$1,699</u>	<u>\$0</u>

West Clermont Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Title III Special Revenue Fund
 For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$27,764	\$27,764	\$27,764	\$0
Total revenues	27,764	27,764	27,764	0
EXPENDITURES				
Current:				
Instruction:				
Special	24,465	24,465	24,465	0
Total expenditures	24,465	24,465	24,465	0
Excess (deficiency) of revenues over (under) expenditures	3,299	3,299	3,299	0
OTHER FINANCING SOURCES (USES)				
Advances (out)	(3,299)	(3,299)	(3,299)	0
Total other financing sources (uses)	(3,299)	(3,299)	(3,299)	0
Net change in fund balance	0	0	0	0
Fund balance - beginning	0	0	0	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	\$0	\$0	\$0	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$1,395,627	\$821,771	\$821,771	\$0
Total revenues	<u>1,395,627</u>	<u>821,771</u>	<u>821,771</u>	<u>0</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	168,275	23,763	23,763	0
Special	1,180,728	720,922	720,922	0
Support services:				
Instructional staff	125,917	71,104	71,104	0
School administration	2,500	59	59	0
Total expenditures	<u>1,477,420</u>	<u>815,848</u>	<u>815,848</u>	<u>0</u>
Net change in fund balance	<u>(81,793)</u>	<u>5,923</u>	<u>5,923</u>	<u>0</u>
Fund balance - beginning	81,793	81,793	81,793	0
Prior year encumbrances appropriated	7,226	7,226	7,226	0
Fund balance - ending	<u>\$7,226</u>	<u>\$94,942</u>	<u>\$94,942</u>	<u>\$0</u>

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title VI Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$102,079	\$41,111	\$41,111	\$0
Total revenues	102,079	41,111	41,111	0
EXPENDITURES				
Current:				
Instruction:				
Regular	45,897	30,000	30,000	0
Support services:				
Instructional staff	45,079	34,945	34,945	0
Community services	10,000	2,678	2,678	0
Total expenditures	100,976	67,623	67,623	0
Excess (deficiency) of revenues over (under) expenditures	1,103	(26,512)	(26,512)	0
OTHER FINANCING SOURCES (USES)				
Advances (out)	(2,102)	(2,102)	(2,102)	0
Total other financing sources (uses)	(2,102)	(2,102)	(2,102)	0
Net change in fund balance	(999)	(28,614)	(28,614)	0
Fund balance - beginning	4,084	4,084	4,084	0
Prior year encumbrances appropriated	30,838	30,838	30,838	0
Fund balance - ending	\$33,923	\$6,308	\$6,308	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Drug Free Schools Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$53,960	\$44,537	\$44,537	\$0
Total revenues	<u>53,960</u>	<u>44,537</u>	<u>44,537</u>	<u>0</u>
EXPENDITURES				
Current:				
Support services:				
Pupil	51,965	48,656	48,656	0
Community services	4,149	1,649	1,649	0
Total expenditures	<u>56,114</u>	<u>50,305</u>	<u>50,305</u>	<u>0</u>
Net change in fund balance	<u>(2,154)</u>	<u>(5,768)</u>	<u>(5,768)</u>	<u>0</u>
Fund balance - beginning	2,152	2,152	2,152	0
Prior year encumbrances appropriated	3,616	3,616	3,616	0
Fund balance - ending	<u>\$3,614</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

West Clermont Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Preschool Special Revenue Fund
 For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$100,782	\$110,452	\$110,452	\$0
Total revenues	<u>100,782</u>	<u>110,452</u>	<u>110,452</u>	<u>0</u>
EXPENDITURES				
Current:				
Instruction:				
Special	5,000	5,030	5,030	0
Support services:				
Instructional staff	58,504	65,554	65,554	0
School administration	43,263	44,031	44,031	0
Total expenditures	<u>106,767</u>	<u>114,615</u>	<u>114,615</u>	<u>0</u>
Net change in fund balance	<u>(5,985)</u>	<u>(4,163)</u>	<u>(4,163)</u>	<u>0</u>
Fund balance - beginning	5,985	5,985	5,985	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	<u>\$0</u>	<u>\$1,822</u>	<u>\$1,822</u>	<u>\$0</u>

West Clermont Local School District, Ohio
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 E-Rate Special Revenue Fund
 For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$10,038	\$33,482	\$33,482	\$0
Total revenues	10,038	33,482	33,482	0
EXPENDITURES				
Current:				
Central				
Total expenditures	10,950	10,038	10,038	0
Net change in fund balance	(912)	23,444	23,444	0
Fund balance - beginning	912	912	912	0
Prior year encumbrances appropriated	9,126	9,126	9,126	0
Fund balance - ending	\$9,126	\$33,482	\$33,482	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Improving Teacher Quality Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$604,501	\$275,661	\$275,661	\$0
Total revenues	604,501	275,661	275,661	0
EXPENDITURES				
Current:				
Instruction:				
Regular	50,000	29,798	29,798	0
Support services:				
Instructional staff	550,674	251,346	251,346	0
Total expenditures	600,674	281,144	281,144	0
Net change in fund balance	3,827	(5,483)	(5,483)	0
Fund balance - beginning	30,789	30,789	30,789	0
Prior year encumbrances appropriated	16,373	16,373	16,373	0
Fund balance - ending	\$50,989	\$41,679	\$41,679	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Miscellaneous Federal Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$50,460	\$93,899	\$93,899	\$0
Total revenues	50,460	93,899	93,899	0
EXPENDITURES				
Current:				
Instruction:				
Regular	25,000	51,809	51,809	0
Special	21,999	37,996	37,996	0
Community services	0	5,822	5,822	0
Total expenditures	46,999	95,627	95,627	0
Excess (deficiency) of revenues over (under) expenditures	3,461	(1,728)	(1,728)	0
OTHER FINANCING SOURCES (USES)				
Advances in	0	2,140	2,140	0
Advances (out)	0	(3,461)	(3,461)	0
Total other financing sources (uses)	0	(1,321)	(1,321)	0
Net change in fund balance	3,461	(3,049)	(3,049)	0
Fund balance - beginning	0	0	0	0
Prior year encumbrances appropriated	3,049	3,049	3,049	0
Fund balance - ending	\$6,510	\$0	\$0	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Food Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Investment earnings	\$10,000	\$4,476	\$4,476	\$0
Intergovernmental	525,000	505,969	505,969	0
Charges for services	1,450,000	1,392,806	1,392,806	0
Other revenues	15,000	8,001	8,001	0
Total revenues	<u>2,000,000</u>	<u>1,911,252</u>	<u>1,911,252</u>	<u>0</u>
EXPENDITURES				
Current:				
Food service operation	2,386,843	2,005,023	2,005,023	0
Total expenditures	<u>2,386,843</u>	<u>2,005,023</u>	<u>2,005,023</u>	<u>0</u>
Net change in fund balance	<u>(386,843)</u>	<u>(93,771)</u>	<u>(93,771)</u>	<u>0</u>
Fund balance - beginning	386,842	386,842	386,842	0
Prior year encumbrances appropriated	34,599	34,599	34,599	0
Fund balance - ending	<u>\$34,598</u>	<u>\$327,670</u>	<u>\$327,670</u>	<u>\$0</u>

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Uniform School Supply Special Revenue Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	\$475,000	\$657,254	\$657,254	\$0
Total revenues	475,000	657,254	657,254	0
EXPENDITURES				
Current:				
Instruction:				
Regular	644,686	641,168	641,168	0
Total expenditures	644,686	641,168	641,168	0
Excess (deficiency) of revenues over (under) expenditures	(169,686)	16,086	16,086	0
OTHER FINANCING SOURCES (USES)				
Advances (out)	(158)	(158)	(158)	0
Transfers in	0	854	854	0
Total other financing sources (uses)	(158)	696	696	0
Net change in fund balance	(169,844)	16,782	16,782	0
Fund balance - beginning	170,002	170,002	170,002	0
Prior year encumbrances appropriated	7,492	7,492	7,492	0
Fund balance - ending	\$7,650	\$194,276	\$194,276	\$0

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$1,747,993	\$1,801,734	\$1,801,734	\$0
Intergovernmental	220,500	211,037	211,037	0
Total revenues	<u>1,968,493</u>	<u>2,012,771</u>	<u>2,012,771</u>	<u>0</u>
EXPENDITURES				
Current:				
Support services:				
Fiscal	100,000	28,760	28,760	0
Debt Service:				
Principal	3,100,000	1,340,000	1,340,000	0
Interest	762,730	397,168	397,168	0
Total expenditures	<u>3,962,730</u>	<u>1,765,928</u>	<u>1,765,928</u>	<u>0</u>
Net change in fund balance	<u>(1,994,237)</u>	<u>246,843</u>	<u>246,843</u>	<u>0</u>
Fund balance - beginning	1,994,237	1,994,237	1,994,237	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	<u>\$0</u>	<u>\$2,241,080</u>	<u>\$2,241,080</u>	<u>\$0</u>

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Investment earnings	\$20,000	\$15,607	\$15,607	\$0
Total revenues	20,000	15,607	15,607	0
EXPENDITURES				
Current:				
Instruction:				
Regular	1,751,357	580,400	580,400	0
Support services:				
Operations and maintenance	100,000	50,460	50,460	0
Total expenditures	1,851,357	630,860	630,860	0
Net change in fund balance	(1,831,357)	(615,253)	(615,253)	0
Fund balance - beginning	1,831,357	1,831,357	1,831,357	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	\$0	\$1,216,104	\$1,216,104	\$0

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
SchoolNet Capital Projects Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$0	\$78,960	\$78,960	\$0
Total revenues	<u>0</u>	<u>78,960</u>	<u>78,960</u>	<u>0</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	15,000	78,960	78,960	0
Support services:				
Instructional staff	20,405	32,499	32,499	0
Total expenditures	<u>35,405</u>	<u>111,459</u>	<u>111,459</u>	<u>0</u>
Net change in fund balance	<u>(35,405)</u>	<u>(32,499)</u>	<u>(32,499)</u>	<u>0</u>
Fund balance - beginning	35,405	35,405	35,405	0
Prior year encumbrances appropriated	0	0	0	0
Fund balance - ending	<u>\$0</u>	<u>\$2,906</u>	<u>\$2,906</u>	<u>\$0</u>

West Clermont Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Individual Grant Capital Projects Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$0	\$0	\$0	\$0
Total revenues	0	0	0	0
EXPENDITURES				
Current:				
Support services:				
Instructional staff	2,400	2,400	2,400	0
Total expenditures	2,400	2,400	2,400	0
Net change in fund balance	(2,400)	(2,400)	(2,400)	0
Fund balance - beginning	0	0	0	0
Prior year encumbrances appropriated	2,400	2,400	2,400	0
Fund balance - ending	\$0	\$0	\$0	\$0

Statistical Section

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 General School System Revenues by Source - Government-Wide
 Last Ten Fiscal Years*

TABLE 1

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Program Revenues:			
Charges for services	\$2,508,901	\$2,648,736	\$2,805,357
Operating grants and contributions	4,164,841	4,784,246	6,379,711
Capital grants and contributions	255,976	61,292	136,645
General Revenues:			
Property taxes levied for:			
General purposes	27,734,576	30,042,133	35,490,717
Deb Service	1,699,637	1,864,387	1,866,544
Grants and entitlements not restricted to specific programs	26,427,713	27,430,700	27,451,955
Payment in Lieu of Taxes	0	375,000	0
Unrestricted contributions	38,536	0	0
Refunds and reimbursements	0	96,898	0
Earnings on investments	507,600	202,844	208,694
Other revenues	690,976	252,878	886,449
Total Revenues	<u>\$64,028,756</u>	<u>\$67,759,114</u>	<u>\$75,226,072</u>

Source: West Clermont Local School District
 * - Only information for years 2003-2005 available

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIOGeneral School System Expenses by Function - Government-Wide
Last Ten Fiscal Years***TABLE 2**

	2003	2004	2005
Instruction:			
Regular	\$33,935,733	\$35,257,035	\$36,084,853
Special	7,765,606	8,353,457	9,167,892
Vocational	58,022	7,839	113,405
Support services:			
Pupil	3,396,321	4,318,278	4,253,465
Instructional staff	2,513,051	2,456,823	2,887,397
General administration	59,854	67,758	41,272
School administration	4,400,562	4,563,683	5,473,982
Fiscal	1,309,410	1,412,765	1,328,772
Business	41,130	41,386	45,743
Operations & maintenance	5,067,598	4,782,004	5,011,415
Pupil transportation	5,561,785	5,855,472	6,018,844
Central	783,693	871,925	702,041
Community services	34,027	0	0
Non-instructional services	2,249,685	2,572,351	2,052,972
Extracurricular activities	1,128,041	1,188,731	1,216,578
Debt service:			
Interest and fiscal charges	884,553	709,324	468,029
Total governmental activities	<u>\$69,189,071</u>	<u>\$72,458,831</u>	<u>\$74,866,660</u>

Source: West Clermont Local School District

* - Only information for years 2003-2005 available

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 General Fund Operating Revenues By Source
 Last Ten Fiscal Years

TABLE 3

Fiscal Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Taxes	\$21,191,535	\$22,339,574	\$23,739,488	\$27,634,308	\$26,390,265	\$25,922,763	\$25,229,510	\$27,734,577	\$28,441,648	\$35,782,488
Intergovernmental	17,546,031	18,179,702	18,850,887	21,354,537	21,957,179	23,677,678	26,457,187	26,827,341	27,289,837	28,577,023
Investment Revenue	521,086	730,218	1,042,532	1,008,849	932,034	1,164,322	769,393	494,254	174,179	185,850
Tuition and Fees	96,046	55,321	314,165	173,313	148,395	134,819	218,312	149,345	166,212	172,118
Other Revenues	391,268	45,702	0	197,430	235,485	545,106	271,509	200,759	643,995	293,302
Total Revenues	\$39,745,966	\$41,350,517	\$43,947,072	\$50,368,437	\$49,663,358	\$51,444,688	\$52,945,911	\$55,406,276	\$56,715,871	\$65,010,781

Source: West Clermont Local School District records.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 General Fund Operating Expenditures by Function
 Last Ten Fiscal Years

TABLE 4

Fiscal Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Instruction:										
Regular	\$20,690,475	\$21,850,219	\$23,473,723	\$24,653,657	\$25,756,566	\$27,261,503	\$28,853,761	\$31,687,817	\$32,826,171	\$32,958,048
Special	1,613,768	2,650,436	3,483,763	5,108,351	5,501,872	5,373,252	6,268,518	6,860,955	7,439,093	7,655,212
Vocational	230,369	105,021	182,480	196,271	128,207	151,507	211,064	58,122	8,238	113,405
Other	599,797	0	0	0	0	0	0	0	0	0
Support Services:										
Pupil	1,168,786	1,272,704	1,325,008	1,496,900	1,742,852	2,869,193	2,497,680	2,866,091	3,334,642	3,808,634
Instructional Staff	973,093	1,050,881	1,234,084	1,256,686	1,411,109	1,513,900	1,551,791	1,422,099	1,300,476	1,027,225
Board of Education	55,039	54,193	45,620	32,144	45,832	46,113	63,856	59,854	67,758	41,272
Administration	2,850,003	3,098,775	3,226,918	2,881,440	3,430,552	3,555,117	3,881,903	4,526,886	4,355,906	5,239,178
Fiscal	698,448	677,148	860,469	926,737	918,095	1,062,889	1,180,745	1,291,939	1,390,137	1,296,344
Business	33,347	39,479	36,281	33,010	41,491	42,192	46,186	39,702	41,244	44,298
Operations and Maintenance	3,788,692	3,917,544	4,258,244	3,930,779	4,035,069	4,509,315	4,448,800	5,086,833	4,729,778	4,969,223
Pupil Transportation	3,083,668	3,563,408	3,563,362	3,702,196	3,567,000	3,821,407	3,954,699	5,559,765	5,874,963	5,910,961
Central	0	14,786	81,662	53,575	128,941	116,036	378,342	724,460	813,035	728,541
Operation of Non-										
 Instructional Services	0	0	0	0	0	3,786	0	0	2,080	0
 Extracurricular Activities	248,489	424,609	346,414	408,075	431,903	577,765	697,025	770,121	828,224	907,421
 Capital Outlay	0	1,143,533	1,710,373	1,558,452	1,993,363	1,237,351	166,522	0	37,127	0
Debt Service:										
Principal	1,740,000	0	0	0	0	0	2,838,000	75,793	82,975	161,791
Interest	47,228	0	0	0	1,883	0	11,954	192,823	134,412	200,696
Total Expenditures	\$37,821,202	\$39,862,736	\$43,828,401	\$46,238,273	\$49,134,735	\$52,141,326	\$57,050,846	\$61,223,260	\$63,266,259	\$65,062,249

Source: West Clermont Local School District records.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 Property Tax Levies and Collections - Real, Public Utility and Tangible Property
 Last Ten Collection (Calendar) Years

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	22,700,348	21,438,181	94.44%	592,661	22,030,842	97.05%	0	0.00%
1997	23,897,763	22,179,707	92.81%	504,677	22,684,384	94.92%	0	0.00%
1998	25,023,325	23,395,073	93.49%	967,477	24,362,550	97.36%	0	0.00%
1999	25,357,215	23,839,127	94.01%	575,552	24,414,679	96.28%	0	0.00%
2000	36,562,659	24,887,230	68.07%	765,246	25,652,476	70.16%	0	0.00%
2001	27,199,570	25,755,144	94.69%	703,294	26,458,438	97.28%	627,587	2.31%
2002	27,422,382	25,918,595	94.52%	685,383	26,603,978	97.02%	881,998	3.22%
2003	28,817,965	26,987,672	93.65%	731,159	27,718,831	96.19%	1,005,195	3.49%
2004	29,724,456	28,019,478	94.26%	803,689	28,823,167	96.97%	1,141,154	3.84%
2005	39,649,388	37,748,646	95.21%	956,579	38,705,225	97.62%	1,284,055	3.24%

Source: Clermont 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.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Collection (Calendar) Years

TABLE 6

Collection Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total		Ratio (1)
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1996	\$617,009,600	\$1,762,884,571	\$65,724,952	\$262,899,808	\$54,570,760	\$54,570,760	\$737,305,312	\$2,080,355,139	35.44%
1997	740,325,350	2,115,215,286	71,233,861	284,935,444	55,245,880	55,245,880	866,805,091	\$2,455,396,610	35.30%
1998	763,551,760	2,181,576,457	79,981,219	319,924,876	53,707,970	53,707,970	897,240,949	\$2,555,209,303	35.11%
1999	793,141,480	2,266,118,514	87,015,507	348,062,028	54,101,830	54,101,830	934,258,817	\$2,668,282,372	35.01%
2000	885,334,810	2,529,528,029	94,801,807	379,207,228	50,628,330	67,504,440	1,030,764,947	\$2,976,239,697	34.63%
2001	912,449,490	2,606,998,543	87,047,410	348,189,640	51,541,320	68,721,760	1,051,038,220	\$3,023,909,943	34.76%
2002	947,715,190	2,707,757,686	90,350,035	361,400,140	38,281,430	51,041,907	1,076,346,655	\$3,120,199,733	34.50%
2003	1,075,626,960	3,073,219,886	90,784,277	363,137,108	39,994,710	53,326,280	1,206,405,947	\$3,489,683,274	34.57%
2004	1,102,315,160	3,149,471,886	87,598,060	350,392,240	40,394,750	52,859,667	1,230,307,970	\$3,553,723,792	34.62%
2005	1,129,329,110	3,226,654,600	86,719,042	346,876,168	39,249,410	52,332,547	1,255,297,562	\$3,625,863,315	34.62%

Source: Clermont County Auditor.

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

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 Property Tax Rates (Per \$1,000 of Assessed Valuation)
 Direct and Overlapping Governments
 Last Ten Collection (Calendar) Years

TABLE 7

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
West Clermont Local School District	49.45	49.15	49.15	49.15	49.15	49.15	49.15	49.15	49.15	57.05
Clermont County	9.25	9.25	9.25	9.25	9.25	9.35	8.60	8.60	9.35	9.35
Amelia Village	18.80	18.80	17.80	18.90	17.00	17.00	17.00	17.00	19.70	18.30
Pierce Township	13.30	14.00	14.00	14.00	16.90	16.90	16.90	16.90	16.90	16.90
Union Township	17.60	17.60	17.60	17.60	17.60	17.60	21.40	21.40	21.40	21.40
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
Central Joint Fire and EMS	*	*	*	*	*	5.50	5.50	5.50	5.50	5.50

Source: Clermont County Auditor.

* Information unavailable from the Clermont County Auditor.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
Ratio of Net General Bonded Debt to Assessed Value
And Net Bonded Debt Per Capita
Last Ten Fiscal Years

TABLE 8

Year	Population	Total Assessed Value (1)	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	170,450	\$737,305,312	\$15,345,000	\$127,967	\$15,217,033	2.06%	89
1997	172,010	866,805,091	15,005,000	124,738	\$14,880,262	1.72%	87
1998	174,320	897,240,949	14,650,000	(48,356)	\$14,698,356	1.64%	84
1999	175,960	934,258,817	14,280,000	171,747	\$14,108,253	1.51%	80
2000	182,660	1,030,764,947	13,890,000	503,093	\$13,386,907	1.30%	73
2001	184,320	1,051,038,220	13,480,000	744,521	\$12,735,479	1.21%	69
2002	184,030	1,076,346,655	13,050,000	1,072,589	\$11,977,411	1.11%	65
2003	191,000	1,206,405,947	12,595,000	1,747,375	\$10,847,625	0.90%	57
2004	191,000	1,230,307,970	11,365,000	2,063,437	\$9,301,563	0.76%	49
2005	191,000	1,255,297,562	10,025,000	2,570,480	\$7,454,520	0.59%	39

Sources:

- (1) Clermont County Auditor, calendar year basis.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 Computation of Legal Debt Margin
 June 30, 2005

Table 9

Assessed Valuation of District		<u>\$1,255,297,562</u>
<u>Overall Direct Debt Limitation</u>		
Direct debt limitation		
9% of assessed valuation		\$112,976,781
Amount available in Debt Service Fund		\$2,570,480
Gross indebtedness	\$10,025,000	
Less: Debt exempt from limitation	<u>0</u>	
Debt subject to 9% limitation		<u>\$10,025,000</u>
Legal debt margin within 9% limitation		<u>\$105,522,261</u>
<u>Unvoted Direct Debt Limitation</u>		
Unvoted debt limitation		
0.1% of assessed valuation		\$1,255,298
Amount available in Debt Service Fund		0
related to unvoted debt		0
Gross indebtedness authorized by the Board		0
Less: Debt exempt from limitation		<u>0</u>
Debt subject to 0.1% limitation		<u>0</u>
Legal debt margin within 0.1% limitation		<u>\$1,255,298</u>
<u>Energy Conservation Bond Limitation</u>		
Ohio Revised Code Section 133.042		
Debt limitation		
0.9% of assessed valuation		\$11,297,678
Energy conservation notes authorized		6,244,000
by the Board		<u>\$5,053,678</u>
Legal debt margin within 0.9% limitation		<u>\$5,053,678</u>

Source: West Clermont Local School District records.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO

TABLE 10

Computation of Direct and Overlapping Debt
June 30, 2005

<u>Governmental Unit</u>	<u>Gross General Obligation</u>	<u>Percent Applicable to District (1)</u>	<u>Amount Applicable to District</u>
Direct:			
West Clermont Local School District	<u>\$10,025,000</u>	100.00%	<u>\$10,025,000</u>
Overlapping:			
Clermont County	\$27,933,112	32.92%	\$9,195,580
Amelia Village	89,000	100.00%	89,000
Union Township	16,331,648	90.09%	14,713,182
Great Oaks Career Center JVSD	4,340,000	7.17%	311,178
Central Joint Fire & EMS District Misc	100,000	41.50%	41,500
Total overlapping:	<u>\$49,093,760</u>		<u>\$24,471,100</u>
Total direct and overlapping debt:	<u>\$59,118,760</u>		<u>\$34,496,100</u>

Source: Ohio Municipal Advisory Council

(1) Calculated by the Ohio Municipal Advisory Council

TABLE 11

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
Ratio of Annual Debt Service Expenditures
For General Bonded Debt to Total General Fund Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (%)
1996	456,500	1,038,397	1,494,897	37,821,202	3.95%
1997	340,000	981,097	1,321,097	39,862,736	3.31%
1998	1,855,000	962,713	2,817,713	43,828,401	6.43%
1999	370,000	936,435	1,306,435	46,238,273	2.83%
2000	390,000	905,590	1,295,590	49,134,735	2.64%
2001	410,000	896,813	1,306,813	52,141,326	2.51%
2002	430,000	837,717	1,267,717	57,050,846	2.22%
2003	455,000	694,448	1,149,448	61,223,260	1.88%
2004	1,230,000	447,448	1,677,448	63,226,259	2.65%
2005	1,340,000	397,168	1,737,168	65,062,249	2.67%

Source: West Clermont Local School District records.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 Demographic Statistics
 Last Ten Fiscal Years

TABLE 12

<u>Year</u>	<u>Population (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate Clermont County (3)</u>
1996	170,450	8,948	4.2%
1997	172,010	9,027	4.1%
1998	174,320	8,936	3.5%
1999	175,960	9,004	3.7%
2000	182,660	8,859	3.3%
2001	184,320	8,959	4.1%
2002	184,030	8,903	4.5%
2003	191,000	8,738	4.5%
2004	191,000	9,183	5.5%
2005	191,000	9,005	5.5%

- Sources:
- (1) Census data
 - (2) West Clermont Local School District records
 - (3) State of Ohio Bureau of Employment Services.
Rates are for Clermont County.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 Construction, Bank Deposits and Property Values
 Last Ten Calendar Years

TABLE 13

<u>Calendar Year</u>	<u>Construction</u>	<u>Bank Deposits (1) (in Thousands)</u>	<u>Property Values (2)</u>
1996	\$74,818,190	\$36,236	\$737,305,312
1997	805,247,650	39,399	866,805,091
1998	75,393,840	41,579	897,240,949
1999	73,591,350	46,728	934,258,817
2000	87,877,500	48,255	1,030,764,947
2001	82,997,470	66,879	1,051,038,220
2002	82,296,900	81,698	1,076,346,655
2003	99,109,910	91,192	1,206,405,947
2004	102,738,000	102,738	1,230,307,970
2005	110,875,000	110,875	1,255,297,562

Sources: (1) Total deposits of all banks headquartered in Clermont County, Ohio. (includes national and state chartered banks.) Data was not available for the District only. [Federal Reserve Bank, Cleveland.]

(2) Clermont County Auditor, calendar year basis - real property assessed value

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO

TABLE 14

Real Property
Top Ten Principal Taxpayers
June 30, 2005 (1)

Name of Taxpayer	Real Property	% of Total Assessed Valuation
CBL Eastgate Mall LLC	\$18,341,970	1.62%
KRG Eastgate Pavillion LLC	\$9,621,390	0.85%
Amerishop Biggs Place LLC	\$7,175,000	0.64%
OTR	\$6,047,320	0.54%
Regency Centers LP	\$5,079,900	0.45%
Edward Rose Assoc. Inc.	\$4,876,100	0.43%
Meijer Stores Limited Partnership	\$4,585,000	0.41%
Lowes Home Centers Inc.	\$4,288,260	0.38%
Eastgate Company Partnership	\$4,220,210	0.37%
Fox Chase North LLC	\$4,080,960	0.36%
	<u>\$68,316,110</u>	<u>6.05%</u>

Source: Clermont County Auditor.

(1) Based on information available as of December 31, 2004.

WEST CLERMONT LOCAL SCHOOL DISTRICT, OHIO
 Miscellaneous Statistical Data
 June 30, 2005

TABLE 15

Enrollment by Grade

	PS	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2004-05	136	732	741	718	665	688	702	689	659	746	863	563	632	471	9,005
2005-06	104	798	733	719	710	671	694	693	692	654	858	714	430	544	9,014

The following are projections:

2006-07	100	766	800	711	710	716	677	685	697	687	752	710	545	369	8,925
2007-08	101	776	767	776	703	717	722	668	689	691	790	622	542	469	9,033
2008-09	101	771	777	744	767	709	723	713	671	683	795	654	475	466	9,049
2009-10	101	776	772	754	735	773	715	714	717	666	785	658	499	408	9,073
2010-11	101	776	777	749	745	742	780	706	717	711	766	650	502	429	9,151
2011-12	101	776	777	754	740	751	748	770	710	711	817	634	496	432	9,217
2012-13	101	776	777	754	745	747	758	739	774	704	818	677	484	427	9,281
2013-14	101	776	777	754	745	752	753	748	742	768	810	677	516	416	9,335
2014-15	101	776	777	754	745	752	758	744	752	736	883	670	517	444	9,409

Source: West Clermont Local School District records.

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WEST CLERMONT LOCAL SCHOOL DISTRICT

CLERMONT 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
JUNE 13, 2006**