

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF THE

SYLVANIA CITY
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2004

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

6850 MONROE STREET

SYLVANIA, OHIO 43560



**Auditor of State
Betty Montgomery**

Board of Education
Sylvania City School District
6850 Monroe Street
Sylvania, Ohio 43560

We have reviewed the Independent Auditor's Report of the Sylvania City School District, Lucas County, prepared by Weber O'Brien Ltd., for the audit period July 1, 2003 through June 30, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

January 13, 2005

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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SYLVANIA CITY SCHOOL DISTRICT

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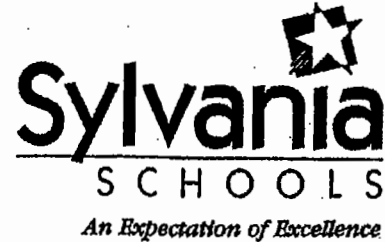
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Office of the Treasurer

Carol A. McElfresh, Treasurer/CFO



December 2, 2004

Board of Education Members and Citizens of the Sylvania City School District:

As the Superintendent and Treasurer/CFO of the Sylvania City School District (the "District"), we are pleased to submit to you the thirteenth Comprehensive Annual Financial Report (CAFR) issued by the District. This report provides full disclosure of the financial operation of the District for the fiscal year ended June 30, 2004. This CAFR, which includes an opinion from Weber O'Brien Ltd., Sylvania, Ohio, who performed the District's audit, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the taxpayers of the District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. Copies will be made available to the Chamber of Commerce, major taxpayers, the public library, financial rating services, and other interested parties.

The CAFR is comprised of three distinct sections:

- * The Introductory Section includes the table of contents, letter of transmittal, list of principal officials, management team, organizational chart, and Government Finance Officers Association (GFOA) Certificate of Achievement.
- * The Financial Section includes the independent auditor's report, a management's discussion and analysis, basic financial statements and explanatory notes, required supplementary information, and combining statements and individual fund schedules.
- * The Statistical Section includes various tables reflecting social and economic information, financial trends, and the fiscal capacity of the District.

The District is located in Northwestern Ohio on the Michigan-Ohio border and is comprised of the City of Sylvania, Sylvania Township, a portion of the City of Toledo and a portion of the Village of Ottawa Hills, which are all part of Lucas County. As a suburb of Toledo, Sylvania is basically a residential community with a broad service-based economy. Socioeconomic indicators continue to describe Sylvania as an affluent community with housing values and income levels well above state and county norms.

The District provides a full range of educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory and vocational levels, and a broad range of co-curricular and extracurricular activities, adult and community education offerings, and special education services. In addition, the District provides state-financed assistance to non-public schools located within its boundaries. This assistance is accounted for in a non-major governmental fund.

Statutorily, the District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code for the purpose of providing educational services authorized by charter and further mandated by State and/or Federal agencies.

A five member Board of Education (the “Board”) serves as the taxing authority, contracting body and policy maker for the District. The Board adopts the annual operating budget and approves all expenditures of District monies.

The Superintendent is the chief administrative officer of the District, responsible for both education and support operations. The Treasurer/CFO is the chief financial officer of the District, responsible for maintaining records of all financial matters, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds, and investing idle funds as specified by Ohio law.

Other Board appointed officials include directors of various educational and support services and building principals.

THE REPORTING ENTITY

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

The Cities of Sylvania and Toledo, Sylvania Township, and the Village of Ottawa Hills have all been excluded from the accompanying financial statements. The Northwest Ohio Computer Association (NWOCA) and the Sylvania Area Joint Recreation District (SAJRD) are reported as jointly governed organizations.

QUALITY IN EDUCATION

Quality schools not only reflect the philosophy of a community, but help to maintain property values as well. In the District, the emphasis is on the educational program itself, as the District strives to continuously raise its expectations for excellence in our students, staff, and programs. This year, the District earned a rating of EXCELLENT from the Ohio Department of Education

We feel it is therefore appropriate to briefly review some of the District’s quality indicators, because they are the foundation upon which the continued success of our programs is built.

Curriculum Development. The District provides a comprehensive K-12 program; intervention, assessment, and full special-needs programming. Ongoing review, additions, and revisions are an integral part of the curriculum development. We are currently in the final year of a five-year plan to realign our courses of study. Our entire curriculum now accurately reflects the raising federal and state standards. Ongoing committees continue to evaluate and test our standards to ensure they exceed state and federal indicators.

Textbooks. The District’s textbooks are selected to mirror state and national standards. Our goal is to maintain a five-year replacement cycle for all textbooks.

Technology. All of the schools in the District have been wired for networking and Internet access. Computers have been installed in all K-5 classrooms as well as computer labs at several sites to facilitate classroom and group learning. In the fall of 2003, the district completed the installation of a fiber optic network which provided an upgrade to our existing networking capabilities. This upgrade was done through Bond Issue monies as part of the building of the Support Services Complex. The complex also houses a District training center to enhance staff development.

Testing. Our SAT scores continue to remain an average of 50 points higher than the national average and 20 points higher than the State average. Over 86% of the students participating in advance placement testing qualify for college credit. ACT scores for the District also remain points above the State and national average. The District continues to grow the number of students qualifying as National Merit Scholars and now boasts three perfect scores on the PSAT tests in the past seven years. The District recently achieved the “Excellent” category and work continues to maintain that rating as defined by the Ohio Department of Education, in compliance with the No Child Left Behind Act.

Class Size. There is an average of 23 students per class in grades K through 5. The class size for grades 6 – 12 is dependent upon the class offered and ranges from 12 – 28 students. This range compares very favorably among our like districts as well as other districts in the area.

Co-curricular and Extra-curricular. Over 2,400 students are involved in inter-scholastic athletics, programs, clubs, honoraries, and contests representing over 70 different academic and athletic teams and organizations.

Staff Development. A continuum of multi-faceted opportunities is provided to keep staff current in methodology and technology through District in-service training, university courses, and partnerships with other educational associations and entities.

Comprehensive Support for Special Needs. Through the efforts of many, the District is prepared to meet the needs of all students, but extra attention has been given to ensure that the District provide an outstanding and comprehensive special-needs and gifted program, along with interventions for identified students in specific areas. It is the attention given to these areas that has allowed the Sylvania Schools to reach the “EXCELLENT” rating.

ECONOMIC CONDITIONS AND OUTLOOK

The District’s population growth has slowed since its massive growth spurt in the 1960’s, which saw double-digit increases. The latest Census shows the combined city and township population to be just over 48,000 people in about 23,000 households.

This growth is carefully managed and controlled without annexations of property, which result in the need to extend the District’s services to new areas. All indicators show that there is continued residential development planned and will continue to the west of the City.

Growth in commercial development continues, also to the west of the City. With the opening of Meijer’s complex in 1994, new sewer lines constructed in the area around Central Avenue has continued to develop, including both commercial and light industrial businesses. This development led to the construction of a new junior high school on the western border of the District in 1997.

Through diligence and prudence, the economic condition of the District remains somewhat stable. This is due mainly to the fact that the District lies in an affluent community with a small commercial tax base, which eliminates fluctuations in revenue sources due to changes in the business climate. However, the District continues to face problematic economic situations, due in large part to the reliance on property tax revenues and current economic times. Ohio law prohibits growth in real estate tax revenues which are due simply to appreciation in property value.

The District’s financial condition continues to be an area of focus for the Board of Education and administration. Litigation of the State School Funding issue known as the “DeRolph Case”, the Perry County Court of Common Pleas in 1995 declared the State’s method of funding school districts to be unconstitutional. On March 24, 1997, the Ohio Supreme Court upheld most of the Perry County ruling by declaring certain portions of the Ohio school funding plan unconstitutional. Declared unconstitutional was the State’s ‘school foundation program’, which provides significant amounts of monetary support to the District.

On September 6, 2001, the Ohio Supreme Court again issued its opinion regarding the state’s school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a timeline for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement.

On December 11, 2002, the Ohio Supreme Court, in a 4-3 decision on the aforesaid motion for reconsideration, concluded that the State did not comply with the requirement of providing a “thorough and efficient system of common schools”, even after noting and crediting significant State steps in recent years. The Court directed the General Assembly “to enact a school funding scheme that is thorough and efficient, as is explained in (its prior decisions in 1997 and 2001), and the accompanying concurrences”. The September 2001 decision was vacated, and jurisdiction of the case was not retained.

With particular respect to funding sources, the Supreme Court had concluded in its 1997 and 2000 decisions, and one concurring Justice stated again in the December 2002 decision and again in 2003 that school funding in Ohio over-relies on local property taxes.

SIGNIFICANT ACCOMPLISHMENTS/EVENTS FOR THE YEAR: 2004

Excellence and Accountability continue to be the underlying theme for the entire District. During the fiscal year 2004, the District established an overall strategic plan that drives academic goals for the District. The Strategic Plan is based on three main considerations:

- Strategic Initiative #1: **Increase student learning through high-quality instruction**
- Strategic Initiative #2: **Increase efficiency and effectiveness of District operations**
- Strategic Initiative #3: **Create vibrant school-community partnerships**

The focus of the entire District will align with these goals and will be the focus both academically and operationally for the next 3-5 years.

This year, the District sought support from the community in the passage of a 4.9 mills operating levy. The millage will generate about \$7 million per year to help the District maintain the current operations and programming of the District.

The passage of a 4.9 mill levy in 2002 was to maintain the current budgetary needs of the district for 3-4 years. But, changes in state funding coupled with the current economic climate, the District faced unanticipated financial needs in the near future.

In response, the District undertook a \$3.0 million reduction in expenses to offset a negative balance for the end of the current school year. This reduction included a 9% workforce reduction, including 48 teaching positions, 21 support staff and 3.5 administrators.

Academically, we are in the final year of an aggressive five-year curriculum realignment as defined through the Phi Delta Kappa (PDK), a nationally recognized educational honor society. Last year, new courses of study in science and social studies were implemented throughout the K-12 curriculum. The foreign language, health and special area teams have started the implementation of new courses of study during the current school year.

The District also continues to comply with new standards and mandates from the State and Federal levels, including the No Child Left Behind Act.

Also of note, performance-based compensation for all administrators tied to specific District and building level goals and Board of Education initiatives continues for all administrators but has clearly taken on a new dimension with the current economic picture. Over 80% of the District’s administrators voluntarily declined or gave back their performance compensation.

In terms of the District's physical plant, the final phase of the \$20.7 million bond improvements has been completed; replacing windows, roofing, paving as well as various safety and growth improvements to many of the school buildings and athletic fields.

The Support Services Complex will celebrate its one year anniversary this November. The complex houses the bus garage and maintenance bays, District warehouse, and serves as the technology hub for the District. The idea for the complex grew out of the CEG recommendations and was funded primarily through the bond issue.

A 10 – 15 Year Strategic Facilities Plan was adopted by the Board to serve as a facilities road map for the District. This plan will be reviewed yearly to determine the needs and goals of the planning efforts for the District.

The Program-Based Budgeting System, implemented in fiscal year 2001 under the direction of the Superintendent and Chief Fiscal Officer, continues to grow in scope and size. This group was integral in the prioritization of reductions prior to the levy as well as enhancements following the levy in 2002 and will once again play a role in the ongoing financial process.

Also of note is the successful continuation of Interest-Based Bargaining with both employee unions. Negotiations of contracts will begin in the spring of 2005. Ongoing dialogue with both unions signals a continuation of the working partnership with the administration and Board of Education.

MAJOR INITIATIVES FOR THE FUTURE

The District will continue to implement new courses of study in an ongoing effort to meet – and exceed - the national and State standards to affect student outcomes in the retention of the excellence rating on the Ohio Report Card.

Full implementation of the overall 3-5 year Strategic Plan will help keep the District focused on student learning through high-quality instruction, efficiency and effectiveness of District operations and vibrant school-community partnerships.

Ongoing support through PI dollars will help ensure the viability of the physical plants within the refinement of the 10-15 Year Facilities Master Plan for the District.

With the full implementation of these plans and directives, the District will remain poised to retain the full academic excellence and fiscal accountability standards that the community has come to expect of Sylvania City Schools.

FINANCIAL INFORMATION

Internal Accounting and Budgetary Control. The District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Governmental fund operations are presented on the modified accrual basis, whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Proprietary funds and the private-purpose trust fund operations are presented on the accrual basis, whereby revenues are recognized when earned, and expenses when incurred.

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from the implementation.

The District utilizes a fully automated accounting system, as well as an automated system of control for 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 of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the object account level within a function and fund. All purchase order requests must be approved by the Director of Business Affairs and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports, which detail year-to-date expenditures and encumbrances versus the original appropriation, plus any additional appropriations made to date. In addition to interim financial statements, each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible.

As an additional safeguard, a blanket bond covers all employees, and a separate, higher limit bond covers certain individuals in policy-making roles.

The basis of accounting and the basis of presentation of the District's various funds are fully described in Note 2 of the basic financial statements. Additional information on the District's budgetary accounting can also be found in Note 2.

FINANCIAL REPORTING

For the fiscal year ending June 30, 2004, the District continued to report in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments". The new basic financial statements for reporting on the District's financial activities are as follows:

Government-wide financial statements: These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by business enterprises. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District did not have any business-type activities.

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

Schedule of budgetary comparisons: This schedule presents comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Discussion and Analysis of the District. This discussion appears after the Report of Independent Auditors in the financial section of this report. The Management Discussion and Analysis provides an assessment of the District's finances for 2004.

INDEPENDENT AUDIT

Provisions of State statute require the District's financial statements to be subjected to an annual audit by an independent auditor. Those provisions have been satisfied and the opinion of the District's independent auditors is included herein.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The District adopted and has been in conformance with that system effective with its annual financial report for the 1979 fiscal year.

AWARDS

Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Sylvania City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose content conforms to program standards. Such a report must satisfy both accounting principles generally accepted in the United States of America as applied to governmental units and applicable legal requirements.

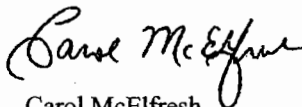
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA for review.

ACKNOWLEDGMENTS

The publication of this report significantly increases the accountability of the District to the taxpayers. This accomplishment would not have been possible without the support and efforts of the staff of the Treasurer's office and various administrators and employees of the District. Assistance of the County Auditor's office staff and other outside agencies made possible the fair presentation of statistical data.

Special appreciation is expressed to our consultants, Trimble, Julian and Grube, Inc., who compiled this report, and to the firm of Weber, O'Brien Ltd., who audited this report. Finally, sincere appreciation is extended to the Board of Education for its interest in and support of this project.

Respectfully,



Carol McElfresh
Treasurer/CFO



Bradley Rieger, Ph.D.
Superintendent

**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO
List of Principal Officials**

MEMBERS OF THE BOARD OF EDUCATION

The Board of Education is a body politic and corporate with the responsibility of managing and controlling affairs of the District and is, together with the District, governed by laws of the State of Ohio. The Board is comprised of five members who are elected for overlapping four-year terms. The current members of the Board of Education of the Sylvania City School District are:

	<u>Began Service as a Board Member</u>	<u>Present Term Expires</u>
David Spiess, President	January, 2002	December 31, 2005
James Nusbaum, Vice President	January, 2004	December 31, 2007
Pamela Haynam, Member	January, 1998	December 31, 2005
George Gernot III, Member	January, 2000	December 31, 2005
Vicki Donovan-Lyle, Member	January, 2004	December 31, 2007

SUPERINTENDENT OF SCHOOLS

The superintendent is the executive officer of the District and is responsible for administering policies adopted by the Board of Education. The superintendent is expected to provide leadership in all phases of policy formulation and is the chief advisor to the Board on all aspects of the educational program and total operation of the District. The Board appointed Bradley Rieger, Superintendent of the Sylvania City School District effective July 7, 2003.

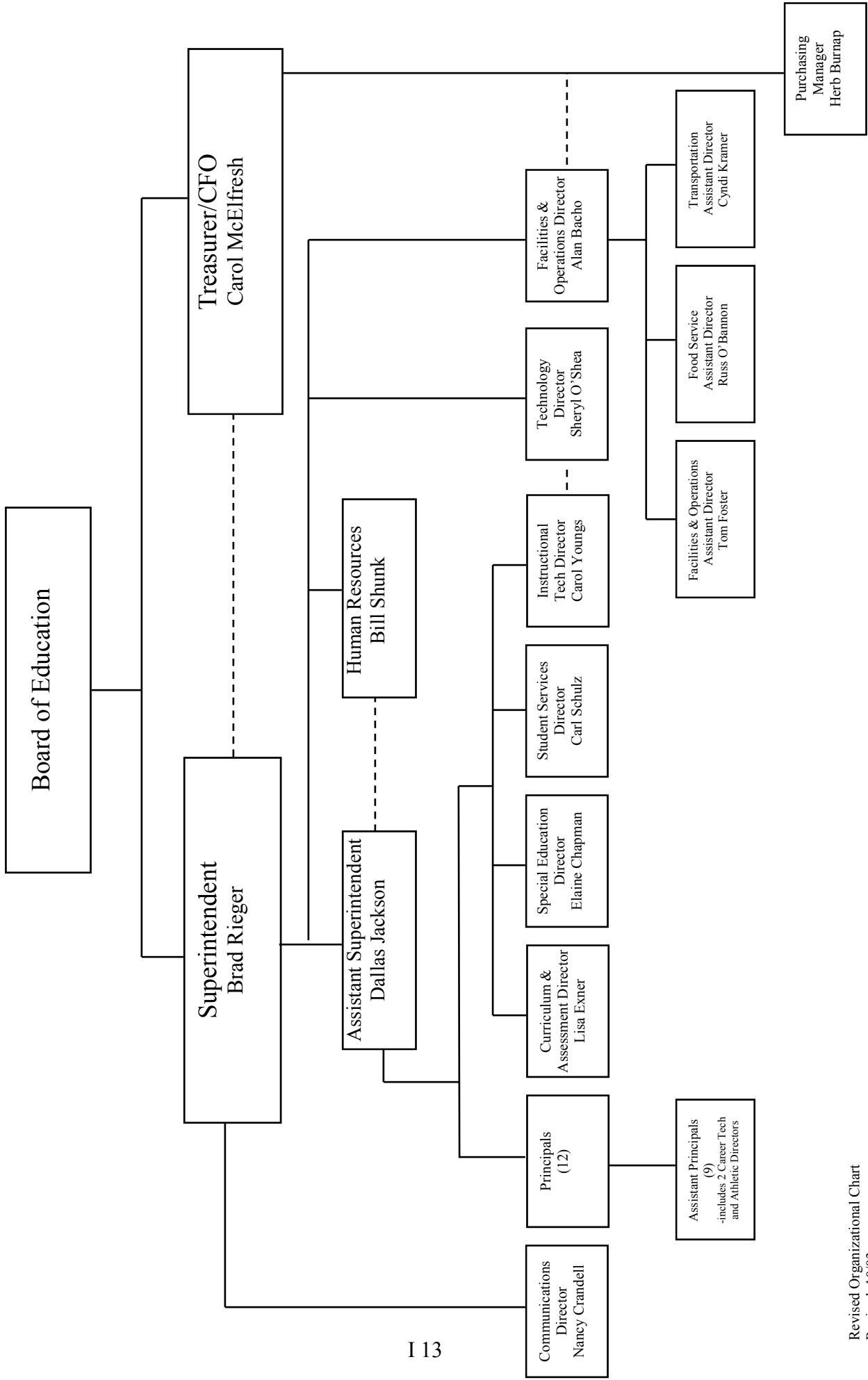
TREASURER/CFO

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

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

MANAGEMENT TEAM

Bradley Rieger	Superintendent of Schools
Carol McElfresh	Treasurer/CFO
Dallas Jackson	Assistant Superintendent of Schools
William Shunk	Executive Director of Human Resources
Alan Bacho	Facilities and Operations
Suzanne Bond	G.A.T.E.
Amy Buckey	Partners in Education
Elaine Chapman	Special Education
Gwen Clark	Human Resources
Nancy Crandell	Communications
Barb Johnoff	E.M.I.S.
Lisa Exner	Curriculum and Assessment
Sheryl O'Shea	Technology
Kathleen Pollock	G.A.T.E.
Carl Schulz	Student Services
Kevin Gorman	Northview High School Principal
Julie Sanford	Northview Assistant Principal
Teri Schwartz	Northview Assistant Principal
Dean Sandwisch	Northview Assistant Principal
Larry Jones	Northview Athletic Director
Jeff Kurtz	Southview High School Principal
Larry Duwve	Southview Assistant Principal
Mike Bader	Southview Assistant Principal
James Jennings	Southview Assistant Principal
Glen Gillespie	Southview Athletic Director
Scott Nelson	Arbor Hills Junior High School Principal
Dan Creps	Arbor Hills Assistant Principal
Jeff Robbins	McCord Junior High School Principal
John Duwve	McCord Assistant Principal
Jack Smith	Timberstone Principal
Carl Brubaker	Timberstone Assistant Principal
Toni Gerber	Central Elementary Principal
Dale Wiltse	Highland Elementary Principal
Ed Eding	HillView Elementary Principal
Robert Berkowitz	Maplewood Elementary Principal
Robert Biglin	Stranahan Elementary Principal
Randy Grieser	Sylvan Elementary Principal
Brad Rhodes	Whiteford Elementary Principal



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Sylvania City School District,
Ohio

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

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



Nancy L. Zielle

President

Jeffrey R. Emer

Executive Director

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Board of Education
Sylvania City School District
6850 Monroe Street
Sylvania, OH 43560

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

We conducted our audit in accordance with auditing standards generally accepted in the United States 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 Sylvania City School District as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2004 on our consideration of Sylvania City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages F3 - F14 and F58 - 59, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Weber O'Brien Ltd.

December 2, 2004

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

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

Financial Highlights

Key financial highlights for 2004 are as follows:

- In total, net assets of governmental activities decreased \$3,085,017 which represents a 41.59% decrease from 2003.
- General revenues accounted for \$67,989,119 in revenue or 91.10% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,643,795 or 8.90% of total revenues of \$74,632,914.
- The District had \$77,717,931 in expenses related to governmental activities; only \$6,643,795 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$67,989,119 were not adequate to provide for these programs.
- The District has three major governmental funds. They are the general fund, debt service fund and building fund.
- The general fund is a major fund of the District. The general fund had \$65,553,060 in revenues and other financing sources and \$67,722,726 in expenditures and other financing uses. During fiscal 2004, the general fund's fund balance decreased \$2,169,666 from (\$3,832,128) to (\$6,001,794).
- The debt service fund is a major fund of the District. The debt service fund had \$3,347,685 in revenues and \$4,711,770 in expenditures and other financing uses. During fiscal 2004, the debt service fund's fund balance decreased \$1,364,085 from \$3,488,965 to \$2,124,880.
- The building fund is a major fund of the District. The building fund had \$1,375,604 in revenues and other financing sources and \$3,881,458 in expenditures. During fiscal 2004, the building fund's fund balance decreased \$2,505,854 from \$2,061,722 to (\$444,132).
- The District has \$48,301,881 in capital assets at June 30, 2004. This amount is net of accumulated depreciation in the amount of \$24,477,489. Fiscal year 2004 depreciation expense was \$1,911,870. Total capital assets, net of related debt to acquire or construct the assets were \$16,657,375 at June 30, 2004.
- The District has \$43,323,734 in long-term liabilities outstanding at June 30, 2004. Of this total, \$3,140,325 is due within one year and \$40,183,409 is due in greater than one year.

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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
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The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund, debt service fund and building fund are by far the most significant funds, and the only governmental funds reported as major funds.

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2004?" The statement of net assets and the statement of activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

The statement of net assets and the statement of activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, food service operations, uniform school supplies activities and natatorium operations.

The District's statement of net assets and statement of activities can be found on pages F15-F16 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
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Governmental Funds

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

Proprietary Funds

Proprietary funds focus on the District's ongoing activities which are similar to those found in the private sector where net income is necessary or useful to sound financial management. Proprietary funds utilize the *accrual basis* of accounting under which revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. The District's proprietary funds are internal service funds which are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. Proprietary fund statements can be found on pages F21 through F23 of the basic financial statements. For reporting on the statement of net assets and the statement of activities, internal service fund activities are eliminated and consolidated with governmental activities.

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private purpose trust fund. The District also acts in a trustee capacity as an agent for students. These activities are reported in an agency fund. All of the District's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets on pages F24 and F25. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages F26-F57 of this report.

The District as a Whole

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

The table below provides a summary of the District's net assets for 2004 and 2003.

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

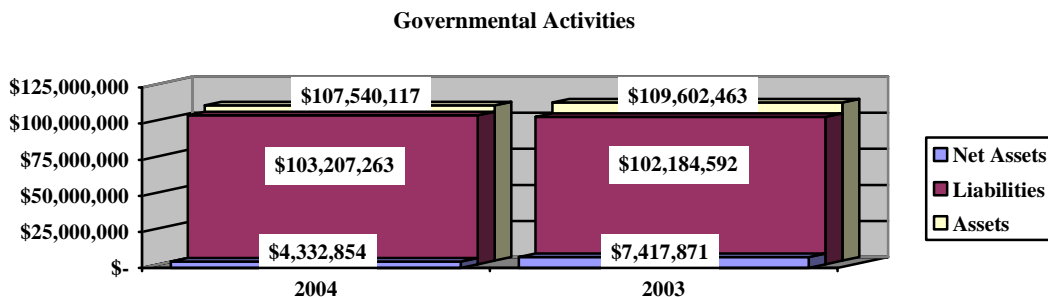
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

	Net Assets		
	Governmental Activities <u>2004</u>	Governmental Activities <u>2003</u>	<u>Percent Change</u>
<u>Assets</u>			
Current and other assets	\$ 59,238,236	\$ 62,984,596	(5.95) %
Capital assets, net	<u>48,301,881</u>	<u>46,617,867</u>	3.61 %
Total assets	<u>107,540,117</u>	<u>109,602,463</u>	(1.88) %
<u>Liabilities</u>			
Current liabilities	59,883,529	57,332,203	4.45 %
Long-term liabilities	<u>43,323,734</u>	<u>44,852,389</u>	(3.41) %
Total liabilities	<u>103,207,263</u>	<u>102,184,592</u>	1.00 %
<u>Net Assets</u>			
Invested in capital assets, net of related debt	16,657,375	10,318,711	61.43 %
Restricted	2,528,858	6,386,458	(60.40) %
Unrestricted (deficit)	<u>(14,853,379)</u>	<u>(9,287,298)</u>	59.93 %
Total net assets	<u>\$ 4,332,854</u>	<u>\$ 7,417,871</u>	(41.59) %

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2004, the District's assets exceeded liabilities by \$4,332,854. Of this total \$2,528,858 is restricted in use and \$16,657,375 is invested in capital assets (net of related debt), resulting in a deficit to unrestricted net assets of \$14,853,379.

At year-end, capital assets represented 44.92% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, vehicles and construction in progress. Capital assets, net of related debt to acquire the assets at June 30, 2004, were \$16,657,375. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$2,528,858, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets is a deficit of \$14,853,379.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
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The table below shows the change in net assets for fiscal years 2004 and 2003.

	Change in Net Assets		
	Governmental Activities <u>2004</u>	Governmental Activities <u>2003</u>	<u>Percent Change</u>
<u>Revenues</u>			
Program revenues:			
Charges for services and sales	\$ 3,145,782	\$ 2,750,596	14.37 %
Operating grants and contributions	3,498,013	3,147,490	11.14 %
Capital grants and contributions	-	146,903	(100.00) %
General revenues:			
Property taxes	46,032,157	41,132,401	11.91 %
Grants and entitlements	21,428,816	21,036,372	1.87 %
Investment earnings	158,760	442,066	(64.09) %
Gain on disposal of capital assets	-	2,852	(100.00) %
Miscellaneous	<u>369,386</u>	<u>304,665</u>	21.24 %
Total revenues	<u>74,632,914</u>	<u>68,963,345</u>	8.22 %
<u>Expenses</u>			
Program expenses:			
Instruction:			
Regular	31,395,058	29,937,224	4.87 %
Special	7,202,564	6,759,376	6.56 %
Vocational	2,176,073	2,172,461	0.17 %
Adult/continuing	87,329	-	100.00 %
Other	681,346	179,898	278.74 %
Support services:			
Pupil	4,039,903	3,855,724	4.78 %
Instructional staff	4,384,884	4,477,571	(2.07) %
Board of education	10,632	12,060	(11.84) %
Administration	5,061,340	5,107,351	(0.90) %
Fiscal	1,265,944	1,160,693	9.07 %
Business	225,482	280,688	(19.67) %
Operations and maintenance	8,733,003	8,025,706	8.81 %
Pupil transportation	3,976,985	3,624,072	9.74 %
Central	1,461,731	794,481	83.99 %
Operations of non-instructional services	151,020	163,285	(7.51) %
Food service operations	2,039,811	2,080,857	(1.97) %
Extracurricular activities	2,053,611	2,037,124	0.81 %
Intergovernmental pass through	907,497	986,413	(8.00) %
Interest and fiscal charges	<u>1,863,718</u>	<u>2,021,449</u>	(7.80) %
Total expenses	<u>77,717,931</u>	<u>73,676,433</u>	5.49 %
Decrease in net assets	<u>\$ (3,085,017)</u>	<u>\$ (4,713,088)</u>	(34.54) %

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED**

In the program revenue area, charges for services increased primarily due to increased collections of tuition charges billed to other school districts. Operating grants and contributions increased primarily due to funding received for a reading intervention program instituted by the District. In the general revenues area, interest earnings decreased as the District had fewer funds to invest in fiscal 2004 and held fewer investments than in the previous year. Interest rates on allowable investments were also lower in fiscal 2004 than in 2003. Adult/continuing expenses increased as amounts were reclassified from items reported as "other instruction" expenses in the prior year. This reclassification was performed to better reflect the function program associated with the expenses. Other instruction expense increased due to payments made to various community schools in the area. The District saw an increase in the number of students attending these community schools and expenses paid to these community schools increased as a result of the increased attendance. Support services central expenses increased as the District recorded the payoff of final claims under the self-insurance program to this line item.

Governmental Activities

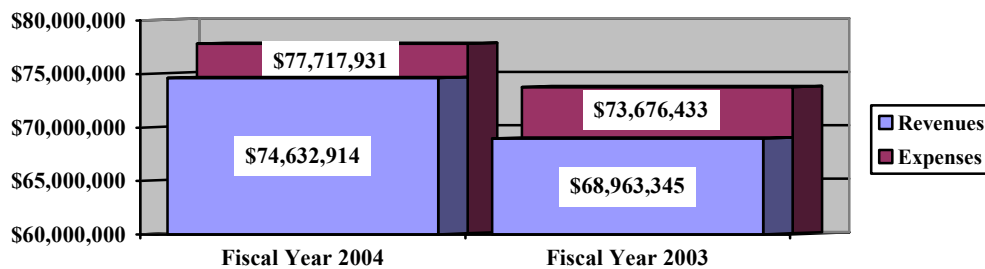
Net assets of the District's governmental activities decreased \$3,085,017. Total governmental expenses of \$77,717,931 were offset by program revenues of \$6,643,795 and general revenues of \$67,989,119. Program revenues supported 8.55% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These revenue sources represent 90.39% of total governmental revenue.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$41,542,370 or 53.45% of total governmental expenses for fiscal year 2004.

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2004 and 2003.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental 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 grants and entitlements.

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

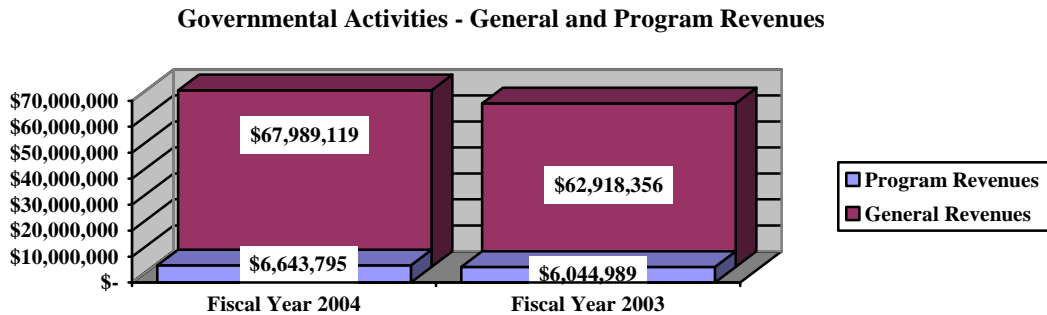
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

Governmental Activities

	Total Cost of Services 2004	Net Cost of Services 2004	Total Cost of Services 2003	Net Cost of Services 2003
Program expenses				
Instruction:				
Regular	\$ 31,395,058	\$ 30,155,181	\$ 29,937,224	\$ 29,134,370
Special	7,202,564	6,694,227	6,759,376	6,433,522
Vocational	2,176,073	2,112,786	2,172,461	2,083,747
Adult/continuing	87,329	(16,555)	-	-
Other	681,346	680,936	179,898	100,769
Support services:				
Pupil	4,039,903	4,009,185	3,855,724	3,830,307
Instructional staff	4,384,884	3,218,081	4,477,571	3,335,195
Board of education	10,632	10,632	12,060	12,060
Administration	5,061,340	5,058,052	5,107,351	5,086,908
Fiscal	1,265,944	1,265,944	1,160,693	1,160,693
Business	225,482	225,482	280,688	275,704
Operations and maintenance	8,733,003	8,660,645	8,025,706	7,923,109
Pupil transportation	3,976,985	3,976,985	3,624,072	3,623,727
Central	1,461,731	1,394,538	794,481	723,796
Operations of non-instructional services	151,020	(6,028)	163,285	38,530
Food service operations	2,039,811	368,394	2,080,857	377,563
Extracurricular activities	2,053,611	1,393,441	2,037,124	1,343,582
Intergovernmental pass through	907,497	8,492	986,413	126,413
Interest and fiscal charges	1,863,718	1,863,718	2,021,449	2,021,449
Total expenses	\$ 77,717,931	\$ 71,074,136	\$ 73,676,433	\$ 67,631,444

The dependence upon tax and other general revenues for governmental activities is apparent, 95.39% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 91.45%. The District's taxpayers, as a whole, are by far the primary support for the District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2004 and 2003.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

The District's Funds

The District's governmental funds (as presented on the balance sheet on page F17) reported a combined fund balance of (\$3,380,754), which is lower than last year's total of \$2,563,176. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2004 and 2003.

	Fund Balance <u>June 30, 2004</u>	Fund Balance <u>June 30, 2003</u>	Increase <u>(Decrease)</u>
General	\$ (6,001,794)	\$ (3,832,128)	\$ (2,169,666)
Debt service	2,124,880	3,488,965	(1,364,085)
Building	(444,132)	2,061,722	(2,505,854)
Other Governmental	<u>940,292</u>	<u>844,617</u>	<u>95,675</u>
Total	<u>\$ (3,380,754)</u>	<u>\$ 2,563,176</u>	<u>\$ (5,943,930)</u>

General Fund

The District's general fund balance decreased \$2,169,666. The table that follows assists in illustrating the financial activities of the general fund.

	2004 <u>Amount</u>	2003 <u>Amount</u>	Increase <u>(Decrease)</u>	Percentage <u>Change</u>
<u>Revenues</u>				
Taxes	\$ 42,118,626	\$ 38,769,114	\$ 3,349,512	8.64 %
Tuition	589,951	171,238	418,713	244.52 %
Earnings on investments	131,407	285,794	(154,387)	(54.02) %
Intergovernmental	20,992,029	20,661,112	330,917	1.60 %
Other revenues	<u>617,568</u>	<u>642,888</u>	<u>(25,320)</u>	<u>(3.94) %</u>
Total	<u>\$ 64,449,581</u>	<u>\$ 60,530,146</u>	<u>\$ 3,919,435</u>	6.48 %
<u>Expenditures</u>				
Instruction	\$ 39,393,160	\$ 36,900,101	\$ 2,493,059	6.76 %
Support services	26,500,396	24,912,315	1,588,081	6.37 %
Operation of non-instructional services	70,564	75,690	(5,126)	(6.77) %
Extracurricular activities	1,125,913	1,147,871	(21,958)	(1.91) %
Facilities acquisition and construction	158,217	512,303	(354,086)	(69.12) %
Capital outlay	83,501	-	83,501	100.00 %
Debt service	<u>154,146</u>	<u>323,879</u>	<u>(169,733)</u>	<u>(52.41) %</u>
Total	<u>\$ 67,485,897</u>	<u>\$ 63,872,159</u>	<u>\$ 3,613,738</u>	5.66 %

The increase in tuition revenue in the general fund was primarily due to increased collections of tuition charges billed to other school districts. Earnings on investments decreased as the District had fewer funds to invest in fiscal 2004. Facilities acquisition and construction expenditures were lower in fiscal 2004 as the District completed many construction projects during the fiscal year and purchased fewer capital items during the year. Capital outlay expenditures increase as a result of the District entering into a new capital lease agreement in fiscal 2004 for the acquisition of vehicles.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

Debt Service Fund

The District's debt service fund balance decreased \$1,364,085. The debt service fund had revenues of \$3,347,685 and expenditures and other financing uses of \$4,711,770. The primary revenue source was tax revenue which was \$2,956,667 in fiscal year 2004 and \$2,758,089 in fiscal year 2003. During fiscal year 2004, the debt service fund made \$1,998,170 in principal payments and \$1,333,788 in interest payments.

Building Fund

The District's building fund balance decreased \$2,505,854. The building fund's only revenue source was earnings on investments which amounted to \$37,026 in fiscal year 2004 and \$154,806 in fiscal year 2003. Total expenditures in the building fund were \$3,881,458 in fiscal year 2004 and \$6,515,203 in fiscal year 2003. The fund balance of the building fund at June 30, 2004 is a deficit of \$444,132.

General Fund Budgeting Highlights

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

During the course of fiscal 2004, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues and other financing sources were \$65,354,896, which is lower than the original budgeted revenues estimate of \$65,684,335. Actual revenues and other financing sources for fiscal 2004 was \$65,623,490. This represents a \$268,594 increase from final budgeted revenues. This increase is primarily due to tuition revenues being higher than estimated. General fund final appropriations (appropriated expenditures plus other financing uses) were \$67,828,626, which is lower than the original budgeted appropriations estimate of \$68,476,261. The actual budget basis expenditures and other financing uses for fiscal year 2004 totaled \$67,283,734, which was \$544,892 less than the final budget appropriations. The District was able to decrease appropriations primarily because salary costs proved to be lower than anticipated in the original and final budget.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2004, the District had \$48,301,881 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles and construction in progress (CIP). This entire amount is reported in governmental activities. The following table shows fiscal 2004 balances compared to 2003:

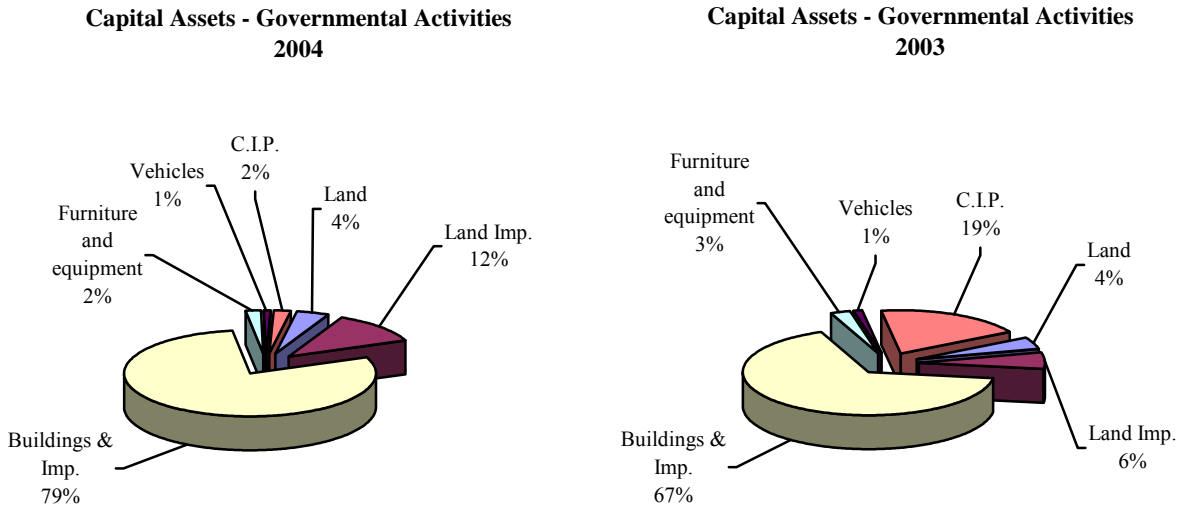
	Capital Assets at June 30 (Net of Depreciation)	
	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
Land	\$ 2,040,544	\$ 2,040,544
Land improvements	5,705,176	2,940,654
Buildings and improvements	38,132,378	30,978,414
Furniture and equipment	960,611	1,178,206
Vehicles	406,924	496,979
Construction in progress	<u>1,056,248</u>	<u>8,983,070</u>
Total	<u>\$ 48,301,881</u>	<u>\$ 46,617,867</u>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
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The primary increase occurred in buildings and improvements which include various construction projects detailed in Note 9 to the basic financial statements, principally the support/services facility, HVAC improvement and athletic fields. Total additions to capital assets for 2004 were \$14,021,260 and total disposals were \$3,440 (net of accumulated depreciation). The disposal of CIP of \$10,421,936 represents construction projects which were completed in fiscal year 2004 and transferred to buildings and improvements. The overall increase in capital assets of \$1,684,014 (net of accumulated depreciation) is primarily due to the construction in progress going on within the District in fiscal 2004.

The graphs below present the District's capital assets for fiscal 2004 and fiscal 2003.



Debt Administration

At June 30, 2004, the District had \$34,723,615 in general obligation bonds, asbestos note and capital lease obligations outstanding. Of this total, \$2,124,673 is due within one year and \$32,598,942 is due within greater than one year. The following table summarizes the bonds and notes outstanding.

Outstanding Debt, at Year End

	Governmental Activities <u>2004</u>	Governmental Activities <u>2003</u>
General obligation bonds	\$ 34,453,560	\$ 36,016,433
Asbestos note	5,930	17,792
Capital lease obligation	<u>264,125</u>	<u>264,931</u>
Total	<u>\$ 34,723,615</u>	<u>\$ 36,299,156</u>

The asbestos note was received in 1986. This note is scheduled to mature in fiscal year 2005 and bears no interest. Payment of principal and interest on the asbestos note is being made from the general fund.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED

The District has issued various general obligation bonds to provide resources to finance construction projects throughout the District and to refund previous bonds outstanding. The District's general obligation bonds consist of both current interest bonds and capital appreciation bonds. The District's general obligation bond activity is detailed in Note 10 to the basic financial statements.

The capital lease obligations represent agreements for copier equipment and vehicles. The capital lease obligations are detailed in Note 8 of the basic financial statements.

At June 30, 2004, the District's overall legal debt margin was \$96,554,734 with an unvoted debt margin of \$1,432,038.

Current Financial Related Activities

In November 2002, and in November 2004, the Sylvania School District passed two 4.9 mil levies. The 2002 passage provided for a 4.6 mil general operating levy and a .3 mil permanent improvement levy. The 2004 passage is for a 4.9 mil general operating levy. The passage of these levies allows the District to continue its education focus on teaching and learning along with making identified improvements to buildings and updating safety & growth issues.

In 2003, the District negotiated a 2-year agreement with its Unions for wages and benefits. In collaboration with the unions, there was a recent review of health care costs and subsequently a Labor/Management Insurance Committee has been established. In January 2004, the District discontinued self-insuring its health care costs, and successfully negotiated a 3-year contract with Paramount Health Systems for a fully funded health care plan and a 3-year contract with MetLife for a managed dental care plan. Both contracts are expected to save the District on future expenditures. Given the current economic environment, 3-year contracts are rare and a major accomplishment for the District. With the positive outcomes of the Labor/Management Process, the District anticipates continued use of Interest Based Bargaining.

Due to recent budget deficits experienced by the State of Ohio, the estimated increase to the State Foundation that Ohio provides each school district was reduced this year. Sylvania Schools Foundation estimate went from a 2.8% increase to 2.2%. The reduction equated to \$1.5 million less than forecasted for FY03 and each year beyond. Other changes to state funding calculations included using current Average Daily Membership (ADM) for determining per pupil ratios and the elimination of 3-year averaging that benefits districts with declining enrollment. Coupled with a change to the depreciation schedule of the tangible personal property tax and the overall low interest rates being paid for investments, Sylvania will be experiencing lower revenues than projected for the next 5 years.

As a result, the District continues to look at cost saving measures to reduce spending, including implementing a redistricting plan and a \$4.2 million reduction in expenditures including the elimination of 72 positions. A Facilities Plan was completed and approved by the Board that encompasses a more efficient use of our current facilities as well as planning for future growth and development needs.

The Sylvania School District accomplished a major goal in the 2003/2004 School Year by achieving an Excellent rating on the State Report Card. This goal was accomplished by tremendous effort and planning from all staff to improve teaching and learning while preserving fiscal accountability. Goals are in place to maintain academic proficiencies as stated on the State Report Card and to provide for continuous improvement for the coming year.

To assist the effort, the District is currently in the final year of a 5-Year Academic Curriculum Plan, defined by a recent Phi Delta Kappa audit. This effort will essentially ensure that our content standards are in line with both State and Federal standards and is necessary to provide the content and strategies to guide this District to excellence in both teaching and learning.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
UNAUDITED**

Additionally, the recent completion of a Support Services Complex, which serves as the new fiber optics hub, will greatly enhance the communication and operational efficiencies throughout the District. The complex is also home to the District's first staff training facility. This state-of-the-art training center will facilitate the training efforts for both the teaching and classified staffs in the District.

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

Contacting the District's Financial Management

This financial report is designed to provide our citizen's taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mrs. Carol McElfresh, Treasurer, Sylvania City School District, 6850 Monroe Street, P.O. Box 608, Sylvania, Ohio 43560.

BASIC
FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
JUNE 30, 2004

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents.	\$ 8,561,584
Receivables:	
Taxes	50,350,110
Accounts	17,433
Intergovernmental	279,231
Prepayments	15,693
Materials and supplies inventory	14,185
Capital assets:	
Land and construction in progress	3,096,792
Depreciable capital assets, net	45,205,089
Total capital assets, net.	48,301,881
 Total assets.	 107,540,117
 Liabilities:	
Accounts payable.	628,129
Contracts payable.	767,695
Accrued wages and benefits	5,719,732
Intergovernmental payable	2,324,688
Deferred revenue	46,744,957
Accrued interest payable	198,328
Notes payable.	3,500,000
Long-term liabilities:	
Due within one year.	3,140,325
Due within more than one year	40,183,409
Total long-term liabilities.	43,323,734
 Total liabilities	 103,207,263
 Net Assets:	
Invested in capital assets, net of related debt.	16,657,375
Restricted for:	
Debt service.	2,060,198
Other purposes	468,660
Unrestricted (deficit)	(14,853,379)
Total restricted net assets.	2,526,133
 Total net assets	 \$ 4,332,854

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	
Governmental activities:				
Instruction:				
Regular	\$ 31,395,058	\$ 893,095	\$ 346,782	\$ (30,155,181)
Special	7,202,564	-	508,337	(6,694,227)
Vocational	2,176,073	-	63,287	(2,112,786)
Adult/continuing	87,329	-	103,884	16,555
Other	681,346	-	410	(680,936)
Support services:				
Pupil	4,039,903	-	30,718	(4,009,185)
Instructional staff	4,384,884	5,100	1,161,703	(3,218,081)
Board of education	10,632	-	-	(10,632)
Administration	5,061,340	-	3,288	(5,058,052)
Fiscal	1,265,944	-	-	(1,265,944)
Business	225,482	-	-	(225,482)
Operations and maintenance	8,733,003	72,358	-	(8,660,645)
Pupil transportation	3,976,985	-	-	(3,976,985)
Central	1,461,731	-	67,193	(1,394,538)
Operation of non-instructional services	151,020	102,062	54,986	6,028
Food service operations	2,039,811	1,412,997	258,420	(368,394)
Extracurricular activities	2,053,611	660,170	-	(1,393,441)
Intergovernmental pass through	907,497	-	899,005	(8,492)
Interest and fiscal charges	1,863,718	-	-	(1,863,718)
Total governmental activities	\$ 77,717,931	\$ 3,145,782	\$ 3,498,013	(71,074,136)
General Revenues:				
Property taxes levied for:				
General purposes				42,673,705
Debt service				3,008,580
Capital outlay				349,872
Grants and entitlements not restricted to specific programs				21,428,816
Investment earnings				158,760
Miscellaneous				369,386
Total general revenues				67,989,119
Change in net assets				(3,085,017)
Net assets at beginning of year				7,417,871
Net assets at end of year				\$ 4,332,854

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004

	<u>General</u>	<u>Debt Service</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and cash equivalents	\$ 1,144,516	\$ 2,061,541	\$ 3,870,914	\$ 1,207,410	\$ 8,284,381
Receivables:					
Taxes	46,814,899	3,168,132	-	367,079	50,350,110
Accounts	17,198	-	-	235	17,433
Intergovernmental	10,129	-	-	269,102	279,231
Interfund loans	427	-	-	-	427
Prepayments	15,693	-	-	-	15,693
Materials and supplies inventory	-	-	-	14,185	14,185
Restricted assets:					
Equity in pooled cash and cash equivalents	262,576	-	-	-	262,576
Total assets	<u>\$ 48,265,438</u>	<u>\$ 5,229,673</u>	<u>\$ 3,870,914</u>	<u>\$ 1,858,011</u>	<u>\$ 59,224,036</u>
Liabilities:					
Accounts payable	\$ 362,846	\$ -	\$ -	\$ 265,283	\$ 628,129
Contracts payable	-	-	767,695	-	767,695
Accrued wages and benefits	5,573,034	-	-	146,698	5,719,732
Compensated absences payable	1,030,478	-	-	-	1,030,478
Intergovernmental payable	1,598,214	747	-	67,108	1,666,069
Interfund loan payable	-	-	-	427	427
Accrued interest payable	-	-	47,351	-	47,351
Deferred revenue	45,702,660	3,104,046	-	438,203	49,244,909
Notes payable	-	-	3,500,000	-	3,500,000
Total liabilities	<u>54,267,232</u>	<u>3,104,793</u>	<u>4,315,046</u>	<u>917,719</u>	<u>62,604,790</u>
Fund Balances:					
Reserved for encumbrances	455,952	-	1,359,566	224,754	2,040,272
Reserved for materials and supplies inventory	-	-	-	14,185	14,185
Reserved for property tax unavailable for appropriation	922,075	32,945	-	5,475	960,495
Reserved for prepayments	15,693	-	-	-	15,693
Reserved for debt service	-	2,091,935	-	-	2,091,935
Reserved for school bus purchases	262,576	-	-	-	262,576
Unreserved, undesignated (deficit) reported in:					
General fund	(7,658,090)	-	-	-	(7,658,090)
Special revenue funds	-	-	-	555,538	555,538
Capital projects funds	-	-	(1,803,698)	140,340	(1,663,358)
Total fund balances (deficit)	<u>(6,001,794)</u>	<u>2,124,880</u>	<u>(444,132)</u>	<u>940,292</u>	<u>(3,380,754)</u>
Total liabilities and fund balances	<u>\$ 48,265,438</u>	<u>\$ 5,229,673</u>	<u>\$ 3,870,914</u>	<u>\$ 1,858,011</u>	<u>\$ 59,224,036</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2004

Total governmental fund balances		\$ (3,380,754)
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		48,301,881
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	\$ 2,419,710	
Intergovernmental revenue	<u>80,242</u>	
Total		2,499,952
Internal service funds are used by management to charge the costs of insurance and intra-district services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		14,627
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	34,453,560	
Compensated absences	7,435,641	
Capital lease obligations	264,125	
Pension obligation payable	658,619	
Workers' compensation retrospective claims adjustment	134,000	
Asbestos abatement note	5,930	
Accrued interest payable	<u>150,977</u>	
Total		<u>(43,102,852)</u>
Net assets of governmental activities		<u>\$ 4,332,854</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>General</u>	<u>Debt Service</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
From local sources:					
Taxes	\$ 42,118,626	\$ 2,956,667	\$ -	\$ 346,756	\$ 45,422,049
Tuition	589,951	-	-	-	589,951
Transportation fees	36,255	-	-	-	36,255
Earnings on investments	131,407	-	37,026	2,077	170,510
Charges for services	-	-	-	1,396,508	1,396,508
Classroom materials and fees	136,999	-	-	132,810	269,809
Extracurricular	-	-	-	660,170	660,170
Other local revenues	444,314	-	-	191,263	635,577
Intergovernmental - state	20,992,029	391,018	-	1,353,021	22,736,068
Intergovernmental - federal	-	-	-	2,353,799	2,353,799
Total revenue	<u>64,449,581</u>	<u>3,347,685</u>	<u>37,026</u>	<u>6,436,404</u>	<u>74,270,696</u>
Expenditures:					
Current:					
Instruction:					
Regular	29,952,568	-	-	637,462	30,590,030
Special	6,666,075	-	-	531,304	7,197,379
Vocational	2,093,694	-	-	77,814	2,171,508
Adult/continuing	-	-	-	87,442	87,442
Other	680,823	-	-	523	681,346
Support Services:					
Pupil	4,027,017	-	-	34,380	4,061,397
Instructional staff	3,192,554	-	-	1,155,189	4,347,743
Board of education	11,233	-	-	-	11,233
Administration	5,018,117	-	-	4,867	5,022,984
Fiscal	1,198,553	41,234	-	3,655	1,243,442
Business	278,541	-	-	8,868	287,409
Operations and maintenance	7,651,088	-	2,262,009	-	9,913,097
Pupil transportation	3,787,375	-	-	-	3,787,375
Central	1,335,918	-	69,787	120,704	1,526,409
Operation of non-instructional services	70,564	-	-	86,156	156,720
Food service operations	-	-	-	1,914,989	1,914,989
Extracurricular activities	1,125,913	-	23,238	677,167	1,826,318
Facilities acquisition and construction	158,217	-	1,471,692	317,596	1,947,505
Capital outlay	83,501	-	-	-	83,501
Intergovernmental pass through	-	-	-	901,714	901,714
Debt service:					
Principal retirement	121,169	1,998,170	-	-	2,119,339
Interest and fiscal charges	32,977	1,333,788	54,732	-	1,421,497
Total expenditures	<u>67,485,897</u>	<u>3,373,192</u>	<u>3,881,458</u>	<u>6,559,830</u>	<u>81,300,377</u>
Excess of revenues over (under) expenditures	<u>(3,036,316)</u>	<u>(25,507)</u>	<u>(3,844,432)</u>	<u>(123,426)</u>	<u>(7,029,681)</u>
Other financing sources (uses):					
Transfers in	1,019,978	-	1,338,578	236,829	2,595,385
Transfers out	(236,829)	(1,338,578)	-	-	(1,575,407)
Proceeds from capital lease transaction	83,501	-	-	-	83,501
Total other financing sources (uses)	<u>866,650</u>	<u>(1,338,578)</u>	<u>1,338,578</u>	<u>236,829</u>	<u>1,103,479</u>
Net change in fund balances	(2,169,666)	(1,364,085)	(2,505,854)	113,403	(5,926,202)
Fund balances (deficit) at beginning of year.	(3,832,128)	3,488,965	2,061,722	844,617	2,563,176
Decrease in reserve for inventory	-	-	-	(17,728)	(17,728)
Fund balances (deficit) at end of year	<u><u>\$ (6,001,794)</u></u>	<u><u>\$ 2,124,880</u></u>	<u><u>\$ (444,132)</u></u>	<u><u>\$ 940,292</u></u>	<u><u>\$ (3,380,754)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

Net change in fund balances - total governmental funds	\$	(5,926,202)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$3,599,324) exceeds depreciation expense (\$1,911,870) in the current period.		1,687,454
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		362,218
Repayment of capital lease obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		84,307
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.		(3,440)
Proceeds of capital lease transactions are recorded as revenue in the fund, however, on the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net assets.		(83,501)
Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		2,035,032
In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, an interest expenditure is reported when due.		(442,221)
Some expenses reported in the statement of activities, such as compensated absences and pension obligations, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		341,401
Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.		(17,728)
Internal service funds are used by management to charge the costs of insurance and intra-district services to individual funds are not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service funds revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities.		(1,122,337)
Change in net assets of governmental activities	\$	(3,085,017)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2004

	<u>Governmental Activities - Internal Service Funds</u>
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents	\$ 14,627
Total assets	<u>\$ 14,627</u>
Net Assets:	
Unrestricted.	<u>\$ 14,627</u>
Total net assets	<u>\$ 14,627</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Governmental Activities - Internal Service Funds
Operating revenues:	
Sales/charges for services	\$ 3,293,008
Total operating revenues	<u>3,293,008</u>
Operating expenses:	
Purchased services.	15,864
Other.	2,327
Claims	<u>3,377,176</u>
Total operating expenses.	<u>3,395,367</u>
Operating loss	(102,359)
Transfers out	<u>(1,019,978)</u>
Change in net assets	(1,122,337)
Net assets at beginning of year.	<u>1,136,964</u>
Net assets at end of year	<u><u>\$ 14,627</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Governmental Activities - Internal Service Funds
Cash flows from operating activities:	
Cash received from sales/charges for services	\$ 3,293,008
Cash payments for purchased services	(15,864)
Cash payments for claims	(3,946,458)
Cash payments for other expenses	<u>(2,327)</u>
Net cash used in operating activities	<u>(671,641)</u>
Cash flows from noncapital financing activities:	
Transfers out to other funds	<u>(1,019,978)</u>
Net cash used in noncapital financing activities	<u>(1,019,978)</u>
Net decrease in cash and cash equivalents	(1,691,619)
Cash and cash equivalents at beginning of year . . .	<u>1,706,246</u>
Cash and cash equivalents at end of year	<u><u>\$ 14,627</u></u>
 Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (102,359)
Changes in assets and liabilities:	
Decrease in claims payable	<u>(569,282)</u>
Net cash used in operating activities	<u><u>\$ (671,641)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2004

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 15,583	\$ 129,519
Receivables:		
Accounts	-	5,153
 Total assets	 15,583	 134,672
Liabilities:		
Accounts payable	-	2,698
Due to students	-	131,974
 Total liabilities	 -	 \$ 134,672
Net Assets:		
Held in trust for scholarships	15,583	
 Total net assets	 \$ 15,583	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 175
Gifts and contributions.	1,175
	1,350
Total additions.	1,350
Deductions:	
Scholarships awarded	3,020
	(1,670)
Change in net assets	(1,670)
Net assets at beginning of year.	17,253
	17,253
Net assets at end of year	\$ 15,583

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Sylvania City School District (the "District") is located in the greater metropolitan Toledo area of Lucas County in northwestern Ohio. The District encompasses all of the city of Sylvania, and portions of Sylvania Township.

The District is organized under Section 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

The District ranks as the 31st largest by enrollment among the 613 public school districts in the state. It currently operates 7 elementary schools, 3 middle schools, and 2 comprehensive high schools. The District employs 219 non-certified and 527 certified full-time and part-time employees to provide services to approximately 8,004 students in grades K through 12 and various community groups.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity". The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based upon the application of this criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government). The following organizations are described due to their relationship to the District:

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

JOINTLY GOVERNED ORGANIZATIONS

Northwest Ohio Computer Association (NWOCA)

The District is a participant with 28 other school districts in a jointly governed organization to operate NWOCA. NWOCA was formed for the purpose of providing computer services. NWOCA is governed by a board of directors consisting of the superintendents of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the board. The District does not have an ongoing financial interest or responsibility in NWOCA.

Sylvania Area Joint Recreation District (SAJRD)

The District, in conjunction with the City of Sylvania and the Sylvania Township, formed the Sylvania Area Joint Recreation District under the authority of Ohio Revised Code Section 755.14(C). The SAJRD Board of Trustees is composed of twelve members, four of whom are appointed by each of the separate governmental entities identified above. Funding for the SAJRD is provided by a voter-approved tax levy on all real property located within the Sylvania School District. Taxes are collected by the County Auditor and remitted to the SAJRD Board of Trustees.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

GOVERNMENTAL FUNDS

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

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

Debt Service Fund - The debt service fund is used to account for the accumulation of resources and payment of general obligation bond and note principal, interest and related costs.

Building Fund - The building fund is used to account for the receipts and expenditures related to all special bond funds in the District and to account for receipts and expenditures involved in the replacement or updating of equipment essential for the instruction of students in job skills. All proceeds from the sale of bonds, notes, or certificates of indebtedness, must be paid into this fund. Expenditures recorded here represent the costs of acquiring and improving capital facilities, including real property.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

Other governmental funds of the District are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those accounted for in the building fund or financed by proprietary funds; and (b) for food service, uniform school supplies and natatorium services; and (c) for grants and other resources whose use is restricted to a particular purpose.

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no enterprise funds. The following is a description of the District's internal service funds:

Internal Service Funds - The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis. The internal service funds of the District account for a self-insurance program for employee health and dental benefits to employees and for intra-district services.

FIDUCIARY FUNDS

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

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements distinguish between those activities that are governmental and those that are considered business-type activities. The District has no business-type activities. The internal service funds operating activities are eliminated to avoid overstatement of revenues and expenses.

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

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

**SYLVANIA CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

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

Like the government-wide statements, the internal service funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's internal service funds are charges for sales and services. Operating expenses for internal service funds include the cost of sales and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The private-purpose trust fund is reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donation. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6).

Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2004, but which were levied to finance fiscal year 2005 operation, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities received during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

E. Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Board of Education at the object level within each function within each fund for all funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with Lucas County Budget Commission for rate determination.

Estimated Resources:

By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commissions' certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts from the certificate of estimated resources that was in effect at the time the original permanent appropriations covering the entire fiscal year were passed by the Board of Education. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts from the certificate of amended resources that was in effect at the time the final appropriations were passed by the Board of Education.

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, at the object level within each function within each fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals at any level of control. Any revisions that alter the level of budgetary control must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, all supplemental appropriations were legally enacted.

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

**SYLVANIA CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

Lapsing of Appropriations:

Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the fund, function and/or object level.

F. Cash and Investments

To improve cash management, cash received by the District is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the basic financial statements.

During fiscal year 2004, investments were limited to overnight repurchase agreements and investments in the State Asset Treasury Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements, are reported at cost.

The District has invested funds in STAR Ohio during fiscal 2004. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2004.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2004 amounted to \$131,407, which includes \$106,104 assigned from other District funds.

For presentation on the basic financial statements, investments purchased by the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at fiscal year-end is provided in Note 4.

G. Inventory

On government-wide and fund financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the purchase method on the fund financial statements and using the consumption method on the government-wide statements.

On the fund financial statements, reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

H. Capital Assets

General capital assets are those assets specifically related to governmental activities. These assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	20 - 45 years
Buildings and improvements	37 - 45 years
Furniture and equipment	5 - 20 years
Vehicles	6 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." Interfund balances between governmental funds are eliminated in the governmental activities column on the statement of net assets.

J. Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30, by those employees who are currently eligible to receive termination benefits and by those employees who are expected to become eligible in the future. For purposes of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age 50 or greater with at least 10 years of service; or 20 years service at any age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

**SYLVANIA CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the internal service fund are reported on the proprietary fund financial statements.

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

L. Fund Balance Reserves

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, materials and supplies inventory, debt service, prepayments, property taxes unavailable for appropriation, and school bus purchases. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP but not available for appropriation under state statute.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**SYLVANIA CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

N. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year-end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset on the fund financial statements.

O. Estimates

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

P. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include the amount required by state statute to be set-aside for school bus purchases. See Note 16 for additional information regarding set-asides.

Q. Interfund Activity

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

R. Nonpublic Schools

Within the District boundaries, St. Joseph and St. Francis schools are operated through the Toledo Catholic Diocese; Cathedral Christian and Hebrew Academy are operated as private schools. All of these schools provide instruction for grades K-8. Current state legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as directed by the parochial school. The receipt and expenditure of these state monies by the District are reflected in a nonmajor governmental fund for financial reporting purposes.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2004.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Deficit Fund Balances

Fund balances at June 30, 2004 included the following individual fund deficits:

	<u>Deficit</u>
<u>Major Fund</u>	
General Fund	\$ 6,001,794
Building	444,132
<u>Nonmajor Governmental Funds</u>	
Food service	92,801
Title I	13,399

These funds complied with Ohio state law, which does not permit a cash basis deficit at year-end. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances are a result of adjustments for accrued liabilities.

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Equity in Pooled Cash and Cash Equivalents". State statutes require the classification of monies held by the District into three categories.

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

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

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

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

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

**SYLVANIA CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

2. Bonds, Notes, Debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days in an amount not to exceed 25% of the interim monies available for investment at any one time; and
8. Under limited circumstances, corporate debt instruments rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

The following information classifies deposits and investments by categories of custodial credit risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements".

Deposits: At year-end, the carrying amount of the District's deposits was 1,623,171 and the bank balance was \$2,101,245. Of the bank balance:

1. \$200,000 was covered by federal depository insurance or surety company bonds deposited with the District; and
2. \$1,901,245 was uninsured and unregistered as defined by GASB although it was secured by collateral held by third party trustees, pursuant to section 135.181 Ohio Revised Code, in collateralized pools securing all public funds on deposit with specific depository institutions; these securities not being in the name of the District. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

**SYLVANIA CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 4 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS - (Continued)

Collateral is required for demand deposits and certificates of deposit in excess of all deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State of Ohio and its municipalities, and obligations of the other states. Obligations pledged to secure deposits must be delivered to a bank other than the institution in which the deposit is made. Written custodial agreements are required.

Investments: The District's investments are categorized below to give an indication of the level of custodial credit risk assumed by the entity at fiscal year-end. Category 1 includes investments that are insured or registered or for which securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent, but not in the District's name. Investments in STAR Ohio are not categorized as they are not evidenced by securities that exist in physical or book entry form.

	<u>Category 3</u>	<u>Reported Amount</u>	<u>Fair Value</u>
Repurchase agreements	\$ 878,000	\$ 878,000	\$ 878,000
Total	<u>\$ 878,000</u>		
Investment in STAR Ohio		<u>6,205,515</u>	<u>6,205,515</u>
Total investments		<u>\$ 7,083,515</u>	<u>\$ 7,083,515</u>

The classification of cash and cash equivalents and investments on the statement of net assets is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the basic financial statements and the classification per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$ 8,706,686	\$ -
Investments of the cash management pool:		
Repurchase agreements	(878,000)	878,000
Investment in STAR Ohio	<u>(6,205,515)</u>	<u>6,205,515</u>
GASB Statement No. 3	<u>\$ 1,623,171</u>	<u>\$ 7,083,515</u>

Classification in statement of net assets:

Government-wide - unrestricted	\$ 8,561,584
Fiduciary funds - unrestricted	<u>145,102</u>
Total	<u>\$ 8,706,686</u>

**SYLVANIA CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund loans receivable/payable consisted of the following at June 30, 2004, as reported on the fund statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	\$ 427

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2004 are reported on the statement of net assets.

- B. Interfund transfers for the fiscal year ended June 30, 2004, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
Transfers from general fund to:	
Nonmajor governmental funds	\$ 236,829
Transfers from internal service funds to:	
General fund	1,019,978
Transfers from debt service fund to:	
Building fund	1,338,578

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The transfer between the debt service fund and the building fund is to properly report interest and fiscal charges for note retirements that are reported in the building fund.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported on the statement of activities.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2004 represents collections of calendar year 2003 taxes. Real property taxes received in calendar year 2004 were levied after April 1, 2003, on the assessed value listed as of January 1, 2003, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 6 - PROPERTY TAXES - (Continued)

Public utility property tax revenue received in calendar 2004 represents collections of calendar year 2003 taxes. Public utility real and tangible personal property taxes received in calendar year 2003 became a lien December 31, 2002, were levied after April 1, 2003 and are collected in 2004 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2004 (other than public utility property) represents the collection of 2004 taxes. Tangible personal property taxes received in calendar year 2004 were levied after April 1, 2003, on the value as of December 31, 2002. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

The District receives property taxes from Lucas County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2004, are available to finance fiscal year 2004 operations. The amount available as an advance at June 30, 2004 was \$922,075 in the general fund, \$32,945 in the debt service fund and \$5,475 in the Permanent Improvement capital projects fund (a nonmajor governmental fund). The amount that was available for advance at June 30, 2003 was \$1,065,086 in the general fund, \$20,713 in the debt service fund and \$4,361 in the Permanent Improvement capital projects fund (a nonmajor governmental fund). The amount available for advance can vary depending upon when tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2004 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 6 - PROPERTY TAXES - (Continued)

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

	2003 Second Half Collections		2004 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 1,202,054,210	92.53	\$ 1,338,151,170	93.44
Public Utility Personal	23,003,090	1.77	21,737,770	1.52
Tangible Personal Property	<u>74,089,218</u>	<u>5.70</u>	<u>72,148,998</u>	<u>5.04</u>
Total	<u>\$ 1,299,146,518</u>	<u>100.00</u>	<u>\$ 1,432,037,938</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation:				
Operations	\$ 67.30		\$ 67.30	
Debt service	2.50		2.40	
Permanent improvement	0.30		0.30	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2004 consisted of taxes, accounts (billings for user charged services and student fees), and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of Federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

Governmental Activities	
Property taxes	\$ 50,350,110
Accounts	17,433
Intergovernmental	<u>279,231</u>
Total	<u>\$ 50,646,774</u>

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

NOTE 8 - CAPITALIZED LEASES - LESSEE DISCLOSURE

During the current fiscal year, the District entered into a new capital lease agreement for the acquisition of vehicles and extended a capital lease obligation for copiers. In addition, during a prior fiscal year, the District entered into a capital lease agreement for the acquisition of a telephone system. The capital lease obligation for the telephone system was retired in fiscal 2004. These leases meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term.

**SYLVANIA CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 8 - CAPITALIZED LEASES - LESSEE DISCLOSURE - (Continued)

Capital lease payments have been reclassified and are reflected as debt service expenditures in the statement of revenues, expenditures and changes in fund balances - general fund. These expenditures are reflected as program/function expenditures on a budgetary basis. As of June 30, 2004 general capital assets acquired by leases have been capitalized in the amount of \$420,122, which is equal to the present value of the future minimum lease payments as of the date of their inception. A corresponding liability was recorded in the statement of net assets. Principal payments in the 2004 fiscal year totaled \$84,307. This amount is reflected as debt service principal retirement in the general fund and as a reduction to the long-term liabilities reported on the statement of net assets.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2004:

Year Ending <u>June 30</u>	<u>Amount</u>
2005	\$ 81,031
2006	81,031
2007	81,031
2008	58,328
2009	<u>24,303</u>
Total minimum lease payment	325,724
Less: amount representing interest	<u>(61,599)</u>
Present value of minimum lease payments	<u>\$ 264,125</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 9 - CAPITAL ASSETS

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

	<u>Balance</u> <u>06/30/03</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/04</u>
Governmental Activities				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,040,544	\$ -	\$ -	\$ 2,040,544
Construction in progress	<u>8,983,070</u>	<u>2,495,114</u>	<u>(10,421,936)</u>	<u>1,056,248</u>
Total capital assets, not being depreciated	<u>11,023,614</u>	<u>2,495,114</u>	<u>(10,421,936)</u>	<u>3,096,792</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	4,022,110	3,025,165	-	7,047,275
Building and improvements	46,547,837	8,335,691	-	54,883,528
Furniture and equipment	2,956,617	81,790	(97,500)	2,940,907
Vehicles	<u>4,727,368</u>	<u>83,500</u>	<u>-</u>	<u>4,810,868</u>
Total capital assets, being depreciated	<u>58,253,932</u>	<u>11,526,146</u>	<u>(97,500)</u>	<u>69,682,578</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(1,081,456)	(260,643)	-	(1,342,099)
Building and improvements	(15,569,423)	(1,181,727)	-	(16,751,150)
Furniture and equipment	(1,778,411)	(295,945)	94,060	(1,980,296)
Vehicles	<u>(4,230,389)</u>	<u>(173,555)</u>	<u>-</u>	<u>(4,403,944)</u>
Total accumulated depreciation	<u>(22,659,679)</u>	<u>(1,911,870)</u>	<u>94,060</u>	<u>(24,477,489)</u>
Governmental activities capital assets, net	<u>\$ 46,617,867</u>	<u>\$ 12,109,390</u>	<u>\$ (10,425,376)</u>	<u>\$ 48,301,881</u>

The construction in progress represents cost incurred by fiscal year-end on various construction projects undertaken by the District. These projects include roof replacements and HVAC improvements.

**SYLVANIA CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 802,937
Special	77,223
Vocational	113,300
<u>Support Services:</u>	
Pupil	5,081
Instructional staff	57,794
Administration	69,992
Fiscal	6,156
Operations and maintenance	237,394
Pupil transportation	152,932
Central	9,364
Extracurricular activities	267,934
Intergovernmental pass through	5,271
Food service operations	<u>106,492</u>
Total depreciation expense	<u>\$ 1,911,870</u>

NOTE 10 - LONG-TERM OBLIGATIONS

A. General obligation bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations are reported on the statement of net assets. Payments of principal and interest relating to these liabilities are recorded as expenditures in the debt service fund. The source of payment is derived from a current 2.50 mill bonded debt tax levy.

B. Series 2001 Refunding General Obligation Bonds

On September 1, 2001, the District issued general obligation bonds (Series 2001 Refunding Bonds) to refund the Series 1995 School Improvement General Obligation Bonds (principal \$13,875,000; interest rate 5.85%, stated maturity December 1, 2022).

The refunding issue is comprised of both current interest bonds, par value \$13,555,000, and capital appreciation bonds par value \$2,955,000. The interest rates on the current interest bonds range from 2.60% - 5.00%. The capital appreciation bonds mature on December 1, 2012, December 1, 2013, and December 1, 2014, at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The effective interest rate on the capital appreciation bonds is 19.117%. The present value (as of issue date) reported in the statement of net assets at June 30, 2004 was \$319,978. Total accreted interest of \$207,344 has been included in the statement of net assets at June 30, 2004. The current interest bonds maturing on or after December 1, 2011 are subject to early redemption at the sole option of the District, at the following redemption prices, plus accrued interest:

**SYLVANIA CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

<u>Redemption Dates</u>	<u>Redemption Price</u>
December 1, 2011 through November 30, 2012	101% of par
December 1, 2012 and thereafter	100% of par

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2022.

C. Series 2001 School Improvement General Obligation Bonds

During fiscal 2001, the voters of the District authorized the issuance of \$20,750,000 in general obligation bonds, for the purpose of renovating and otherwise improving school facilities. These bonds will be retired from proceeds of an additional 1.34 (average) mill bonded debt tax levy.

The Series 2001 school improvement general obligation bond issue is comprised of both current interest bonds, par value \$7,890,000, and capital appreciation bonds, par value \$425,000. The capital appreciation bonds mature on December 1, 2012 (effective interest 12.0366%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value (as of issue date) reported in the statement of net assets at June 30, 2004 was \$109,999. Total accreted interest of \$47,368 has been included in the statement of net assets at June 30, 2004. The current interest bonds maturing on or after December 1, 2011 are subject to early redemption at the sole option of the District, at the following redemption prices, plus accrued interest:

<u>Redemption Dates</u>	<u>Redemption Price</u>
December 1, 2011 through November 30, 2012	101% of par
December 1, 2012 and thereafter	100% of par

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2020.

D. Series 1998 Refunding General Obligation Bonds

On February 10, 1998, the District issued general obligation bonds (Series 1998 Refunding Bonds) to advance refund the callable portion of the Series 1992 School Improvement General Obligation Bonds (principal \$1,760,000; interest rate 6.60%; stated maturity June 1, 2016). The \$1,922,835 issuance proceeds were used to purchase securities which were placed in an irrevocable trust, which will provide resources for all future debt service payments on the refunded debt, which was called for redemption on June 1, 2002, at a cost of 102% of par value, plus accrued interest.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The refunding issue is comprised of both current interest bonds, par value \$1,670,000, and capital appreciation bonds, par value \$690,000. The average interest rate on the current interest bonds is 4.95%. The capital appreciation bonds mature on June 1, 2012 (effective interest 14.765%) and June 1, 2013 (effective interest 14.818%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The present value (as of issue date) reported in the statement of net assets at June 30, 2004 was \$89,772. Total accreted interest of \$124,348 has been included in the statement of net assets at June 30, 2004. The current interest bonds maturing on or after June 1, 2008 are subject to early redemption at the sole option of the District, at the following redemption prices, plus accrued interest:

<u>Redemption Dates</u>	<u>Redemption Price</u>
June 1, 2008 through May 31, 2009	101% of par
June 1, 2009 and thereafter	100% of par

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is June 1, 2016.

- E. Series 1992 School Improvement General Obligation Bonds**
Excluding amounts defeased during 1998, \$8,283,718 remained a general obligation of the District. This amount is comprised of capital appreciation bonds, par value \$11,040,000. The average interest rate on these bonds is 6.225%. The capital appreciation bonds have annual mandatory sinking fund redemption requirements and mature annually beginning June 1, 2003 through June 1, 2011 (average effective interest 6.862%) at a redemption price equal to 100% of the principal, plus accrued interest to date. The present value reported in the statement of net assets at June 30, 2004 was \$2,204,702. Total accreted interest of \$2,700,049 has been included in the statement of net assets at June 30, 2004. The mandatory sinking fund redemption requirements collected will be used to retire the capital appreciation bonds at maturity.
- F.** During fiscal 2002, the District issued \$8,000,000 in general obligation bonds to provide financing for renovations and otherwise improving school facilities. The first principal payment of \$285,000 was made in fiscal 2004.
- G.** In 1986, the District received a loan from the U.S. Environmental Protection Agency for an asbestos abatement project. The loan is interest free provided the District remains current on repayment. This loan is a general obligation of the District for which the full faith and credit of the District is pledged for repayment. The outstanding balance of the loan is reported in the statement of net assets. Payments are recorded as expenditures of the general fund.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

H. The balances in the Series 1992 Improvement Capital Appreciation Bonds and Series 1992 Improvement Capital Appreciation Bonds Accreted Interest as reported at June 30, 2003 have been restated to properly allocate a sinking fund payment made in the prior year. There was no effect on the total governmental activities long-term obligations at June 30, 2003 as a result of the allocation. During fiscal year 2004, the following changes occurred in governmental activities long-term obligations:

	Balance Outstanding <u>06/30/03</u>	<u>Additions</u>	<u>Deletions</u>	Balance Outstanding <u>06/30/04</u>	Amount Due in <u>One Year</u>
<u>General Obligation Bonds:</u>					
Series 1986, Improvement 7.25%, 12/01/07 maturity	\$ 125,000	\$ -	\$ (25,000)	\$ 100,000	\$ 25,000
Series 1992, Improvement Capital Appreciation Bonds 6.86% (average effective) 06/01/03 to 06/01/11 maturity	2,630,833	-	(426,131)	2,204,702	398,188
Series 1992, Improvement Capital Appreciation Bonds Accreted interest	2,904,735	327,353	(532,039)	2,700,049	558,605
Series 1998, Refunding Current Interest bonds 4.95%, 06/01/16 maturity	1,455,000	-	(45,000)	1,410,000	45,000

**SYLVANIA CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

	<u>Balance Outstanding 06/30/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Outstanding 06/30/04</u>	<u>Amount Due in One Year</u>
Series 1998, Refunding Capital Appreciation Bonds 14.7915% (average effective) 06/01/12 and 06/01/13 maturity	\$ 89,772	\$ -	\$ -	\$ 89,772	\$ -
Series 1998, Refunding Capital Appreciation Bonds Accreted interest	96,761	27,587	-	124,348	-
Series 2001, Improvement Current Interest Bonds 5.30%, 12/01/20 maturity	7,185,000	-	(290,000)	6,895,000	305,000
Series 2001, Improvement Capital Appreciation Bonds 12.0366% (average effective) 12/01/12 maturity	109,999	-	-	109,999	-
Series 2001, Improvement Capital Appreciation Bonds Accreted interest	30,009	17,359	-	47,368	-

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

	<u>Balance Outstanding 06/30/03</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Outstanding 06/30/04</u>	<u>Amount Due in One Year</u>
<u>General Obligation Bonds (continued):</u>					
Series 2001, Refunding Current Interest Bonds 2.60% - 5.00% 12/01/22 maturity	\$12,950,000	\$ -	\$ (420,000)	\$ 12,530,000	\$ 440,000
Series 2001, Refunding Capital Appreciation Bonds 19.117% (average effective) 12/01/12 and 12/01/14 maturity	319,978	-	-	319,978	-
Series 2001, Refunding Capital Appreciation Bonds Accreted interest	119,346	87,998	-	207,344	-
Series 2002, Improvement Current Interest Bonds 2.25% - 5.375% 12/01/21 maturity	<u>8,000,000</u>	<u>-</u>	<u>(285,000)</u>	<u>7,715,000</u>	<u>290,000</u>
Total, general obligation bonds	<u>36,016,433</u>	<u>460,297</u>	<u>(2,023,170)</u>	<u>34,453,560</u>	<u>2,061,793</u>
<u>General Obligation Notes:</u>					
Asbestos Abatement, 1986 0%, 12/31/04 maturity	<u>17,792</u>	<u>-</u>	<u>(11,862)</u>	<u>5,930</u>	<u>5,930</u>
Total, general obligation notes	<u>17,792</u>	<u>-</u>	<u>(11,862)</u>	<u>5,930</u>	<u>5,930</u>
<u>Other Obligations:</u>					
Capital lease	264,931	83,501	(84,307)	264,125	56,950
Compensated absences	8,419,233	870,258	(823,372)	8,466,119	1,015,652
Workers' Compensation Retrospective claims adjustment	<u>134,000</u>	<u>-</u>	<u>-</u>	<u>134,000</u>	<u>-</u>
Total, other obligations	<u>8,818,164</u>	<u>953,759</u>	<u>(907,679)</u>	<u>8,864,244</u>	<u>1,072,602</u>
Total, all governmental activities long-term liabilities	<u>\$44,852,389</u>	<u>\$ 1,414,056</u>	<u>\$ (2,942,711)</u>	<u>\$ 43,323,734</u>	<u>\$ 3,140,325</u>

**SYLVANIA CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

I. Principal and interest requirements to retire general obligation bonds, refunding bonds, and general obligation notes outstanding at June 30, 2004, are as follows:

Fiscal Year Ending June 30	Current Interest General Obligation Bonds			Current Interest Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2005	\$ 620,000	\$ 695,104	\$ 1,315,104	\$ 485,000	\$ 610,574	\$ 1,095,574
2006	635,000	672,797	1,307,797	515,000	594,042	1,109,042
2007	660,000	648,924	1,308,924	535,000	575,940	1,110,940
2008	475,000	628,282	1,103,282	565,000	555,951	1,120,951
2009	460,000	608,856	1,068,856	605,000	533,714	1,138,714
2010 - 2014	2,985,000	2,689,986	5,674,986	2,585,000	2,287,617	4,872,617
2015 - 2019	5,315,000	1,651,185	6,966,185	4,920,000	1,559,081	6,479,081
2020 - 2022	<u>3,560,000</u>	<u>237,086</u>	<u>3,797,086</u>	<u>3,730,000</u>	<u>317,487</u>	<u>4,047,487</u>
Total	<u>\$ 14,710,000</u>	<u>\$ 7,832,220</u>	<u>\$ 22,542,220</u>	<u>\$13,940,000</u>	<u>\$ 7,034,406</u>	<u>\$20,974,406</u>

Fiscal Year Ending June 30	Capital Appreciation General Obligation Bonds			Capital Appreciation Refunding Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2005	\$ 1,425,000	\$ -	\$ 1,425,000	\$ -	\$ -	\$ -
2006	1,325,000	-	1,325,000	-	-	-
2007	1,225,000	-	1,225,000	-	-	-
2008	1,125,000	-	1,125,000	-	-	-
2009	1,025,000	-	1,025,000	-	-	-
2010 - 2014	2,190,000	-	2,190,000	2,660,000	-	2,660,000
2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>985,000</u>	<u>-</u>	<u>985,000</u>
Total	<u>\$ 8,315,000</u>	<u>\$ -</u>	<u>\$ 8,315,000</u>	<u>\$ 3,645,000</u>	<u>\$ -</u>	<u>\$ 3,645,000</u>

Fiscal Year Ending June 30	Asbestos Abatement General Obligation Notes		
	Principal	Interest	Total
2005	\$ 5,930	\$ -	\$ 5,930
Total	<u>\$ 5,930</u>	<u>\$ -</u>	<u>\$ 5,930</u>

**SYLVANIA CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

J. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District.

The effects of these debt limitations at June 30, 2004 are a voted debt margin of \$96,554,734 (including available funds of \$2,124,880) and an unvoted debt margin of \$1,432,038.

NOTE 11 - NOTES PAYABLE

During fiscal 2003, the District issued a \$4,750,000 bond anticipation note to continue various school improvement projects. During fiscal 2004, the District repaid this note and issued another note for \$3,500,000. The liability for this note has been reported in the building fund, the fund which received the proceeds upon issuance and accounts for the construction activity.

The following is a description of the District's bond anticipation note activity for the fiscal year:

Purpose	Interest Rate	Issue Date	Maturity Date	Notes			Notes
				Outstanding 06/30/03	Additions in 2004	Retired in 2004	Outstanding 06/30/04
School improvements note	1.87%	08/02/02	07/31/03	\$ 4,750,000	\$ -	\$ (4,750,000)	\$ -
School improvements note	1.48%	07/31/03	07/31/04	-	3,500,000	-	3,500,000
Total				<u>\$ 4,750,000</u>	<u>\$ 3,500,000</u>	<u>\$ (4,750,000)</u>	<u>\$ 3,500,000</u>

NOTE 12 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2004, the District purchased commercial coverage through an insurance consortium for property and contents with a limit of \$151,000,000 and a \$1,000 deductible.

General liability is protected by the Selective Insurance Company of South Carolina with a \$3,000,000 annual aggregate/\$1,000,000 single occurrence limit and no per claim deductible.

Vehicles are covered by Selective Insurance Company of South Carolina and hold no deductible for comprehensive coverage. Vehicles have been insured under a liability policy, with a \$1,000,000 per occurrence limitation.

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There was no significant reduction in coverage from the prior year, except for general liability insurance which decreased from \$4,000,000 to \$3,000,000 and vehicle insurance which decreased from \$2,000,000 to \$1,000,000.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 12 - RISK MANAGEMENT - (Continued)

B. Group Health and Dental Insurance

For the period July 1, 2003 to December 31, 2003, the District provided employee dental benefits through a self-insurance program. The District maintained a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. Effective January 1, 2004, the District provides employee dental benefits through a managed-care dental program. This plan provides dental benefits with a \$50 family and \$25 single deductible. MetLife administers the dental program. The District pays \$71.28 family or \$26.66 single per employee per month, which represents the entire premium required. The premium is paid by the fund that pays the salary for the employee.

For the period July 1, 2003 to December 31, 2003, the District provided employee medical/surgical benefits through a self-insurance program. The District maintained a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. Effective January 1, 2004, the District provides employee medical/surgical benefits through a Paramount health insurance program. This plan provides employees a choice of an HMO or POS levels of coverage. Paramount administers the health insurance program. While under the self-insurance program, the District purchased stop-loss insurance protection. The District pays \$759.44 (HMO) and \$890.56 (POS) for family coverage or \$297.82 (HMO) and \$351.20 (POS) for individual coverage per month for full-time employees. The premium is paid by the fund that pays the salary for the employee.

No claims liability is reported in the internal service fund at June 30, 2004 as all applicable claims under the self-insurance programs were paid by fiscal year end. The following claims activity for the past two fiscal years is reported in accordance with the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus":

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2004	\$ 569,282	\$3,377,176	\$(3,946,458)	\$ -
2003	568,013	5,933,234	(5,931,965)	569,282

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 14. As such, no funding provisions are required by the District.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 12 - RISK MANAGEMENT - (Continued)

C. Workers' Compensation

In the 1998 fiscal year, the District changed the way it pays for workers' compensation insurance. In policy years (calendar years) 1992 through 1997, the District had elected to be "retrospectively-rated" by the Ohio Bureau of Workers' Compensation. This allowed the District to pay between 33%-46% of the premium which would otherwise have been paid in those years. At the end of each policy year, the Bureau then billed the District for actual claims paid. At the end of a ten-year period, which ended December 31, 2001, the District will be assessed "final reserves" for actual claims payments made from 1992 to 1997. These reserves are estimated to be 50% of the original claims payment. The District was not assessed any payments related to this program for fiscal 2004. While the District believes final payment amounts will be in excess of these estimates, a liability for claims payable has nonetheless been recorded in the statement of net assets at June 30, 2004, in the amount of \$134,000.

For the 2004 policy year (calendar year) the District will be assessed the full-rate premium as a merit-rated employer, which has been established at \$1.5321 per \$100 of payroll. A current liability for accrued benefits has been recorded at June 30, 2004 in all funds reporting paid wages for the period January 1, 2004 to June 30, 2004.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

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 2004, 9.09% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2003, 8.17% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The adequacy of the contribution rates is determined annually. The District's required contributions to SERS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$1,310,313, \$1,228,920, and \$1,167,838, respectively; 42.26% has been contributed for fiscal year 2004 and 100% for the fiscal years 2003 and 2002. \$756,600, represents the unpaid contribution for fiscal year 2004.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

B. State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing, multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 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 the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

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 2004, 13% of annual covered salary was the portion used to fund pension obligations. For fiscal year 2003, 13% of annual covered salary was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employee contributions. The District's required contributions to STRS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$4,807,528, \$4,650,931, and \$4,495,205, respectively; 83.48% has been contributed for fiscal year 2004 and 100% for the fiscal years 2003 and 2002. \$794,244, represents the unpaid contribution for fiscal year 2004. Contributions to the DC and Combined Plans for fiscal year 2004 were \$31,517 made by the District and \$73,638 made by the plan members.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

NOTE 13 - DEFINED BENEFIT PENSION PLANS - (Continued)

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by SERS or STRS have an option to choose Social Security or SERS/STRS. As of June 30, 2004, certain members of the Board of Education have elected Social Security. The Board's liability is 6.2% of wages paid.

NOTE 14 - POSTEMPLOYMENT BENEFITS

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. For this fiscal year, the State Teachers Retirement Board allocated employer contributions equal to 1% of covered payroll to the Health Care Reserve fund. For the District, this amount equaled \$343,395 during fiscal 2004.

STRS pays health care benefits from the Health Care Reserve fund. The balance in the Health Care Reserve fund was \$2.8 billion at June 30, 2003 (the latest information available). For the fiscal year ended June 30, 2003, net health care costs paid by STRS were \$352.301 million and STRS had 108,294 eligible benefit recipients.

For SERS, coverage is made available to service retirees with 10 or more years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than 25 years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For this fiscal year, employer contributions to fund health care benefits were 4.91% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2004, the minimum pay has been established at \$25,400. The surcharge, added to the unallocated portion of the 14% 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% of annual health care expenses. Expenses for health care at June 30, 2004 (the latest information available) were \$223.4 million and the target level was \$335.2 million. At June 30, 2004 (the latest information available), SERS had net assets available for payment of health care benefits of \$300.8 million and SERS had approximately 62,000 participants receiving health care benefits. For the District, the amount to fund health care benefits, including surcharge, equaled \$577,624 during the 2004 fiscal year.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

NOTE 15 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However in the opinion of management, any such disallowed claims will not have a material adverse effect on the financial position of the District.

B. Litigation

In the normal course of operations, the District may be subject to litigation and claims. While the outcome of such matters cannot presently be determined, management believes that their ultimate resolution will not have a material adverse effect on the financial statements.

C. 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.

NOTE 16 - STATUTORY RESERVES

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

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

	Textbooks/ Instructional <u>Materials</u>	Capital <u>Acquisition</u>
Set-aside cash balance as of June 30, 2003	\$ (361,061)	\$ -
Current year set-aside requirement	1,116,227	1,116,227
Current year offset	-	(343,363)
Qualifying disbursements	<u>(816,474)</u>	<u>(4,016,192)</u>
Total	<u>\$ (61,308)</u>	<u>\$ (3,243,328)</u>
Balance carried forward to FY 2005	<u>\$ (61,308)</u>	<u>\$ -</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

NOTE 16 - STATUTORY RESERVES - (Continued)

The District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero for the textbook/instructional materials reserve, this extra amount may be used to reduce the set-aside requirement for future years. The negative amount is therefore presented as being carried forward to next fiscal year.

Although the District had offsets and qualifying disbursements during the year that reduced the set-aside amounts below zero for the capital acquisition reserve, this extra amount may not be used to reduce the set-aside requirement for future years. The negative amount is therefore not presented as being carrier forward to the next fiscal year.

In addition to the above statutory reserves, the District also received monies restricted for school bus purchases.

A schedule of the governmental fund restricted assets at June 30, 2004 follows:

Amount restricted for school bus purchases	<u>\$ 262,576</u>
Total restricted assets	<u><u>\$ 262,576</u></u>

NOTE 17 - OUTSTANDING CONTRACTUAL COMMITMENTS

At June 30, 2004, the District has construction commitments on which work has not been completed, totaling approximately \$840,000 which will be funded by existing resources or the issuance of new revenue debt.

NOTE 18 - SIGNIFICANT SUBSEQUENT EVENTS

On July 31, 2004, the District retired the \$3,500,000 note issue and reissued another note in the amount of \$2,500,000 with a maturity date of July 28, 2005.

On November 2, 2004, voters approved a 4.9 mil operating levy.

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REQUIRED SUPPLEMENTARY INFORMATION

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SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
From local sources:				
Taxes	\$ 44,119,627	\$ 42,301,476	\$ 42,199,061	\$ (102,415)
Tuition	91,604	148,526	579,822	431,296
Earnings on investments	436,442	707,643	133,196	(574,447)
Transportation fees	-	-	36,255	36,255
Classroom materials and fees	84,407	136,856	136,999	143
Other local revenues	197,758	205,970	425,569	219,599
Intergovernmental - state	20,079,563	20,803,926	20,992,028	188,102
Total revenue	<u>65,009,401</u>	<u>64,304,397</u>	<u>64,502,930</u>	<u>198,533</u>
Expenditures:				
Current:				
Instruction:				
Regular	30,098,316	29,745,468	29,554,773	190,695
Special	6,535,968	6,430,654	6,417,936	12,718
Vocational	2,001,391	1,967,323	1,965,248	2,075
Other	714,771	702,025	701,863	162
Support Services:				
Pupil	4,111,388	4,044,939	4,037,141	7,798
Instructional staff	3,302,913	3,258,049	3,243,266	14,783
Board of education	11,439	12,012	11,233	779
Administration	5,071,667	5,046,175	4,980,078	66,097
Fiscal	1,201,952	1,183,443	1,180,246	3,197
Business	399,187	431,999	391,978	40,021
Operations and maintenance	8,059,449	7,950,439	7,913,904	36,535
Pupil transportation	3,965,980	3,923,571	3,894,359	29,212
Central	1,367,890	1,408,486	1,343,187	65,299
Operation of non-instructional services	71,011	93,993	69,728	24,265
Extracurricular activities	1,141,578	1,136,548	1,120,962	15,586
Facilities acquisition and construction	176,241	199,927	173,058	26,869
Debt service:				
Principal	36,862	36,862	36,862	-
Interest and fiscal charges	8,158	8,158	8,156	2
Total expenditures	<u>68,276,161</u>	<u>67,580,071</u>	<u>67,043,978</u>	<u>536,093</u>
Excess of revenues over (under) expenditures	<u>(3,266,760)</u>	<u>(3,275,674)</u>	<u>(2,541,048)</u>	<u>734,626</u>
Other financing sources (uses):				
Transfers in	604,394	979,959	1,019,979	40,020
Transfers out	(179,834)	(245,289)	(239,329)	5,960
Advances in	52,000	52,000	93,326	41,326
Advances out	(20,166)	(3,166)	(427)	2,739
Refund of prior year receipts	(100)	(100)	-	100
Refund of prior year expenditure	18,540	18,540	7,255	(11,285)
Total other financing sources (uses)	<u>474,834</u>	<u>801,944</u>	<u>880,804</u>	<u>78,860</u>
Net change in fund balance	<u>(2,791,926)</u>	<u>(2,473,730)</u>	<u>(1,660,244)</u>	<u>813,486</u>
Fund balance at beginning of year	1,100,166	1,100,166	1,100,166	-
Prior year encumbrances appropriated	1,253,601	1,253,601	1,253,601	-
Fund balance (deficit) at end of year	\$ (438,159)	\$ (119,963)	\$ 693,523	\$ 813,486

-- continued

SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND (CONTINUED)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004

While reporting financial position and changes in financial position/fund balance on the basis of generally accepted accounting principals (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements plus encumbrances.

The adjustments necessary to convert the changes in financial position/fund balance for the year on the budget basis to the GAAP basis for the general fund are as follows:

	<u>General Fund</u>
Budget basis	\$ (1,660,244)
Net adjustment for revenue accruals	(53,349)
Net adjustment for expenditure accruals	(1,155,488)
Net adjustment for other sources/uses	(14,154)
Adjustment for encumbrances	713,569
GAAP basis	\$ (2,169,666)

COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES

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

Nonmajor Special Revenue Funds

The special revenue funds are established to account for revenues from specific sources which, legally or otherwise, are restricted to expenditures for specific purposes. A description of the District's special revenue funds follows:

Public School Support Section 5705.12, Revised Code

A fund provided to account for specific local revenue sources, other than taxes or expendable trusts (i.e., profits from vending machines, sales of pictures, etc.), that are restricted to expenditures for specified purposes approved by Board resolution. Such expenditures may include curricular and extra-curricular related purchases.

Other Grants Sections 5705.09 and 5705.13, Revised Code

A fund used to account for the proceeds of specific revenue sources (except for state and federal grants) that are legally restricted to expenditures for specified purposes.

District Managed Student Activity Section 3313.062, Revised Code

A fund provided to account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services Current Budget Bill, appropriation line item 200-511

A fund to account for receipts and expenditures incurred in providing services and materials to pupils attending non-public schools within the District.

Career Development Grant Current Budget Bill, appropriation line item 200-524

This fund accounts for State monies intended to support programs encouraging achievement in science and math through teacher in-service and instructional enhancements; to implement mandated competency based instruction in the areas of written expression, math and reading; to support the implementation of energy conservation measures; or to supplement the local acquisition of textbooks, instructional supplies, and computer equipment/software.

Teacher Development Current Budget Bill, appropriation line item 200-527

A fund provided to account for receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs for professional staff.

Management Information Systems Am. Sub. HB 111

To account for funds associated with the state-wide requirements of the Education Management Information System (EMIS).

Data Communications for Schools Section 5705.09, Revised Code

A fund provided to account for money appropriated for the costs incurred in connecting schools to the Ohio Educational Computer Network.

SchoolNet Professional Development Section 5705.09, Revised Code

A fund provided to account for a limited number of professional development subsidy grants.

Instructional Materials Subsidy Sub. House Bill 412

To account for monies received from the State of Ohio for textbooks, instructional software, instructional materials, and any other materials the District deems to be helpful in providing appropriate instruction to students in the following subject areas: reading, writing, mathematics, science, and citizenship.

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

Nonmajor Special Revenue Funds (Continued)

Ohio Reads Grant

State Line Item Appropriation GRF 200-566 and 200-455

A fund intended a) to improve reading outcomes, especially on the fourth grade reading proficiency test and b) for volunteer coordinators in public schools, for educational service centers, for costs associated with volunteer coordination, for background checks of volunteers, to evaluate the Ohio Reads program, and for operating expenses associated with administering the program.

Summer Intervention

State Line Item Appropriation GRF 200-513

A fund used to account for summer intervention services satisfying criteria defined in division (E) of section 3313.608 of the Revised Code.

Vocational Educational Enhancements

State Line Item Appropriation GRF 200-545

A fund used to account for Vocational Education Enhancements that: 1) expand the number of students enrolled in tech prep programs, 2) enable students to develop career plans, to identify initial educational and career goals, and to develop a career passport which provides a clear understanding of the student's knowledge, skills, and credentials to present to future employers, universities, and other training institutes and 3) replace or update equipment essential for the instruction of students in job skills taught as part of a vocational program or programs approved for such instruction by the State Board of Education.

Miscellaneous State Grants

Section 5705.12, Revised Code

A fund used to account for various monies received from State agencies not classified elsewhere.

Adult Basic Education

PL 91-230, Title III

This fund accounts for Federal monies used to provide programs in reading, writing and math competency for adults who have not earned a high school diploma.

Education for Economic Security Act (EESA)

National Defense Education Act, 1958

This fund is to account for Federal monies received through the Ohio Department of Education for the purpose of improving the skills of teachers (science, foreign languages, and computer learning), and increasing the access of all students to that instruction.

IDEA Part B

Education of the Handicapped Act, PL 91-230

To account for Federal monies which assist states in the identification of handicapped children, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Vocational Education

Carl D. Perkins Vocational Education Act of 1984, PL 98-524

Provision of funds to boards of education, teacher training institutions, and the state administering agency for cooperating in development of vocational education programs in the following categories: secondary, post-secondary, adult, disadvantaged and handicapped persons, exemplary programs, cooperative education, construction of area vocational schools, ancillary services, research, advisory committees, and work-study projects, including sex equity grants. Funds are administered by the Ohio Department of Education, Division of Vocational and Career Education.

Limited English Proficiency

PL 89-10 amended by PL 93-280; Title VII ESEA 1965

To account for funds which are to establish or improve programs designed to meet the educational needs of children of limited English proficiency. To provide structured English language instruction, with respect to the years of study to which the program is applicable, and instruction in the child's native language to the extent necessary to allow a child to achieve competence in English. The instruction must incorporate the cultural heritage of these children and of other children in American society.

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

Nonmajor Special Revenue Funds (Continued)

Title I

PL 97-35; Title I ESEA 1965

To account for funds which are to: 1) establish or improve programs designed to meet the special educational needs of children of migratory agricultural workers or migratory fishermen, and 2) enable state education agencies to coordinate their state and local migrant education programs and projects with similar programs and projects in other states, including the transfer of school records and other information about children of migrant workers.

Title VI

PL 97-35; ESEA 1965

To account for Federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, and inservice and staff development.

Drug-Free Schools Program

Catalog of Federal Domestic Assistance #84-166

To provide funds to local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

Pre-school for the Handicapped Grant

Education of the Handicapped Act Amendments, PL 99-457.

Catalog of Federal Domestic Assistance #84-173

The Pre-school Grant Program addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

Improving Teacher Quality

Title VI ESEA

A fund used to account for monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants

Section 5705.12, Revised Code

A fund used to account for various monies received through state agencies from the federal government (or directly from the federal government) which are not classified elsewhere.

Food Service

Section 3313.81, Revised Code

This fund is used to record financial transactions related to food service operations.

Uniform School Supplies

Section 3313.81, Revised Code

This fund accounts for the purchase and sale of school supplies for use in the District. Profits derived from such sales are used for school purposes or activities connected with the school.

Natatorium

Section 755.14, Revised Code

This fund is provided to account for monies received and expended in connection with a community recreation program which is intended to be self-sustaining.

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

Nonmajor Capital Projects Funds

The capital projects funds account for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and trust funds). A description of the District's capital projects funds follows:

Permanent Improvement

Section 5705.10, Revised Code

This fund is provided to account for all transactions related to the acquisition or construction of such permanent improvements as are authorized by Chapter 5705 of the Revised Code.

Vocational Education Equipment

Current Budget Bill appropriation line item 200-526

This fund is provided to account for receipts and expenditures incurred in the replacement or updating of equipment essential for the instruction of students in job skills.

SchoolNet Plus

Section 5705.09, Revised Code

This fund accounts for State grants to provide classroom wiring, which will support the transmission of voice, video and data; and to provide a computer workstation and related technology for every classroom in low-wealth school districts.

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2004

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 883,675	\$ 323,735	\$ 1,207,410
Receivables:			
Taxes.	-	367,079	367,079
Accounts.	235	-	235
Intergovernmental	269,102	-	269,102
Materials and supplies inventory	14,185	-	14,185
Total assets.	<u>\$ 1,167,197</u>	<u>\$ 690,814</u>	<u>\$ 1,858,011</u>
Liabilities:			
Accounts payable.	\$ 265,283	\$ -	\$ 265,283
Accrued wages and benefits	146,698	-	146,698
Intergovernmental payable	66,859	249	67,108
Interfund loan payable	427	-	427
Deferred revenue.	80,242	357,961	438,203
Total liabilities.	<u>559,509</u>	<u>358,210</u>	<u>917,719</u>
Fund balances:			
Reserved for encumbrances.	37,965	186,789	224,754
Reserved for materials and supplies inventory	14,185	-	14,185
Reserved for property tax unavailable for appropriation.	-	5,475	5,475
Unreserved:			
Undesignated, reported in:			
Special revenue funds	555,538	-	555,538
Capital projects funds	-	140,340	140,340
Total fund balances	<u>607,688</u>	<u>332,604</u>	<u>940,292</u>
Total liabilities and fund balances.	<u>\$ 1,167,197</u>	<u>\$ 690,814</u>	<u>\$ 1,858,011</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:			
From local sources:			
Taxes	\$ -	\$ 346,756	\$ 346,756
Earnings on investments	2,077	-	2,077
Charges for services	1,396,508	-	1,396,508
Classroom materials and fees	132,810	-	132,810
Extracurricular	660,170	-	660,170
Other local revenues	191,263	-	191,263
Intergovernmental - state	1,307,252	45,769	1,353,021
Intergovernmental - federal	2,353,799	-	2,353,799
Total revenue	6,043,879	392,525	6,436,404
Expenditures:			
Current:			
Instruction:			
Regular	516,256	121,206	637,462
Special	531,304	-	531,304
Vocational	77,814	-	77,814
Adult/continuing	87,442	-	87,442
Other	523	-	523
Support services:			
Pupil	34,380	-	34,380
Instructional staff	1,155,189	-	1,155,189
Administration	4,867	-	4,867
Fiscal	-	3,655	3,655
Business	8,868	-	8,868
Central	120,704	-	120,704
Operation of non-instructional services	86,156	-	86,156
Food service operations	1,914,989	-	1,914,989
Extracurricular activities	641,072	36,095	677,167
Facilities acquisition and construction	-	317,596	317,596
Intergovernmental pass through	901,714	-	901,714
Total expenditures	6,081,278	478,552	6,559,830
Excess of revenues under expenditures	(37,399)	(86,027)	(123,426)
Other financing sources:			
Transfers in	236,829	-	236,829
Total other financing sources	236,829	-	236,829
Net change in fund balances	199,430	(86,027)	113,403
Fund balances at beginning of year	425,986	418,631	844,617
Decrease in reserve for inventory	(17,728)	-	(17,728)
Fund balances at end of year	\$ 607,688	\$ 332,604	\$ 940,292

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2004

	<u>Public School Support</u>	<u>Other Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Career Development Grant</u>
Assets:					
Equity in pooled cash and investments	\$ 242,618	\$ 16,772	\$ 150,756	\$ 175,857	\$ 5,778
Receivables:					
Accounts	72	-	-	-	-
Intergovernmental	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-
Total assets.	<u>\$ 242,690</u>	<u>\$ 16,772</u>	<u>\$ 150,756</u>	<u>\$ 175,857</u>	<u>\$ 5,778</u>
Liabilities:					
Accounts payable.	\$ 15,400	\$ 291	\$ 19,346	\$ 85,446	\$ -
Accrued wages and benefits	-	1,450	-	1,290	-
Intergovernmental payable	-	34	-	720	-
Interfund loan payable	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities.	<u>15,400</u>	<u>1,775</u>	<u>19,346</u>	<u>87,456</u>	<u>-</u>
Fund balances:					
Reserved for encumbrances.	9,651	2,915	758	11,821	-
Reserved for materials and supplies inventory	-	-	-	-	-
Unreserved-undesignated (deficit)	217,639	12,082	130,652	76,580	5,778
Total fund balances (deficit)	<u>227,290</u>	<u>14,997</u>	<u>131,410</u>	<u>88,401</u>	<u>5,778</u>
Total liabilities and fund balances	<u>\$ 242,690</u>	<u>\$ 16,772</u>	<u>\$ 150,756</u>	<u>\$ 175,857</u>	<u>\$ 5,778</u>

<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Data Communications for Schools</u>	<u>SchoolNet Professional Development</u>	<u>Instructional Materials Subsidy</u>	<u>Ohio Reads Grant</u>	<u>Summer Intervention</u>
\$ 19,051	\$ 486	\$ 29	\$ 10,620	\$ 51	\$ 9,031	\$ 25,089
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 19,051</u>	<u>\$ 486</u>	<u>\$ 29</u>	<u>\$ 10,620</u>	<u>\$ 51</u>	<u>\$ 9,031</u>	<u>\$ 25,089</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,052	\$ -
-	-	-	-	-	1,716	-
-	-	-	-	-	41	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	3,809	-
-	-	-	-	-	2,329	-
-	-	-	-	-	-	-
<u>19,051</u>	<u>486</u>	<u>29</u>	<u>10,620</u>	<u>51</u>	<u>2,893</u>	<u>25,089</u>
<u>19,051</u>	<u>486</u>	<u>29</u>	<u>10,620</u>	<u>51</u>	<u>5,222</u>	<u>25,089</u>
<u>\$ 19,051</u>	<u>\$ 486</u>	<u>\$ 29</u>	<u>\$ 10,620</u>	<u>\$ 51</u>	<u>\$ 9,031</u>	<u>\$ 25,089</u>

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SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 JUNE 30, 2004

	<u>Vocational Educational Enhancements</u>	<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>IDEA Part B</u>
Assets:				
Equity in pooled cash and investments	\$ 26,566	\$ 21,708	\$ 5,568	\$ 61,035
Receivables:				
Accounts	-	-	-	-
Intergovernmental	131	18,386	14,442	130,689
Materials and supplies inventory	-	-	-	-
Total assets.	<u>\$ 26,697</u>	<u>\$ 40,094</u>	<u>\$ 20,010</u>	<u>\$ 191,724</u>
Liabilities:				
Accounts payable.	\$ 4,404	\$ 2,020	\$ 367	\$ 11,084
Accrued wages and benefits	3,000	21,778	-	30,301
Intergovernmental payable	71	4,756	693	27,360
Interfund loan payable	-	-	-	-
Deferred revenue	131	-	14,442	20,056
Total liabilities.	<u>7,606</u>	<u>28,554</u>	<u>15,502</u>	<u>88,801</u>
Fund balances:				
Reserved for encumbrances.	2,999	1,058	-	5,697
Reserved for materials and supplies inventory	-	-	-	-
Unreserved-undesignated (deficit)	16,092	10,482	4,508	97,226
Total fund balances (deficit)	<u>19,091</u>	<u>11,540</u>	<u>4,508</u>	<u>102,923</u>
Total liabilities and fund balances	<u>\$ 26,697</u>	<u>\$ 40,094</u>	<u>\$ 20,010</u>	<u>\$ 191,724</u>

<u>Vocational Education</u>	<u>Limited English Proficiency</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug-Free Schools Program</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>
\$ 11,941	\$ 1,232	\$ 10,324	\$ -	\$ 3,936	\$ 33,477	\$ 7,465
-	-	-	-	-	-	-
2,374	6,922	48,024	2,402	215	16,726	250
-	-	-	-	-	-	-
<u>\$ 14,315</u>	<u>\$ 8,154</u>	<u>\$ 58,348</u>	<u>\$ 2,402</u>	<u>\$ 4,151</u>	<u>\$ 50,203</u>	<u>\$ 7,715</u>
\$ 5,495	\$ -	\$ -	\$ 131	\$ 3,876	\$ 12,840	\$ 7,146
2,100	3,704	40,791	223	-	14,867	-
50	912	9,022	3	-	3,263	-
-	-	-	427	-	-	-
2,374	3,334	21,934	780	215	16,726	250
<u>10,019</u>	<u>7,950</u>	<u>71,747</u>	<u>1,564</u>	<u>4,091</u>	<u>47,696</u>	<u>7,396</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,296	204	(13,399)	838	60	2,507	319
<u>4,296</u>	<u>204</u>	<u>(13,399)</u>	<u>838</u>	<u>60</u>	<u>2,507</u>	<u>319</u>
<u>\$ 14,315</u>	<u>\$ 8,154</u>	<u>\$ 58,348</u>	<u>\$ 2,402</u>	<u>\$ 4,151</u>	<u>\$ 50,203</u>	<u>\$ 7,715</u>

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SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
 JUNE 30, 2004

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Natatorium</u>	<u>Total Nonmajor Special Revenue</u>
Assets:				
Equity in pooled cash and investments	\$ -	\$ 25,145	\$ 19,140	\$ 883,675
Receivables:				
Accounts	163	-	-	235
Intergovernmental	28,541	-	-	269,102
Materials and supplies inventory	14,185	-	-	14,185
Total assets.	<u>\$ 42,889</u>	<u>\$ 25,145</u>	<u>\$ 19,140</u>	<u>\$ 1,167,197</u>
Liabilities:				
Accounts payable.	\$ 92,659	\$ 2,726	\$ -	\$ 265,283
Accrued wages and benefits	23,768	-	1,710	146,698
Intergovernmental payable	19,263	-	671	66,859
Interfund loan payable	-	-	-	427
Deferred revenue	-	-	-	80,242
Total liabilities.	<u>135,690</u>	<u>2,726</u>	<u>2,381</u>	<u>559,509</u>
Fund balances:				
Reserved for encumbrances.	-	737	-	37,965
Reserved for materials and supplies inventory	14,185	-	-	14,185
Unreserved-undesignated (deficit)	(106,986)	21,682	16,759	555,538
Total fund balances (deficit)	<u>(92,801)</u>	<u>22,419</u>	<u>16,759</u>	<u>607,688</u>
Total liabilities and fund balances	<u>\$ 42,889</u>	<u>\$ 25,145</u>	<u>\$ 19,140</u>	<u>\$ 1,167,197</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Public School Support</u>	<u>Other Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Career Development Grant</u>
Revenues:					
From local sources:					
Earnings on investments	\$ -	\$ -	\$ -	\$ 2,077	\$ -
Charges for services	-	-	-	-	-
Classroom materials and fees	-	-	-	-	-
Extracurricular	212,362	-	447,808	-	-
Other local revenues	43,380	12,600	-	-	-
Intergovernmental - state	-	-	-	899,005	3,474
Intergovernmental - federal	-	-	-	-	-
Total revenue	<u>255,742</u>	<u>12,600</u>	<u>447,808</u>	<u>901,082</u>	<u>3,474</u>
Expenditures:					
Current:					
Instruction:					
Regular	46,463	10,315	-	-	-
Special	-	1,366	-	-	-
Vocational	-	-	-	-	-
Adult/continuing	-	-	-	-	-
Other	-	-	-	-	-
Support services:					
Pupil	-	-	-	-	-
Instructional staff	-	5,729	-	-	10,345
Administration	-	2	-	-	-
Business	-	8,868	-	-	-
Central	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-
Food service operations	-	-	-	-	-
Extracurricular activities	189,926	-	451,146	-	-
Intergovernmental pass through	-	-	-	901,714	-
Total expenditures	<u>236,389</u>	<u>26,280</u>	<u>451,146</u>	<u>901,714</u>	<u>10,345</u>
Excess (deficiency) of revenues over (under) expenditures	19,353	(13,680)	(3,338)	(632)	(6,871)
Other financing sources:					
Transfers in	-	-	27,000	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>27,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	19,353	(13,680)	23,662	(632)	(6,871)
Fund balances (deficit)					
at beginning of year	207,937	28,677	107,748	89,033	12,649
Decrease in reserve for inventory	-	-	-	-	-
Fund balances (deficit) at end of year	<u>\$ 227,290</u>	<u>\$ 14,997</u>	<u>\$ 131,410</u>	<u>\$ 88,401</u>	<u>\$ 5,778</u>

<u>Teacher Development</u>	<u>Management Information Systems</u>	<u>Data Communications for Schools</u>	<u>SchoolNet Professional Development</u>	<u>Instructional Materials Subsidy</u>	<u>Ohio Reads Grant</u>	<u>Summer Intervention</u>	<u>Vocational Educational Enhancements</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	28,763	36,000	6,750	-	55,500	-	32,366
-	-	-	-	-	-	-	-
<u>-</u>	<u>28,763</u>	<u>36,000</u>	<u>6,750</u>	<u>-</u>	<u>55,500</u>	<u>-</u>	<u>32,366</u>
-	-	-	-	-	58,318	-	20
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	36,305
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	4,600	-	-	-	10,059
-	-	-	-	-	-	-	510
-	-	-	-	-	-	-	-
-	40,117	78,000	2,587	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>40,117</u>	<u>78,000</u>	<u>7,187</u>	<u>-</u>	<u>58,318</u>	<u>-</u>	<u>46,894</u>
-	(11,354)	(42,000)	(437)	-	(2,818)	-	(14,528)
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(11,354)	(42,000)	(437)	-	(2,818)	-	(14,528)
19,051	11,840	42,029	11,057	51	8,040	25,089	33,619
-	-	-	-	-	-	-	-
<u>\$ 19,051</u>	<u>\$ 486</u>	<u>\$ 29</u>	<u>\$ 10,620</u>	<u>\$ 51</u>	<u>\$ 5,222</u>	<u>\$ 25,089</u>	<u>\$ 19,091</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Miscellaneous State Grants</u>	<u>Adult Basic Education</u>	<u>IDEA Part B</u>	<u>Vocational Education</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Classroom materials and fees.	-	-	-	-
Extracurricular	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - state	196,088	39,794	-	-
Intergovernmental - federal	-	107,264	1,174,505	85,152
Total revenue.	<u>196,088</u>	<u>147,058</u>	<u>1,174,505</u>	<u>85,152</u>
Expenditures:				
Current:				
Instruction:				
Regular.	4,278	-	-	53,878
Special	146,816	-	-	-
Vocational	31,492	-	-	10,017
Adult/continuing	-	87,442	-	-
Other	-	173	-	350
Support services:				
Pupil	8,519	-	-	209
Instructional staff.	486	47,318	992,943	14,487
Administration	884	-	-	3,471
Business	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services	-	-	49,371	-
Food service operations	-	-	-	-
Extracurricular activities	-	-	-	-
Intergovernmental pass through.	-	-	-	-
Total expenditures	<u>192,475</u>	<u>134,933</u>	<u>1,042,314</u>	<u>82,412</u>
Excess (deficiency) of revenues over (under) expenditures	3,613	12,125	132,191	2,740
Other financing sources:				
Transfers in.	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,613	12,125	132,191	2,740
Fund balances (deficit)				
at beginning of year.	7,927	(7,617)	(29,268)	1,556
Decrease in reserve for inventory.	-	-	-	-
Fund balances (deficit) at end of year	<u>\$ 11,540</u>	<u>\$ 4,508</u>	<u>\$ 102,923</u>	<u>\$ 4,296</u>

<u>Limited English Proficiency</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug-Free Schools Program</u>	<u>Pre-school for the Handicapped Grant</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
43,586	375,371	58,111	26,311	36,910	210,830	9,073
<u>43,586</u>	<u>375,371</u>	<u>58,111</u>	<u>26,311</u>	<u>36,910</u>	<u>210,830</u>	<u>9,073</u>
-	-	38,081	-	-	174,404	-
43,306	339,685	131	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	25,652	-	-	-
-	-	12,570	-	37,660	9,416	9,576
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,713	251	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>43,306</u>	<u>339,685</u>	<u>53,495</u>	<u>25,903</u>	<u>37,660</u>	<u>183,820</u>	<u>9,576</u>
280	35,686	4,616	408	(750)	27,010	(503)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
280	35,686	4,616	408	(750)	27,010	(503)
(76)	(49,085)	(3,778)	(348)	750	(24,503)	822
-	-	-	-	-	-	-
<u>\$ 204</u>	<u>\$ (13,399)</u>	<u>\$ 838</u>	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ 2,507</u>	<u>\$ 319</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Natorium</u>	<u>Total Nonmajor Special Revenue</u>
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ 2,077
Charges for services	1,396,508	-	-	1,396,508
Classroom materials and fees.	-	132,810	-	132,810
Extracurricular	-	-	-	660,170
Other local revenues	100,093	-	35,190	191,263
Intergovernmental - state	9,512	-	-	1,307,252
Intergovernmental - federal	226,686	-	-	2,353,799
Total revenue.	<u>1,732,799</u>	<u>132,810</u>	<u>35,190</u>	<u>6,043,879</u>
Expenditures:				
Current:				
Instruction:				
Regular.	-	130,499	-	516,256
Special	-	-	-	531,304
Vocational	-	-	-	77,814
Adult/continuing	-	-	-	87,442
Other	-	-	-	523
Support services:				
Pupil	-	-	-	34,380
Instructional staff.	-	-	-	1,155,189
Administration	-	-	-	4,867
Business	-	-	-	8,868
Central	-	-	-	120,704
Operation of non-instructional services	-	-	33,821	86,156
Food service operations	1,914,989	-	-	1,914,989
Extracurricular activities	-	-	-	641,072
Intergovernmental pass through.	-	-	-	901,714
Total expenditures	<u>1,914,989</u>	<u>130,499</u>	<u>33,821</u>	<u>6,081,278</u>
Excess (deficiency) of revenues over (under) expenditures	(182,190)	2,311	1,369	(37,399)
Other financing sources:				
Transfers in.	<u>209,829</u>	-	-	<u>236,829</u>
Total other financing sources	<u>209,829</u>	-	-	<u>236,829</u>
Net change in fund balances	27,639	2,311	1,369	199,430
Fund balances (deficit)				
at beginning of year.	(102,712)	20,108	15,390	425,986
Decrease in reserve for inventory.	(17,728)	-	-	(17,728)
Fund balances (deficit) at end of year	<u><u>\$ (92,801)</u></u>	<u><u>\$ 22,419</u></u>	<u><u>\$ 16,759</u></u>	<u><u>\$ 607,688</u></u>

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2004

	<u>Permanent Improvement</u>	<u>Vocational Education Equipment</u>	<u>Total Nonmajor Capital Projects</u>
Assets:			
Equity in pooled cash and investments	\$ 274,684	\$ 49,051	\$ 323,735
Receivables:			
Taxes	367,079	-	367,079
Total assets.	<u>\$ 641,763</u>	<u>\$ 49,051</u>	<u>\$ 690,814</u>
Liabilities:			
Intergovernmental payable	\$ 249	\$ -	\$ 249
Deferred revenue.	357,961	-	357,961
Total liabilities.	<u>358,210</u>	<u>-</u>	<u>358,210</u>
Fund balances:			
Reserved for encumbrances.	186,789	-	186,789
Reserved for property tax unavailable for appropriation.	5,475	-	5,475
Unreserved-undesignated	91,289	49,051	140,340
Total fund balances	<u>283,553</u>	<u>49,051</u>	<u>332,604</u>
Total liabilities and fund balances.	<u>\$ 641,763</u>	<u>\$ 49,051</u>	<u>\$ 690,814</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Permanent Improvement	Vocational Education Equipment	SchoolNet Plus	Total Nonmajor Capital Projects
Revenues:				
From local sources:				
Taxes	\$ 346,756	\$ -	\$ -	\$ 346,756
Intergovernmental - state	45,769	-	-	45,769
Total revenue	392,525	-	-	392,525
Expenditures:				
Current:				
Instruction:				
Regular	-	-	121,206	121,206
Support services:				
Fiscal	3,655	-	-	3,655
Extracurricular activities	36,095	-	-	36,095
Facilities acquisition and construction	317,596	-	-	317,596
Total expenditures	357,346	-	121,206	478,552
Net change in fund balances	35,179	-	(121,206)	(86,027)
Fund balances at beginning of year	248,374	49,051	121,206	418,631
Fund balances at end of year	\$ 283,553	\$ 49,051	\$ -	\$ 332,604

**SYLVANIA CITY SCHOOL DISTRICT
COMBINING STATEMENTS - INTERNAL SERVICE FUNDS**

Internal Service Funds

A fund category used to account for the financing of goods or services provided by one department or agency of the District to other departments or agencies on a cost-reimbursement basis. Charges are intended only to recoup the total cost of such services.

Intra-District Services

Section 5705.12, Revised Code

A series of two funds to provide distribution of in district transportation and printing charges.

Employee Benefits Self-Insurance

Section 5705.09, Revised Code

This fund is provided to account for monies received from other funds as payment for providing dental benefits. The Self-Insured Dental fund may make payments for services provided to employees, for reimbursement to employees who have paid providers, to third party administrators for claims payment or administration, for stop-loss coverage, or for any other reinsurance or other similar purposes. The self-insurance was terminated effective December 31, 2003.

SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 JUNE 30, 2004

	<u>Employee Benefits Self-Insurance</u>	<u>Total Internal Service Funds</u>
Assets:		
Equity in pooled cash and cash equivalents.	\$ 14,627	\$ 14,627
Total assets.	<u>\$ 14,627</u>	<u>\$ 14,627</u>
 Net Assets:		
Unrestricted	\$ 14,627	\$ 14,627
Total net assets.	<u>\$ 14,627</u>	<u>\$ 14,627</u>

SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN NET ASSETS
 INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Intra-District Services</u>	<u>Employee Benefits Self-Insurance</u>	<u>Total Internal Service Funds</u>
Operating revenues:			
Sales/charges for services	\$ -	\$ 3,293,008	\$ 3,293,008
Total operating revenues	<u>-</u>	<u>3,293,008</u>	<u>3,293,008</u>
Operating expenses:			
Purchased services	-	15,864	15,864
Other	-	2,327	2,327
Claims expense	<u>-</u>	<u>3,377,176</u>	<u>3,377,176</u>
Total operating expenses	<u>-</u>	<u>3,395,367</u>	<u>3,395,367</u>
Operating loss	-	(102,359)	(102,359)
Transfers out	<u>(40,019)</u>	<u>(979,959)</u>	<u>(1,019,978)</u>
Change in net assets	(40,019)	(1,082,318)	(1,122,337)
Net assets at beginning of year	<u>40,019</u>	<u>1,096,945</u>	<u>1,136,964</u>
Net assets at end of year	<u>\$ -</u>	<u>\$ 14,627</u>	<u>\$ 14,627</u>

SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY, OHIO
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Intra-District Services	Employee Benefits Self-Insurance	Total Internal Service Funds
Cash flows from operating activities:			
Cash received from sales/charges for services.	\$ -	\$ 3,293,008	\$ 3,293,008
Cash payments for purchased services	-	(15,864)	(15,864)
Cash payments for claims expenses.	-	(3,946,458)	(3,946,458)
Cash payments for other expenses	-	(2,327)	(2,327)
Net cash used in operating activities.	-	(671,641)	(671,641)
Cash flows from noncapital financing activities:			
Transfers out to other funds.	(40,019)	(979,959)	(1,019,978)
Net cash used in noncapital financing activities	(40,019)	(979,959)	(1,019,978)
Net decrease in cash and cash equivalents	(40,019)	(1,651,600)	(1,691,619)
Cash and cash equivalents at beginning of year . . .	40,019	1,666,227	1,706,246
Cash and cash equivalents at end of year.	\$ -	\$ 14,627	\$ 14,627
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss.	\$ -	\$ (102,359)	\$ (102,359)
Changes in assets and liabilities:			
Decrease in claims payable.	-	(569,282)	(569,282)
Net cash used in operating activities	\$ -	\$ (671,641)	\$ (671,641)

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INDIVIDUAL FUND SCHEDULES OF
REVENUES, EXPENDITURES/EXPENSES AND
CHANGES IN FUND BALANCE/FUND EQUITY -
BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 44,119,627	\$ 42,301,476	\$ 42,199,061	\$ (102,415)
Tuition	91,604	148,526	579,822	431,296
Earnings on investments	436,442	707,643	133,196	(574,447)
Transportation fees	-	-	36,255	36,255
Classroom materials and supplies	84,407	136,856	136,999	143
Other local revenue	197,758	205,970	425,569	219,599
Intergovernmental-state	20,079,563	20,803,926	20,992,028	188,102
Total revenues	<u>65,009,401</u>	<u>64,304,397</u>	<u>64,502,930</u>	<u>198,533</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	21,763,350	21,508,214	21,508,201	13
Fringe benefits	6,628,180	6,550,477	6,539,796	10,681
Purchased services	386,360	381,831	381,827	4
Supplies and materials	880,522	870,199	694,311	175,888
Capital outlay	429,779	424,741	423,596	1,145
Other	10,125	10,006	7,042	2,964
Total instruction-regular	<u>30,098,316</u>	<u>29,745,468</u>	<u>29,554,773</u>	<u>190,695</u>
Instruction-special				
Salaries and wages	4,806,980	4,729,525	4,727,916	1,609
Fringe benefits	1,547,833	1,522,893	1,520,393	2,500
Purchased services	145,617	143,271	141,460	1,811
Supplies and materials	34,613	34,055	27,257	6,798
Capital outlay	925	910	910	-
Total instruction-special	<u>6,535,968</u>	<u>6,430,654</u>	<u>6,417,936</u>	<u>12,718</u>
Instruction-vocational				
Salaries and wages	1,514,047	1,488,275	1,487,983	292
Fringe benefits	461,148	453,298	451,556	1,742
Purchased services	26,196	25,750	25,709	41
Total instruction-vocational	<u>2,001,391</u>	<u>1,967,323</u>	<u>1,965,248</u>	<u>2,075</u>
Instruction-other				
Purchased services	714,771	702,025	701,863	162
Total instruction-other	<u>714,771</u>	<u>702,025</u>	<u>701,863</u>	<u>162</u>
Support services-pupil				
Salaries and wages	2,272,074	2,235,352	2,230,502	4,850
Fringe benefits	643,568	633,167	633,137	30
Purchased services	497,859	489,813	488,675	1,138
Supplies and materials	26,651	26,220	24,490	1,730
Other	671,236	660,387	660,337	50
Total support services-pupil	<u>4,111,388</u>	<u>4,044,939</u>	<u>4,037,141</u>	<u>7,798</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Support services-instructional staff				
Salaries and wages	1,928,904	1,902,703	1,901,257	1,446
Fringe benefits	1,149,365	1,133,753	1,133,628	125
Purchased services	71,136	70,170	65,066	5,104
Supplies and materials	148,717	146,697	138,589	8,108
Capital outlay	3,263	3,219	3,219	-
Other	1,528	1,507	1,507	-
Total support services-instructional staff	<u>3,302,913</u>	<u>3,258,049</u>	<u>3,243,266</u>	<u>14,783</u>
Support services-board of education				
Salaries and wages	7,618	8,000	8,000	-
Fringe benefits	1,312	1,378	1,293	85
Purchased services	2,023	2,124	1,430	694
Other	486	510	510	-
Total support services-board of education	<u>11,439</u>	<u>12,012</u>	<u>11,233</u>	<u>779</u>
Support services-administration				
Salaries and wages	3,249,433	3,233,100	3,232,335	765
Fringe benefits	1,342,643	1,335,894	1,279,436	56,458
Purchased services	275,202	273,819	273,454	365
Supplies and materials	45,377	45,149	38,141	7,008
Other	159,012	158,213	156,712	1,501
Total support services-administration	<u>5,071,667</u>	<u>5,046,175</u>	<u>4,980,078</u>	<u>66,097</u>
Support services-fiscal				
Salaries and wages	338,411	333,200	333,110	90
Fringe benefits	148,443	146,157	145,436	721
Purchased services	82,247	80,980	79,848	1,132
Supplies and materials	3,985	3,924	3,008	916
Capital outlay	3,920	3,860	3,538	322
Other	624,946	615,322	615,306	16
Total support services-fiscal	<u>1,201,952</u>	<u>1,183,443</u>	<u>1,180,246</u>	<u>3,197</u>
Support services-business				
Salaries and wages	131,792	142,625	141,295	1,330
Fringe benefits	85,998	93,067	55,492	37,575
Purchased services	180,260	195,077	193,961	1,116
Other	1,137	1,230	1,230	-
Total support services-business	<u>399,187</u>	<u>431,999</u>	<u>391,978</u>	<u>40,021</u>
Support services-operations & maintenance				
Salaries and wages	2,789,227	2,751,500	2,751,237	263
Fringe benefits	1,257,530	1,240,521	1,212,615	27,906
Purchased services	3,510,226	3,462,748	3,455,031	7,717
Supplies and materials	451,598	445,490	445,435	55
Capital outlay	31,224	30,802	30,208	594
Other	19,644	19,378	19,378	-
Total support services-operations & maintenance	<u>8,059,449</u>	<u>7,950,439</u>	<u>7,913,904</u>	<u>36,535</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Support services-pupil transportation				
Salaries and wages	2,207,576	2,183,970	2,183,311	659
Fringe benefits	1,030,657	1,019,636	1,018,942	694
Purchased services	184,501	182,528	180,623	1,905
Supplies and materials	363,226	359,342	333,388	25,954
Capital outlay	180,020	178,095	178,095	-
Total support services-pupil transportation	<u>3,965,980</u>	<u>3,923,571</u>	<u>3,894,359</u>	<u>29,212</u>
Support services-central				
Salaries and wages	267,851	275,800	246,168	29,632
Fringe benefits	144,653	148,946	140,138	8,808
Purchased services	857,876	883,336	864,968	18,368
Supplies and materials	33,420	34,412	25,921	8,491
Capital outlay	63,628	65,516	65,516	-
Other	462	476	476	-
Total support services-central	<u>1,367,890</u>	<u>1,408,486</u>	<u>1,343,187</u>	<u>65,299</u>
Operation of non-instructional services				
Purchased services	3,777	5,000	3,870	1,130
Supplies and materials	37,346	49,432	39,681	9,751
Other	29,888	39,561	26,177	13,384
Total operation of non-instructional services	<u>71,011</u>	<u>93,993</u>	<u>69,728</u>	<u>24,265</u>
Extracurricular activities				
Salaries and wages	806,555	803,000	798,157	4,843
Fringe benefits	153,984	153,306	150,939	2,367
Purchased services	149,400	148,742	140,366	8,376
Other	31,639	31,500	31,500	-
Total extracurricular activities	<u>1,141,578</u>	<u>1,136,548</u>	<u>1,120,962</u>	<u>15,586</u>
Facilities acquisition & construction				
Capital outlay	176,241	199,927	173,058	26,869
Total facilities acquisition & construction	<u>176,241</u>	<u>199,927</u>	<u>173,058</u>	<u>26,869</u>
Debt service				
Principal	36,862	36,862	36,862	-
Interest and fiscal charges	8,158	8,158	8,156	2
Total debt service	<u>45,020</u>	<u>45,020</u>	<u>45,018</u>	<u>2</u>
Total expenditures	<u>68,276,161</u>	<u>67,580,071</u>	<u>67,043,978</u>	<u>536,093</u>
Excess of revenues (under) expenditures	<u>(3,266,760)</u>	<u>(3,275,674)</u>	<u>(2,541,048)</u>	<u>734,626</u>
Other financing sources (uses):				
Transfers in	604,394	979,959	1,019,979	40,020
Transfers out	(179,834)	(245,289)	(239,329)	5,960
Advances in	52,000	52,000	93,326	41,326
Advances out	(20,166)	(3,166)	(427)	2,739
Refund of prior year's receipts	(100)	(100)	-	100
Refund of prior year expenditures	18,540	18,540	7,255	(11,285)
Total other financing sources (uses)	<u>474,834</u>	<u>801,944</u>	<u>880,804</u>	<u>78,860</u>
Net change in fund balance	<u>(2,791,926)</u>	<u>(2,473,730)</u>	<u>(1,660,244)</u>	<u>813,486</u>
Fund balance at beginning of year	1,100,166	1,100,166	1,100,166	-
Prior year encumbrances appropriated	1,253,601	1,253,601	1,253,601	-
Fund balance (deficit) at end of year	<u>\$ (438,159)</u>	<u>\$ (119,963)</u>	<u>\$ 693,523</u>	<u>\$ 813,486</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 2,820,000	\$ 2,951,630	\$ 2,941,325	\$ (10,305)
Intergovernmental-state	375,500	391,340	391,018	(322)
Total revenues	<u>3,195,500</u>	<u>3,342,970</u>	<u>3,332,343</u>	<u>(10,627)</u>
Expenditures:				
Current:				
Support services-fiscal				
Other	18,473	41,480	41,480	-
Total support services-fiscal	<u>18,473</u>	<u>41,480</u>	<u>41,480</u>	<u>-</u>
Debt service:				
Principal retirement	6,704,405	6,748,170	6,748,170	-
Interest and fiscal charges	1,466,131	1,422,366	1,422,366	-
Total debt service	<u>8,170,536</u>	<u>8,170,536</u>	<u>8,170,536</u>	<u>-</u>
Total expenditures	<u>8,189,009</u>	<u>8,212,016</u>	<u>8,212,016</u>	<u>-</u>
Excess of revenues (under) expenditures	<u>(4,993,509)</u>	<u>(4,869,046)</u>	<u>(4,879,673)</u>	<u>(10,627)</u>
Other financing sources:				
Proceeds from the sale of notes	3,750,000	3,500,000	3,500,000	-
Total other financing sources	<u>3,750,000</u>	<u>3,500,000</u>	<u>3,500,000</u>	<u>-</u>
Net change in fund balance	(1,243,509)	(1,369,046)	(1,379,673)	(10,627)
Fund balance at beginning of year	<u>3,441,214</u>	<u>3,441,214</u>	<u>3,441,214</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,197,705</u>	<u>\$ 2,072,168</u>	<u>\$ 2,061,541</u>	<u>\$ (10,627)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 106,000	\$ 106,000	\$ 37,026	\$ (68,974)
Total revenues	<u>106,000</u>	<u>106,000</u>	<u>37,026</u>	<u>(68,974)</u>
Expenditures:				
Current:				
Support services-operations & maintenance				
Purchased services	1,641,636	2,400,459	2,399,248	1,211
Capital outlay	892,412	1,304,313	1,304,259	54
Total support services-operations & maintenance	<u>2,534,048</u>	<u>3,704,772</u>	<u>3,703,507</u>	<u>1,265</u>
Support services-central				
Purchased services	36,018	43,888	36,927	6,961
Supplies and materials	5,208	5,627	5,340	287
Capital outlay	26,842	50,000	27,520	22,480
Total support services-central	<u>68,068</u>	<u>99,515</u>	<u>69,787</u>	<u>29,728</u>
Extracurricular activities				
Capital outlay	39,414	57,623	57,623	-
Total extracurricular activities.	<u>39,414</u>	<u>57,623</u>	<u>57,623</u>	<u>-</u>
Facilities acquisition & construction				
Purchased services	145,792	214,231	212,756	1,475
Capital outlay	1,192,902	1,742,937	1,740,811	2,126
Total facilities acquisition & construction.	<u>1,338,694</u>	<u>1,957,168</u>	<u>1,953,567</u>	<u>3,601</u>
Total expenditures	<u>3,980,224</u>	<u>5,819,078</u>	<u>5,784,484</u>	<u>34,594</u>
Net change in fund balance.	(3,874,224)	(5,713,078)	(5,747,458)	(34,380)
Fund balance at beginning of year	4,482,152	4,482,152	4,482,152	-
Prior year encumbrances appropriated	3,367,928	3,367,928	3,367,928	-
Fund balance at end of year	<u>\$ 3,975,856</u>	<u>\$ 2,137,002</u>	<u>\$ 2,102,622</u>	<u>\$ (34,380)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Extracurricular	\$ 201,380	\$ 230,168	\$ 205,375	\$ (24,793)
Other local revenue	43,571	49,800	43,379	(6,421)
Total revenues	<u>244,951</u>	<u>279,968</u>	<u>248,754</u>	<u>(31,214)</u>
Expenditures:				
Current:				
Instruction-regular				
Purchased services	5,064	6,759	6,756	3
Supplies and materials	11,037	14,731	13,903	828
Other	59,995	80,071	27,416	52,655
Total instruction-regular.	<u>76,096</u>	<u>101,561</u>	<u>48,075</u>	<u>53,486</u>
Extracurricular activities				
Purchased services	12,277	16,385	13,834	2,551
Supplies and materials	29,637	39,555	37,463	2,092
Capital outlay	1,648	2,200	2,166	34
Other	126,227	168,468	151,850	16,618
Total extracurricular activities.	<u>169,789</u>	<u>226,608</u>	<u>205,313</u>	<u>21,295</u>
Total expenditures	<u>245,885</u>	<u>328,169</u>	<u>253,388</u>	<u>74,781</u>
Excess of revenues (under) expenditures	<u>(934)</u>	<u>(48,201)</u>	<u>(4,634)</u>	<u>43,567</u>
Other financing sources (uses):				
Transfers in	115	132	7,046	6,914
Transfers out	(99)	(132)	(132)	-
Total other financing sources (uses).	<u>16</u>	<u>-</u>	<u>6,914</u>	<u>6,914</u>
Net change in fund balance	(918)	(48,201)	2,280	50,481
Fund balance at beginning of year	203,338	203,338	203,338	-
Prior year encumbrances appropriated	16,312	16,312	16,312	-
Fund balance at end of year.	<u>\$ 218,732</u>	<u>\$ 171,449</u>	<u>\$ 221,930</u>	<u>\$ 50,481</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Other local revenue	\$ 3,501	\$ 11,000	\$ 12,600	\$ 1,600
Total revenues	<u>3,501</u>	<u>11,000</u>	<u>12,600</u>	<u>1,600</u>
Expenditures:				
Current:				
Instruction-regular				
Purchased services	3,256	7,768	3,568	4,200
Supplies and materials	4,219	10,068	6,690	3,378
Total instruction-regular.	<u>7,475</u>	<u>17,836</u>	<u>10,258</u>	<u>7,578</u>
Instruction-special				
Salaries and wages	335	800	-	800
Fringe benefits	52	124	-	124
Purchased services	1,048	2,500	2,500	-
Total instruction-special.	<u>1,435</u>	<u>3,424</u>	<u>2,500</u>	<u>924</u>
Support services-instructional staff				
Salaries and wages	272	650	-	650
Purchased services	1,073	2,559	2,400	159
Supplies and materials	1,687	4,025	2,749	1,276
Total support services-instructional staff	<u>3,032</u>	<u>7,234</u>	<u>5,149</u>	<u>2,085</u>
Support services-administration				
Salaries and wages	290	692	692	-
Fringe benefits	62	148	112	36
Supplies and materials	168	400	200	200
Total support services-administration	<u>520</u>	<u>1,240</u>	<u>1,004</u>	<u>236</u>
Support services-business				
Purchased services	4,164	9,936	9,831	105
Total support services-business	<u>4,164</u>	<u>9,936</u>	<u>9,831</u>	<u>105</u>
Total expenditures	<u>16,626</u>	<u>39,670</u>	<u>28,742</u>	<u>10,928</u>
Net change in fund balance	(13,125)	(28,670)	(16,142)	12,528
Fund balance at beginning of year	29,090	29,090	29,090	-
Prior year encumbrances appropriated	675	675	675	-
Fund balance at end of year.	<u>\$ 16,640</u>	<u>\$ 1,095</u>	<u>\$ 13,623</u>	<u>\$ 12,528</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED STUDENT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Extracurricular	\$ 392,446	\$ 443,911	\$ 447,808	\$ 3,897
Total revenues	<u>392,446</u>	<u>443,911</u>	<u>447,808</u>	<u>3,897</u>
Expenditures:				
Current:				
Extracurricular activities				
Other	398,617	518,848	481,298	37,550
Total extracurricular activities	<u>398,617</u>	<u>518,848</u>	<u>481,298</u>	<u>37,550</u>
Total expenditures	<u>398,617</u>	<u>518,848</u>	<u>481,298</u>	<u>37,550</u>
Excess of revenues (under) expenditures	<u>(6,171)</u>	<u>(74,937)</u>	<u>(33,490)</u>	<u>41,447</u>
Other financing sources:				
Transfers in	24,000	24,000	27,000	3,000
Total other financing sources	<u>24,000</u>	<u>24,000</u>	<u>27,000</u>	<u>3,000</u>
Net change in fund balance	17,829	(50,937)	(6,490)	44,447
Fund balance at beginning of year	122,058	122,058	122,058	-
Prior year encumbrances appropriated	15,343	15,343	15,343	-
Fund balance at end of year	<u>\$ 155,230</u>	<u>\$ 86,464</u>	<u>\$ 130,911</u>	<u>\$ 44,447</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 6,064	\$ 6,111	\$ 2,077	\$ (4,034)
Intergovernmental-state	887,863	894,817	899,005	4,188
Total revenues	<u>893,927</u>	<u>900,928</u>	<u>901,082</u>	<u>154</u>
Expenditures:				
Current:				
Intergovernmental pass through				
Salaries and wages	25,162	28,750	28,071	679
Fringe benefits	13,754	15,715	15,202	513
Purchased services	393,646	449,787	487,450	(37,663)
Supplies and materials	252,075	288,024	230,398	57,626
Capital outlay	111,536	127,442	121,778	5,664
Other	34,699	39,647	38,779	868
Total intergovernmental pass through	<u>830,872</u>	<u>949,365</u>	<u>921,678</u>	<u>27,687</u>
Total expenditures	<u>830,872</u>	<u>949,365</u>	<u>921,678</u>	<u>27,687</u>
Excess of revenues over (under) expenditures	63,055	(48,437)	(20,596)	27,841
Other financing uses:				
Refund of prior year's receipts	(9,730)	(9,730)	(9,730)	-
Total other financing uses	<u>(9,730)</u>	<u>(9,730)</u>	<u>(9,730)</u>	<u>-</u>
Net change in fund balance	53,325	(58,167)	(30,326)	27,841
Fund balance (deficit)				
at beginning of year.	(46,784)	(46,784)	(46,784)	-
Prior year encumbrances appropriated	156,072	156,072	156,072	-
Fund balance at end of year	<u>\$ 162,613</u>	<u>\$ 51,121</u>	<u>\$ 78,962</u>	<u>\$ 27,841</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAREER DEVELOPMENT GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 3,474	\$ 3,474	\$ 3,474	\$ -
Total revenues	<u>3,474</u>	<u>3,474</u>	<u>3,474</u>	<u>-</u>
Expenditures:				
Current:				
Support services-instructional staff				
Salaries and wages	7,518	8,540	8,540	-
Fringe benefits	1,432	1,627	1,627	-
Supplies and materials	1,164	1,322	1,322	-
Total support services-instructional staff	<u>10,114</u>	<u>11,489</u>	<u>11,489</u>	<u>-</u>
Total expenditures	<u>10,114</u>	<u>11,489</u>	<u>11,489</u>	<u>-</u>
Net change in fund balance	(6,640)	(8,015)	(8,015)	-
Fund balance at beginning of year	12,418	12,418	12,418	-
Prior year encumbrances appropriated	1,375	1,375	1,375	-
Fund balance at end of year.	<u>\$ 7,153</u>	<u>\$ 5,778</u>	<u>\$ 5,778</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TEACHER DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MANAGEMENT INFORMATION SYSTEMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 5,737	\$ 28,762	\$ 28,763	\$ 1
Total revenues	<u>5,737</u>	<u>28,762</u>	<u>28,763</u>	<u>1</u>
Expenditures:				
Current:				
Support services-central				
Salaries and wages	5,737	28,763	28,763	-
Capital outlay	11,369	11,369	11,354	15
Total support services-central	<u>17,106</u>	<u>40,132</u>	<u>40,117</u>	<u>15</u>
Total expenditures	<u>17,106</u>	<u>40,132</u>	<u>40,117</u>	<u>15</u>
Net change in fund balance	(11,369)	(11,370)	(11,354)	16
Fund balance at beginning of year	471	471	471	-
Prior year encumbrances appropriated	11,369	11,369	11,369	-
Fund balance at end of year.	<u>\$ 471</u>	<u>\$ 470</u>	<u>\$ 486</u>	<u>\$ 16</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA COMMUNICATIONS FOR SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ -	\$ 36,000	\$ 36,000	\$ -
Total revenues	<u>-</u>	<u>36,000</u>	<u>36,000</u>	<u>-</u>
Expenditures:				
Current:				
Support services-central				
Purchased services	42,000	78,000	78,000	-
Total support services-central	<u>42,000</u>	<u>78,000</u>	<u>78,000</u>	<u>-</u>
Total expenditures	<u>42,000</u>	<u>78,000</u>	<u>78,000</u>	<u>-</u>
Net change in fund balance	(42,000)	(42,000)	(42,000)	-
Fund balance at beginning of year	29	29	29	-
Prior year encumbrances appropriated	42,000	42,000	42,000	-
Fund balance at end of year.	<u>\$ 29</u>	<u>\$ 29</u>	<u>\$ 29</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET PROFESSIONAL DEVELOPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ -	\$ 6,750	\$ 6,750	\$ -
Total revenues	<u>-</u>	<u>6,750</u>	<u>6,750</u>	<u>-</u>
Expenditures:				
Current:				
Support services-instructional staff				
Salaries and wages	772	2,350	-	2,350
Purchased services	1,182	3,600	2,400	1,200
Supplies and materials	295	900	900	-
Total support services-instructional staff	<u>2,249</u>	<u>6,850</u>	<u>3,300</u>	<u>3,550</u>
Support services-central				
Purchased services	1,051	3,200	2,587	613
Total support services-central	<u>1,051</u>	<u>3,200</u>	<u>2,587</u>	<u>613</u>
Total expenditures	<u>3,300</u>	<u>10,050</u>	<u>5,887</u>	<u>4,163</u>
Excess of revenues over (under) expenditures	<u>(3,300)</u>	<u>(3,300)</u>	<u>863</u>	<u>4,163</u>
Other financing uses:				
Refund of prior year's receipts	(1,300)	(1,300)	(1,300)	-
Total other financing uses	<u>(1,300)</u>	<u>(1,300)</u>	<u>(1,300)</u>	<u>-</u>
Net change in fund balance	(4,600)	(4,600)	(437)	4,163
Fund balance at beginning of year	<u>11,057</u>	<u>11,057</u>	<u>11,057</u>	<u>-</u>
Fund balance at end of year.	<u>\$ 6,457</u>	<u>\$ 6,457</u>	<u>\$ 10,620</u>	<u>\$ 4,163</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INSTRUCTIONAL MATERIALS SUBSIDY
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund balance at beginning of year	\$ 51	\$ 51	\$ 51	\$ -
Fund balance at end of year.	<u>\$ 51</u>	<u>\$ 51</u>	<u>\$ 51</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OHIO READS GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 41,500	\$ 55,500	\$ 55,500	\$ -
Total revenues	<u>41,500</u>	<u>55,500</u>	<u>55,500</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	16,574	21,842	18,242	3,600
Fringe benefits	816	1,075	1,013	62
Purchased services	2,548	3,358	3,358	-
Supplies and materials	23,637	31,149	30,161	988
Other	474	625	625	-
Total instruction-regular.	<u>44,049</u>	<u>58,049</u>	<u>53,399</u>	<u>4,650</u>
Total expenditures	<u>44,049</u>	<u>58,049</u>	<u>53,399</u>	<u>4,650</u>
Excess of revenues over (under) expenditures	<u>(2,549)</u>	<u>(2,549)</u>	<u>2,101</u>	<u>4,650</u>
Other financing uses:				
Refund of prior year's receipts	<u>(7,242)</u>	<u>(7,242)</u>	<u>(7,242)</u>	<u>-</u>
Total other financing uses	<u>(7,242)</u>	<u>(7,242)</u>	<u>(7,242)</u>	<u>-</u>
Net change in fund balance	(9,791)	(9,791)	(5,141)	4,650
Fund balance at beginning of year	8,535	8,535	8,535	-
Prior year encumbrances appropriated	1,256	1,256	1,256	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,650</u>	<u>\$ 4,650</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SUMMER INTERVENTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VOCATIONAL EDUCATIONAL ENHANCEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 14,561	\$ 33,470	\$ 32,366	\$ (1,104)
Total revenues	<u>14,561</u>	<u>33,470</u>	<u>32,366</u>	<u>(1,104)</u>
Expenditures:				
Current:				
Instruction-regular				
Supplies and materials	312	465	20	445
Total instruction-regular	<u>312</u>	<u>465</u>	<u>20</u>	<u>445</u>
Instruction-vocational				
Salaries and wages	3,686	5,500	1,500	4,000
Fringe benefits	570	850	232	618
Purchased services	2,405	3,588	3,339	249
Supplies and materials	8,219	12,263	12,178	85
Capital outlay	13,168	19,648	19,638	10
Total instruction-vocational	<u>28,048</u>	<u>41,849</u>	<u>36,887</u>	<u>4,962</u>
Support services-instructional staff				
Purchased services	6,776	10,109	10,059	50
Total support services-instructional staff	<u>6,776</u>	<u>10,109</u>	<u>10,059</u>	<u>50</u>
Support services-administration				
Purchased services	2,353	3,510	3,510	-
Total support services-administration	<u>2,353</u>	<u>3,510</u>	<u>3,510</u>	<u>-</u>
Total expenditures	<u>37,489</u>	<u>55,933</u>	<u>50,476</u>	<u>5,457</u>
Net change in fund balance	(22,928)	(22,463)	(18,110)	4,353
Fund balance at beginning of year	21,077	21,077	21,077	-
Prior year encumbrances appropriated	16,196	16,196	16,196	-
Fund balance at end of year	<u>\$ 14,345</u>	<u>\$ 14,810</u>	<u>\$ 19,163</u>	<u>\$ 4,353</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS STATE GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 34,424	\$ 203,539	\$ 177,702	\$ (25,837)
Total revenues	<u>34,424</u>	<u>203,539</u>	<u>177,702</u>	<u>(25,837)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	401	1,980	1,458	522
Purchased services	2,165	10,700	2,820	7,880
Supplies and materials	206	1,020	-	1,020
Total instruction-regular.	<u>2,772</u>	<u>13,700</u>	<u>4,278</u>	<u>9,422</u>
Instruction-special				
Salaries and wages	21,607	106,769	95,584	11,185
Fringe benefits	6,823	33,716	24,697	9,019
Total instruction-special.	<u>28,430</u>	<u>140,485</u>	<u>120,281</u>	<u>20,204</u>
Instruction-vocational				
Salaries and wages	1,640	8,106	8,106	-
Fringe benefits	242	1,196	940	256
Purchased services	5,344	26,405	23,053	3,352
Supplies and materials	650	3,210	3,025	185
Total instruction-vocational	<u>7,876</u>	<u>38,917</u>	<u>35,124</u>	<u>3,793</u>
Support services-pupil				
Purchased services	3,448	17,039	8,519	8,520
Supplies and materials	364	1,800	-	1,800
Total support services-pupil	<u>3,812</u>	<u>18,839</u>	<u>8,519</u>	<u>10,320</u>
Support services-instructional staff				
Supplies and materials	121	598	486	112
Total support services-instructional staff	<u>121</u>	<u>598</u>	<u>486</u>	<u>112</u>
Support services-administration				
Salaries and wages	101	500	-	500
Purchased services	203	1,000	884	116
Total support services-administration	<u>304</u>	<u>1,500</u>	<u>884</u>	<u>616</u>
Total expenditures	<u>43,315</u>	<u>214,039</u>	<u>169,572</u>	<u>44,467</u>
Excess of revenues over (under) expenditures	<u>(8,891)</u>	<u>(10,500)</u>	<u>8,130</u>	<u>18,630</u>
Other financing uses:				
Advances out	(2,305)	(2,305)	(2,305)	-
Total other financing uses.	<u>(2,305)</u>	<u>(2,305)</u>	<u>(2,305)</u>	<u>-</u>
Net change in fund balance	(11,196)	(12,805)	5,825	18,630
Fund balance at beginning of year	2,290	2,290	2,290	-
Prior year encumbrances appropriated	10,515	10,515	10,515	-
Fund balance at end of year.	<u>\$ 1,609</u>	<u>\$ -</u>	<u>\$ 18,630</u>	<u>\$ 18,630</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ADULT BASIC EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-state	\$ 30,216	\$ 39,794	\$ 39,794	\$ -
Intergovernmental-federal	119,317	157,137	107,264	(49,873)
Total revenues	<u>149,533</u>	<u>196,931</u>	<u>147,058</u>	<u>(49,873)</u>
Expenditures:				
Current:				
Instruction-adult/continuing				
Salaries and wages	60,731	72,451	69,614	2,837
Fringe benefits	10,305	12,293	10,275	2,018
Purchased services	3,511	4,188	2,857	1,331
Supplies and materials	1,935	2,308	2,232	76
Capital outlay	2,439	2,910	2,863	47
Total instruction-adult/continuing	<u>78,921</u>	<u>94,150</u>	<u>87,841</u>	<u>6,309</u>
Support services-instructional staff				
Salaries and wages	37,434	44,658	40,364	4,294
Fringe benefits	8,882	10,596	5,912	4,684
Purchased services	3,604	4,300	374	3,926
Other	738	880	874	6
Total support services-instructional staff	<u>50,658</u>	<u>60,434</u>	<u>47,524</u>	<u>12,910</u>
Total expenditures	<u>129,579</u>	<u>154,584</u>	<u>135,365</u>	<u>19,219</u>
Excess of revenues over expenditures	<u>19,954</u>	<u>42,347</u>	<u>11,693</u>	<u>(30,654)</u>
Other financing sources (uses):				
Transfers in	10,780	10,780	10,780	-
Transfers out	(10,780)	(10,780)	(10,780)	-
Advances out	(10,742)	(10,742)	(10,742)	-
Total other financing sources (uses)	<u>(10,742)</u>	<u>(10,742)</u>	<u>(10,742)</u>	<u>-</u>
Net change in fund balance	9,212	31,605	951	(30,654)
Fund balance at beginning of year	2,836	2,836	2,836	-
Prior year encumbrances appropriated	1,414	1,414	1,414	-
Fund balance at end of year	<u>\$ 13,462</u>	<u>\$ 35,855</u>	<u>\$ 5,201</u>	<u>\$ (30,654)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EDUCATION FOR ECONOMIC SECURITY ACT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 5,644	\$ 5,644	\$ -	\$ (5,644)
Total revenues	<u>5,644</u>	<u>5,644</u>	<u>-</u>	<u>(5,644)</u>
 Net change in fund balance	 5,644	 5,644	 -	 (5,644)
 Fund balance at beginning of year	 -	 -	 -	 -
Fund balance at end of year.	<u><u>\$ 5,644</u></u>	<u><u>\$ 5,644</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (5,644)</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IDEA - PART B
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 1,187,210	\$ 1,187,209	\$ 1,063,872	\$ (123,337)
Total revenues	<u>1,187,210</u>	<u>1,187,209</u>	<u>1,063,872</u>	<u>(123,337)</u>
Expenditures:				
Current:				
Support services-instructional staff				
Salaries and wages	807,227	812,232	711,364	100,868
Fringe benefits	277,938	279,662	241,866	37,796
Purchased services	40,250	40,500	40,500	-
Total support services-instructional staff	<u>1,125,415</u>	<u>1,132,394</u>	<u>993,730</u>	<u>138,664</u>
Operation of non-instructional services				
Purchased services	56,395	56,745	46,795	9,950
Supplies and materials	3,588	3,610	3,594	16
Total operation of non-instructional services	<u>59,983</u>	<u>60,355</u>	<u>50,389</u>	<u>9,966</u>
Total expenditures	<u>1,185,398</u>	<u>1,192,749</u>	<u>1,044,119</u>	<u>148,630</u>
Net change in fund balance	1,812	(5,540)	19,753	25,293
Fund balance at beginning of year	17,045	17,045	17,045	-
Prior year encumbrances appropriated	7,383	7,383	7,383	-
Fund balance at end of year	<u>\$ 26,240</u>	<u>\$ 18,888</u>	<u>\$ 44,181</u>	<u>\$ 25,293</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VOCATIONAL EDUCATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 87,525	\$ 87,525	\$ 85,152	\$ (2,373)
Total revenues	<u>87,525</u>	<u>87,525</u>	<u>85,152</u>	<u>(2,373)</u>
Expenditures:				
Current:				
Instruction-regular				
Purchased services	1,429	1,429	1,059	370
Capital outlay	54,036	54,036	53,918	118
Total instruction-regular.	<u>55,465</u>	<u>55,465</u>	<u>54,977</u>	<u>488</u>
Instruction-vocational				
Salaries and wages	2,100	2,100	-	2,100
Fringe benefits	350	350	-	350
Purchased services	8,500	8,500	8,217	283
Total instruction-vocational	<u>10,950</u>	<u>10,950</u>	<u>8,217</u>	<u>2,733</u>
Support services-pupil				
Supplies and materials	215	215	209	6
Total support services-pupil	<u>215</u>	<u>215</u>	<u>209</u>	<u>6</u>
Support services-instructional staff				
Salaries and wages	2,100	2,100	2,100	-
Fringe benefits	350	350	304	46
Purchased services	10,578	10,578	9,409	1,169
Supplies and materials	3,049	3,049	2,674	375
Capital outlay	687	687	-	687
Total support services-instructional staff	<u>16,764</u>	<u>16,764</u>	<u>14,487</u>	<u>2,277</u>
Support services-administration				
Salaries and wages	3,557	3,557	3,284	273
Fringe benefits	628	628	628	-
Total support services-administration	<u>4,185</u>	<u>4,185</u>	<u>3,912</u>	<u>273</u>
Total expenditures	<u>87,579</u>	<u>87,579</u>	<u>81,802</u>	<u>5,777</u>
Net change in fund balance	(54)	(54)	3,350	3,404
Fund balance (deficit)				
at beginning of year.	(4,364)	(4,364)	(4,364)	-
Prior year encumbrances appropriated	7,460	7,460	7,460	-
Fund balance at end of year	<u>\$ 3,042</u>	<u>\$ 3,042</u>	<u>\$ 6,446</u>	<u>\$ 3,404</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 433,600	\$ 433,600	\$ 378,517	\$ (55,083)
Total revenues	<u>433,600</u>	<u>433,600</u>	<u>378,517</u>	<u>(55,083)</u>
Expenditures:				
Current:				
Instruction-special				
Salaries and wages	306,963	301,880	256,223	45,657
Fringe benefits	82,697	81,327	72,460	8,867
Purchased services	18,175	17,874	14,050	3,824
Supplies and materials	18,443	18,138	18,138	-
Total instruction-special	<u>426,278</u>	<u>419,219</u>	<u>360,871</u>	<u>58,348</u>
Total expenditures	<u>426,278</u>	<u>419,219</u>	<u>360,871</u>	<u>58,348</u>
Excess of revenues over expenditures	<u>7,322</u>	<u>14,381</u>	<u>17,646</u>	<u>3,265</u>
Other financing uses:				
Advances out	<u>(7,322)</u>	<u>(7,322)</u>	<u>(7,322)</u>	<u>-</u>
Total other financing uses	<u>(7,322)</u>	<u>(7,322)</u>	<u>(7,322)</u>	<u>-</u>
Net change in fund balance	-	7,059	10,324	3,265
Fund balance (deficit)				
at beginning of year	(28,858)	(28,858)	(28,858)	-
Prior year encumbrances appropriated	28,858	28,858	28,858	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 7,059</u>	<u>\$ 10,324</u>	<u>\$ 3,265</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LIMITED ENGLISH PROFICIENCY
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 40,815	\$ 46,123	\$ 39,998	\$ (6,125)
Total revenues	<u>40,815</u>	<u>46,123</u>	<u>39,998</u>	<u>(6,125)</u>
Expenditures:				
Current:				
Instruction-special				
Salaries and wages	35,052	39,611	32,541	7,070
Fringe benefits	5,763	6,512	6,225	287
Total instruction-special.	<u>40,815</u>	<u>46,123</u>	<u>38,766</u>	<u>7,357</u>
Total expenditures	<u>40,815</u>	<u>46,123</u>	<u>38,766</u>	<u>7,357</u>
Net change in fund balance	-	-	1,232	1,232
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,232</u>	<u>\$ 1,232</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 80,568	\$ 80,621	\$ 78,220	\$ (2,401)
Total revenues	<u>80,568</u>	<u>80,621</u>	<u>78,220</u>	<u>(2,401)</u>
Expenditures:				
Current:				
Instruction-regular				
Purchased services	1,998	2,000	1,590	410
Supplies and materials	28,997	29,023	28,745	278
Capital outlay	8,008	8,015	7,747	268
Total instruction-regular.	<u>39,003</u>	<u>39,038</u>	<u>38,082</u>	<u>956</u>
Support services-instructional staff				
Salaries and wages	8,025	8,033	8,033	-
Fringe benefits	1,292	1,293	1,293	-
Purchased services	117	117	117	-
Supplies and materials	3,436	3,439	3,305	134
Total support services-instructional staff	<u>12,870</u>	<u>12,882</u>	<u>12,748</u>	<u>134</u>
Operation of non-instructional services				
Supplies and materials	6,964	6,970	6,217	753
Total operation of non-instructional services	<u>6,964</u>	<u>6,970</u>	<u>6,217</u>	<u>753</u>
Total expenditures	<u>58,837</u>	<u>58,890</u>	<u>57,047</u>	<u>1,843</u>
Excess of revenues over expenditures	<u>21,731</u>	<u>21,731</u>	<u>21,173</u>	<u>(558)</u>
Other financing sources (uses):				
Advances in	-	-	427	427
Advances out	(21,731)	(21,731)	(21,731)	-
Total other financing sources (uses).	<u>(21,731)</u>	<u>(21,731)</u>	<u>(21,304)</u>	<u>427</u>
Net change in fund balance	-	-	(131)	(131)
Fund balance (deficit)				
at beginning of year.	(4,009)	(4,009)	(4,009)	-
Prior year encumbrances appropriated	4,009	4,009	4,009	-
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (131)</u>	<u>\$ (131)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG FREE SCHOOLS PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 34,212	\$ 34,212	\$ 34,034	\$ (178)
Total revenues	<u>34,212</u>	<u>34,212</u>	<u>34,034</u>	<u>(178)</u>
Expenditures:				
Current:				
Support services-pupil				
Salaries and wages	7,915	7,926	7,926	-
Fringe benefits	1,146	1,148	1,148	-
Purchased services	14,763	14,782	14,782	-
Supplies and materials	2,070	2,073	2,004	69
Total support services-pupil	<u>25,894</u>	<u>25,929</u>	<u>25,860</u>	<u>69</u>
Operation of non-instructional services				
Purchased services	290	290	140	150
Supplies and materials	250	251	251	-
Total operation of non-instructional services	<u>540</u>	<u>541</u>	<u>391</u>	<u>150</u>
Total expenditures	<u>26,434</u>	<u>26,470</u>	<u>26,251</u>	<u>219</u>
Excess of revenues over expenditures	<u>7,778</u>	<u>7,742</u>	<u>7,783</u>	<u>41</u>
Other financing uses:				
Advances out	(7,723)	(7,723)	(7,723)	-
Total other financing uses	<u>(7,723)</u>	<u>(7,723)</u>	<u>(7,723)</u>	<u>-</u>
Net change in fund balance	55	19	60	41
Fund balance (deficit)				
at beginning of year	(2,155)	(2,155)	(2,155)	-
Prior year encumbrances appropriated	2,155	2,155	2,155	-
Fund balance at end of year	<u>\$ 55</u>	<u>\$ 19</u>	<u>\$ 60</u>	<u>\$ 41</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PRESCHOOL FOR THE HANDICAPPED GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 36,909	\$ 36,910	\$ 36,910	\$ -
Total revenues	<u>36,909</u>	<u>36,910</u>	<u>36,910</u>	<u>-</u>
Expenditures:				
Current:				
Support services-instructional staff				
Salaries and wages	21,865	21,866	21,866	-
Fringe benefits	15,911	15,911	15,911	-
Total support services-instructional staff	<u>37,776</u>	<u>37,777</u>	<u>37,777</u>	<u>-</u>
Total expenditures	<u>37,776</u>	<u>37,777</u>	<u>37,777</u>	<u>-</u>
Net change in fund balance	(867)	(867)	(867)	-
Fund balance at beginning of year	867	867	867	-
Fund balance at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IMPROVING TEACHER QUALITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 273,189	\$ 273,189	\$ 254,331	\$ (18,858)
Total revenues	<u>273,189</u>	<u>273,189</u>	<u>254,331</u>	<u>(18,858)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	136,752	136,386	127,695	8,691
Fringe benefits	33,340	33,251	33,242	9
Purchased services	42,110	41,998	18,238	23,760
Supplies and materials	443	442	442	-
Capital outlay	1,163	1,160	1,160	-
Total instruction-regular	<u>213,808</u>	<u>213,237</u>	<u>180,777</u>	<u>32,460</u>
Support services-instructional staff				
Salaries and wages	4,437	4,425	-	4,425
Fringe benefits	476	475	-	475
Purchased services	7,019	7,000	7,000	-
Supplies and materials	2,422	2,416	2,416	-
Total support services-instructional staff	<u>14,354</u>	<u>14,316</u>	<u>9,416</u>	<u>4,900</u>
Total expenditures	<u>228,162</u>	<u>227,553</u>	<u>190,193</u>	<u>37,360</u>
Excess of revenues over expenditures	<u>45,027</u>	<u>45,636</u>	<u>64,138</u>	<u>18,502</u>
Other financing uses:				
Advances out	(43,501)	(43,501)	(43,501)	-
Total other financing uses	<u>(43,501)</u>	<u>(43,501)</u>	<u>(43,501)</u>	<u>-</u>
Net change in fund balance	1,526	2,135	20,637	18,502
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,526</u>	<u>\$ 2,135</u>	<u>\$ 20,637</u>	<u>\$ 18,502</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental-federal	\$ 13,116	\$ 13,938	\$ 9,073	\$ (4,865)
Total revenues	<u>13,116</u>	<u>13,938</u>	<u>9,073</u>	<u>(4,865)</u>
Expenditures:				
Current:				
Support services-instructional staff				
Purchased services	727	1,067	1,067	-
Supplies and materials	6,689	9,820	9,251	569
Total support services-instructional staff	<u>7,416</u>	<u>10,887</u>	<u>10,318</u>	<u>569</u>
Total expenditures	<u>7,416</u>	<u>10,887</u>	<u>10,318</u>	<u>569</u>
Excess of revenues over (under) expenditures	<u>5,700</u>	<u>3,051</u>	<u>(1,245)</u>	<u>(4,296)</u>
Other financing sources (uses):				
Transfers in	822	822	822	-
Transfers out	(822)	(822)	(822)	-
Total other financing sources (uses).	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	5,700	3,051	(1,245)	(4,296)
Fund balance at beginning of year	822	822	822	-
Prior year encumbrances appropriated	742	742	742	-
Fund balance at end of year.	<u>\$ 7,264</u>	<u>\$ 4,615</u>	<u>\$ 319</u>	<u>\$ (4,296)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Charges for services	\$ 1,367,576	\$ 1,396,691	\$ 1,396,507	\$ (184)
Other revenue	97,860	36,522	99,930	63,408
Intergovernmental-state	9,315	8,800	9,512	712
Intergovernmental-federal	161,721	225,000	165,142	(59,858)
Total revenues	<u>1,636,472</u>	<u>1,667,013</u>	<u>1,671,091</u>	<u>4,078</u>
Expenditures:				
Current:				
Food service operations				
Salaries and wages	704,134	729,523	687,602	41,921
Fringe benefits	317,810	329,269	304,136	25,133
Purchased services	944,586	978,644	975,630	3,014
Supplies and materials	13,513	14,000	10,968	3,032
Total food service operations	<u>1,980,043</u>	<u>2,051,436</u>	<u>1,978,336</u>	<u>73,100</u>
Total expenditures	<u>1,980,043</u>	<u>2,051,436</u>	<u>1,978,336</u>	<u>73,100</u>
Excess of revenues (under) expenditures	<u>(343,571)</u>	<u>(384,423)</u>	<u>(307,245)</u>	<u>77,178</u>
Other financing sources:				
Transfers in	-	153,789	209,829	56,040
Total other financing sources	<u>-</u>	<u>153,789</u>	<u>209,829</u>	<u>56,040</u>
Net change in fund balance	(343,571)	(230,634)	(97,416)	133,218
Fund balance (deficit) at beginning of year	(71,336)	(71,336)	(71,336)	-
Prior year encumbrances appropriated	76,093	76,093	76,093	-
Fund balance (deficit) at end of year	<u>\$ (338,814)</u>	<u>\$ (225,877)</u>	<u>\$ (92,659)</u>	<u>\$ 133,218</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Charges for services	\$ 141,862	\$ 164,028	\$ 132,810	\$ (31,218)
Total revenues	<u>141,862</u>	<u>164,028</u>	<u>132,810</u>	<u>(31,218)</u>
Expenditures:				
Current:				
Regular instruction				
Supplies and materials	84,441	84,902	58,687	26,215
Total regular instruction.	<u>84,441</u>	<u>84,902</u>	<u>58,687</u>	<u>26,215</u>
Operation of non-instructional services				
Supplies and materials	98,695	99,234	72,517	26,717
Total operation of non-instructional services	<u>98,695</u>	<u>99,234</u>	<u>72,517</u>	<u>26,717</u>
Total expenditures	<u>183,136</u>	<u>184,136</u>	<u>131,204</u>	<u>52,932</u>
Net change in fund balance	(41,274)	(20,108)	1,606	21,714
Fund balance (deficit) at beginning of year.	(21,166)	(21,166)	(21,166)	-
Prior year encumbrances appropriated	41,274	41,274	41,274	-
Fund balance (deficit) at end of year	<u>\$ (21,166)</u>	<u>\$ -</u>	<u>\$ 21,714</u>	<u>\$ 21,714</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
NATATORIUM
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Other revenue	\$ 38,999	\$ 39,000	\$ 35,190	\$ (3,810)
Total revenues	<u>38,999</u>	<u>39,000</u>	<u>35,190</u>	<u>(3,810)</u>
Expenditures:				
Current:				
Operation of non-instructional services				
Salaries and wages	30,467	26,100	26,023	77
Fringe benefits	5,742	4,905	4,905	-
Supplies and materials	2,791	2,384	2,384	-
Total operation of non-instructional services	<u>39,000</u>	<u>33,389</u>	<u>33,312</u>	<u>77</u>
Total expenditures	<u>39,000</u>	<u>33,389</u>	<u>33,312</u>	<u>77</u>
Net change in fund balance	(1)	5,611	1,878	(3,733)
Fund balance at beginning of year	17,262	17,262	17,262	-
Fund balance at end of year	<u>\$ 17,261</u>	<u>\$ 22,873</u>	<u>\$ 19,140</u>	<u>\$ (3,733)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 350,000	\$ 350,000	\$ 343,363	\$ (6,637)
Intergovernmental-state	50,000	50,000	45,769	(4,231)
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>389,132</u>	<u>(10,868)</u>
Expenditures:				
Current:				
Support services-fiscal				
Other	6,000	6,000	3,654	2,346
Total support services-fiscal.	<u>6,000</u>	<u>6,000</u>	<u>3,654</u>	<u>2,346</u>
Support services-operations & maintenance				
Capital outlay	-	169,900	169,900	-
Total support services-operations & maintenance	<u>-</u>	<u>169,900</u>	<u>169,900</u>	<u>-</u>
Extracurricular activities				
Capital outlay	-	36,095	36,095	-
Total extracurricular activities.	<u>-</u>	<u>36,095</u>	<u>36,095</u>	<u>-</u>
Facilities acquisition & construction				
Purchased services	-	14,968	14,968	-
Capital outlay	74,650	335,971	335,285	686
Total facilities acquisition & construction.	<u>74,650</u>	<u>350,939</u>	<u>350,253</u>	<u>686</u>
Total expenditures	<u>80,650</u>	<u>562,934</u>	<u>559,902</u>	<u>3,032</u>
Net change in fund balance.	319,350	(162,934)	(170,770)	(7,836)
Fund balance at beginning of year	7,040	7,040	7,040	-
Prior year encumbrances appropriated	251,625	251,625	251,625	-
Fund balance at end of year	<u>\$ 578,015</u>	<u>\$ 95,731</u>	<u>\$ 87,895</u>	<u>\$ (7,836)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
VOCATIONAL EDUCATION EQUIPMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET PLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Instruction-regular				
Capital outlay	\$ 118,946	\$ 118,946	\$ 118,946	\$ -
Total instruction-regular	<u>118,946</u>	<u>118,946</u>	<u>118,946</u>	<u>-</u>
Total expenditures	<u>118,946</u>	<u>118,946</u>	<u>118,946</u>	<u>-</u>
Excess of revenues (under) expenditures	(118,946)	(118,946)	(118,946)	-
Other financing uses:				
Refund of prior year's receipts	(1,500)	(2,260)	(2,260)	-
Total other financing uses	<u>(1,500)</u>	<u>(2,260)</u>	<u>(2,260)</u>	<u>-</u>
Net change in fund balance	(120,446)	(121,206)	(121,206)	-
Fund balance at beginning of year	760	760	760	-
Prior year encumbrances appropriated	120,446	120,446	120,446	-
Fund balance at end of year	<u>\$ 760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTRA-DISTRICT SERVICES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Transfers out	\$ (40,019)	\$ (40,019)	\$ (40,019)	\$ -
Net loss	(40,019)	(40,019)	(40,019)	-
Fund equity at beginning of year	<u>40,019</u>	<u>40,019</u>	<u>40,019</u>	<u>-</u>
Fund equity at end of year.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMPLOYEE BENEFITS SELF-INSURANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating revenues:				
Sales/charges for services	\$ 6,410,000	\$ 6,410,000	\$ 3,293,009	\$ (3,116,991)
Total operating revenues	<u>6,410,000</u>	<u>6,410,000</u>	<u>3,293,009</u>	<u>(3,116,991)</u>
Operating expenses:				
Claims expense, purchased service, and other	5,623,041	6,117,300	3,964,650	2,152,650
Total operating expenses	<u>5,623,041</u>	<u>6,117,300</u>	<u>3,964,650</u>	<u>2,152,650</u>
Net income (loss) before transfers.	786,959	292,700	(671,641)	(964,341)
Transfers out	<u>(979,959)</u>	<u>(979,959)</u>	<u>(979,959)</u>	<u>-</u>
Net income (loss)	(193,000)	(687,259)	(1,651,600)	(964,341)
Fund equity at beginning of year	1,611,927	1,611,927	1,611,927	-
Prior year encumbrances appropriated.	54,300	54,300	54,300	-
Fund equity at end of year.	<u>\$ 1,473,227</u>	<u>\$ 978,968</u>	<u>\$ 14,627</u>	<u>\$ (964,341)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOLARSHIP
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Earnings on investments	\$ 277	\$ 277	\$ 175	\$ (102)
Gifts and contributions	1,200	1,200	1,175	(25)
Total revenues	<u>1,477</u>	<u>1,477</u>	<u>1,350</u>	<u>(127)</u>
Expenditures:				
Current:				
Support services-pupil				
Scholarships awarded	30	30	20	10
Total support services-pupil	<u>30</u>	<u>30</u>	<u>20</u>	<u>10</u>
Extracurricular activities				
Scholarships awarded	2,250	3,500	3,500	-
Total extracurricular activities	<u>2,250</u>	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Total expenditures	<u>2,280</u>	<u>3,530</u>	<u>3,520</u>	<u>10</u>
Net change in fund balance	(803)	(2,053)	(2,170)	(117)
Fund balance at beginning of year	17,753	17,753	17,753	-
Fund balance at end of year	<u>\$ 16,950</u>	<u>\$ 15,700</u>	<u>\$ 15,583</u>	<u>\$ (117)</u>

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STATISTICAL SECTION

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

**GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS**

AMOUNT

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Expenditures:				
Instruction	\$ 24,231,131	\$ 26,332,624	\$ 26,119,689	\$ 28,691,403
Supporting Services	14,810,623	15,316,057	15,448,281	18,896,700
Operation of non-instructional	-	-	-	14,018
Extracurricular Activities	592,895	728,380	709,810	745,128
Facilities Acquisition	562,490	368,128	38,555	296,524
Capital Outlay.	-	-	-	-
Debt Service	39,761	13,283	-	-
Total Expenditures	<u>\$ 40,236,900</u>	<u>\$ 42,758,472</u>	<u>\$ 42,316,335</u>	<u>\$ 48,643,773</u>

Percent of Total

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Expenditures:				
Instruction	60.22%	61.58%	61.72%	58.98%
Supporting Services	36.81%	35.82%	36.51%	38.85%
Operation of non-instructional	0.00%	0.00%	0.00%	0.03%
Extracurricular Activities	1.47%	1.70%	1.68%	1.53%
Facilities Acquisition	1.40%	0.86%	0.09%	0.61%
Capital Outlay.	0.00%	0.00%	0.00%	0.00%
Debt Service	0.10%	0.03%	0.00%	0.00%
Total Expenditures	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Sylvania City School District records

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$ 30,373,223	\$ 31,178,574	\$ 33,630,995	\$ 35,473,399	\$ 36,900,101	\$ 39,393,160
18,684,466	20,066,054	21,818,955	24,752,178	24,912,315	26,500,396
15,136	31,200	29,185	7,441	75,690	70,564
679,801	853,050	922,782	1,120,163	1,147,871	1,125,913
366,874	10,019	43,788	175,911	512,303	158,217
-	-	523,172	336,621	-	83,501
-	-	173,452	240,452	323,879	154,146
<u>\$ 50,119,500</u>	<u>\$ 52,138,897</u>	<u>\$ 57,142,329</u>	<u>\$ 62,106,165</u>	<u>\$ 63,872,159</u>	<u>\$ 67,485,897</u>

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
60.60%	59.79%	58.86%	57.12%	57.77%	58.37%
37.28%	38.49%	38.18%	39.85%	39.00%	39.27%
0.03%	0.06%	0.05%	0.01%	0.12%	0.11%
1.36%	1.64%	1.61%	1.80%	1.80%	1.67%
0.73%	0.02%	0.08%	0.28%	0.80%	0.23%
0.00%	0.00%	0.92%	0.54%	0.00%	0.12%
0.00%	0.00%	0.30%	0.39%	0.51%	0.23%
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS

AMOUNT

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Revenues:				
Taxes	\$ 27,353,815	\$ 28,453,613	\$ 31,478,758	\$ 32,873,760
Tuition	135,259	144,646	92,127	88,925
Transportation Fees.	69,628	13,546	833	-
Earnings on Investments	570,328	689,203	837,731	1,085,907
Extracurricular Activities.	-	-	-	-
Other Local Revenues	175,630	214,206	207,385	274,416
State Sources.	12,516,599	12,762,238	13,251,345	14,750,111
Miscellaneous Receipts	261,359	117,090	76,811	297,735
Total Revenues	<u>\$ 41,082,618</u>	<u>\$ 42,394,542</u>	<u>\$ 45,944,990</u>	<u>\$ 49,370,854</u>

Percent of Total

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Revenues:				
Taxes	66.58%	67.12%	68.51%	66.59%
Tuition	0.33%	0.34%	0.20%	0.18%
Transportation Fees.	0.17%	0.03%	0.00%	0.00%
Earnings on Investments	1.39%	1.63%	1.82%	2.20%
Extracurricular Activities.	0.00%	0.00%	0.00%	0.00%
Other Local Revenues	0.43%	0.51%	0.45%	0.56%
State Sources.	30.46%	30.09%	28.85%	29.88%
Miscellaneous Receipts	0.64%	0.28%	0.17%	0.59%
Total Revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Source: Sylvania City School District records

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$ 33,634,433	\$ 33,116,319	\$ 33,983,502	\$ 35,746,978	\$ 38,769,114	\$ 42,118,626
15,572	270,226	137,519	244,887	171,238	589,951
-	-	-	-	-	36,255
1,061,735	1,154,845	1,311,662	712,292	285,794	131,407
-	-	-	-	-	-
186,210	483,032	558,622	317,837	642,888	581,313
16,029,260	17,547,708	19,046,762	21,198,660	20,661,112	20,992,029
-	-	-	-	-	-
<u>\$ 50,927,210</u>	<u>\$ 52,572,130</u>	<u>\$ 55,038,067</u>	<u>\$ 58,220,654</u>	<u>\$ 60,530,146</u>	<u>\$ 64,449,581</u>

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
66.04%	62.98%	61.74%	61.40%	64.05%	65.35%
0.03%	0.51%	0.25%	0.42%	0.28%	0.92%
0.00%	0.00%	0.00%	0.00%	0.00%	0.06%
2.08%	2.20%	2.38%	1.22%	0.47%	0.20%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.37%	0.92%	1.01%	0.55%	1.06%	0.90%
31.48%	33.39%	34.62%	36.41%	34.14%	32.57%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY REAL PROPERTY TAXES (1)
LAST TEN COLLECTION YEARS

<u>Year (2)</u>	<u>Current Taxes Levied</u>	<u>Delinquent Levy (3)</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collection as a Percent of Total Levy</u>
2003	\$ 44,158,560	\$ 1,839,940	\$ 45,998,500	\$ 43,986,116	99.61%	\$ 1,249,279	\$ 45,235,395	98.34%
2002	42,694,080	1,787,368	44,481,448	41,792,500	97.89%	1,905,500	43,698,000	98.24%
2001	42,092,409	1,546,087	43,638,496	41,953,504	99.67%	908,227	42,861,731	98.22%
2000	40,492,936	1,548,288	42,041,224	40,415,959	99.81%	961,017	41,376,976	98.42%
1999	40,281,973	1,605,384	41,887,357	40,003,676	99.31%	1,194,755	41,198,431	98.36%
1998	39,596,500	1,544,851	41,141,351	39,349,130	99.38%	1,226,123	40,575,253	98.62%
1997	39,608,000	1,775,022	41,383,022	39,402,767	99.48%	865,857	40,268,624	97.31%
1996	35,014,348	1,610,467	36,624,815	34,885,127	99.63%	913,790	35,798,917	97.74%
1995	33,158,756	2,012,053	35,170,809	32,440,741	97.83%	975,564	33,416,305	95.01%
1994	32,344,991	2,192,863	34,537,854	31,212,863	96.50%	1,177,658	32,390,521	93.78%

Source: Lucas County Auditor - Data is presented on a calendar year basis because the tax levy year and the tax collection year are on a calendar year basis.

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

(2) Represents the collection year. 2004 information cannot be presented because all collections have not been made as of the District's June 30 fiscal year end.

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

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

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

Tax Collection Year	Real Property		General Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2004	\$ 1,338,151,170	\$ 3,823,288,000	\$ 72,148,998	\$ 300,620,825
2003	1,202,054,210	3,434,440,600	74,089,218	296,356,872
2002	1,165,494,720	3,329,984,914	79,150,281	316,601,124
2001	1,140,109,230	3,257,454,943	66,451,695	265,806,780
2000	949,793,290	2,713,695,114	68,362,885	273,451,540
1999	919,948,910	2,628,425,457	64,828,270	259,313,080
1998	894,618,520	2,556,052,914	62,422,222	249,688,888
1997	796,725,120	2,276,357,486	59,103,325	236,413,300
1996	775,810,600	2,216,601,714	52,379,664	209,518,656
1995	762,979,800	2,179,942,286	45,810,248	183,240,992

Source: Lucas County Auditor - The data is presented on a calendar year basis because the tax levy year and the tax collection year are on a calendar year basis.

Public Utility Personal Property		Totals		Assessed Value As a Percent of Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$ 21,737,770	\$ 86,951,080	\$ 1,432,037,938	\$ 4,210,859,905	34.01%
23,003,090	92,012,360	1,299,146,518	3,822,809,832	33.98%
22,909,220	91,636,880	1,267,554,221	3,738,222,918	33.91%
33,826,890	38,439,648	1,240,387,815	3,561,701,371	34.83%
34,977,260	39,746,886	1,053,133,435	3,026,893,540	34.79%
39,733,456	45,151,655	1,024,510,636	2,932,890,192	34.93%
38,107,550	43,304,034	995,148,292	2,849,045,836	34.93%
40,825,650	46,392,784	896,654,095	2,559,163,570	35.04%
40,885,020	46,460,250	869,075,284	2,472,580,620	35.15%
44,834,180	50,947,932	853,624,228	2,414,131,210	35.36%

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

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN CALENDAR YEARS
(PER \$1,000 OF ASSESSED VALUATION)

Government	1995	1996	1997	1998
Direct:				
Sylvania City School District	\$ 62.30	\$ 63.90	\$ 68.20	\$ 66.30
Overlapping:				
Townships:				
Sylvania	16.40	16.40	16.40	16.40
Municipalities:				
City of Sylvania (includes Recreation District and Park District)	6.25	6.25	6.25	6.25
City of Toledo (includes Recreation District and Park District)	4.40	4.40	4.40	4.40
Lucas County	15.85	17.20	17.35	17.35
TARTA (A)	2.50	2.50	2.50	2.50

(A) Toledo Area Regional Transit Authority

Source: Lucas County Auditor

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$	66.30	\$ 65.70	\$ 65.20	\$ 65.20	\$ 70.10	\$ 70.00
	16.40	16.40	16.72	18.42	17.72	17.72
	6.45	6.40	6.40	6.30	6.25	6.95
	4.40	4.40	5.70	5.60	4.40	5.85
	17.75	17.95	17.80	17.45	18.30	18.30
	2.50	2.50	2.50	2.50	2.50	2.50

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

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA**

LAST TEN FISCAL YEARS

<u>Collection Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value</u>	<u>Population (2)</u>	<u>Ratio of Net General Obligation Bonded Debt to Assessed Value</u>	<u>Net General Obligation Bonded Debt Per Capita</u>
2004	\$ 32,328,680	\$ 1,432,037,938	48,523	2.26%	\$ 666
2003	32,527,468	1,299,146,518	48,523	2.50%	670
2002	33,605,279	1,267,554,221	48,523	2.65%	693
2001	27,149,406	1,240,387,815	47,328	2.19%	574
2000	20,616,981	1,053,133,435	39,983	1.96%	516
1999	22,714,937	1,024,510,636	39,983	2.22%	568
1998	24,946,397	995,148,292	39,983	2.51%	624
1997	25,296,175	896,654,095	39,983	2.82%	633
1996	27,047,847	869,075,284	39,983	3.11%	676
1995	9,117,139	853,624,228	39,983	1.07%	228

Source: Lucas County Auditor and School District Financial Records

(1) In the past ten fiscal years, there has been no general obligation bonded debt applicable to Enterprise Funds.

(2) Years 1995-2000 from U.S. Census Bureau, 1990; Years 2001-2004 from U.S. Census Bureau, 2000

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

COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2004

	Total Voted Debt Limit (1)	Total Unvoted Debt Limit (2)
Assessed Valuation Collection Year 2004	\$ 1,432,037,938	\$ 1,432,037,938
Debt Limitation	128,883,414	1,432,038
Outstanding Debt:		
General Obligation Bonds	34,453,560	34,453,560
Asbestos Removal Loan	5,930	5,930
Total Outstanding Debt	34,459,490	34,459,490
Exemptions:		
General Obligation Bonds	-	(34,453,560)
Asbestos Removal Loan	(5,930)	(5,930)
Total Exemptions	(5,930)	(34,459,490)
Less: Amount available in Debt Service fund	(2,124,880)	-
Net Debt Subject to Limitation	32,328,680	-
Total Legal Debt Margin (Debt Limitation Minus Net Debt Subject to Limitation)	\$ 96,554,734	\$ 1,432,038

Source: Sylvania City School District records

(1) The legal voted debt margin for school districts in Ohio is 9% of the assessed valuation.

(2) The legal unvoted debt margin for school districts in Ohio is 1/10 of 1% of the assessed valuation.
The District has no unvoted debt subject to the legal debt margin.

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

VARIOUS SCHOOL DISTRICT OVERLAPPING
GENERAL OBLIGATION BONDED DEBT
ALLOCATIONS (PRINCIPAL AMOUNT)
DECEMBER 31, 2003

	Amount	Per Capita (b)	% of District's Current (2003) Assessed Valuation
District Non Exempt Debt General Obligation Debt (a)	\$ 34,453,560	\$ 710	2.65%
Total District General Obligation Debt (exempt and non exempt)	34,459,490	710	2.65%
Highest Total Overlapping General Obligation Debt (c)	62,621,449	1,291	4.82%

(a) Total General Obligation Debt, less exempt debt.

(b) Based on the 2004 population of 48,523.

(c) Includes, in addition to "Total District General Obligation Debt", allocations of total General Obligation Debt of overlapping subdivisions, resulting in the calculation of highest total overlapping debt based on percent of assessed valuation of territory of the subdivisions located within the District (% figures are resulting percent of total debt of subdivisions allocated to the District in this manner), as follows:

	Percent Applicable to School District
County	16.31%
City of Sylvania	100.00%
Sylvania Area Joint Recreation District	100.00%

Allocation of General Obligation debt of the remaining overlapping subdivisions as follows:

City of Toledo	2.57%
Ottawa Hills Village	1.36%

Source of assessed valuation and General Obligation debt figures for overlapping subdivisions: Lucas County Auditor

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

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES**

LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Debt Service Expenditures As a Percent of General Fund Expenditures
2004	\$ 1,998,170	\$ 1,333,788	\$ 3,331,958	\$ 67,485,897	4.94%
2003	1,655,422	1,401,635	3,057,057	63,872,159	4.79%
2002	15,735,000	1,123,013	16,858,013	62,106,165	27.14%
2001	2,055,000	1,149,559	3,204,559	57,142,329	5.61%
2000	2,510,000	1,173,666	3,683,666	52,138,897	7.07%
1999	2,200,000	1,306,183	3,506,183	50,119,500	7.00%
1998	2,105,000	1,389,848	3,494,848	48,646,773	7.18%
1997	1,740,000	1,533,378	3,273,378	42,316,335	7.74%
1996	950,000	1,257,346	2,207,346	42,758,472	5.16%
1995	895,000	596,870	1,491,870	40,236,900	3.71%

Source: Sylvania City School District records

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

**DEMOGRAPHIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Calendar Year</u>	<u>Population (A)</u>	<u>School Enrollment (C)</u>	<u>Unemployment Rate (B)</u>	<u>Average Income (D)</u>	<u>Property Valuation Per Pupil (E)</u>
2004	48,523	8,004	6.20%	\$ 67,685	\$ 162,312
2003	48,523	7,545	5.40%	71,625	167,999
2002	48,523	7,569	5.30%	71,625	163,877
2001	47,328	7,908	5.50%	71,630	133,173
2000	39,983	7,991	4.26%	69,883	128,208
1999	39,983	8,020	4.84%	68,179	127,744
1998	39,983	7,904	6.00%	66,516	125,904
1997	39,983	7,754	5.90%	64,877	115,638
1996	39,983	7,737	n/a	59,520	112,327
1995	39,983	7,664	n/a	55,525	111,381

(A) Years 1995-2000 from U.S. Bureau of Census, 1990; Years 2001-2004 from U.S. Bureau of Census, 2000.

(B) Ohio Department of Labor (n/a - not available).

(C) Sylvania City School District records.

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

(E) Prior year's property valuation divided by current year's school enrollment equals valuation per pupil.

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

PROPERTY VALUES, CONSTRUCTION ACTIVITY, AND BANK DEPOSITS
LAST TEN CALENDAR YEARS

Year	Assessed Valuation (1)	City of Sylvania Building Permits (2)		Sylvania Township Building Permits (3)		Total Building Permits		Bank Deposits (4)
		Number	Value	Number	Value	Number	Total	
2003	\$ 1,299,146,518	153	\$ 10,823,000	739	\$ 85,601,958	892	\$ 96,424,958	\$ 139,299
2002	1,267,554,221	607	19,371,167	571	67,801,258	1,178	87,172,425	167,588
2001	1,240,387,815	171	15,806,116	685	85,714,643	856	101,520,759	785,707
2000	1,053,133,435	120	6,776,289	723	85,107,015	843	91,883,304	2,413,149
1999	1,024,510,636	170	8,866,541	728	78,417,431	898	87,283,972	6,340,350
1998	995,148,292	168	7,658,159	766	82,915,854	934	90,574,013	5,302,858
1997	896,654,095	252	13,239,808	738	64,035,780	990	77,275,588	3,037,031
1996	869,075,284	229	13,885,002	674	58,221,000	903	72,106,002	3,810,869
1995	853,624,228	245	17,756,530	620	48,230,894	865	65,987,424	3,675,524
1994	795,028,451	207	14,402,052	634	49,897,914	841	64,299,966	3,847,921

(1) Lucas County Auditor

(2) Source: City of Sylvania

(3) Source: Sylvania Township

(4) Source: Lucas County Auditor, Comprehensive Annual Financial Report (dollar amounts in \$000s)

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

PRINCIPAL TAXPAYERS
2003 TAX YEAR

Taxpayer	REAL PROPERTY		
	Assessed Valuation	% of Real Valuation	% of Total Valuation
Reynolds Road Fitness Center	\$ 6,296,990	0.47%	0.44%
Kingston Residence of Sylvania	4,654,280	0.35%	0.33%
National Amusements	4,326,750	0.32%	0.30%
Harvey Tolson	3,899,270	0.29%	0.27%
Meijer Properties, Incorporated	3,759,280	0.28%	0.26%
Sunset House	3,460,490	0.26%	0.24%
Starlite Plaza Limited	3,443,560	0.26%	0.24%
Sylvania Apartments	3,184,060	0.24%	0.22%
Niasher Ogdensburg Association	2,903,960	0.22%	0.20%
Schwerkoske Family Partnership	2,897,610	0.22%	0.20%
Total	<u>\$ 38,826,250</u>	<u>2.90%</u>	<u>2.71%</u>
Total Real Property Assessed Valuation	<u>\$ 1,338,151,170</u>		
Total Assessed Valuation	<u>\$ 1,432,037,938</u>		

Taxpayer	PERSONAL PROPERTY		
	Assessed Valuation	% of Personal Valuation	% of Total Valuation
Yark Oldsmobile Incorporated	\$ 4,893,520	6.78%	0.34%
Vin Devers Incorporated	3,505,310	4.86%	0.24%
Block Communications Incorporated	2,938,840	4.07%	0.21%
Brown Motor Sales Company Incorporated	2,797,450	3.88%	0.20%
Dave White Chevrolet	2,629,990	3.65%	0.18%
Kistler Ford Incorporated	2,178,180	3.02%	0.15%
George P. Ballas Buick GMC	1,917,980	2.66%	0.13%
Meijer Stores Limited Partnership	1,890,160	2.62%	0.13%
Hansen Aggregates Incorporated	1,606,310	2.23%	0.11%
Franklin Park Lincoln	1,399,660	1.94%	0.10%
Total	<u>\$ 25,757,400</u>	<u>35.70%</u>	<u>1.80%</u>
Total General Personal Property Assessed Valuation	<u>\$ 72,148,998</u>		
Total Assessed Valuation	<u>\$ 1,432,037,938</u>		

Source: Lucas County Auditor

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

MISCELLANEOUS STATISTICAL DATA

Ohio Department of Education
Education Management Information System
District Profile - Fiscal Year 2004

Part I. HIGHLIGHTS

	<u>District</u>	<u>Similar Districts</u>	<u>State</u>
Student Attendance Rate	95.9	95.9	94.5
Graduation Rate	95.6	95.0	84.3

Part II. STUDENT OUTCOMES

		<u>District</u>	<u>Similar Districts</u>	<u>State</u>
3rd Grade Proficiency:	Reading	89.1	89.6	78.2
4th Grade Proficiency:	Citizenship	73.8	76.6	59.4
	Math	77.8	81.9	65.8
	Reading	77.9	84.0	70.8
	Writing	86.2	89.2	78.6
	Science	75.7	79.1	64.4
6th Grade Proficiency:	Citizenship	81.1	84.9	67.9
	Math	81.8	82.4	65.6
	Reading	79.7	80.8	64.6
	Writing	96.4	96.5	90.3
	Science	75.0	80.2	63.1
9th Grade Proficiency: (10th Graders)	Citizenship	96.4	96.6	92.1
	Math	92.8	93.8	84.5
	Reading	97.7	97.9	95.7
	Writing	98.8	98.4	95.8
	Science	94.8	95.3	88.3

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

MISCELLANEOUS STATISTICAL DATA (CONTINUED)

Ohio Department of Education
Education Management Information System
District Profile - Fiscal Year 2004

Part III. STUDENT DEMOGRAPHICS

Racial Ethnic Data		
Student Enrollment		8,004
African American		3.1%
Asian/Pacific Islander		3.3%
Hispanic		1.6%
Multi-racial		2.0%
White		89.9%
		<u>100%</u>
Economically Disadvantaged		0.7%
Limited English Proficient		0.3%
Students with Disabilities		12.3%

Part IV. STAFF DEMOGRAPHICS

	<u>District</u>	
Total Number of Teachers	496.7	
African American		0.6%
White		99.4%
Qualifications		
	<u>District</u>	<u>State</u>
Courses Taught by Highly Qualified Teachers	100.0%	93.1%
Courses Taught by Properly Certified/Licensed Teachers	99.5%	97.0%
Courses Taught by Teachers with Temporary, Conditional Certification/Licensure	0.0%	1.0%
Average Years of Teaching Experience	15	13

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

MISCELLANEOUS STATISTICAL DATA (CONTINUED)

Ohio Department of Education
Education Management Information System
District Profile - Fiscal Year 2004

Part V. COSTS

	District	Percent
Instructional Services Costs Provided by the District per Student		
Regular Instruction	\$ 4,880	54.0%
<hr/>		
	District	Percent
2. Support Services Costs per Pupil		
Administration	\$ 949	10.5%
Operations	\$ 1,952	21.6%
Staff Support	\$ 153	1.7%
Pupil Support	\$ 1,109	12.3%

Part VI. EXPENDITURES AS A PERCENTAGE OF TOTAL OPERATING EXPENSES - General Fund Only

	District
Salary	62.5%
Fringes	21.5%
Purchased Services	9.7%
Supplies and Materials	2.4%
Capital Outlay	1.3%
Other Expenses	2.7%
	100%

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SYLVANIA CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/Pass - Through Grantor Program Titles</u>	<u>Project Number</u>	<u>CFDA Number</u>	<u>Grant Receipts</u>	<u>Grant Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass through Ohio Department of Education:				
<u>Child Nutrition Cluster</u>				
Food Distribution Program		10.550	\$41,475	\$41,475
National School Breakfast Program	4487505-PU03	10.553	658	658
	4487505-PU04		<u>5,830</u>	<u>5,830</u>
Total National School Breakfast Program			<u>6,488</u>	<u>6,488</u>
National School Lunch Program	44875LL-P403	10.555	21,832	21,832
	44875LL-P404		<u>136,822</u>	<u>136,822</u>
Total National School Lunch Program			<u>158,654</u>	<u>158,654</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>206,617</u>	<u>206,617</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass through Ohio Department of Education:				
Adult Education - State Grant Program	44875AB-S103	84.002	11,308	11,308
	44875AB-S103-C		8,646	9,493
	44875AB-S104		56,326	56,326
	44875AB-S203		-0-	3,320
	44875AB-S204		<u>30,984</u>	<u>29,689</u>
Total Adult Education			<u>107,264</u>	<u>110,136</u>
<u>Special Education Cluster</u>				
Special Education Grants to States:				
IDEA - Part B	448756B-SF03P	84.027	80,883	82,961
	448756B-SF04P		<u>982,989</u>	<u>944,305</u>
Total IDEA - Part B			<u>1,063,872</u>	<u>1,027,266</u>
Special Education Preschool Grant	44875PG-S103	84.173	-0-	867
			<u>36,910</u>	<u>36,910</u>
Total Special Education Preschool Grant			<u>36,910</u>	<u>37,777</u>
Total Special Education Cluster			1,100,782	1,065,043
Vocational Education - Basic Grants to States	4487520-C103	84.048	11,000	11,054
	4487520-C104		<u>74,152</u>	<u>65,253</u>
Total Vocational Education - Basic Grants to States			<u>85,152</u>	<u>76,307</u>
Grants to Local Educational Agencies:				
Title I	44875C1-S1-03	84.010	82,112	82,112
	44875C1-S1-04		<u>296,405</u>	<u>286,081</u>
Total Title I			<u>378,517</u>	<u>368,193</u>
Drug Free Schools Grant	44875DR-S103	84.186	10,192	10,192
	44875DR-S104		<u>23,841</u>	<u>19,906</u>
Total Drug Free Schools Grant			<u>34,033</u>	<u>30,098</u>

SYLVANIA CITY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
(CASH BASIS)
FOR THE YEAR ENDED JUNE 30, 2004

Innovative Education Program Strategy	44875C2-S103	84.298	29,104	29,104
	44875C2-S104		<u>49,116</u>	<u>49,116</u>
Total Innovative Education Program Strategy			<u>78,220</u>	<u>78,220</u>
Technology Literacy Challenge	44875TJ-S103	84.318	-0-	742
	44875TJ-S104		<u>9,073</u>	<u>2,430</u>
Total Technology Literacy Challenge			<u>9,073</u>	<u>3,172</u>
English Language Acquisition	44875T3-S103	84.365	569	569
	44875T3-S104		28,527	27,295
	44875T3-S204		<u>10,902</u>	<u>10,902</u>
Total English Language Acquisition			<u>39,998</u>	<u>38,766</u>
Improving Teacher Quality	44875TR-S103	84.367	83,701	83,701
	44875TR-S104		<u>170,630</u>	<u>137,153</u>
Total Improving Teacher Quality			<u>254,331</u>	<u>220,854</u>
TOTAL DEPARTMENT OF EDUCATION			<u>2,087,370</u>	<u>1,990,789</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass through Ohio Department of Jobs and Family Services:				
Pass through Ohio Department of Mental Retardation and				
Developmental Disabilities:				
Community Alternative Funding System	4800344	93.778	<u>34,904</u>	<u>34,904</u>
<u>TOTAL FEDERAL FINANCIAL ASSISTANCE</u>			<u>\$2,328,891</u>	<u>\$2,232,310</u>

NOTE - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Education
Sylvania City School District
6850 Monroe Street
Sylvania, Ohio 43560

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sylvania City School District ("District") as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 2, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Sylvania City School District in a separate letter dated December 2, 2004.

Internal Control Over Financial Reporting

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

Board of Education
Sylvania City School District

level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Sylvania City School District in a separate letter dated December 2, 2004.

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

Weber - O'Brien Ltd.

December 2, 2004



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

Board of Education
Sylvania City School District
6850 Monroe Street
Sylvania, Ohio 43560

Compliance

We have audited the compliance of Sylvania City School District ("District") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

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

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and

Board of Education
Sylvania City School District

material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sylvania City School District as of and for the year ended June 30, 2004, and have issued our report thereon dated December 2, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material aspects, in relation to the financial statements taken as a whole.

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

Weber O'Brien Ltd.

December 2, 2004

SYLVANIA CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified
 Internal control over financial reporting:
 Material weakness(es) identified? yes no
 Reportable condition(s) identified not considered
 to be material weaknesses? yes none reported
 Noncompliance material to financial statements
 noted? yes no

Federal Awards

Internal Control over major programs:
 Material weakness(es) identified? yes no
 Reportable conditions(s) identified not
 considered to be material weaknesses? yes none reported

Type of auditors' report issued on compliance for
 major programs: Unqualified

Any audit findings disclosed that are required to
 be reported in accordance with Circular A-133,
 Section .510(a)? yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA Part B
84.173	Special Education Preschool Grant

Dollar threshold used to distinguish between
 Type A and Type B programs: \$300,000

Auditee qualified as low risk auditee? yes no

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SYLVANIA CITY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2004

NONE



**Auditor of State
Betty Montgomery**

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**SYLVANIA CITY SCHOOL DISTRICT
LUCAS COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 10, 2005**