



**Auditor of State
Betty Montgomery**

**STREETSBORO CITY SCHOOL DISTRICT
PORTAGE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Expenditures.....	1
Notes to the Schedule of Federal Awards Expenditures	2
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By Government Auditing Standards.....	3
Independent Accountants' Report on Compliance with Requirements Applicable to Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	5
Schedule of Findings.....	7
Schedule of Prior Audit Findings.....	10
Corrective Action Plan.....	11

This page intentionally left blank.

STREETSBORO CITY SCHOOL DISTRICT
PORTAGE COUNTY

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

FEDERAL GRANTOR/ <i>Passed Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U. S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education</i>						
<i>Nutrition Cluster:</i>						
Food Distribution Program		10.550		\$55,599		\$55,599
School Breakfast Program	05-PU 2004 05-PU 2005	10.553	\$8,301 \$30,438		\$8,301 \$30,438	
Total School Breakfast Program			38,739	55,599	38,739	55,599
National School Lunch Program	LL-P4 2004 LL-P4 2005	10.555	39,742 131,605		39,742 131,605	
Total National School Lunch Program			171,347		171,347	
Total U. S. Department of Agriculture - <i>Nutrition Cluster</i>			210,086	55,599	210,086	55,599
U. S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education</i>						
Grants to Local Educational Agencies (ESEA Title I, Part A)	C1-S1 2004 C1-S1 2005	84.010	18,571 158,557		14,838 150,631	
Total Grants to Local Educational Agencies			177,128		165,469	
<i>Special Education Cluster:</i>						
Special Education Grants to States (IDEA Part B)	6B-SD 2005	84.027	50,000		47,649	
Special Education Grants to States (IDEA Part B)	6B-SF 2004				1,117	
Special Education Grants to States (IDEA Part B)	6B-SF 2005		350,969		346,214	
Total Special Education Grant to States - <i>Special Education Cluster</i>			400,969		394,980	
Drug Free Education - Subsidy	DR-S1 2004 DR-S1 2005	84.186	2,617 7,589		356 7,551	
Total Drug Free Education - Subsidy			10,206		7,907	
Title V, Part A - Innovative Education Program Subsidy	C2-S1 2004 C2-S1 2005	84.298	9,933		258 9,933	
Total Title V, Part A - Innovative Education Program Subsidy			9,933		10,191	
Technology Literacy Challenge Subsidy	TJ-S1 2004 TJ-S1 2005	84.318	475 4,324		852 4,124	
Total Technology Literacy Challenge Subsidy			4,799		4,976	
Advanced Placement Test - Subsidy	AVTF 2004 AVTF 2005	84.330	52 104		52 104	
Total Advanced Placement Subsidy			156		156	
Title II Part A - Teacher and Principal training and Recruiting	TR-S1 2003 TR-S1 2004 TR-S1 2005	84.367	54,144		2,950 4,804 53,691	
Total Title II Part A - Teacher and Principal training and Recruiting			54,144		61,445	
Total U. S. Department of Education			657,335		645,124	
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities</i>						
Medical Assistance Program		93.778	22,507		22,507	
Total U. S. Department of Education			22,507		22,507	
Total Federal Assistance			\$889,928	\$55,599	\$877,717	\$55,599

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

**STREETSBORO CITY SCHOOL DISTRICT
PORTAGE COUNTY
FISCAL YEAR ENDED JUNE 30, 2005**

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B— FOOD DISTRIBUTION

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

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



**Auditor of State
Betty Montgomery**

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

Streetsboro City School District
Portage County
9000 Kirby Lane
Streetsboro, Ohio 44241

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Streetsboro City School District (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 27, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 2005-001.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable condition described above is a material weakness. In a separate letter to the District's management dated January 27, 2006, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated January 27, 2006, we reported other matters related to noncompliance we deemed immaterial.

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



Betty Montgomery
Auditor of State

January 27, 2006



Auditor of State Betty Montgomery

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

Streetsboro City School District
Portage County
9000 Kirby Lane
Streetsboro, Ohio 44241

To the Board of Education:

Compliance

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

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

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

Internal Control Over Compliance

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

We noted a certain matter involving the internal control over compliance and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the District's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. A reportable condition is described in the accompanying schedule of findings as item 2005-002.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. We do not believe the reportable condition described above is a material weakness.

Federal Awards Expenditures Schedule

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Streetsboro City School District as of and for the year ended June 30, 2005, and have issued our report thereon dated January 27, 2006. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements.

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



Betty Montgomery
Auditor of State

January 27, 2006

**STREETSBORO CITY SCHOOL DISTRICT
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2005**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	Yes
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under ' .510?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	Food Nutrition Cluster (10.550, 10.553, & 10.555) ; Title I (84.010) ; Title VI-B (84.027)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

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

Finding Number	2005-001
-----------------------	----------

Reportable Condition

Cafeterias to Implement Procedures to Strengthen Controls in Cash Collections and Record Keeping

The District has a cafeteria in each of its five schools. The cash collection procedures are similar in all of the cafeterias. The cafeteria director (CD), at each school, collects money from the children for type-A lunches sold and verifies student numbers if the child is using a free, reduced, or prepaid card. This verification is marked on the weekly updated roster report.

**STREETSBORO CITY SCHOOL DISTRICT
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2005
(Continued)**

The CD also pushes one of the four buttons on the 'hand counter' to count the student as either a free lunch, a reduced lunch, a prepaid full/reduced lunch, or a full pay lunch. The daily totals from the weekly roster report are compared to the counter; however, the rosters are deemed the overriding source of information. Daily attendance records are attached to the weekly updated roster report to verify that students claiming a free or reduced lunch were indeed present on that day. Adult sales are tracked on notebook paper as daily sales take place for recording purposes; however, except for middle school these records are not maintained for audit purposes. Plate counts are done at each building to track the number of lunches sold during each lunch period. However, there is no documentation maintained as to the original plate count, the final plate count, plates used, and remaining plates for audit purposes.

There is a separate line at each cafeteria for a la carte sales. Cashiers for the a la carte lines are rotated weekly to aid in targeting potential theft, except for at the high school and middle school – the cashiers are not rotated. No hand counter, tally sheet, or cash register is utilized to count or record a la carte sales. The a la carte cashier simply collects money and places it into a cash box. At the end of the lunch period, the a la carte cashier turns over the a la carte collections to the cafeteria director. A la carte sales are then determined by taking the difference between total daily collections less the amounts received for student lunch and milk sales.

There are several control weaknesses and potential areas for errors or irregularities with the District's present cash collections and recording procedures in their cafeterias.

- There is no evidence, such as a sales receipt or a cash register tape, to determine what each customer is charged or how much is collected for all sales (lunches, breakfast, milk, snacks, and a la carte), as the District does not use cash registers for any of their lunchrooms. Instead, a manual counter is used to track lunches sold, yet there are no controls to ensure the counter is pushed or the correct button on the counter has been pushed.
- There are no controls over a la carte items. Cash registers, hand counters nor tally sheets are used to record sales to customers going through the a la carte line. There is no inventory system or count of all a la carte items before and then after the lunch period to determine the number of items sold. This count could be compared to the amount of a la carte cash collections for an independent reconciliation. This lack of an independent comparison of a la carte collections to items sold hinders the ability to ensure completeness of cash collections and inventory accountability.
- There is not an adequate segregation of duties over the collection, counting, recording, and reconciling of food sales. Cashiers balance their own collections to the beginning cash drawer and prepare the internal deposit slip and bank deposit slip. As a result, there exists an increased risk of undetected errors and irregularities. In addition, by not rotating cashiers in all cafeteria lines along with the lack of segregation of duties when reconciling daily receipts, there is an increased risk that potential errors and/or irregularities could be concealed.
- The cook managers, in each cafeteria, perform tray counts to aid in reconciling lunches served to cash collections, but there is no auditable evidence of such reconciliation.
- There is no documentation maintained if and when collections are over or under the amounts that should have been collected by the cashier.
- The Food Service Director does not review, compare, and verify sales, cash collections, milk counts, and recorded receipts to supporting documentation for each building on a daily basis. As such, there may be an increased risk that undetected errors or irregularities may occur. Also, there maybe an increased risk of inaccurate and incomplete information being reported to the Ohio Department of Education via the required monthly CN reports. Note: the CN reports drive the reimbursement of child nutrition costs through the USDA portion.
- The treasurer's office does have access to all food service information but only relies on the deposit sheet received from each school instead of doing some type of internal review over the food service process to determine if the amount actually sold is equivalent to the amount receipted in the accounting system.

**STREETSBORO CITY SCHOOL DISTRICT
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2005
(Continued)**

To aid in the strengthening of controls over food service cash collections and to assist in decreasing the risk of undetected errors and irregularities, we recommend the District adopt policies and procedures requiring the following:

- The District must have documentation to support what was sold, the price charged, and the amount of money collected each day for each cafeteria. This may be accomplished through such methods as the use of cash registers, swipe card systems, or maintaining detailed support over each transaction.
- Tray counts should be performed and retained for each day to document the number of lunches served. These counts should be generated by the head cook. The head cook should then compare the count sheets to the hand counter, the daily roster, and actual cash collections taken in by the cafeteria director. The head cook must retain evidence of this comparison. There should also be a beginning and ending inventory count of a la carte items performed each day and it should not be done by the a la carte cashier. This count should then be compared to a la carte cash collections by someone other than the a la carte cashier to independently determine if the a la carte monies collected equal the amount sold during the day.
- There needs to be segregation over collecting cash, counting and/or recording sales, performing tray and/or inventory counts, and reconciling sales and cash.
- Each schools Food Service Director should review and compare various information of daily sales and lunches served (such as meal counts, receipt totals, daily tally sheet reconciliations, a la-carte sales, etc.) to the amounts recorded on the daily summary sheets. This reconciliation should be attested to by her signature and date being noted on all items reviewed.
- On a periodic basis and after all lunches have been served, the Food Service Supervisor should perform surprise audits of each cashier. The audit would consist of reconciling the sales recorded by the cashier to the cash collected. Since theft often takes place when a person is able to reconcile the difference between sales recorded and cash collected, this may assist in preventing sales from going unrecorded.
- A determination should be made by the treasurer's office on how it plans to reconcile the daily breakfast and lunch deposit sheets it receives from each school. This reconciliation should be performed periodically to determine that a transaction is traceable from the point of sale to the deposit sheet. (The reconciliation must trace the amounts stated on the deposit sheet to the initial transaction items. An initial transaction item is considered the actual point of sale. The treasurer's office will need to see a register receipt, a reconciled tray count, etc., to determine the initial transaction point). The reconciliation must be maintained for auditing purposes.

Implementation of the above recommendations may assist the District in ensuring the daily cash receipts from cafeteria sales are complete and accurate, plus strengthening controls may be a good way to deter and detect errors and irregularities.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
--

Finding Number	2005-002 – Refer to 2005-001 above
-----------------------	------------------------------------

**STREETBORO CITY SCHOOL DISTRICT
PORTAGE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	Reportable Condition - Cafeterias to Implement Procedures to Strengthen Controls over Cash Collections and Record Keeping	No	Not corrected, repeated as a Finding 2005-001

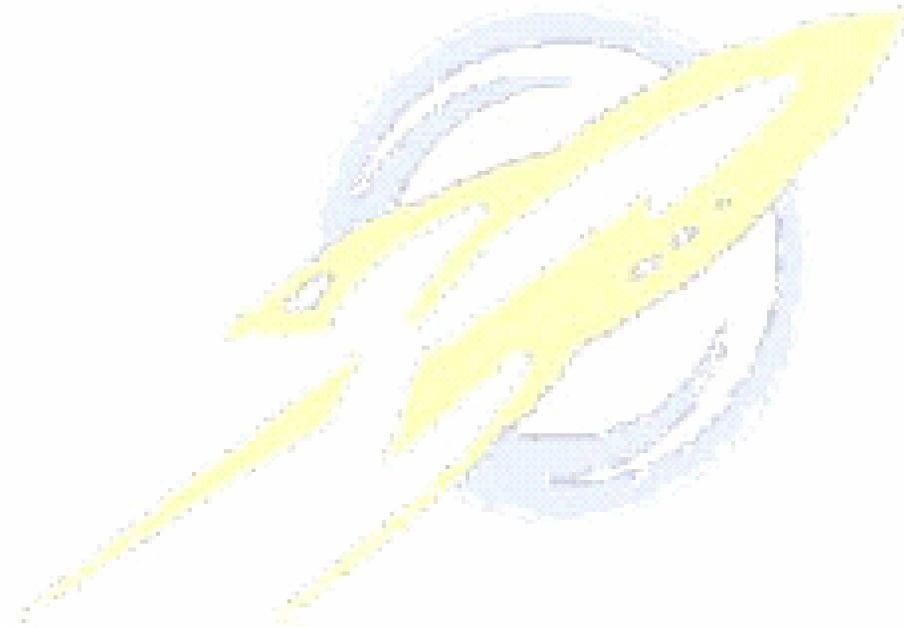
**STREETSBORO CITY SCHOOL DISTRICT
PORTAGE COUNTY
JUNE 30, 2005**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2005-001	The Food service supervisor will maintain all documentation and provide additional training for staff. The District will implement the use of cash registers so that a better tracking of receipts can occur. And the Board will approve all ala carte cafeteria prices.	2/13/06	Todd Puster, Treasurer

***Streetsboro City School
District***

Streetsboro, Ohio



Comprehensive Annual Financial Report
For the Fiscal Year ended June 30, 2005

Streetsboro City School District, Streetsboro, Ohio

Comprehensive Annual Financial Report
For Fiscal Year Ended: June 30, 2005

<p>Prepared By: Todd Puster, Treasurer and Treasurer's Office Staff</p>

This page intentionally left blank.

Streetsboro City School District
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2005

Table of Contents

Introductory Section	Page
Letter of Transmittal.....	iii
Public Officials Roster	xv
Organizational Chart	xvi
Certificate of Achievement.....	xvii
Financial Section	
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Assets.....	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	15
Reconciliation of Total Governmental Fund Balances to	
Net Assets of Governmental Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes	
in Fund Balances of Governmental Funds to the Statement of Activities.....	18
Statement of Revenues, Expenditures and Changes in Fund Balance –	
Budget (Non-GAAP Basis) and Actual – General Fund.....	19
Statement of Fiduciary Net Assets – Agency Fund.....	20
Notes to the Basic Financial Statements.....	21
Combining Statements and Individual Fund Schedules	
Combining Statements – Nonmajor Governmental Funds:	
Fund Descriptions.....	44
Combining Balance Sheet – Nonmajor Governmental Funds.....	48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –	
Nonmajor Governmental Funds	49
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –	
Nonmajor Special Revenue Funds	54
Combining Balance Sheet – Nonmajor Capital Projects Funds	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –	
Nonmajor Capital Projects Funds.....	59
Individual Fund Schedules of Revenues, Expenditures	
and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
Food Service Fund.....	61
Scholarship Fund.....	62
Uniform School Supplies Fund	62
Adult Education Fund	63

Streetsboro City School District
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2005

Table of Contents
(Continued)

	Page
Miscellaneous Local Grants Fund	63
Public School Support Fund.....	64
Surround Care Fund	65
Education Foundation Fund	65
Underground Storage Tanks Fund	66
District Managed Student Activity Fund.....	66
Management Information Systems Fund.....	67
Disadvantaged Pupil Impact Aid Fund.....	67
Data Communications Fund	68
SchoolNet Professional Development Fund.....	68
Ohio Reads Fund.....	69
Summer Intervention Fund.....	70
Miscellaneous State Grants Fund	71
Title VI-B Fund	71
Title I Fund.....	72
Title V Fund	72
Drug-Free Schools Fund	73
Improving Teacher Quality Fund.....	73
Miscellaneous Federal Grants Fund	74
Bond Retirement Fund	75
Building Fund.....	76
SchoolNet Fund.....	76
Statement of Changes in Assets and Liabilities – Agency Fund.....	78

Statistical Section

Revenues by Source and Expenses by Function	
Governmental Activities - Last Three Fiscal Years	79
General Governmental Revenues by Source	
and Expenditures by Function - Last Ten Fiscal Years.....	80
Property Tax Levies and Collections - Last Nine Calendar Years.....	82
Assessed Valuation and Estimated Actual Value of	
Taxable Property - Last Ten Collection Years	83
Property Tax Rates - Direct and Overlapping Governments - Last Ten Collection Years	84
Computation of Legal Debt Margin	85
Ratio of Net General Obligation Bonded Debt to Assessed Value and	
Net General Obligation Bonded Debt per Capita - Last Ten Collection Years.....	86
Ratio of Annual Debt Service Expenditures for General Obligation	
Bonded Debt to Total Governmental Expenditures - Last Ten Fiscal Years	87
Demographic Statistics.....	88
Property Values, Bank Deposits and Construction - Last Ten Calendar Years	89
Principal Taxpayers.....	90
Computation of Direct and Overlapping Bonded Debt.....	91
Miscellaneous Statistics – Last Ten Fiscal Years.....	92
Directory of School Facilities.....	94

INTRODUCTORY SECTION

This page intentionally left blank.



STREETSBORO CITY SCHOOLS

9000 Kirby Lane, Streetsboro, OH 44241
330-626-4900 ☆ 330-626-8102 (fax)

January 27, 2006

To the Citizens and Board of Education of the Streetsboro City School District:

The Comprehensive Annual Financial Report (CAFR) of the Streetsboro City School District (the "School District"), for the fiscal year ended June 30, 2005, is hereby submitted. This report, prepared by the Treasurer's Office, includes financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material and financial aspects of the School District for the 2004-2005 fiscal year.

State law requires the School District's financial statements to be subjected to a biennial examination by the Auditor of State of Ohio (Auditor) or an independent auditor contracted by the Auditor unless an annual Single Audit is required. In addition, the law requires the School District to prepare and file, within 150 days following the close of their fiscal period, a financial statement prepared in accordance with generally accepted accounting principles (GAAP) with the Auditor. The financial statements, at a minimum, should be the basic financial statements of the School District and include the notes to those statements. Although not required by law, management of the School District has decided to prepare this CAFR. A further discussion of the audit can be found later in this letter.

Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the School District's management. To the best of our knowledge and belief, this CAFR and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the School District.

This CAFR, which includes an opinion, from the Auditor of the State of Ohio's office, conforms to GAAP as set forth by the Governmental Accounting Standards Board (GASB) and is representative of the School District's commitment to provide meaningful information to the citizens of the Streetsboro City School District.

This CAFR is presented in three sections:

*The Introductory Section, which is unaudited, includes this transmittal letter, a list of elected officials, the School District's organizational chart, and the Government Finance Officers' Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for fiscal year 2004.

*The Financial Section includes the Independent Accountants' Report, Management's Discussion and Analysis, the Basic Financial Statements, Notes that provide an overview of the School Districts financial position and operating results, the combining statements for nonmajor funds, and other schedules that provide detailed information relative to the basic financial statements.

*The Statistical Section, which is unaudited, consists of a ten-year compilation of miscellaneous demographic statistics and pertinent financial information.

Copies of this report will be distributed throughout the School District. A copy will be sent to all school building administrators, Board of Education members, Financial Ratings Services, and other interested parties.

Description of the School District

Situated near the north-south Continental Divide in the former Connecticut Western Reserve and within an easy drive of the Great Lakes, the Streetsboro City School District offers its students a progressive, achievement-oriented educational program within a rural-suburban living atmosphere at the southeastern edge of the Cleveland economic region.

The 25-square-mile School District is located in the northwestern quadrant of Portage County. The School District educates students who live within the boundaries of the City of Streetsboro. The City of Streetsboro, according to the 2004 U.S. Census data, is the 9th fastest growing city in Ohio with a population of 13,900. That is a 40% increase compared with about 9,900 residents in 1990, about the time a major spurt of development began in the community. The City of Streetsboro is located within the Cleveland-Akron Consolidated Metropolitan Statistical Area (CMSA), the 16th largest in the United States and is located in the Cleveland economic region as designated by Rand McNally's economic atlas. The location of the City coupled with current housing patterns and economic development trends suggest that the population of the city will continue to grow. The Ohio Turnpike (Interstate 80), which opened in 1955, bisects the School District. Exit 13 of the original 16 Turnpike exits is located where State Route 14 meets Interstate 480. Direct high-speed access to the suburbs and city of Cleveland, approximately 25 miles to the northwest, is provided via Interstate 480. State routes 14, 43 and 303 join in the center of the community forming the most heavily traveled intersection in Portage County, according to regional transportation data. Rail access is provided to the business community via the Wheeling-Lake Erie Railway. General aviation access is available via the Portage County Airport in nearby Shalersville Township. Commercial air access is available via Cleveland Hopkins Airport, Akron-Canton Regional Airport and Pittsburgh International Airport. The Cuyahoga River flows south-southwest through the community into Lake Rockwell.

Leading regional and national cultural institutions are readily accessible including the Cleveland Art Museum, Cleveland Natural History Museum, Western Reserve Historical Society, Great Lakes Science Center, Rock and Roll Hall of Fame, Cleveland Orchestra and National Inventors Hall of Fame. Major colleges, universities and post-secondary educational institutions are located nearby. Portage County's primary health care facility is Robinson Memorial Hospital. Other nationally recognized medical institutions including the Cleveland Clinic, University Hospitals and Children's Hospital Medical Center of Akron are nearby. Housing opportunities are numerous and include apartments, condominiums, assisted care facilities, cluster homes and single family homes. The School District has a diverse socio-economic profile that includes middle- and upper-income families. Approximately 10 percent of the School District's students are non-caucasian, according to the Ohio Department of Education. The opening of Ohio Turnpike Exit 13 in 1955 began a migration of people into Streetsboro that continues today. Initially, most new residents were from Ohio and the surrounding states. Today, many newcomers are from the Far East and India as well as all regions of the United States.

As of June 30, 2005, the School District had more than 2,000 public students enrolled in five school buildings: Wait Elementary School, Campus Elementary School, Henry Defer Intermediate School, Streetsboro Middle School and Streetsboro High School. As a result of population growth, voters in March 2000 approved a \$15,550,000 bond issue to finance additions and renovations to existing school buildings and to construct a new school. Enrollment trends suggest that the School District may have to build additional school facilities before the end of the current decade. As part of the March 2000 bond issue, the Board of Education has purchased approximately 100 acres for future school development. Vocational educational programs are offered to students through the Maplewood Area Joint Vocational School District, which serves most Portage County school districts. Education for children with low-incidence special needs is provided by the Portage County Board of Mental Retardation and Developmental Disabilities, an unaffiliated public agency. The School District also operates several ancillary facilities including a central transportation and maintenance facility and several athletic facilities. The federal Head

Start program leases land from the Board of Education for a pre-school program facility that serves children in the community who have not attained school age.

Besides the facilities of the School District, other local governments and agencies provide cultural and recreational opportunities of local interest. The Portage County Library District operates a library for local residents in a building on Board-owned land. The State of Ohio Department of Natural Resources operates Tinker's Creek State Park, which is located in northwestern Streetsboro. In addition to traditional municipal services, the City of Streetsboro also sponsors many activities for children and senior citizens. Public health needs are served through the Portage County General Health District.

Following a period of decline during the 1980s, the enrollment of the School District grew by roughly one-third during the 1990s. Several new housing developments are under construction or being planned. Through the use of Ohio's Enterprise Zone incentive program, approximately 50 new businesses, mostly industrial, have been attracted to the community. According to the Ohio Department of Development data analyzed by the Ohio Association of School Business Officials, the City of Streetsboro currently has been the third most aggressive city in northeastern Ohio in offering tax abatements to lure business investment. The City of Streetsboro has also encouraged commercial development through the use of tax-increment financing for infrastructure improvements. In the next few years, the School District expects some financial improvement as a result of the expiration of tax abatements given to lure those businesses to the community. Depending on the pace of residential development, the School District expects student enrollment to increase in the range of 25% to 50% in the next 10 years.

Organization of the School District

The Board of Education (the "Board") of the School District is comprised of five members elected at large by the citizens of the School District. The Board serves as the taxing authority, contracting body, appropriating entity and policy initiator for the School District. The Board is responsible for the adoption of a tax budget, an annual operating budget and approves all debt issues of the School District. The Board is a body politic and corporate pursuant to Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it or otherwise implied by State statute.

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all administrative operations within the School District. Mr. Thomas Giovagnoli was appointed as superintendent of the School District on June 14, 2001. His contract to serve as superintendent expires on July 31, 2006. Mr. Giovagnoli joined the School District in 1995 and previously served as principal of Streetsboro Middle School and, most recently, as principal of Streetsboro High School.

The Treasurer is the chief financial officer of the School District and is responsible directly to the Board for all financial operations, investments, custody of all School District funds and assets, and serves as Secretary to the Board. Mr. Todd Puster was initially appointed on January 2, 1999. Mr. Puster was most recently reappointed to his position in January 2005 and his current contract expires on the date of the Organizational Meeting of the Board of Education in January 2009. Mr. Puster has more than 10 years of Ohio service as a school district Treasurer.

All other School District employees, except those who report directly to the Treasurer, are responsible to the Superintendent and are employed by the Board upon the recommendation of the Superintendent.

Fiscal Caution Designation

On March 30, 2005, the Ohio Department of Education placed the Streetsboro City School District in Fiscal Caution, the lowest of three levels of fiscal distress in which a school district can be placed. The Department of Education cited concerns about projected deficit cash balances beginning in Fiscal Year 2005-2006. Contributing to the declaration was the reluctance of the Board of Education to reduce teaching staff and increase student class sizes as a result. Subsequently, the Board of Education approved a Fiscal Caution Recovery Plan and approved a 3.50-mill five-year operating levy in order to improve its cash position. The School District is eligible to have the status reviewed and possibly rescinded during Fiscal Year 2005-2006.

Economic Condition and Future Outlook

Centrally located between the four major cities of northeastern Ohio—Cleveland, Akron, Canton and Youngstown—the City of Streetsboro offers excellent opportunities for business enterprises. The City currently has three industrial parks and a developer is contemplating requesting development authority for a fourth. The City currently has several modern shopping areas open, under construction or proposed with land available for future development. Construction has occurred on less than half of the land available for development. Contrasted with other locales in northeastern Ohio, the City of Streetsboro has a favorable economic environment with a comparatively low tax rate for business establishments.

The School District works cooperatively with the Portage County Economic Development Corporation and the Streetsboro Chamber of Commerce to attract new businesses to the area. In the past six years, the assessed valuation of property in the School District has doubled as a direct result of increased business and residential development.

The School District's financial condition continues to be an area of focus for the Board of Education and Administration. In litigation now referred to 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 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 School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations. The DeRolph Case was appealed to the United States Supreme Court, which decided not to hear the case.

The Reporting Entity

The School District has reviewed its reporting entity definition in order to ensure conformance with the GASB Statement No. 14, "The Financial Reporting Entity" and GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14". In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the School District (the primary government) and its potential components units.

The Stark Portage Area Computer Consortium (SPARCC) is reported as a jointly governed org. without equity interest. The School District also participates in the Portage County School Consortium, an insurance group-purchasing pool.

Major Initiatives and Accomplishments

As of October 2004, 2099 students were enrolled in the School District's five school buildings compared to 2,075 enrolled in October 2003, an increase of 1.2%. The School District recently has reviewed potential housing starts and projected enrollment and has determined that major growth in pupil enrollment will occur during the next 10 years. According to reports the City of Streetsboro has filed with the Ohio Board of Building Standards, 760 dwelling units were constructed in the City in the four years from 2001 through 2004, an average of 190 per year. Student enrollment is projected to rise to approximately 4,000 students when the City is built out over the next 10 to 20 years. According to the City of Streetsboro, not less than 2,000 additional housing units will likely be built. This data is based not only on approved housing development plans, but also on submissions to city planning officials and the statements of various developments. Approximately 40 percent of the land that can be developed in the community has been to date. As a result, the School District is considering placing a bond issue before the electorate either in 2006 or 2007 to build a new high school and develop its campus.

According to the most recent data reported by the Ohio Department of Education, the average pupil-teacher ratio is 15.0:1 for the Streetsboro City School District. This ranks Streetsboro at 2nd lowest of the four city school districts in Portage County and 3rd lowest of all 11 Portage County school districts. Meanwhile, the average teacher salary of \$46,942 places the School District at the lowest of the four city school districts and in 6th place of all 11 school districts in the county. According to enrollment projections prepared by an independent consultant, the School District will add approximately 300 students in the next five years. Members of the Board and administration believe this estimate is likely to prove conservative.

A variety of educational programs are offered to meet the educational needs of the students. In addition to the general education program, programs for children with above-average and below-average cognitive abilities are available to meet the unique needs of those children. Effective with the 2002-2003 school year, the School District has begun to offer an all-day, every-day kindergarten program. The administration believes improved student test scores at the elementary level are materially attributable to this initiative and related academic improvement efforts.

High school students are offered a variety of courses designed to provide college preparation and workforce training. Four units of study are required of high school students in core academic areas. Eighth grade students with sufficient academic ability may also enroll in certain courses taught at a high-school level of understanding. A major curriculum realignment has been put in place. The goal of this initiative is to improve the delivery of instruction from teacher to student. Several advanced placement courses are also offered at the high school and more advanced placement offerings are under consideration for addition to the curriculum as a result of student interest. The School District is also evaluating its high school instructional delivery system to move away from a four-by-four block schedule in order to improve student preparation for the 10th grade Ohio Graduation Test. Post-secondary enrollment options are available from several nearby institutions of higher education, including the University of Akron and Kent State University. The high school and middle school offer extracurricular, athletic and fine arts programs. All schools have libraries, lunch programs and dedicated space for art, music and physical education. Outside programs, such as Drug Abuse Resistance Education (DARE), are offered to students on an age-appropriate basis. The School District has one of the most comprehensive guided reading programs for elementary-age students available in the State of Ohio. In addition, the School District has invested well in excess of \$100,000 in the past two years for textbooks and ancillary materials in order to align reading and language arts curricula with State of Ohio Proficiency Tests.

The Board of Education has commended the efforts of faculty, administration and staff who contributed to efforts resulting in the School District becoming rated an Effective school district by the State of Ohio. Previously, the School District was rated in Continuous Improvement. Four of the five schools of the School District receive independent ratings. (Wait Elementary is not rated independently because this building has no students who qualify to take State Proficiency Tests.) Campus Elementary School achieved an Excellent rating in the 2004-2005 school year, with its tested students meeting all State testing standards. On the reading achievement test, Campus Elementary students ranked first in Portage County. Defer Intermediate School ranked in Continuous Improvement. Both Streetsboro Middle School and Streetsboro High School ranked as effective schools. The School District did not meet the Annual Yearly Progress requirement of the Federal No Child Left Behind Act solely as a result of one subcategory of students not meeting performance NCLB goals. For the 2005-2006 school year, the instructional leadership of Defer Intermediate School has changed. A principal and assistant principal with successful backgrounds in improving the level of academic achievement of underperforming schools were employed with the goal of moving Defer Intermediate School out of Continuous Improvement. The assistant principal also is believed to be the first non-caucasian administrator employed by the School District.

Starting in school year 2003 and continuing through 2006 the School District's mission is to make technology available to all students so that they are technology literate by the end of the eighth grade. It is the vision of the School District to continue to implement and upgrade a curriculum-based technology plan which will reflect a School District commitment to accomplish the following: increased student research, problem solving, thinking and communication skills; prepare all students in the School District to function effectively in a technology based world; provide students with the tools, knowledge, and training required from them to access, explore, and create information sources; support curriculum development and communication by maintaining and enhancing connectivity between classrooms, buildings, agencies, and the community; provide continuous staff development opportunities to implement the technology plan; provide the community with the opportunities for technology awareness, training, involvement, and connectivity; and continually evaluate and revise the technology/curriculum plan to ensure that the necessary materials will be provided, maintained and upgraded.

The student to computer ratio in the School District is a minimum of 5 students per computer and in most buildings it is 4:1, or better. Recent financial challenges that the School District has faced will make maintaining and enhancing this technology challenging. All teachers and paraprofessionals will be actively involved in the use of technology for instruction and assessment to improve student learning. The School District intends to provide state of the art hardware at all workstations in the classrooms and labs.

Specialists in reading, mathematics, guidance, art, music and physical education support classroom teachers at all levels. Nurses, psychologists, speech pathologists and other aides are employed to assist students at all levels. The School District's Special Services program includes school health and psychological services, pupil appraisal, counseling, guidance, special education, speech, language and hearing services.

The School District's seeks to provide an academic program that is competitive with its peers. Some attributes of these programs, listed by school building, include:

Streetsboro High School

*Streetsboro High School, built in 1961, offers approximately 90 courses in a four-by-four block format, including honors and accelerated courses in English, mathematics, science and social studies.

*High School students participate in Ohio's Post-Secondary Enrollment Options Act allows 9th through 12th grade students to enroll full- or part-time at approved public colleges, universities or technical schools. Nine students participated during school year 2004-2005 The School District currently has students enrolled at Kent State University and the University of Akron. The purpose of the act is to promote rigorous education pursuits and to provide a wide variety of educational options for students.

*More than half of the 130 graduates of the Streetsboro High School Class of 2005 have enrolled in post-secondary instruction. The graduates received approximately \$670,000 in college scholarships. Three graduates enlisted in the armed services of the United States.

*The School District holds a license from the Federal Communications Commission to operate from Streetsboro High School a 1,000-watt FM broadcast radio station, WSTB-FM. The signal of 88.9 FM is available throughout Portage County and in parts of adjacent counties. Three fine-arts classes are offered in conjunction with WSTB.

*The School District operates a local cable access television station, Channel 16. Four fine-arts classes are offered in conjunction with Channel 16.

*The School District supports a School to Work Program that gives students in grades 9-12 the opportunity to shadow professionals in careers of interest to them. Seniors have the option of engaging in an approved mentorship during the last nine weeks of their senior year.

*The High School has met the NCLB Annual Yearly Progress requirement, met three of five performance standards on the Ohio Graduation Test and exceeded State attendance rate requirements at 95.6%. The graduation rate was 98.3%.

*High School students, along with Middle School students, are eligible to participate in a wide range of interscholastic sports programs, sanctioned where applicable by the Ohio High School Athletic Association.

*Streetsboro High School has a variety of music programs that have received regional and statewide recognition.

Streetsboro Middle School

*Streetsboro Middle School, built in 1968, serves all District students enrolled in grades eight and seven. An innovative curriculum mixing a full-year core of academic offerings is combined with trimester offerings for related arts programs such as foreign language instruction, computer and technology instruction, home economics instruction and fine arts instruction.

*Streetsboro Middle School has top flight music programs. Students consistently receive top-level ratings at interscholastic musical competitions. The Middle School Jazz Band is the only Middle School Jazz Band in the State of Ohio invited to perform at the Ohio Music Education Association Conference of Music Educators. At the Mayfield Jazz Festival in April 2005, the Jazz Band received accolades in performance as compared with high school level jazz bands.

*The Middle School also has highly praised athletic programs. Track-and-field and cross country programs have received local and Statewide recognition.

*Prior to the start of the 2004-2005 school year, the Middle School enhanced its computer and media center.

Defer Intermediate School

*Defer Intermediate School serves students from throughout the School District in grades six, five and four. Opened for the 2002-2003 school year, Defer Intermediate is the newest school physical plant in the School District.

*Defer Intermediate offers a variety of enrichment and intervention programs for students with such needs. These opportunities are offered at little or no cost to students.

*Students generally receive grade-level instruction in teams of two teachers. Each teacher generally teaches two academic core subjects in which the instructor has developed pedagogical expertise. (For example, one teacher may provide instruction in language arts and social studies while the second teacher will provide instruction in math and science.)

*Music, art and physical education instruction is an integral part of the curriculum. Technology instruction is provided to all students at least once per week. Starting in the fifth grade, students are eligible to participate in band.

*Defer Intermediate offers students a variety of clubs and activities. The School has a student council and a juggling club that is well regarded in the community.

*Defer Intermediate has entered into a partnership with Kent State University to use reading and math probes to assess the achievement of special education students who receive instruction in regular classrooms.

Campus Elementary School

*Campus Elementary School, built in 1968 serves students from throughout the School District in grades three and two in an academically rich environment. It is the first school in the School District to earn an Excellent Rating from the State of Ohio.

*In the 2004-2005 school year, Campus Elementary School successfully implemented a two-hour per day time block for language arts instruction, and to group students flexibly by ability level. The goal structuring the student day in this manner was to allow every child to learn at his own pace. It also has given teachers and the principal the ability to have students change instructors throughout the school year as warranted by the academic performance of the child.

*Campus Elementary School also uses flexible ability grouping for mathematics instruction. In order to meet the needs of the students, pupils may change teachers for mathematics instruction as they do for language arts instruction.

*In order to meet the needs of students struggling with academic achievement, Campus Elementary offers enrichment instruction on Saturdays through a State grant. Participation has exceeded the initial expectations of the administration.

Wait Primary School

*Wait Primary School, built in 1961, serves students from throughout the School District in grades one and kindergarten. Effective for the 2005-2006 school year, the School District is operating a pre-school program from the school in lieu of providing such instruction for special needs students in an out-of-district setting.

*Wait Primary offers all-day everyday kindergarten on behalf of the School District to all students without charge to the parent. Since it began in the 2002-2003 school year, more than 600 students have participated in the program. The administration proffers that the foundation for improving student performance at Campus Elementary School on state-mandated tests is laid through this program.

*First grade Reading Recovery, an intensive skill based reading program, is offered for low performing students with the goal of having them read at or above grade level prior to the end of their first grade year. Additional reading intervention is offered to students as needed.

Other Programs

The Streetsboro Education Foundation, provides additional funding to support the classroom instructional activities of the School District. It is established as a School District Educational Foundation in accordance with Ohio law, and is legally controlled by the Board of Education. A governing board, appointed by the Board of Education, reviews requests for grant funding. Efforts to expand the scope of foundation activities are currently under study.

A number of parent support and booster clubs support academic, service, fine arts and extracurricular activities. The Streetsboro Community PTA, which is in its second year of operation, provides support for education program in grades PK-12.

Promoting Assets through Character Education in Streetsboro (P.A.C.E.S.) is a program formulated by the School District and community representatives and adopted by the Board. The mission of P.A.C.E.S. is to identify and nurture healthy character traits that promote life-long growth and development in the children, families and community of the School District.

Long-term Financial Planning

The School District prepares the statutorily required five-year forecast, which is based on forecasting revenues and expenditures for the current year and the four following years. The five-year forecast is a tool that helps the School District determine when additional revenues are needed or expenses need to be reduced. The five-year forecast was instrumental in determining the School District placing the 3.5 mill tax levy on the ballot for additional tax revenues in future years.

Financial Information

This is the third year the School District has prepared financial statements following GASB Statement No. 34 "Basic Financial Statements – Management's Discussion and Analysis – State and Local Governments." GASB Statement No. 34 creates new basic financial statements for reporting on the School Districts financial activities as follows:

Government-wide financial statements – These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business type activities.

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

Statement of budgetary comparison – This statement presents a comparison 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, cash disbursements and encumbrances.

As determined by criteria established by GASB Statement No. 34, the School District does not report any activities that qualify as enterprise or business type activities. As part of this new reporting model, management is also responsible for preparing a discussion and analysis of the School District. This discussion follows the State Auditor's Report, providing an assessment of the School District's finances for fiscal year 2005 and the outlook for the future. Because that discussion focuses on major funds, the financial highlights provided in this letter focus on certain nonmajor funds of the School District.

Internal Controls

The management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management. Management believes the School District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Single Audit Act

As a recipient of federal financial assistance, the School District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the School District and certain annual evaluations by the School District's independent auditors.

Budgetary Controls

The School District maintains its accounts, appropriations and other financial records in accordance with the procedures established and prescribed by the Ohio Revised Code and the Ohio Auditor of State. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The School District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

All disbursements and transfers of cash between funds require appropriation authority from the Board. The Treasurer must certify purchase order requests have the necessary funds available. Then, purchase orders are encumbered, and released to vendors. Management may make budgetary modifications as long as the total fund appropriation is not affected.

The accounting system used by the School District provides monthly financial reports which the Board approves. The School District utilizes the State's software program.

In addition to the distribution of month-end reports to its management, and to ensure prescribed budgetary compliance within all levels of the School District, the Treasurer's office publishes and annually distributes to all School District employees the School District's financial handbook detailing the School District's adopted procedures for proper receipting and expending of School District funds.

The basis of accounting and the various funds utilized by the Streetsboro City School District are fully described in Note 2 of the basic financial statements.

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

Cash Management

The School District has authority under Ohio law to use any of the following investment instruments: non-negotiable certificates of deposit, US Treasury Bills, Notes and Bonds, certain bankers acceptance notes and commercial paper notes, along with sweep accounts and STAR Ohio. To maximize earnings, all investments are matched to liabilities. The School District monitors its cash management program and investments on a weekly basis.

Protection of the School District's cash and investments is provided by the Federal Deposit Insurance Corporation as well as by qualified securities pledged by the institution holding the assets. By law, financial institutions may establish a collateral pool to cover all public deposits. As required under Ohio law, pooled securities have been pledged in an amount equal to 105% of the total deposits, to secure the repayment of all public monies deposited in a financial institution. A detailed description of the School District's investment functions is described in Note 5 to the financial statements.

Risk Management

As a political subdivision, the School District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for general liability, property loss, boiler and machinery coverage, and vehicle fleet liability are purchased from insurance companies licensed to do business in the State of Ohio.

The School District participates in a formal risk-management program through the Portage County School Consortium in an effort to minimize risk exposure, and to control claims and premium costs. The Health and Welfare Trust portion of this program is to facilitate the management of risks associated with providing School District employees benefits such as health and accident insurance, disability insurance, and life insurance. A third-party administrator is retained by the consortium to manage the operation of the Health and Welfare Trust.

All employees of the School District are covered by worker's compensation, as required by the Ohio Constitution. The School District has joined a group-rating program through the Ohio School Boards Association in an effort to control these costs.

Pension Plans

All School District employees are covered by the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). The School District's employer contributions to both systems are based on a percentage of employees' salaries. State law requires the School District to pay the employer share as determined by each retirement system, currently 14%. Information regarding pension plans are presented in Notes 13 and 14.

Other Information

Independent Audit

The Ohio Auditor of State's office performed the audit for the year ended June 30, 2005. The goal of the independent audit is to provide reasonable assurance that the financial statements of the School District for the year ended June 30, 2005, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The Auditor of State concluded, based upon its audit, that there was a reasonable basis for rendering an unqualified opinion that the School district's financial statements for the year ended June 30, 2005 are fairly presented in conformity with GAAP. The Independent Accountant's Report is presented as the first component of the financial section of this report.

GFOA Certificate of Achievement

On July 14, 2005, the School District was recognized with the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for the quality of its financial reporting in the CAFR published for the 2003-2004 fiscal year. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. This is the fourth consecutive year in which the School District has received this recognition.

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

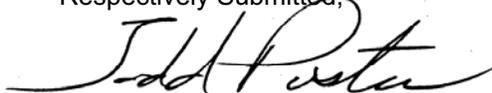
A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to conform to the high standards required by the Certificate of Achievement program.

Acknowledgments

My sincere appreciation and thanks are extended to the many individuals who made the preparation and publication of this CAFR a reality. This accomplishment would not have been possible without the support and efforts of the staff in the Treasurer's office and many other dedicated employees of the School District.

I would also like to extend my appreciation to the members of the Streetsboro City Board of Education for their leadership, support, and commitment to excellence. It is with great pride that the Streetsboro City School District presents the 2005 Comprehensive Annual Financial Report to the citizens and taxpayers of the School District.

Respectfully Submitted,



Todd Puster
Treasurer

Streetsboro City School District
Public Officials Roster
For the Fiscal Year Ended June 30, 2005

Board of Education

William Koleszar, Jr	Board Member, President
Cynthia Pennock-Hannish	Board Member, Vice-President
Kevin Grimm	Board Member
Barbara Cowling	Board Member
Eileen Kutinsky	Board Member

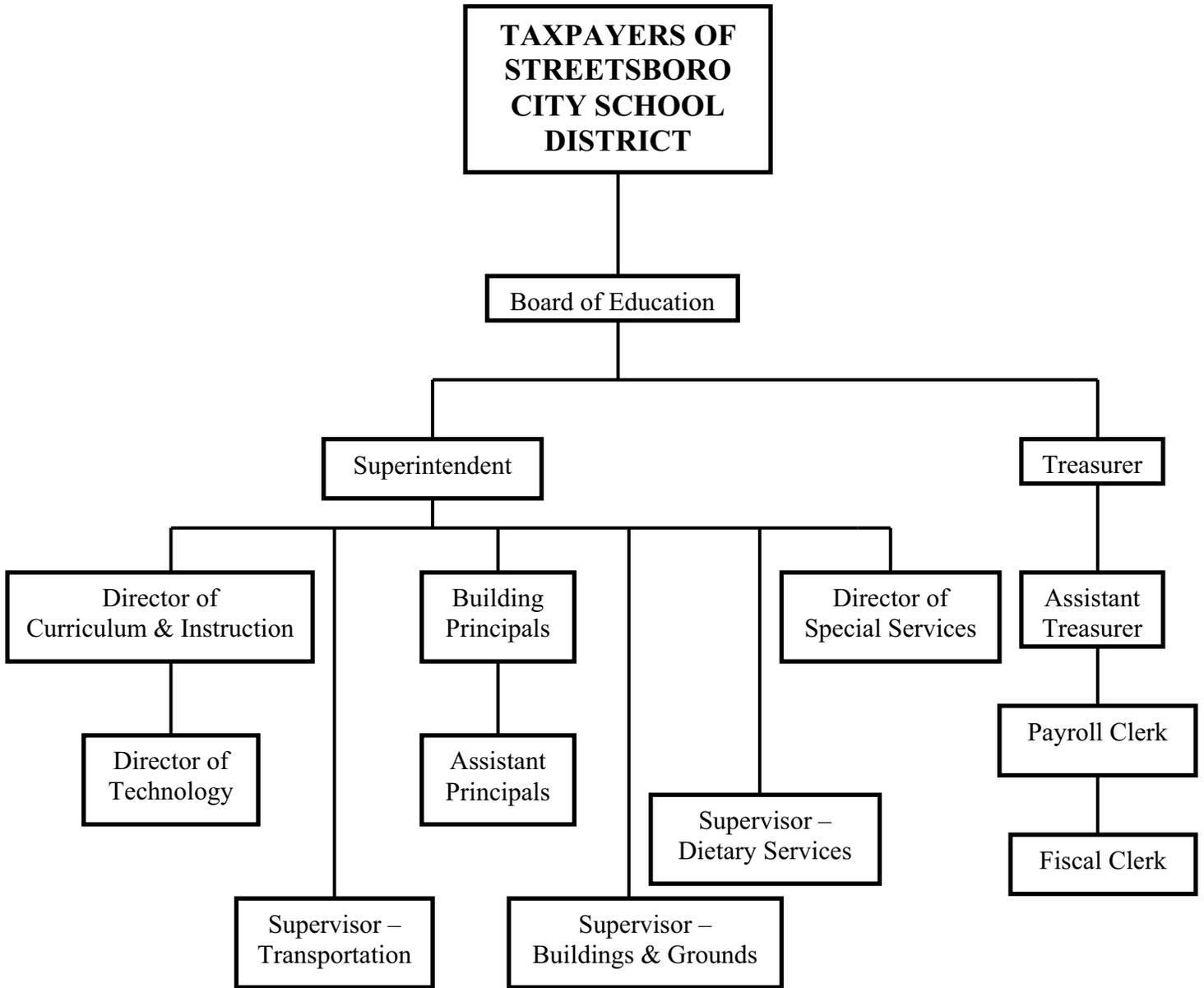
Executive Administration

Thomas Giovagnoli	Superintendent
Todd Puster	Treasurer
Agatha Van Brocklin	Director of Curriculum
Richard Vrable	Director of Special Services

Operating Administrators

James Montaquila	Principal, Streetsboro High School
George Hammond	Principal, Streetsboro Middle School
Carla Rodenbucher	Principal, Defer Intermediate School
Sheryl Langell	Principal, Campus Elementary School
Karen Frank	Principal, Wait Elementary School
Barbara Dorbish	Director, Food Services
Sharon DeYoung	Director, Transportation Services
Carl Hahn	Director, Maintenance Services

Streetsboro City School District
Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Streetsboro City School District
Ohio

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

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

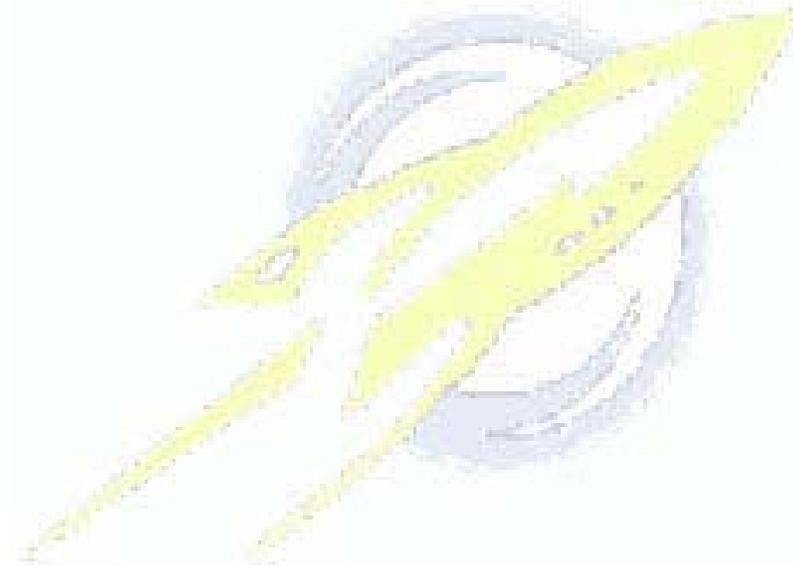


Nancy L. Zjella

President

Jeffrey R. Enen

Executive Director



FINANCIAL SECTION



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Streetsboro City School District
Portage County
9000 Kirby Lane
Streetsboro, OH 44241

To the Board of Education:

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

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

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

As described in Note 3, During the year ended June 30, 2005 the District implemented the Technical Bulletin and GASB Statement No. 45. As a result certain beginning fund balances were required to be restated. These restatement involve reporting pension and other postemployment benefit liabilities on the governmental fund financial statements where beforehand were exclusively reported on the government - wide financial statements.

The District is experiencing certain financial difficulties. These conditions and management's plans to address these conditions, are described in Note 21.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2006, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Voinovich Government Center / 242 Federal Plaza W. / Suite 302 / Youngstown, OH 44503
Telephone: (330) 797-9900 (800) 443-9271 Fax: (330) 797-9949
www.auditor.state.oh.us

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

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

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

Betty Montgomery
Auditor of State

January 27, 2006

Streetsboro City School District

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

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

Financial Highlights

Key financial highlights for 2005 are as follows:

- Unrestricted net assets carried a deficit balance of \$1,361,703, an increase of \$779,562 from the prior year's deficit balance of \$2,141,265. This component of net assets is primarily related to the activity of the general fund.
- In total, net assets of governmental activities equaled \$855,337, which is an increase of \$1,012,788 from the prior year. Further analysis of this increase may be found on page five.
- General revenues accounted for \$20,246,240 or 91% of all revenues. Program specific revenues in the form of charges for services, operating grants, contributions and interest, and capital grants and contributions accounted for \$1,902,779, or 9% of total revenues of \$22,149,019.
- The School District had \$21,136,231 in expenses related to governmental activities; program revenues offset \$1,902,779 of these expenses. \$20,246,240 in general revenues was sufficient to provide for these programs resulting in an increase in net assets of \$1,012,788.
- Of the total governmental expenses of \$21.1 million, expenses related to the instruction of students amounted to \$11.5 million, or 55% of this total.
- At the end of the fiscal year, the unreserved fund balance for the general fund is reporting a deficit of \$1,863,227, which is an increasing deficit from the prior year deficit balance of \$1,699,526.

Using this Annual Financial Report

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

The statement of net assets and statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School 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 present how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

The analysis of the School District as a whole begins on page 5. While this document contains information about a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and helps answer the question, "How did we do financially during 2005?" These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting, takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net assets and the statement of activities, the School Districts' activities are considered to be all governmental activities.

Governmental Activities - Most of the School District's programs and services are reported here including instruction, support services, operation of non-instructional services and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 9. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general and bond retirement debt service funds.

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

Streetsboro City School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2005
 Unaudited

The School District as a Whole

Recall that the statement of net assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2005 as compared to 2004.

Table 1
Net Assets

	<i>Governmental Activities</i>	
	<u>2005</u>	<u>2004</u>
<u>Assets:</u>		
<i>Current and other assets</i>	\$ 15,074,067	\$ 11,850,986
<i>Capital assets, net of depreciation</i>	<u>17,613,858</u>	<u>18,150,618</u>
<i>Total assets</i>	<u>32,687,925</u>	<u>30,001,604</u>
<u>Liabilities:</u>		
<i>Current and other liabilities</i>	14,733,493	12,246,393
<i>Long-term liabilities:</i>		
<i>Due within one year</i>	1,005,883	1,010,851
<i>Due in more than one year</i>	<u>16,063,212</u>	<u>16,871,811</u>
<i>Total liabilities</i>	<u>31,802,588</u>	<u>30,129,055</u>
<u>Net Assets:</u>		
<i>Invested in capital assets, net of related debt</i>	1,642,765	1,259,281
<i>Restricted</i>	604,275	754,533
<i>Unrestricted</i>	<u>(1,361,703)</u>	<u>(2,141,265)</u>
<i>Total net assets</i>	<u>\$ 885,337</u>	<u>\$ (127,451)</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2005, the School District's assets exceeded liabilities by \$885,337. Although net assets increased \$1,012,788 during the fiscal year, it should be noted that total assets increased \$2,686,321. This increase is mainly due from an increase in collections of property taxes revenue, which is the result of a 5.25 mills continuing operating levy that was approved during the previous fiscal year.

Capital assets, net of related debt reported on the government-wide statements represents a large component of net assets. Capital assets include land, buildings and improvements, furniture, fixtures and equipment and vehicles, and are used to provide services to students and are not available for future spending. Although the School 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 School District's net assets, \$604,275, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net assets, \$418,656 or 69% is restricted for debt service payments and \$185,619 or 31% is restricted for other purposes. Net assets restricted for other purposes primarily include amounts generated by individual school buildings to supplement co-curricular and extra-curricular programs, and for operating new and innovative programs designed to enhance or promote education with the School District. The remaining unrestricted balance of net assets is a deficit of \$1,361,703 and is insufficient to meet the government's ongoing obligations.

Streetsboro City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

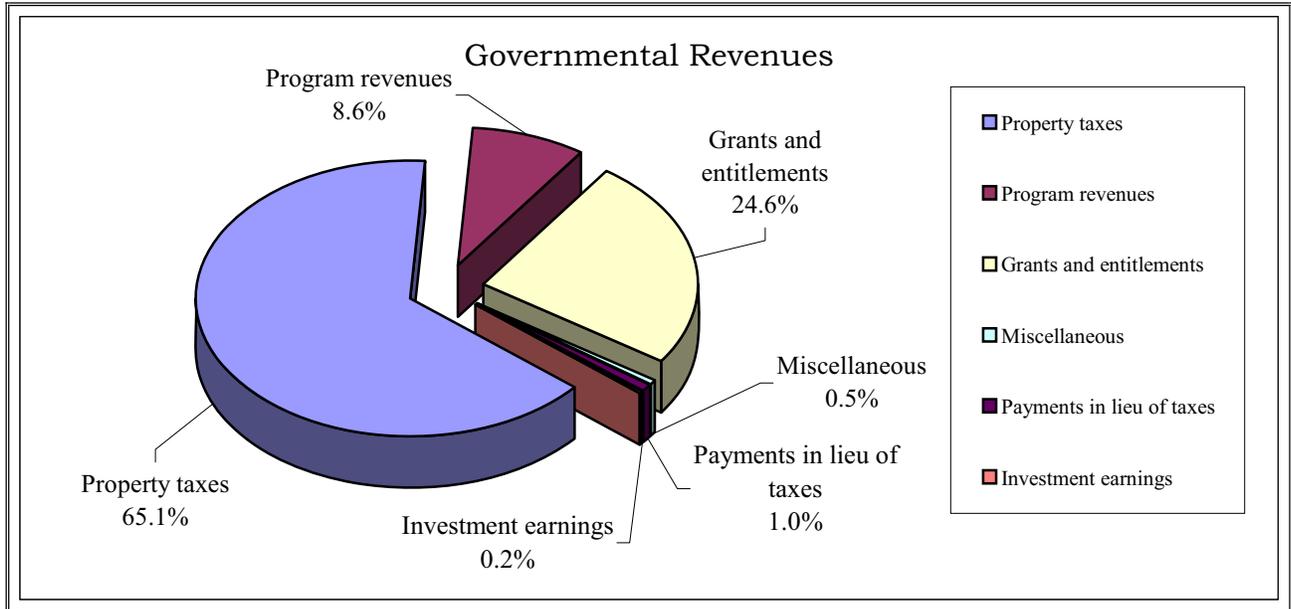
Table 2 shows change in net assets for fiscal year 2005 as compared to 2004:

Table 2
Change in Net Assets

	<i>Governmental Activities</i>	
	<u>2005</u>	<u>2004</u>
Revenues		
<i>Program revenues:</i>		
Charges for services	\$ 829,966	\$ 882,084
Operating grants, contributions and interest	1,058,089	873,983
Capital grants and contributions	14,724	335
<i>General revenues:</i>		
Property taxes	14,422,379	12,136,119
Grants and entitlements	5,459,223	5,368,164
Payments in lieu of taxes	217,154	159,672
Investment earnings	35,127	18,662
Miscellaneous	112,357	50,286
Total revenues	<u>22,149,019</u>	<u>19,489,305</u>
Program Expenses		
<i>Instruction:</i>		
Regular	9,365,035	8,434,134
Special	1,321,358	1,076,296
Vocational	72,288	68,563
Adult/continuing	11	4,903
Other	756,333	510,639
<i>Support services:</i>		
Pupils	1,517,712	1,342,869
Instructional staff	821,338	841,230
Board of education	217,243	169,628
Administration	1,485,778	1,434,668
Fiscal	648,501	600,967
Business	118,596	114,440
Operation and maintenance of plant	1,620,973	1,849,139
Pupil transportation	984,640	1,015,283
Central	102,246	80,205
<i>Operation on non-instructional services:</i>		
Food service operations	757,199	733,258
Community services	111,740	107,455
Extracurricular activities	458,041	430,399
Interest and fiscal charges	777,199	804,542
Total expenses	<u>21,136,231</u>	<u>19,618,618</u>
Change in net assets	<u>\$ 1,012,788</u>	<u>\$ (129,313)</u>

Governmental Activities

Several revenue sources fund governmental activities with property taxes and State foundation revenues being the largest contributors. Property tax levies generated over \$14.4 million in 2005. General revenues from grants and entitlements, such as the school foundation program, generated over \$5.4 million. With the combination of taxes and intergovernmental funding 89.8% of all revenues, the School District monitors both of these revenue sources very closely for fluctuations.



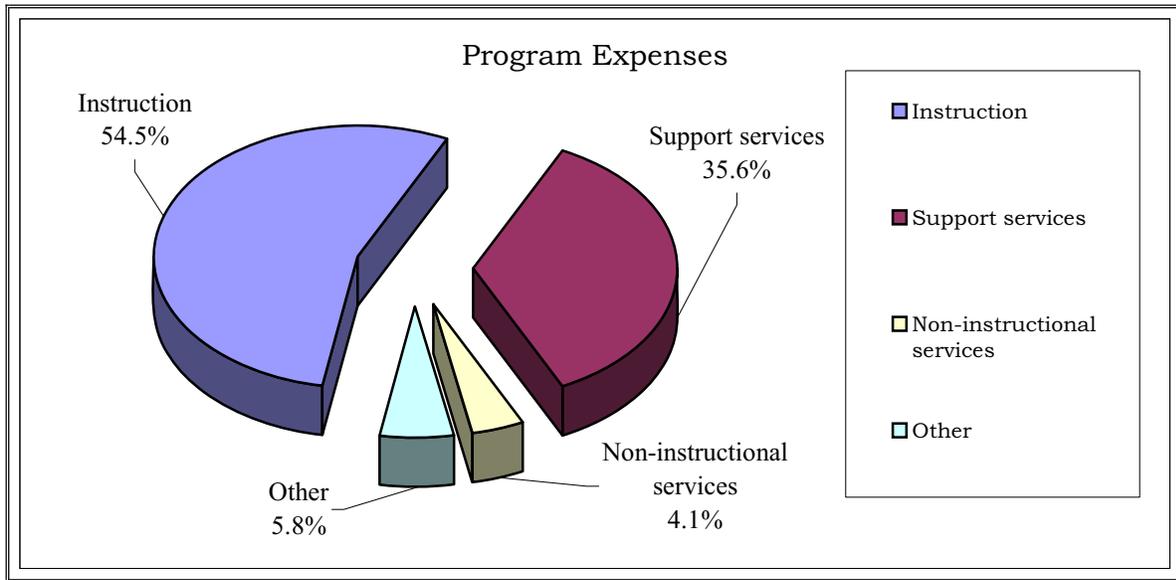
Instructional services comprise 54.5% of governmental program expenses. Additional supporting services for pupils, staff, administration and business operations encompassed an additional 35.6%. The remaining 9.9% of program expenses is used for other obligations of the School District such as non-instructional services, extracurricular activities and interest and fiscal charges. Instructional expenses include activities directly related to the teaching of pupils and the interaction between teacher and pupil.

Total expenses increased \$1,517,613, or 7.7% as compared to fiscal year 2004. This was mainly due to an increase of \$1,420,490 in expenses related to instructional services. Instructional expenses include activities directly related to the teaching of pupils and the interaction between teacher and pupil. The primary cause to the increase was due to the effects of increased staff necessary as a result of an increase in enrollment.

Total support service expenses increased \$68,598 from the previous fiscal year. Pupil services include the activities involved in assessing and improving the well-being of pupils and to supplement the teaching process. These expenses represent \$1,517,712, or 7.2% of the total governmental program expenses. Expenses for these programs increased \$174,843, or 13% as compared to fiscal 2004. One of the most significant causes to this increase as stated in the latter was the hiring of additional staff as a result of an increase in enrollment.

Streetsboro City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Operation and maintenance of plant expenses refer to the care and upkeep of the buildings, grounds, equipment and the safety of the School District's operations. The total cost for the operation and maintenance services was \$1,620,973, or 7.7% of the total governmental program expenses. Costs associated for this program decreased \$228,166, or 12.3% as compared to fiscal year 2004. In the previous fiscal year this program had extra costs associated with depreciation which was the main attribute for the decrease in the fiscal year 2005.



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements for fiscal year 2005.

Streetsboro City School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2005
 Unaudited

The following table compares 2005 to 2004:

Table 3
Governmental Activities

	<i>Total Cost of Services <u>2005</u></i>	<i>Total Cost of Services <u>2004</u></i>	<i>Net Cost of Services <u>2005</u></i>	<i>Net Cost of Services <u>2004</u></i>
Program Expenses				
<i>Instruction:</i>				
<i>Regular</i>	\$ 9,365,035	\$ 8,434,134	\$ (9,062,309)	\$ (8,159,269)
<i>Special</i>	1,321,358	1,076,296	(1,153,550)	(895,955)
<i>Vocational</i>	72,288	68,563	(72,288)	(68,563)
<i>Adult/continuing</i>	11	4,903	(11)	597
<i>Other</i>	756,333	510,639	(575,897)	(362,195)
<i>Support services:</i>				
<i>Pupils</i>	1,517,713	1,342,869	(1,315,132)	(1,219,216)
<i>Instructional staff</i>	821,338	841,230	(700,060)	(732,036)
<i>Board of education</i>	217,243	169,628	(217,243)	(169,628)
<i>Administration</i>	1,485,778	1,434,668	(1,465,624)	(1,433,749)
<i>Fiscal</i>	648,501	600,967	(643,939)	(593,258)
<i>Business</i>	118,596	114,440	(118,596)	(114,440)
<i>Operation and maintenance of plant</i>	1,620,973	1,849,139	(1,618,901)	(1,841,300)
<i>Pupil transportation</i>	984,640	1,015,283	(969,916)	(1,015,283)
<i>Central</i>	102,246	80,205	(102,246)	(73,261)
<i>Other non-instructional services</i>				
<i>Food service operations</i>	757,199	733,258	(111,569)	(56,704)
<i>Community services</i>	111,740	107,455	(18,118)	(27,956)
<i>Extracurricular activities</i>	458,041	430,399	(310,855)	(295,458)
<i>Interest and fiscal charges</i>	777,199	804,542	(777,199)	(804,542)
<i>Total expenses</i>	<u>\$ 21,136,232</u>	<u>\$ 19,618,618</u>	<u>\$ (19,233,453)</u>	<u>\$ (17,862,216)</u>

The dependence upon general revenues for governmental activities is apparent with only 9% of expenses supported by program revenues.

The School District's Funds

The fund financial statements for the School District's major funds start on page 15. The School District's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$22,051,010 and total expenditures of \$21,406,626. The net change in fund balance for the fiscal year was most significant in the general fund, an increase of \$755,538. This increase was the result of the first full year of collections of the new property tax levy as well as holding expenditure increases to a minimum.

Streetsboro City School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2005
 Unaudited

General Fund Budgeting Highlights

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

During fiscal year 2005, the School District amended its general fund budget; however this amendment was not significant. Budget revisions are presented to the Board of Education for approval.

For the general fund, the final budget basis revenue and other financing sources estimate was \$20,106,900, which was somewhat higher than the original budget estimate of 19,872,712. The most significant cause to this \$234,188 increase was the issuance of \$200,000 tax anticipation notes during the year, which was not included in the original budget amount.

The original expenditures and other financing uses estimate of \$19,754,711 was revised during the fiscal year. The final appropriated amount was \$20,020,414, which was an increase of \$265,703. This increase was also attributed to the \$200,000 in tax anticipation notes issued to meet current operating expenditures. The repayment of these notes was subsequently repaid from the bond retirement debt service fund.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2005, the School District had \$17,613,858 invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. Table 4 shows fiscal year 2005 balances compared to fiscal year 2004.

Table 4
Capital Assets, at Fiscal Year End
(Net of Depreciation)

	<i>Governmental Activities</i>	
	<u>2005</u>	<u>2004</u>
<i>Land</i>	\$ 1,635,135	\$ 1,635,135
<i>Land improvements</i>	393,536	423,351
<i>Buildings and improvements</i>	14,285,047	14,620,654
<i>Furniture, fixtures and equipment</i>	452,340	537,599
<i>Vehicles</i>	847,800	933,879
<i>Total capital assets, net</i>	<u>\$ 17,613,858</u>	<u>\$ 18,150,618</u>

All capital assets, except land are reported net of depreciation. As one can see there were significant decreases in all asset classes with the exception of land. This total decrease in capital assets was primarily caused by the current year depreciation expense of \$653,033 exceeding the additions. See Note 9 to the basic financial statements for additional information on the School District's capital assets.

Streetsboro City School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2005
 Unaudited

Debt

At June 30, 2005 the School District had \$16,004,778 in bonds outstanding with \$869,000 due within one year. Table 5 summarizes the debt and capital lease outstanding:

*Table 5
 Outstanding Debt and Capital Leases, at Fiscal Year End*

	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
<i>Permanent improvement</i>	\$ 14,840,000	\$ 15,435,000
<i>Equipment purchase</i>	380,000	555,000
<i>Energy conservation</i>	783,212	879,413
<i>Capital leases</i>	<u>1,566</u>	<u>21,924</u>
<i>Total outstanding</i>	<u>\$ 16,004,778</u>	<u>\$ 16,891,337</u>

At June 30, 2005 the School District's overall legal debt margin was \$20,039,894 with an unvoted debt margin of \$395,656. The School District is rated Aaa by Moody's Investor Service. See Notes 15 and 16 to the basic financial statements for the repayment schedules of the bonded debt and the capital leases.

Capital leases are to be repaid from the general fund, and the bonds are to be repaid from the bond retirement debt service fund. The School District has budgeted to meet all of the School District's debt requirements.

During the fiscal year the School District issued and subsequently retired a \$200,000 tax anticipation note. See Note 8 to the basic financial statements for more details of this short-term note payable.

Current Issues Affecting Financial Condition

The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. The financial future of the School District is not without its challenges though. These challenges stem from issues that are local and at the State level. The local challenges will continue to exist, as the School District must rely heavily on property taxes to fund its operations. State level challenges continue to evolve as the State of Ohio determines the outcome of the Ohio Supreme Court case dealing with the unconstitutionality of the State's educational funding system. Although the School District relies heavily on its property taxpayers to support its operations, the community support for the schools is quite strong.

The State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional educational funding system, one that was neither 'adequate' nor 'equitable'. Since 1997, the State has directed its additional financial support toward School Districts with little property tax wealth. In May 2001, the Ohio Supreme Court again, ruled that, while the State had made some progress, the current funding system for schools is far too dependent on property taxes, which are inherently not 'equitable' nor 'adequate'. The court directed the Governor and the legislature to address the fundamental issue creating the inequities. See Note 18 to the basic financial statements for more on this contingent matter.

Streetsboro City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Due to the unsettled issues in the school funding, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years.

In conclusion, the School District's system of budgeting and internal controls is well regarded. All of the School District's financial abilities will be needed to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions or need additional financial information, contact Todd Puster, Treasurer, at Streetsboro City School District, 9000 Kirby Lane, Streetsboro OH, 44241.

Streetsboro City School District
Statement of Net Assets
June 30, 2005

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 600,059
Receivables:	
Taxes	14,314,077
Accounts	75,009
Intergovernmental	6,837
Prepaid items	22,351
Inventory held for resale	20,429
Materials and supplies inventory	1,620
Deferred charges	33,685
Capital assets:	
Land	1,635,135
Depreciable capital assets, net	15,978,723
Total capital assets	<u>17,613,858</u>
Total assets	<u>32,687,925</u>
 <u>Liabilities:</u>	
Accounts payable	116,114
Accrued wages	1,411,735
Intergovernmental payable	506,281
Compensated absences payable	67,237
Deferred revenue	12,599,611
Accrued interest payable	32,515
Long-term liabilities:	
Due within one year	1,005,883
Due in more than one year	16,063,212
Total liabilities	<u>31,802,588</u>
 <u>Net assets:</u>	
Invested in capital assets, net of related debt	1,642,765
Restricted for:	
Debt service	418,656
Other purposes	185,619
Unrestricted	<u>(1,361,703)</u>
Total net assets	<u>\$ 885,337</u>

See accompanying notes to the basic financial statements.

Streetsboro City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2005

	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Revenue and Changes in Net Assets
<u>Governmental Activities:</u>					
Instruction:					
Regular	\$ 9,365,035	\$ 157,547	\$ 145,179	\$ -	\$ (9,062,309)
Special	1,321,358	-	167,808	-	(1,153,550)
Vocational	72,288	-	-	-	(72,288)
Adult/continuing	11	-	-	-	(11)
Other	756,333	-	180,436	-	(575,897)
Support services:					
Pupils	1,517,712	13,973	188,608	-	(1,315,131)
Instructional staff	821,338	-	121,278	-	(700,060)
Board of education	217,243	-	-	-	(217,243)
Administration	1,485,778	-	20,154	-	(1,465,624)
Fiscal	648,501	-	4,562	-	(643,939)
Business	118,596	-	-	-	(118,596)
Operation and maintenance of plant	1,620,973	-	2,072	-	(1,618,901)
Pupil transportation	984,640	-	-	14,724	(969,916)
Central	102,246	-	-	-	(102,246)
Operation of non-instructional services:					
Food service operations	757,199	422,968	222,662	-	(111,569)
Community services	111,740	93,622	-	-	(18,118)
Extracurricular activities	458,041	141,856	5,330	-	(310,855)
Interest and fiscal charges	777,199	-	-	-	(777,199)
Total governmental activities	\$ 21,136,231	\$ 829,966	\$ 1,058,089	\$ 14,724	(19,233,452)

General Revenues:

Property taxes levied for:

General purposes	12,699,757
Debt service	1,722,622
Grants and entitlements not restricted to specific programs	5,459,223
Payment in lieu of taxes	217,154
Investment earnings	35,127
Miscellaneous	112,357
Total general revenues	20,246,240

Change in net assets	1,012,788
Net assets beginning of year	(127,451)
Net assets end of year	\$ 885,337

See accompanying notes to the basic financial statements.

Streetsboro City School District
Balance Sheet
Governmental Funds
June 30, 2005

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 44,065	\$ 262,088	\$ 293,906	\$ 600,059
<u>Receivables:</u>				
Taxes	12,826,600	1,487,477	-	14,314,077
Accounts	75,009	-	-	75,009
Intergovernmental	-	-	6,837	6,837
Interfund	14,218	-	-	14,218
Prepaid items	22,351	-	-	22,351
Inventory held for resale	-	-	20,429	20,429
Materials and supplies inventory	-	-	1,620	1,620
Total assets	<u>\$ 12,982,243</u>	<u>1,749,565</u>	<u>\$ 322,792</u>	<u>\$ 15,054,600</u>
<u>Liabilities:</u>				
Accounts payable	\$ 104,934	\$ -	\$ 11,180	\$ 116,114
Accrued wages	1,354,843	-	56,892	1,411,735
Interfund payable	-	-	14,218	14,218
Intergovernmental payable	481,614	-	24,667	506,281
Compensated absences payable	67,237	-	-	67,237
Deferred revenue	11,851,930	1,354,728	-	13,206,658
Total liabilities	<u>13,860,558</u>	<u>1,354,728</u>	<u>106,957</u>	<u>15,322,243</u>
<u>Fund balances:</u>				
<u>Reserved:</u>				
Reserved for encumbrances	10,242	-	15,610	25,852
Reserved for property taxes	974,670	132,749	-	1,107,419
<u>Unreserved, undesignated, reported in:</u>				
General fund	(1,863,227)	-	-	(1,863,227)
Special revenue funds	-	-	200,225	200,225
Debt service fund	-	262,088	-	262,088
Total fund balances	<u>(878,315)</u>	<u>394,837</u>	<u>215,835</u>	<u>(267,643)</u>
Total liabilities and fund balances	<u>\$ 12,982,243</u>	<u>\$ 1,749,565</u>	<u>\$ 322,792</u>	<u>\$ 15,054,600</u>

See accompanying notes to the basic financial statements.

Streetsboro City School District
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2005

Total governmental fund balances		\$ (267,643)
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		17,613,858
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes		607,047
Deferred charges are included in the governmental activities in the statement of net assets.		33,685
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(32,515)
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	\$ (15,220,000)	
Energy conservation notes	(783,212)	
Compensated absences	(1,064,317)	
Capital leases	(1,566)	
Total	<u>(17,069,095)</u>	<u>(17,069,095)</u>
Net assets of governmental activities		<u>\$ 885,337</u>

See accompanying notes to the basic financial statements.

Streetsboro City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2005

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Taxes	\$ 12,811,973	\$ 1,512,395	\$ -	\$ 14,324,368
Intergovernmental	5,294,037	145,571	1,007,125	6,446,733
Interest	35,127	-	814	35,941
Tuition and fees	40,566	-	51,150	91,716
Extracurricular activities	8,676	-	245,764	254,440
Gifts and donations	-	-	43,381	43,381
Charges for services	-	-	523,563	523,563
Rent	1,708	-	-	1,708
Payment in lieu of taxes	217,154	-	-	217,154
Miscellaneous	110,648	-	1,358	112,006
Total revenues	<u>18,519,889</u>	<u>1,657,966</u>	<u>1,873,155</u>	<u>22,051,010</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	8,739,616	-	207,181	8,946,797
Special	1,070,066	-	192,011	1,262,077
Vocational	68,852	-	2,851	71,703
Adult/continuing	-	-	11	11
Other	582,014	-	174,319	756,333
Support services:				
Pupils	1,211,689	-	302,070	1,513,759
Instructional staff	739,848	-	112,293	852,141
Board of education	217,163	-	80	217,243
Administration	1,425,543	-	23,057	1,448,600
Fiscal	611,832	33,722	1,731	647,285
Business	118,040	-	-	118,040
Operation and maintenance of plant	1,559,639	-	8,043	1,567,682
Pupil transportation	882,261	-	142	882,403
Central	95,153	-	3,536	98,689
Operation of non-instructional services:				
Food service operations	-	-	708,735	708,735
Community services	-	-	91,183	91,183
Extracurricular activities	321,027	-	129,299	450,326
Capital outlay	-	-	116,273	116,273
Debt service:				
Principal retirement	20,358	857,000	-	877,358
Interest and fiscal charges	1,250	778,738	-	779,988
Total expenditures	<u>17,664,351</u>	<u>1,669,460</u>	<u>2,072,815</u>	<u>21,406,626</u>
Excess of revenues over (under) expenditures	<u>855,538</u>	<u>(11,494)</u>	<u>(199,660)</u>	<u>644,384</u>
<u>Other financing sources (uses):</u>				
Transfers in	-	-	100,000	100,000
Transfers out	(100,000)	-	-	(100,000)
Total other financing sources (uses)	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	755,538	(11,494)	(99,660)	644,384
Fund balances (deficit) beginning of year, restated	(1,633,853)	406,331	315,495	(912,027)
Fund balances (deficit) end of year	<u>\$ (878,315)</u>	<u>\$ 394,837</u>	<u>\$ 215,835</u>	<u>\$ (267,643)</u>

See accompanying notes to the basic financial statements.

Streetsboro City School District
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, 2005

Net change in fund balances - total governmental funds \$ 644,384

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital asset additions	\$ 116,273	
Depreciation expense	(653,033)	
Excess of depreciation expense over capital outlay		(536,760)

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

Property taxes	98,009
----------------	--------

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 857,000

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets 20,358

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

Increase in compensated absences	\$ (72,992)	
Decrease in accrued interest	1,491	
Total additional expenditures		(71,501)

The amortization of issuance costs and note premium is reflected as an expense in the statement of activities.

Issuance cost	\$ (7,903)	
Premium	9,201	
Total additional expenses		1,298

Change in net assets of governmental activities \$ 1,012,788

See accompanying notes to the basic financial statements.

Streetsboro City School District
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 11,956,964	\$ 11,867,728	\$ 11,867,728	\$ -
Intergovernmental	7,435,847	7,552,591	5,294,037	(2,258,554)
Interest	42,887	50,113	35,127	(14,986)
Tuition and fees	35,739	57,872	40,566	(17,306)
Extracurricular activities	42,887	12,377	8,676	(3,701)
Rent	7,148	2,437	1,708	(729)
Payment in lieu of taxes	285,916	309,797	217,154	(92,643)
Miscellaneous	54,324	53,162	37,264	(15,898)
Total revenues	<u>19,861,712</u>	<u>19,906,077</u>	<u>17,502,260</u>	<u>(2,403,817)</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	9,785,990	9,860,157	8,702,881	1,157,276
Special	1,121,505	1,112,181	981,645	130,536
Vocational	76,345	77,610	68,501	9,109
Other	398,775	652,555	575,965	76,590
Support services:				
Pupils	1,343,563	1,374,115	1,212,833	161,282
Instructional staff	811,358	845,208	746,005	99,203
Board of education	241,047	253,258	223,532	29,726
Administration	1,700,957	1,649,005	1,455,463	193,542
Fiscal	684,775	681,647	601,641	80,006
Business	164,310	153,662	135,625	18,037
Operation and maintenance of plant	1,835,088	1,807,949	1,595,752	212,197
Pupil transportation	1,109,614	1,000,422	883,003	117,419
Central	90,123	91,397	80,670	10,727
Extracurricular activities	380,261	358,701	316,600	42,101
Total expenditures	<u>19,743,711</u>	<u>19,917,867</u>	<u>17,580,116</u>	<u>2,337,751</u>
Excess of revenues over (under) expenditures	<u>118,001</u>	<u>(11,790)</u>	<u>(77,856)</u>	<u>(66,066)</u>
<u>Other financing sources (uses):</u>				
Proceeds from the sale of notes	-	200,000	200,000	-
Refund of prior year expenditures	1,000	399	399	-
Refund of prior year receipts	(500)	-	-	-
Advances in	10,000	424	424	-
Advances out	(500)	(2,547)	(2,547)	-
Transfers out	(10,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	<u>-</u>	<u>98,276</u>	<u>98,276</u>	<u>-</u>
Net change in fund balance	118,001	86,486	20,420	(66,066)
Fund balances at beginning of year	8,005	8,005	8,005	-
Prior year encumbrances appropriated	2,005	2,005	2,005	-
Fund balances at end of year	<u>\$ 128,011</u>	<u>\$ 96,496</u>	<u>\$ 30,430</u>	<u>\$ (66,066)</u>

See accompanying notes to the basic financial statements.

Streetsboro City School District
Statement of Fiduciary Net Assets
Agency Fund
June 30, 2005

	<u>Agency</u>
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	<u>\$ 37,674</u>
<u>Liabilities:</u>	
Accounts payable	\$ 988
Due to students	<u>36,686</u>
Total liabilities	<u>\$ 37,674</u>

See accompanying notes to the basic financial statements.

Streetsboro City School District

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

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board controls the School District's 7 instructional/support facilities staffed by 156 non-certificated employees and 150 certificated teaching and support personnel, including 16 administrators that provide services to 2,099 students and other community members.

Reporting Entity

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organizations' governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organizations' resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization.

Component units may also include organizations that are fiscally dependent on the School District in that the School District approves their budget, the issuance of their debt or the levying of their taxes. Based on the above criteria, the School District had no component units at June 30, 2005.

The School District is associated with the Stark Portage Area Computer Consortium and the Portage County Schools Consortium, which are defined as jointly governed organizations. Jointly governed organizations are governed by representatives from each of the governments that create the organizations, but there is no ongoing financial interest or responsibility by the participating governments. Information regarding these organizations is presented in Note 17.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Streetsboro City School District

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

A. Basis of Presentation - Fund Accounting

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

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The effect of interfund activity, within governmental type activities columns has been removed from these statements.

The statement of net assets presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

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

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into two categories: governmental and fiduciary.

Governmental Fund Types:

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

Streetsboro City School District

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

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

Bond retirement debt service fund: The bond retirement fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Fiduciary Fund Types

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

C. Measurement Focus and Basis of Accounting

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (revenues) and decreases (expenses) in total net assets.

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

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 and the agency fund uses the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Streetsboro City School District

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

Revenue - 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 School District, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange 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, investment earnings, tuition, grants and entitlements, 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, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the fund financial statements as intergovernmental revenue and an expenditure of food service operations. In addition, this amount is reported on the statement of activities as an expense with a like amount reported within the "Operating Grants, Contributions and Interest" program revenue account.

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

Streetsboro City School District

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

D. Budgets and Budgetary Accounting

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 appropriations resolution, all of which are prepared on the budgetary basis of accounting. The primary level of budgetary control is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

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 amounts reported as the original budget revenue in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted revenue amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2005. The amounts reported as the original budgeted expenditure amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted expenditure amounts represent the final appropriation amounts passed by the Board during the year.

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

E. Cash and Investments

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents". During the fiscal year, investments were limited to interest in StarOhio, the State Treasurer's Investment Pool. Investments are stated at cost, which approximates market value (fair value).

For presentation on the basic financial statements, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

F. Prepaid Items

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

G. Interfund Balances

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

Streetsboro City School District

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

H. Inventory

Within the basic financial statements, inventories are presented at cost on a first in, first out basis and are expensed when used. Inventories consist of materials and supplies held for consumption and donated and purchased food held for resale.

I. 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 imposed by creditors, contributors, grantors, and laws of other governments or by enabling legislation. Restricted assets may include unexpended revenues restricted for the purchase of school buses, and amounts required to be set aside by the School District for the purchase of textbooks or for the acquisition or construction of capital assets. Restricted assets may also include amounts set aside as a reserve for budget stabilization, which is now optional as determined by the School District. See Note 19 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

J. Deferred Charges and Note Premiums

In governmental fund types, note premiums and issuance costs are recognized in the current period. On the statement of net assets, note premiums and issuance costs are deferred and amortized over the term of the notes using the bonds outstanding method, which approximates the effective interest method. Note premiums are presented as an addition to the face amount of notes payable, whereas issuance costs are recorded as deferred charges.

K. Capital Assets

General capital assets are those assets resulting 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 on 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 School District maintains a capitalization threshold of five thousand dollars. The School 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 the asset's life are not capitalized. The School District's policy is not to capitalize interest costs incurred as part of construction.

All reported capital assets, other than land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<i>Description</i>	<i>Estimated Lives</i>
<i>Land improvements</i>	<i>5 - 20 years</i>
<i>Buildings and improvements</i>	<i>20 - 50 years</i>
<i>Furniture, fixtures and equipment</i>	<i>3 - 20 years</i>
<i>Vehicles</i>	<i>10 - 20 years</i>

Streetsboro City School District

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

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

For the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

M. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences 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 are recognized as a liability on the governmental fund financial statements when due.

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. Net assets restricted for other purposes primarily include amounts generated by individual school buildings to supplement co-curricular and extra-curricular programs, and for operating or capital costs for any new and innovative programs designed to enhance or promote education with the school district.

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

O. Interfund Transactions

Interfund transactions are reported as other financing sources/uses for governmental funds in the fund financial statements. All transfers between governmental funds have been eliminated within the governmental activities column of the statement of net assets.

Streetsboro City School District

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

P. Estimates

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

Q. Fund Balance Reserves

The School District records reservations for portions of fund balances, which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations or expenditures. Unreserved fund balance indicates the portion of fund balances that are available for appropriation in future periods. Fund balance reserves are established for encumbrances and property taxes.

NOTE 3 – RESTATEMENT OF NET ASSETS AND CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2005, the School District has implemented GASB Statement No. 40, “Deposits and Investment Risk Disclosures”; GASB Technical Bulletin No. 2004-2, “Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers” and GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits and Other Than Pensions.

As a result of the implementation of the Technical Bulletin and GASB Statement No. 45, certain beginning fund balances were required to be restated. These restatements involve reporting pension and other postemployment benefit liabilities on the governmental fund financial statements where beforehand were exclusively reported on the government-wide financial statements.

The restatement of fund balance is presented below:

	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<i>Fund balances at June 30, 2004</i>	\$ (1,466,925)	\$ 406,331	\$ 331,431	(729,163)
<i>Restatement of intergovernmental payable</i>	(166,928)	-	(15,936)	(182,864)
<i>Restated fund balances at July 1, 2004</i>	<u>\$ (1,633,853)</u>	<u>\$ 406,331</u>	<u>\$ 315,495</u>	<u>\$ (912,027)</u>

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

Streetsboro City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance (GAAP basis).

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

Net Change in Fund Balance

	<i>General Fund</i>
<i>GAAP Basis</i>	\$ 755,538
<i>Revenue accruals</i>	(816,806)
<i>Expenditure accruals</i>	96,987
<i>Encumbrances (budget basis) outstanding at year end</i>	<u>(15,299)</u>
<i>Budget Basis</i>	<u>\$ 20,420</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School 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 School 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 that 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 or deposit accounts including passbook accounts.

Interim monies may be invested in the following obligations provided they mature or are redeemable within five years from the date of settlement:

1. United States Treasury bills, notes, bonds, or any other obligations or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

Streetsboro City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements for a period not to exceed thirty days in 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 two percent and be marked to market daily;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed 25% of the interim monies available for investment at any one time and for a period not to exceed one hundred eighty days; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

An investment must mature within five years from the date of purchase unless matched to specific obligation or debt of the School District and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Undeposited Cash

The School District had \$618 in undeposited cash on and which is included as part of "equity in pooled cash and cash equivalents".

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the federal deposit insurance corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The School District's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Streetsboro City School District
 Notes to the Basic Financial Statements
 For the Fiscal Year Ended June 30, 2005

As of June 30, the carrying amount of the School District's deposits was \$634,669. The School District's bank balance of \$726,114 was exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging bank's trust department and not in the School District's name	\$ 526,114
--	------------

Investments

As of June 30, the School District had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>
STAROhio	\$ 2,446	N/A	AAAm ⁽¹⁾

⁽¹⁾ Standard and Poor's rating

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2005.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during the fiscal year 2005 amounted to \$35,127, which included \$20,623 assigned from other School District funds.

Credit risk is the possibility that an issuer or other counterparty to an investment will not fulfill its obligation. Standard and Poor's has assigned STAROhio an AAAM rating. The School District's investment policy requires certain credit ratings for some investments as allowed by state law.

NOTE 6 - PROPERTY TAX

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located within the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35% of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed at 35% of true value and public utility tangible personal property currently is assessed at varying percentages of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25% of true value for capital assets and 23% of true value of inventory.

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 alternative payment dates to be established.

Streetsboro City School District

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

Tangible personal property taxes paid 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.

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property and public utility taxes, which became measurable as of year-end. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at year-end is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at year-end was \$974,670 in the general fund and \$132,749 in the bond retirement debt service fund and is recognized as revenue on the fund financial statements. On the accrual basis, collectible delinquent property taxes have been recorded as revenue on the statement of activities.

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

<u>Property Category</u>	<u>2004</u> <u>Assessed Value</u>	<u>2003</u> <u>Assessed Value</u>
<u>Real Property</u>		
<i>Residential and agricultural</i>	\$ 191,354,580	\$ 180,911,103
<i>Commercial, industrial and minerals</i>	134,123,260	121,445,330
<i>Public utilities</i>	14,440	12,400
<u>Tangible Personal Property</u>		
<i>General</i>	61,938,890	49,767,228
<i>Public utilities</i>	8,225,020	8,018,410
<i>Total</i>	<u>\$ 395,656,190</u>	<u>\$ 360,154,471</u>

NOTE 7 - RECEIVABLES

Receivables at year-end consisted of taxes, accounts (tuition and excess costs), intergovernmental grants and entitlements, and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs, and the current year guarantee of federal funds. A summary of the principal items of intergovernmental receivable follows:

	<u>Amount</u>
<u>Special revenue funds:</u>	
<i>Ohio reads</i>	\$ 730
<i>Summer intervention</i>	1,688
<i>Title I</i>	4,104
<i>Improving teacher quality</i>	<u>315</u>
<i>Total</i>	<u>\$ 6,837</u>

Streetsboro City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 8 - NOTES PAYABLE

During the fiscal year, the School District issued tax anticipation notes in advance of property tax collections, depositing the proceeds in the general fund. These notes carried a 3.625% interest rate and were necessary for short-term borrowing by the School District. Short-term debt activity for the year ended June 30, 2005, was as follows:

	<i>Beginning</i> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<i>Ending</i> <u>Balance</u>
<i>Tax anticipation notes</i>	\$ -	\$ 200,000	\$ (200,000)	\$ -

NOTE 9 - CAPITAL ASSETS

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

<i>Governmental Activities</i>	<i>Balance</i> <u>June 30, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<i>Balance</i> <u>June 30, 2005</u>
<i>Capital assets, not being depreciated:</i>				
<i>Land</i>	\$ 1,635,135	\$ -	\$ -	\$ 1,635,135
<i>Capital assets, being depreciated:</i>				
<i>Land improvements</i>	679,233	-	-	679,233
<i>Buildings and improvements</i>	20,306,663	116,273	-	20,422,936
<i>Furniture, fixtures and equipment</i>	1,392,960	-	-	1,392,960
<i>Vehicles</i>	1,696,367	-	-	1,696,367
<i>Total capital assets, being depreciated</i>	<u>24,075,223</u>	<u>116,273</u>	<u>-</u>	<u>24,191,496</u>
<i>Less: Accumulated depreciation</i>				
<i>Land improvements</i>	(255,882)	(29,815)	-	(285,697)
<i>Buildings and improvements</i>	(5,686,009)	(451,880)	-	(6,137,889)
<i>Furniture, fixtures and equipment</i>	(855,361)	(85,259)	-	(940,620)
<i>Vehicles</i>	(762,488)	(86,079)	-	(848,567)
<i>Total accumulated depreciation</i>	<u>(7,559,740)</u>	<u>(653,033)</u>	<u>-</u>	<u>(8,212,773)</u>
<i>Total capital assets being depreciated, net</i>	<u>16,515,483</u>	<u>(536,760)</u>	<u>-</u>	<u>15,978,723</u>
<i>Total capital assets, net</i>	<u>\$ 18,150,618</u>	<u>\$ (536,760)</u>	<u>\$ -</u>	<u>\$ 17,613,858</u>

Streetsboro City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Depreciation expense was charged to governmental functions as follows:

	<u>Amount</u>
<i>Instruction:</i>	
<i>Regular</i>	\$ 336,275
<i>Special</i>	45,188
<i>Support services:</i>	
<i>Pupils</i>	20,201
<i>Instructional staff</i>	5,840
<i>Administration</i>	29,265
<i>Operation and maintenance of plant</i>	47,904
<i>Pupil transportation</i>	96,051
<i>Central</i>	3,557
<i>Operation of non-instructional services:</i>	
<i>Food service operations</i>	40,480
<i>Community services</i>	20,557
<i>Extracurricular activities</i>	7,715
<i>Total depreciation expense</i>	<u>\$ 653,033</u>

NOTE 10 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at June 30, 2005 consisted of the following:

<i>Due to general fund from:</i>	
<i>Nonmajor governmental funds</i>	\$ 14,218

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2005, all interfund loans outstanding are anticipated to be repaid in fiscal year 2006.

Interfund transfers for the year ended June 30, 2005, consisted of the following:

<i>Transfers from general fund to:</i>	
<i>Nonmajor governmental funds</i>	\$ 100,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service fund from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 11 - ACCOUNTABILITY

A. Accountability

As of June 30, 2005, four funds had deficit fund balances. These deficits were caused by the application of GAAP. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur. The following funds had deficit balances:

<u>Fund</u>	<u>Amount</u>
<i>General</i>	\$ 878,315
<u>Special revenue funds:</u>	
<i>Food service</i>	30,014
<i>Title VI-B</i>	763
<i>Title I</i>	185

NOTE 12 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no settlements paid in excess of insurance nor has insurance coverage been significantly reduced in the past three years.

The School District has joined the Portage County School Consortium for health insurance for the School District's employees. The Portage County School Consortium was established in 1981 so that thirteen educational-service providers in Portage County could manage risk exposures and purchase necessary insurance coverage as a group. The consortium has organized into two distinct entities to facilitate its risk management operations. The Property and Casualty Insurance Pool functions to manage the member districts' physical property and liability risks. The Health and Welfare Trust is organized under provisions of Section 501(c)(9) of the Internal Revenue Code. Its purpose is to facilitate the management of risks associated with providing employee benefits, coverage such as health and accident insurance, disability insurance and life insurance. The School District participates in the Health and Welfare Trust. A third-party administrator is retained by the consortium to facilitate the operation of the Health and Welfare Trust. The School District pays all insurance premiums directly to the consortium. Although the School District does not participate in the day-to-day management of the consortium, one of its administrators serves as a trustee of the consortium's governing board as provided in the consortium's enabling authority. The School District recognizes that it retains a contingent liability to provide insurance coverage should the assets of the consortium become depleted, it is the opinion of management that the assets of the consortium are sufficient to meet its claims.

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Streetsboro City School District

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

NOTE 13 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, annual cost-of-living adjustments, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215-3746.

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. A portion of the School's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 10.57% of annual covered salary was the portion used to fund pension obligations. For the fiscal year 2004, 9.09% was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS Retirement Board.

The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004, and 2003 were \$296,280, \$260,975, and \$223,895, respectively; 39% has been contributed for fiscal year 2005 and 100% for the fiscal years 2004 and 2003. \$179,457, representing the unpaid contribution for fiscal year 2005, is recorded as an intergovernmental payable.

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple-employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, disability, and death and survivor benefits to members and beneficiaries. Benefits are established 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 for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3746.

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.

Streetsboro City School District

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

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.

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 became disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2005 plan members were required to contribute 10% of their annual covered salaries. The School District was required to contribute 14%; 13% was the portion used to fund pension obligations. For fiscal year 2004, 13% was the portion used to fund pension obligations. Contribution rates are established by STRS, 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 employer contributions.

The School District's required contributions for pension obligations to the DB plan for the fiscal years ended June 30, 2005, 2004, and 2003 were \$1,078,146, \$1,044,286, and \$966,732, respectively; 83% has been contributed for fiscal year 2005 and 100% for the fiscal years 2004 and 2003. \$181,450, representing the unpaid contribution for fiscal year 2005, is recorded as an intergovernmental payable. Contributions to the DC and Combined plans for fiscal year 2005 were \$1,786 made by the School District and \$17,922 made by the plan members.

NOTE 14 - POST-EMPLOYMENT BENEFITS

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System (STRS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Benefit provisions and the obligations to contribute are established by the STRS based on authority granted by State statute. Most benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium. Health care benefits are on a pay-as-you-go basis.

By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. The retirement board currently allocates employer contributions equal to 1% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. For the School District this amount equaled \$82,934 during the 2005 fiscal year. The balance in the Health Care Reserve Fund for the STRS was \$3.1 billion at June 30, 2004, (latest information available). For the year ended June 30, 2004 (latest information available), the net health care costs paid by the STRS were \$268,739,000 and eligible benefit recipients totaled 111,853.

Streetsboro City School District

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

For the School Employees Retirement System (SERS), coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status. A safety net is in place for retirees whose household income falls below federal poverty levels. Premiums are reduced by 50% for those who apply. For this fiscal year, employer contributions to fund health care benefits were 3.43% 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 2005, the minimum pay has been established at \$27,400. The surcharge, added to the unallocated portion of the 14% contribution rate, provides for maintenance of the asset target level for the health care fund. For the School District, the amount of employer contributions used to fund health care equaled \$137,623, which includes a surcharge of \$41,479 during the 2005 fiscal year.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2004 were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, the SERS's net assets available for payment of health care benefits were \$300.8 million, at cost. The number of participants receiving health care benefits was approximately 62,000.

NOTE 15 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In a prior year, the School District entered into a capital lease agreement for the acquisition of copiers. The terms of the agreement provided an option to purchase the equipment. The leases meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers all benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the fund financial statements of governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized as equipment in the amount of \$56,376 equal to the present value of the future minimum lease payments at the time of acquisition. Principal payments in the current fiscal year totaled \$20,358.

The final payment of \$1,566 represents the future minimum lease payment required under the capital leases and the present value of the minimum lease payment at year-end.

Streetsboro City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 16 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

The changes in long-term obligations of the School District during the fiscal year were as follows:

	<i>Balance</i> <u>July 1</u>	<i>Additions</i>	<i>Reductions</i>	<i>Balance</i> <u>June 30</u>	<i>Due within</i> <u>one year</u>
<i>Governmental Long-term Obligations</i>					
<i>General Obligation Bonds</i>					
1985, Permanent Improvement	\$ 50,000	\$ -	\$ (25,000)	\$ 25,000	\$ 25,000
1989, School Improvement	975,000	-	(115,000)	860,000	120,000
2001, School Improvement	14,410,000	-	(455,000)	13,955,000	470,000
2002, Equipment Purchase	555,000	-	(175,000)	380,000	185,000
<i>Total</i>	<u>15,990,000</u>	<u>-</u>	<u>(770,000)</u>	<u>15,220,000</u>	<u>800,000</u>
<i>Long-term Notes</i>					
1994, Energy Conservation	43,000	-	(43,000)	-	-
1995, Energy Conservation	38,000	-	(19,000)	19,000	19,000
2003, Energy Conservation	750,000	-	(25,000)	725,000	50,000
Unamortized premium	48,413	-	(9,201)	39,212	-
<i>Total</i>	<u>879,413</u>	<u>-</u>	<u>(96,201)</u>	<u>783,212</u>	<u>69,000</u>
<i>Other Long-term Obligations</i>					
Long-term compensated absences	991,325	317,378	(244,386)	1,064,317	13,537
Capital lease payable	21,924	-	(20,358)	1,566	1,566
<i>Total governmental long-term obligations</i>	<u>\$ 17,882,662</u>	<u>\$ 317,378</u>	<u>\$ (1,130,945)</u>	<u>\$ 17,069,095</u>	<u>\$ 884,103</u>

General obligation bonds and long-term notes are direct obligations of the School District for which its full faith and credit are pledged for repayment. General obligation bonds and long-term notes are to be repaid from voted and unvoted general property taxes. Property tax monies will be received in and the debt will be repaid from the bond retirement debt service fund. General obligation bonds and long-term notes are as follows:

	<i>Original</i> <u>Amount</u>	<i>Interest</i> <u>Rate</u>	<i>Maturity</i> <u>Date</u>
<i>General Obligation Bonds</i>			
1985, Permanent Improvement	\$ 565,000	8.75%	12/1/2005
1989, School Improvement	1,900,000	7.50%	12/1/2010
2001, School Improvement	15,500,000	3.6 - 12.00%	12/1/2025
2002, Equipment Purchase	900,000	5.00%	12/1/2007
<i>Long-term Notes</i>			
1995, Energy Conservation	190,000	5.10%	12/1/2005
2003, Energy Conservation	750,000	1.6% - 5.0%	12/1/2014

Streetsboro City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Principal and interest requirements to amortize all bonds outstanding at June 30, 2005 are as follows:

<i>Fiscal</i> <u>Year</u>	<u>General Obligation Bonds</u>			<u>Long-term Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 800,000	\$ 710,316	\$ 1,510,316	\$ 69,000	\$ 27,769	\$ 96,769
2007	805,000	672,724	1,477,724	75,000	25,650	100,650
2008	645,000	638,857	1,283,857	85,000	23,625	108,625
2009	675,000	607,658	1,282,658	85,000	21,075	106,075
2010	355,000	936,029	1,291,029	85,000	18,525	103,525
2011-2015	2,690,000	3,018,018	5,708,018	345,000	34,875	379,875
2016-2020	3,585,000	1,899,476	5,484,476	-	-	-
2021-2025	4,600,000	865,909	5,465,909	-	-	-
2026-2030	1,065,000	26,625	1,091,625	-	-	-
<i>Total</i>	<u>\$ 15,220,000</u>	<u>\$ 9,375,612</u>	<u>\$ 24,595,612</u>	<u>\$ 744,000</u>	<u>\$ 151,519</u>	<u>\$ 895,519</u>

Sick leave benefits will be paid from the fund from which the person is paid. In prior years, this fund has primarily been the general fund. Capital lease obligations will be paid from the general fund.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

Stark Portage Area Computer Consortium (SPARCC) is the computer service organization or Data Acquisition Site (DAS) used by the School District. SPARCC is an association of public school districts in a geographic area determined by the Ohio Department of Education. The Stark County Educational Service Center acts as the fiscal agent for the consortium. The purpose of the consortium is to develop and employ a computer system efficiently and effectively for the needs of the member Boards of Education. All Districts in the consortium are required to pay fees, charges, and assessments as charged. SPARCC is governed by a board made up of superintendents from all of the participating districts. An elected Executive Board consisting of five members of the governing board is the managerial body of the consortium and meets on a monthly basis. The School District does not maintain an ongoing financial interest or an ongoing financial responsibility. Payments to SPARCC are made from the general fund. During fiscal year 2005, the School District contributed \$20,477 to SPARCC.

Portage County School Consortium is an insurance group-purchasing consortium made up of thirteen school districts in Portage County. All member districts pay an insurance premium directly to the consortium. The School District paid \$2,315,738 and \$57,532 in the form of health care and property insurance premiums, respectively.

NOTE 18 - CONTINGENCIES

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2005.

Streetsboro City School District
 Notes to the Basic Financial Statements
 For the Fiscal Year Ended June 30, 2005

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...".

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

NOTE 19 - STATUTORY RESERVES

The School District is required by State statute to annually set-aside monies for the purchase of textbooks and other instructional materials, and for capital improvements. The amounts set-aside may be reduced by offset credits, which are monies received and restricted for the same specific purpose. Although the School District had offsets and/or qualifying disbursements during the year that reduced the set-aside amounts below zero, these extra amounts may only be used to reduce the set-aside requirements of future years for the purchase of textbooks and/or instructional materials. Negative amounts are therefore not presented as being carried forward to the next fiscal year for the other set-asides. Amounts not spent by year-end or reduced by offset credits must be held in cash at year-end and carried forward to be used for the same purposes in future years.

During the fiscal year ended June 30, 2005, the reserve activity was as follows:

	<i>Textbook</i> <u>Reserve</u>	<i>Capital</i> <i>Maintenance</i> <u>Reserve</u>	<u>Total</u>
<i>Set-aside cash balance as of</i>			
<i>June 30, 2004</i>	\$ (554,634)	\$ -	\$ (554,634)
<i>Current year set-aside requirement</i>	299,687	299,687	599,374
<i>Current year offset</i>	-	-	-
<i>Qualifying disbursements</i>	<u>(404,128)</u>	<u>(331,325)</u>	<u>(735,453)</u>
<i>Total</i>	<u>\$ (659,075)</u>	<u>\$ (31,638)</u>	<u>\$ (690,713)</u>

Streetsboro City School District

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

NOTE 20 - SUBSEQUENT EVENT

The former superintendent Mary Linton filed a lawsuit against the Streetsboro Board of Education, its individual members and the treasurer claiming, among other things, that the defendants breached the settlement agreement the parties entered that severed the employment relationship. Included in the agreement was a clause stating that the agreement and matters related to Linton's employment would be confidential to the extent permitted by law. On January 29, 2001, the Auditor for the State of Ohio released its special audit that included an audit of the time during which the former superintendent served. A press release reviewed by Board members addressed concerns relating to the special audit. On July 21, 2004, a jury determined that this press release breached the settlement agreement and awarded the former superintendent \$891,000 plus interests and costs for the breach. In October 2004, the School District filed an appeal with the United States District Court of Appeals for the Sixth Circuit. On January 11, 2006, the United States District Court of Appeals affirmed a judgment against the School District for \$750,000. The School District filed a petition for rehearing and is awaiting a ruling. The ultimate outcome is unknown.

NOTE 21 – FISCAL CAUTION

The Superintendent of Public Instruction of the Ohio Department of Education declared the Streetsboro City School District to be in a state of fiscal caution effective March 30, 2005. In response to School District's financial condition, the School District placed 3.5 mill operating levy on the August 2, 2005 ballot, and was subsequently passed by the electors. The basis for the declaration of fiscal caution was projected deficits in the 2005-2006 fiscal year. The School District is eligible to have the status reviewed and possibly rescinded during fiscal year 2005-2006.

Combining Statements and Individual Fund Schedules

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. The title of each special revenue fund is descriptive of the activities accounted for therein. A description of the School District's nonmajor special revenue funds follows:

Food Service

To account for all revenues and expenditures related to the provision of food services, including breakfast and lunch, for the School District students and staff.

Scholarship

To account for revenues, contributions and donations which are used for scholarships for students within the School District.

Uniform School Supplies

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

Adult Education

To account for all revenues and expenditures related to the provision of credit and non-credit classes to the general public.

Miscellaneous Local Grants

To account for a number of small local grants that are restricted for specific expenditures.

Public School Support

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

Surround Care

To account for income and expenditures made in connection with goods and services provided by the School District.

Education Foundation

To account for the proceeds of any bequest, gift, or endowment given to the School District for the Education Foundation Fund or given without conditions or limitations; or, for the proceeds of a transfer from the general fund of up to one-half of one percent of the total estimated appropriations included in the School District's tax budget. All boards of education must receipt any interest earnings on the principal of the education foundation fund into the fund. Monies in the fund shall be expended only by resolution adopted by a majority of the members of the board for operating or capital costs of any existing or new and innovative program designed to enhance or promote education within the School District, such as scholarships for students or teachers.

Underground Storage Tanks

To account for the financial responsibility rules of the State Fire Marshall to cover deductibles.

District Managed Student Activity

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

Management Information Systems

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

Disadvantaged Pupil Impact Aid

To account for state funds which provide instructional programs and materials for disadvantaged students.

Data Communications

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

SchoolNet Professional Development

To account for revenues received to provide professional development programs related to technology.

Ohio Reads

To account for improvements in reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public school buildings, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

Summer Intervention

To account for summer intervention services.

Miscellaneous State Grants

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

Title VI-B

To account for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels; assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

Title I

To account for federal funds for services provided to meet special educational needs of educationally deprived children.

Title V

To account for federal funds to provide programs for at-risk students; instructional materials to improve the quality of instruction; professional development programs; programs to enhance personal excellence of students and student achievement.

Drug-Free Schools

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

Improving Teacher Quality

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

Miscellaneous Federal Grants

To account for federal revenues received through state agencies from the federal government or directly from the federal government which are not classified elsewhere.

Nonmajor Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities. The nonmajor capital projects funds are:

Building

To account for receipts and expenditures related to all special bond funds in the School District. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

SchoolNet

To account for monies received that are used to help the School District obtain computers and related educational technology equipment and or the necessary infrastructure for educational technology.

Streetsboro City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 293,906	\$ -	\$ 293,906
Cash and cash equivalents:			
In segregated accounts	-	-	-
Receivables:			
Accounts	-	-	-
Intergovernmental	6,837	-	6,837
Interfund receivable	-	-	-
Inventory held for resale	20,429	-	20,429
Materials and supplies inventory	1,620	-	1,620
Total assets	<u>\$ 322,792</u>	<u>\$ -</u>	<u>\$ 322,792</u>
 <u>Liabilities and fund equity :</u>			
<u>Liabilities:</u>			
Accounts payable	\$ 11,180	\$ -	\$ 11,180
Accrued wages	56,892	-	56,892
Interfund payable	14,218	-	14,218
Intergovernmental payable	24,667	-	24,667
Total liabilities	<u>106,957</u>	<u>-</u>	<u>106,957</u>
 <u>Fund balances:</u>			
Reserved for encumbrances	15,610	-	15,610
Unreserved, undesignated, Reported in:			
Special revenue funds	200,225	-	200,225
Capital projects funds	-	-	-
Total fund balances	<u>215,835</u>	<u>-</u>	<u>215,835</u>
Total liabilities and fund balances	<u>\$ 322,792</u>	<u>\$ -</u>	<u>\$ 322,792</u>

Streetsboro City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<hr/>	<hr/>	<hr/>
<u>Revenues:</u>			
Intergovernmental	\$ 991,375	\$ 15,750	\$ 1,007,125
Interest	814	-	814
Tuition and fees	51,150	-	51,150
Extracurricular activities	245,764	-	245,764
Gifts and donations	43,381	-	43,381
Charges for services	523,563	-	523,563
Miscellaneous	1,358	-	1,358
Total revenues	<hr/> 1,857,405	<hr/> 15,750	<hr/> 1,873,155
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	207,181	-	207,181
Special	192,011	-	192,011
Vocational	2,851	-	2,851
Adult/continuing	11	-	11
Other	174,319	-	174,319
Support services:			
Pupils	286,320	15,750	302,070
Instructional staff	112,293	-	112,293
Board of education	80	-	80
Administration	23,057	-	23,057
Fiscal	1,731	-	1,731
Operation and maintenance of plant	1,919	6,124	8,043
Pupil transportation	142	-	142
Central	3,536	-	3,536
Operation of non-instructional services:			
Food service operations	708,735	-	708,735
Community services	91,183	-	91,183
Extracurricular activities	129,299	-	129,299
Capital outlay	-	116,273	116,273
Total expenditures	<hr/> 1,934,668	<hr/> 138,147	<hr/> 2,072,815
Excess of revenues over (under) expenditures	<hr/> (77,263)	<hr/> (122,397)	<hr/> (199,660)
<u>Other financing sources (uses):</u>			
Transfers in	100,000	-	100,000
Net change in fund balance	22,737	(122,397)	(99,660)
Fund balances at beginning of year, restated	193,098	122,397	315,495
Fund balances at end of year	<hr/> <hr/> \$ 215,835	<hr/> <hr/> \$ -	<hr/> <hr/> \$ 215,835

Streetsboro City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005

	<u>Food Service</u>	<u>Scholarship</u>	<u>Uniform School Supplies</u>	<u>Adult Education</u>	<u>Miscellaneous Local Grants</u>
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 16,931	\$ 3,286	\$ 38,217	\$ 3,505	\$ 2,032
<u>Receivables:</u>					
Intergovernmental	-	-	-	-	-
Inventory held for resale	20,429	-	-	-	-
Materials and supplies inventory	1,620	-	-	-	-
Total assets	<u>\$ 38,980</u>	<u>\$ 3,286</u>	<u>\$ 38,217</u>	<u>\$ 3,505</u>	<u>\$ 2,032</u>
 <u>Liabilities and fund balances:</u>					
<u>Liabilities:</u>					
Accounts payable	\$ 66	\$ -	\$ 2,619	\$ -	\$ 336
Accrued wages	37,052	-	-	-	-
Interfund payable	11,671	250	-	-	-
Intergovernmental payable	20,205	-	-	-	-
Total liabilities	<u>68,994</u>	<u>250</u>	<u>2,619</u>	<u>-</u>	<u>336</u>
 <u>Fund balances:</u>					
Reserved for encumbrances	-	-	2,422	-	956
Unreserved, undesignated, Reported in special revenue funds	<u>(30,014)</u>	<u>3,036</u>	<u>33,176</u>	<u>3,505</u>	<u>740</u>
Total fund balances	<u>(30,014)</u>	<u>3,036</u>	<u>35,598</u>	<u>3,505</u>	<u>1,696</u>
Total liabilities and fund balances	<u>\$ 38,980</u>	<u>\$ 3,286</u>	<u>\$ 38,217</u>	<u>\$ 3,505</u>	<u>\$ 2,032</u>

Public School Support	Surround Care	Education Foundation	Underground Storage Tanks	District Managed Student Activity	Management Information Systems	Disadvantaged Pupil Impact Aid	Data Communications
\$ 63,003	\$ 41,665	\$ 34,589	\$ 11,000	\$ 58,130	\$ -	\$ -	\$ 78
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 63,003</u>	<u>\$ 41,665</u>	<u>\$ 34,589</u>	<u>\$ 11,000</u>	<u>\$ 58,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78</u>
\$ 3,062	\$ 913	\$ -	\$ -	\$ 1,003	\$ -	\$ -	\$ -
-	2,919	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,237	-	-	-	-	-	-
<u>3,062</u>	<u>6,069</u>	<u>-</u>	<u>-</u>	<u>1,003</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,029	3,960	-	-	5,413	-	-	-
<u>58,912</u>	<u>31,636</u>	<u>34,589</u>	<u>11,000</u>	<u>51,714</u>	<u>-</u>	<u>-</u>	<u>78</u>
<u>59,941</u>	<u>35,596</u>	<u>34,589</u>	<u>11,000</u>	<u>57,127</u>	<u>-</u>	<u>-</u>	<u>78</u>
<u>\$ 63,003</u>	<u>\$ 41,665</u>	<u>\$ 34,589</u>	<u>\$ 11,000</u>	<u>\$ 58,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78</u>

Streetsboro City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005

	SchoolNet Professional Development	Ohio Reads	Summer Intervention	Miscellaneous State Grants	Title VI-B
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 1,639	\$ 999	\$ 688	\$ 2,420	\$ 7,106
Receivables:					
Intergovernmental	-	730	1,688	-	-
Inventory held for resale	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-
Total assets	<u>\$ 1,639</u>	<u>\$ 1,729</u>	<u>\$ 2,376</u>	<u>\$ 2,420</u>	<u>\$ 7,106</u>
 <u>Liabilities and fund balances:</u>					
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ 999	\$ 482	\$ 724	\$ 43
Accrued wages	-	-	-	-	6,991
Interfund payable	-	714	1,583	-	-
Intergovernmental payable	-	-	-	-	835
Total liabilities	<u>-</u>	<u>1,713</u>	<u>2,065</u>	<u>724</u>	<u>7,869</u>
 <u>Fund balances:</u>					
Reserved for encumbrances	-	-	162	1,668	-
Unreserved, undesignated, Reported in special revenue funds	<u>1,639</u>	<u>16</u>	<u>149</u>	<u>28</u>	<u>(763)</u>
Total fund balances	<u>1,639</u>	<u>16</u>	<u>311</u>	<u>1,696</u>	<u>(763)</u>
Total liabilities and fund balances	<u>\$ 1,639</u>	<u>\$ 1,729</u>	<u>\$ 2,376</u>	<u>\$ 2,420</u>	<u>\$ 7,106</u>

<u>Title I</u>	<u>Title V</u>	<u>Drug Free Schools</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 7,926	\$ -	\$ 38	\$ 453	\$ 201	\$ 293,906
4,104	-	-	315	-	6,837
-	-	-	-	-	20,429
-	-	-	-	-	1,620
<u>\$ 12,030</u>	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ 768</u>	<u>\$ 201</u>	<u>\$ 322,792</u>
\$ 895	\$ -	\$ 38	\$ -	\$ -	\$ 11,180
9,930	-	-	-	-	56,892
-	-	-	-	-	14,218
1,390	-	-	-	-	24,667
<u>12,215</u>	<u>-</u>	<u>38</u>	<u>-</u>	<u>-</u>	<u>106,957</u>
-	-	-	-	-	15,610
<u>(185)</u>	<u>-</u>	<u>-</u>	<u>768</u>	<u>201</u>	<u>200,225</u>
<u>(185)</u>	<u>-</u>	<u>-</u>	<u>768</u>	<u>201</u>	<u>215,835</u>
<u>\$ 12,030</u>	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ 768</u>	<u>\$ 201</u>	<u>\$ 322,792</u>

Streetsboro City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005

	Food Service	Scholarship	Uniform School Supplies	Adult Education	Miscellaneous Local Grants
<u>Revenues:</u>					
Intergovernmental	\$ 222,662	\$ -	\$ -	\$ -	\$ 3,896
Interest	-	-	-	-	-
Tuition and fees	-	-	51,150	-	-
Extracurricular activities	-	-	-	-	-
Gifts and donations	-	1,000	-	15,000	-
Charges for services	422,966	-	-	-	-
Miscellaneous	-	1,358	-	-	-
Total revenues	<u>645,628</u>	<u>2,358</u>	<u>51,150</u>	<u>15,000</u>	<u>3,896</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	-	1,750	43,086	-	1,896
Special	-	439	-	26,888	502
Vocational	-	-	2,851	-	-
Adult/continuing	-	-	-	-	-
Other	-	-	-	-	-
Support services:					
Pupils	-	-	-	-	-
Instructional staff	-	-	-	-	336
Board of education	-	-	-	-	-
Administration	-	-	-	-	-
Fiscal	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Central	-	-	-	-	-
Operation of non-instructional services:					
Food service operations	707,872	-	-	-	-
Community services	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Total expenditures	<u>707,872</u>	<u>2,189</u>	<u>45,937</u>	<u>26,888</u>	<u>2,734</u>
Excess of revenues over (under) expenditures	<u>(62,244)</u>	<u>169</u>	<u>5,213</u>	<u>(11,888)</u>	<u>1,162</u>
<u>Other financing sources (uses):</u>					
Transfers in	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	37,756	169	5,213	(11,888)	1,162
Fund balances (deficit) at beginning of year, restated	(67,770)	2,867	30,385	15,393	534
Fund balances (deficit) at end of year	<u>\$ (30,014)</u>	<u>\$ 3,036</u>	<u>\$ 35,598</u>	<u>\$ 3,505</u>	<u>\$ 1,696</u>

Public School Support	Surround Care	Education Foundation	Underground Storage Tanks	District Managed Student Activity	Management Information Systems	Disadvantaged Pupil Impact Aid	Data Communications
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,633	\$ 24,367	\$ 15,000
-	-	814	-	-	-	-	-
-	-	-	-	-	-	-	-
103,907	-	-	-	141,857	-	-	-
22,051	-	-	-	5,330	-	-	-
-	93,623	6,974	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>125,958</u>	<u>93,623</u>	<u>7,788</u>	<u>-</u>	<u>147,187</u>	<u>6,633</u>	<u>24,367</u>	<u>15,000</u>
14,058	-	5,900	-	-	-	24,367	-
35	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
115,359	-	5,042	-	-	-	-	-
-	-	-	-	-	-	-	14,999
80	-	-	-	-	-	-	-
981	-	-	-	-	6,633	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
142	-	-	-	-	-	-	-
3,536	-	-	-	-	-	-	-
-	863	-	-	-	-	-	-
-	91,183	-	-	-	-	-	-
-	-	-	-	129,299	-	-	-
<u>134,191</u>	<u>92,046</u>	<u>10,942</u>	<u>-</u>	<u>129,299</u>	<u>6,633</u>	<u>24,367</u>	<u>14,999</u>
<u>(8,233)</u>	<u>1,577</u>	<u>(3,154)</u>	<u>-</u>	<u>17,888</u>	<u>-</u>	<u>-</u>	<u>1</u>
-	-	-	-	-	-	-	-
(8,233)	1,577	(3,154)	-	17,888	-	-	1
68,174	34,019	37,743	11,000	39,239	-	-	77
<u>\$ 59,941</u>	<u>\$ 35,596</u>	<u>\$ 34,589</u>	<u>\$ 11,000</u>	<u>\$ 57,127</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78</u>

Streetsboro City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005

	SchoolNet Professional Development	Ohio Reads	Summer Intervention	Miscellaneous State Grants	Title VI-B
<u>Revenues:</u>					
Intergovernmental	\$ 4,140	\$ 14,500	\$ 39,523	\$ 20,719	\$ 400,969
Interest	-	-	-	-	-
Tuition and fees	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Gifts and donations	-	-	-	-	-
Customer services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>4,140</u>	<u>14,500</u>	<u>39,523</u>	<u>20,719</u>	<u>400,969</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular		21,989	39,244	-	-
Special	-	-	-	1,420	85,751
Vocational	-	-	-	-	-
Adult/continuing	-	-	-	11	-
Other	-	-	-	-	174,319
Support services:					
Pupils	-	25	-	-	86,976
Instructional staff	2,508	400	-	13,529	43,955
Board of education	-	-	-	-	-
Administration	-	-	4,468	2,154	6,234
Fiscal	-	-	-	-	-
Operation and maintenance of plant	-	-	-	1,919	-
Pupil transportation	-	-	-	-	-
Central	-	-	-	-	-
Operation of non-instructional services:					
Food service operations	-	-	-	-	-
Community services	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Total expenditures	<u>2,508</u>	<u>22,414</u>	<u>43,712</u>	<u>19,033</u>	<u>397,235</u>
Excess of revenues over (under) expenditures	<u>1,632</u>	<u>(7,914)</u>	<u>(4,189)</u>	<u>1,686</u>	<u>3,734</u>
<u>Other financing sources (uses):</u>					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,632	(7,914)	(4,189)	1,686	3,734
Fund balances (deficit) at beginning of year, restated	7	7,930	4,500	10	(4,497)
Fund balances (deficit) at end of year	<u>\$ 1,639</u>	<u>\$ 16</u>	<u>\$ 311</u>	<u>\$ 1,696</u>	<u>\$ (763)</u>

Title I	Title V	Drug Free Schools	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 162,661	\$ 9,933	\$ 7,589	\$ 54,459	\$ 4,324	\$ 991,375
-	-	-	-	-	814
-	-	-	-	-	51,150
-	-	-	-	-	245,764
-	-	-	-	-	43,381
-	-	-	-	-	523,563
-	-	-	-	-	1,358
<u>162,661</u>	<u>9,933</u>	<u>7,589</u>	<u>54,459</u>	<u>4,324</u>	<u>1,857,405</u>
786	7,092	1,089	41,826	4,098	207,181
76,976	-	-	-	-	192,011
-	-	-	-	-	2,851
-	-	-	-	-	11
-	-	-	-	-	174,319
73,617	-	5,301	-	-	286,320
11,471	3,099	1,500	16,670	3,826	112,293
-	-	-	-	-	80
2,587	-	-	-	-	23,057
1,731	-	-	-	-	1,731
-	-	-	-	-	1,919
-	-	-	-	-	142
-	-	-	-	-	3,536
-	-	-	-	-	708,735
-	-	-	-	-	91,183
-	-	-	-	-	129,299
<u>167,168</u>	<u>10,191</u>	<u>7,890</u>	<u>58,496</u>	<u>7,924</u>	<u>1,934,668</u>
<u>(4,507)</u>	<u>(258)</u>	<u>(301)</u>	<u>(4,037)</u>	<u>(3,600)</u>	<u>(77,263)</u>
-	-	-	-	-	100,000
(4,507)	(258)	(301)	(4,037)	(3,600)	22,737
4,322	258	301	4,805	3,801	193,098
<u>\$ (185)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 768</u>	<u>\$ 201</u>	<u>\$ 215,835</u>

Streetsboro City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2005

	<u>Building</u>	<u>SchoolNet</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -
Cash and cash equivalents			
In segregated accounts	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>Liabilities and fund balances :</u>			
<u>Liabilities:</u>			
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund balances:</u>			
Reserved for encumbrances	-	-	-
Unreserved, undesignated,			
Reported in capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Streetsboro City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2005

	<u>Building</u>	<u>SchoolNet</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Revenues:</u>			
Intergovernmental	\$ -	\$ 15,750	\$ 15,750
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	-	15,750	15,750
Operation and maintenance of plant	6,124	-	6,124
Capital outlay	116,273	-	116,273
Total expenditures	<u>122,397</u>	<u>15,750</u>	<u>138,147</u>
Net change in fund balance	(122,397)	-	(122,397)
Fund balances at beginning of year	<u>122,397</u>	<u>-</u>	<u>122,397</u>
Fund balances at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Individual Fund Schedules of Revenues, Expenditures and Changes
in Fund Balance – Budget (Non-GAAP Basis) and Actual
Governmental Funds – Major and Nonmajor**

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

Food Service Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 218,085	\$ 218,085	\$ -
Charges for services	440,698	423,173	(17,525)
Total revenues	<u>658,783</u>	<u>641,258</u>	<u>(17,525)</u>
<u>Expenditures:</u>			
Current:			
Food service operations	700,122	700,121	1
Excess of revenues over (under) expenditures	<u>(41,339)</u>	<u>(58,863)</u>	<u>(17,524)</u>
<u>Other financing sources (uses):</u>			
Advances out	(424)	(424)	-
Transfers in	100,000	100,000	-
Total other financing sources (uses)	<u>99,576</u>	<u>99,576</u>	<u>-</u>
Net change in fund balance	58,237	40,713	(17,524)
Fund balance at beginning of year	(23,783)	(23,783)	-
Fund balance at end of year	<u>\$ 34,454</u>	<u>\$ 16,930</u>	<u>\$ (17,524)</u>

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

Scholarship Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Gifts and donations	\$ 1,000	\$ 1,000	\$ -
Miscellaneous	3,750	1,358	(2,392)
Total revenues	<u>4,750</u>	<u>2,358</u>	<u>(2,392)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,751	1,750	1
Special	439	439	-
Total expenditures	<u>2,190</u>	<u>2,189</u>	<u>1</u>
Excess of revenues over (under) expenditures	2,560	169	(2,391)
<u>Other financing sources (uses):</u>			
Advances in	<u>250</u>	<u>250</u>	<u>-</u>
Net change in fund balance	2,810	419	(2,391)
Fund balance at beginning of year	2,868	2,868	-
Fund balance at end of year	<u>\$ 5,678</u>	<u>\$ 3,287</u>	<u>\$ (2,391)</u>

Uniform School Supplies Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 50,000	\$ 51,150	\$ 1,150
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	46,741	46,741	-
Vocational	2,851	2,851	-
Total expenditures	<u>49,592</u>	<u>49,592</u>	<u>-</u>
Net change in fund balance	408	1,558	1,150
Fund balance at beginning of year	31,788	31,788	-
Prior year encumbrances appropriated	1,043	1,043	-
Fund balance at end of year	<u>\$ 33,239</u>	<u>\$ 34,389</u>	<u>\$ 1,150</u>

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

Adult Education Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Gifts and donations	\$ 15,000	\$ 15,000	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	26,889	26,889	-
Net change in fund balance	(11,889)	(11,889)	-
Fund balance at beginning of year	15,393	15,393	-
Fund balance at end of year	<u>\$ 3,504</u>	<u>\$ 3,504</u>	<u>\$ -</u>

Miscellaneous Local Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 5,000	\$ 3,896	\$ (1,104)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,896	1,896	-
Special	502	502	-
Support services:			
Instructional staff	956	956	-
Total expenditures	3,354	3,354	-
Net change in fund balance	1,646	542	(1,104)
Fund balance at beginning of year	35	35	-
Prior year encumbrances appropriated	499	499	-
Fund balance at end of year	<u>\$ 2,180</u>	<u>\$ 1,076</u>	<u>\$ (1,104)</u>

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

Public School Support Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 217,949	\$ 103,907	\$ (114,042)
Gifts and donations	22,051	22,051	-
Total revenues	<u>240,000</u>	<u>125,958</u>	<u>(114,042)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	12,779	12,779	-
Special	35	35	-
Support services:			
Pupils	115,771	115,771	-
Board of education	80	80	-
Administration	1,505	1,506	(1)
Pupil transportation	142	142	-
Central	3,536	3,536	-
Total expenditures	<u>133,848</u>	<u>133,849</u>	<u>(1)</u>
Excess of revenues over (under) expenditures	<u>106,152</u>	<u>(7,891)</u>	<u>(114,043)</u>
<u>Other financing sources (uses):</u>			
Advances out	<u>(1,279)</u>	<u>(1,279)</u>	<u>-</u>
Net change in fund balance	104,873	(9,170)	(114,043)
Fund balance at beginning of year	67,446	67,446	-
Prior year encumbrances appropriated	3,305	3,305	-
Fund balance at end of year	<u>\$ 175,624</u>	<u>\$ 61,581</u>	<u>\$ (114,043)</u>

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

Surround Care Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Charges for services	\$ 100,000	\$ 93,623	\$ (6,377)
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services:			
Food service operations	863	863	-
Community services	96,217	96,217	-
Total expenditures	97,080	97,080	-
Net change in fund balance	2,920	(3,457)	(6,377)
Fund balance at beginning of year	40,356	40,356	-
Fund balance at end of year	\$ 43,276	\$ 36,899	\$ (6,377)

Education Foundation Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 814	\$ 814	\$ -
Charges for services	19,186	6,974	(12,212)
Total revenues	20,000	7,788	(12,212)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	7,357	7,356	1
Support services:			
Pupils	5,042	5,042	-
Total expenditures	12,399	12,398	1
Net change in fund balance	7,601	(4,610)	(12,211)
Fund balance at beginning of year	37,383	37,383	-
Prior year encumbrances appropriated	1,816	1,816	-
Fund balance at end of year	\$ 46,800	\$ 34,589	\$ (12,211)

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

Underground Storage Tanks Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	11,000	11,000	-
Fund balance at end of year	<u>\$ 11,000</u>	<u>\$ 11,000</u>	<u>\$ -</u>

District Managed Student Activity Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 144,670	\$ 141,857	\$ (2,813)
Gifts and donations	5,330	5,330	-
Total revenues	<u>150,000</u>	<u>147,187</u>	<u>(2,813)</u>
<u>Expenditures:</u>			
Current:			
Extracurricular activities	<u>139,651</u>	<u>139,652</u>	<u>(1)</u>
Net change in fund balance	10,349	7,535	(2,814)
Fund balance at beginning of year	35,201	35,201	-
Prior year encumbrances appropriated	8,261	8,261	-
Fund balance at end of year	<u>\$ 53,811</u>	<u>\$ 50,997</u>	<u>\$ (2,814)</u>

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

Management Information Systems Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 7,000	\$ 6,633	\$ (367)
<u>Expenditures:</u>			
<u>Current:</u>			
Administration	6,634	6,633	1
Net change in fund balance	366	-	(366)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 366</u>	<u>\$ -</u>	<u>\$ (366)</u>

Disadvantaged Pupil Impact Aid Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 25,000	\$ 24,367	\$ (633)
<u>Expenditures:</u>			
<u>Current:</u>			
Instruction:			
Regular	24,367	24,367	-
Net change in fund balance	633	-	(633)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 633</u>	<u>\$ -</u>	<u>\$ (633)</u>

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

Data Communications Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 15,022	\$ 15,000	\$ (22)
<u>Expenditures:</u>			
Current:			
Instruction:			
Support services:			
Instructional staff	15,000	15,000	-
Net change in fund balance	22	-	(22)
Fund balance at beginning of year	78	78	-
Fund balance at end of year	<u>\$ 100</u>	<u>\$ 78</u>	<u>\$ (22)</u>

SchoolNet Professional Development Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 4,142	\$ 4,140	\$ (2)
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	2,511	2,509	2
Net change in fund balance	1,631	1,631	-
Fund balance at beginning of year	8	8	-
Fund balance at end of year	<u>\$ 1,639</u>	<u>\$ 1,639</u>	<u>\$ -</u>

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

Ohio Reads Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 17,198	\$ 13,770	\$ (3,428)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	21,990	21,989	1
Support services:			
Pupils	25	25	-
Instructional staff	400	400	-
Total expenditures	22,415	22,414	1
Excess of revenues over (under) expenditures	(5,217)	(8,644)	(3,427)
<u>Other financing sources (uses):</u>			
Advances in	714	714	-
Net change in fund balance	(4,503)	(7,930)	(3,427)
Fund balance at beginning of year	4,788	4,788	-
Prior year encumbrances appropriated	3,142	3,142	-
Fund balance at end of year	\$ 3,427	\$ -	\$ (3,427)

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

Summer Intervention Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 63,428	\$ 61,208	\$ (2,220)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	39,481	39,481	-
Support services:			
Administration	4,469	4,468	1
Total expenditures	43,950	43,949	1
Excess of revenues over (under) expenditures	19,478	17,259	(2,219)
<u>Other financing sources (uses):</u>			
Advances in	1,583	1,583	-
Net change in fund balance	21,061	18,842	(2,219)
Fund balance (deficit) at beginning of year	(20,060)	(20,060)	-
Prior year encumbrances appropriated	1,261	1,261	-
Fund balance (deficit) at end of year	\$ 2,262	\$ 43	\$ (2,219)

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

Miscellaneous State Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 21,988	\$ 20,719	\$ (1,269)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	1,420	1,420	-
Adult/continuing	11	11	-
Support services:			
Instructional staff	15,227	15,227	-
Administration	2,154	2,154	-
Operation and maintenance of plant	1,919	1,919	-
Total expenditures	20,731	20,731	-
Net change in fund balance	1,257	(12)	(1,269)
Fund balance at beginning of year	11	11	-
Prior year encumbrances appropriated	29	29	-
Fund balance at end of year	\$ 1,297	\$ 28	\$ (1,269)

Title VI-B Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 426,383	\$ 400,969	\$ (25,414)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	82,788	82,788	-
Other	175,070	175,069	1
Support services:			
Pupils	86,976	86,976	-
Instructional staff	43,955	43,955	-
Administration	6,234	6,234	-
Total expenditures	395,023	395,022	1
Net change in fund balance	31,360	5,947	(25,413)
Fund balance at beginning of year	1,117	1,117	-
Fund balance at end of year	\$ 32,477	\$ 7,064	\$ (25,413)

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

Title I Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 184,055	\$ 177,128	\$ (6,927)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	786	786	-
Special	76,173	76,171	2
Support services:			
Pupils	73,617	73,617	-
Instructional staff	11,471	11,471	-
Administration	2,587	2,587	-
Fiscal	1,731	1,731	-
Total expenditures	<u>166,365</u>	<u>166,363</u>	<u>2</u>
Net change in fund balance	17,690	10,765	(6,925)
Fund balance at beginning of year	(4,056)	(4,056)	-
Prior year encumbrances appropriated	322	322	-
Fund balance at end of year	<u>\$ 13,956</u>	<u>\$ 7,031</u>	<u>\$ (6,925)</u>

Title V Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 11,000	\$ 9,933	\$ (1,067)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	7,093	7,092	1
Support services:			
Instructional staff	3,099	3,099	-
Total expenditures	<u>10,192</u>	<u>10,191</u>	<u>1</u>
Net change in fund balance	808	(258)	(1,066)
Fund balance at beginning of year	143	143	-
Prior year encumbrances appropriated	115	115	-
Fund balance at end of year	<u>\$ 1,066</u>	<u>\$ -</u>	<u>\$ (1,066)</u>

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

Drug Free Schools Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 10,617	\$ 10,206	\$ (411)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,089	1,089	-
Support services:			
Pupils	5,357	5,356	1
Instructional staff	1,500	1,500	-
Total expenditures	<u>7,946</u>	<u>7,945</u>	<u>1</u>
Net change in fund balance	2,671	2,261	(410)
Fund balance at beginning of year	(2,516)	(2,516)	-
Prior year encumbrances appropriated	255	255	-
Fund balance at end of year	<u>\$ 410</u>	<u>\$ -</u>	<u>\$ (410)</u>

Improving Teacher Quality Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 60,000	\$ 54,144	\$ (5,856)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	41,825	41,826	(1)
Support services:			
Instructional staff	16,669	16,670	(1)
Total expenditures	<u>58,494</u>	<u>58,496</u>	<u>(2)</u>
Net change in fund balance	1,506	(4,352)	(5,858)
Fund balance at beginning of year	178	178	-
Prior year encumbrances appropriated	4,626	4,626	-
Fund balance at end of year	<u>\$ 6,310</u>	<u>\$ 452</u>	<u>\$ (5,858)</u>

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

Miscellaneous Federal Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 6,475	\$ 4,799	\$ (1,676)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	4,100	4,099	1
Support services:			
Instructional staff	3,826	3,826	-
Total expenditures	7,926	7,925	1
Net change in fund balance	(1,451)	(3,126)	(1,675)
Fund balance at beginning of year	2,475	2,475	-
Prior year encumbrances appropriated	852	852	-
Fund balance at end of year	\$ 1,876	\$ 201	\$ (1,675)

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

Bond Retirement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 1,590,663	\$ 1,612,557	\$ 21,894
Intergovernmental	145,571	145,571	-
Total revenues	<u>1,736,234</u>	<u>1,758,128</u>	<u>21,894</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Fiscal	33,722	33,722	-
Debt service:			
Principal retirement	1,057,000	1,057,000	-
Interest and fiscal charges	779,988	779,988	-
Total expenditures	<u>1,870,710</u>	<u>1,870,710</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(134,476)</u>	<u>(112,582)</u>	<u>21,894</u>
Net change in fund balance	(134,476)	(112,582)	21,894
Fund balance at beginning of year	374,668	374,668	-
Fund balance at end of year	<u>\$ 240,192</u>	<u>\$ 262,086</u>	<u>\$ 21,894</u>

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

Building Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	-	-	-
<u>Expenditures:</u>			
Capital outlay	128,264	128,264	-
Net change in fund balance	(128,264)	(128,264)	-
Fund balance at beginning of year	11,815	11,815	-
Prior year encumbrances appropriated	116,449	116,449	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SchoolNet Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 16,000	\$ 15,750	\$ (250)
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	15,750	15,750	-
Net change in fund balance	250	-	(250)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ (250)</u>

Fiduciary Funds

Statement of Changes in Assets and Liabilities – Agency Fund

Streetsboro City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2005

	Beginning Balance <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2005</u>
<u>Student Managed Activity</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 34,758	\$ 93,035	\$ 90,119	\$ 37,674
<u>Liabilities:</u>				
Accounts payable	\$ 176	\$ 988	\$ 176	\$ 988
Due to students	34,582	92,047	89,943	36,686
Total liabilities	<u>\$ 34,758</u>	<u>\$ 93,035</u>	<u>\$ 90,119</u>	<u>\$ 37,674</u>

STATISTICAL SECTION

This page intentionally left blank.

Streetsboro City School District

**Revenues by Source and Expenses by Function - Governmental Activities
Last Three Fiscal Years (1)**

	Fiscal Year Ended June 30, 2005	Fiscal Year Ended June 30, 2004	Fiscal Year Ended June 30, 2003
<u>Revenues:</u>			
Program revenues:			
Charges for services	\$ 829,966	\$ 882,084	\$ 805,886
Operating grants, contributions and interest	1,058,089	873,983	811,270
Capital grants and contributions	14,724	335	28,811
General revenues:			
Property taxes levied for general purposes	12,699,757	9,810,270	9,216,699
Property taxes levied for debt service	1,722,622	2,325,849	1,376,790
Grants and entitlements	5,459,223	5,368,164	5,327,369
Payments in lieu of taxes	217,154	159,672	132,352
Investment earnings	35,127	18,662	37,011
Miscellaneous	112,357	50,286	66,993
Total revenues	<u>\$ 22,149,019</u>	<u>\$ 19,489,305</u>	<u>\$ 17,803,181</u>
<u>Expenses:</u>			
Current:			
Instruction:			
Regular	\$ 9,365,035	\$ 8,434,134	\$ 8,296,939
Special	1,321,358	1,076,296	975,931
Vocational	72,288	68,563	67,614
Adult/continuing	11	4,903	2,864
Other	756,333	510,639	360,091
Support services:			
Pupils	1,517,712	1,342,869	1,277,129
Instructional staff	821,338	841,230	620,481
Board of education	217,243	169,628	105,821
Administration	1,485,778	1,434,668	1,404,999
Fiscal	648,501	600,967	528,970
Business	118,596	114,440	194,986
Operation and maintenance of plant	1,620,973	1,849,139	1,932,531
Pupil transportation	984,640	1,015,283	936,479
Central	102,246	80,205	94,101
Food service operations	757,199	733,258	711,877
Operation of non-instructional services	111,740	107,455	37,410
Extracurricular activities	458,041	430,399	386,134
Interest and fiscal charges	777,199	804,542	856,766
Total expenditures	<u>\$ 21,136,231</u>	<u>\$ 19,618,618</u>	<u>\$ 18,791,123</u>

Source: FY2003 - FY2005 School District audit reports

(1) Accrual basis will be reported for the last ten years when there are enough years of information available.

Streetsboro City School District

General Governmental Revenues by Source and Expenditures by Function

Last Ten Fiscal Years

	Fiscal Year Ended June 30, 2005	Fiscal Year Ended June 30, 2004	Fiscal Year Ended June 30, 2003	Fiscal Year Ended June 30, 2002
<u>Revenues:</u>				
Taxes	\$ 14,324,368	\$ 12,252,148	\$ 10,402,859	\$ 10,091,546
Intergovernmental	6,446,733	6,193,818	6,078,157	6,231,793
Interest	35,941	19,509	37,593	313,148
Tuition and fees	91,716	83,448	62,950	7,123
Extracurricular activities	254,440	252,115	250,539	173,214
Gifts and donations	43,381	61,719	42,216	68,035
Charges for services	523,563	539,330	492,395	1,850
Rent	1,708	5,794	9,521	11,625
Payments in lieu of taxes	217,154	159,672	132,353	-
Miscellaneous	112,006	50,281	57,472	19,310
Total revenues	\$ 22,051,010	\$ 19,617,834	\$ 17,566,055	\$ 16,917,644
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	\$ 8,946,797	\$ 8,169,887	\$ 7,854,826	\$ 7,194,192
Special	1,262,077	1,028,586	937,419	1,056,442
Vocational	71,703	68,228	66,731	63,541
Adult/continuing	11	4,903	2,864	-
Other	756,333	510,639	360,091	108,433
Support services:				
Pupils	1,513,759	1,316,335	1,240,876	1,155,500
Instructional staff	852,141	803,682	650,446	526,875
Board of education	217,243	169,628	105,821	140,797
Administration	1,448,600	1,411,786	1,369,932	1,309,445
Fiscal	647,285	621,045	508,316	545,842
Business	118,040	114,033	194,650	130,431
Operation and maintenance of plant	1,567,682	1,787,809	2,033,874	1,288,905
Pupil transportation	882,403	916,860	833,310	1,027,563
Central	98,689	76,048	89,344	80,657
Food service operations	708,735	700,160	629,290	-
Operation of non-instructional services	91,183	83,831	65,584	565
Extracurricular activities	450,326	421,324	372,534	458,245
Capital outlay	116,273	742,673	392,113	9,755,426
Debt service:				
Principal retirement	877,358	834,226	841,344	500,479
Interest and fiscal charges	779,988	808,158	858,339	1,055,616
Bond issuance costs	-	49,770	-	-
Total expenditures	\$ 21,406,626	\$ 20,639,611	\$ 19,407,704	\$ 26,398,954

Source: 1995-2004 School District financial records.

Note: For 1996-2002, General Government includes all governmental fund types and expendable trust fund;
for 2003-2005, General Government includes general, special revenue and capital projects funds.

Fiscal Year Ended June 30, 2001	Fiscal Year Ended June 30, 2000	Fiscal Year Ended June 30, 1999	Fiscal Year Ended June 30, 1998	Fiscal Year Ended June 30, 1997	Fiscal Year Ended June 30, 1996
\$ 9,024,604	\$ 6,916,236	\$ 7,568,992	\$ 6,307,382	\$ 5,589,431	\$ 5,290,137
5,539,209	5,211,859	5,401,691	4,592,637	4,586,068	4,362,819
841,402	259,966	121,587	106,116	101,915	104,845
8,976	11,051	21,821	20,691	21,192	32,226
177,379	163,925	138,757	129,511	105,164	109,648
150,204	124,097	153,255	-	-	-
5,800	8,166	47,770	-	-	-
4,035	2,124	8,144	-	-	-
-	-	-	-	-	-
757,295	25,762	16,898	173,149	38,580	23,239
<u>\$ 16,508,904</u>	<u>\$ 12,723,186</u>	<u>\$ 13,478,915</u>	<u>\$ 11,329,486</u>	<u>\$ 10,442,350</u>	<u>\$ 9,922,914</u>

\$ 6,582,626	\$ 6,375,834	5,973,868	\$ 5,250,742	\$ 5,229,728	\$ 4,840,082
951,728	822,261	708,950	582,251	568,308	613,359
60,131	44,078	109,296	103,647	106,607	100,250
-	-	1,358	5,466	-	-
297,231	124,329	99,348	50,656	57,439	35,117
919,092	831,830	641,660	781,626	666,569	502,257
460,375	519,580	399,154	169,607	158,852	146,346
382,393	135,807	99,860	94,439	61,100	68,524
1,292,838	1,127,063	997,311	840,178	779,559	759,337
471,861	394,000	401,480	308,770	311,288	290,101
36,863	51,886	97,687	80,997	93,422	84,488
1,053,782	969,027	1,089,436	1,194,017	890,683	1,158,725
1,113,987	688,337	818,805	517,702	603,698	521,445
100,419	81,545	47,675	39,163	41,743	34,633
-	-	-	-	-	-
2,580	3,664	7,814	558	7,285	3,653
373,502	347,182	335,800	299,676	282,743	283,459
6,922,838	1,618,043	91,761	9,431	-	28,824
11,459,657	305,356	217,000	212,000	242,000	223,000
679,596	169,845	175,123	198,113	223,294	243,209
-	-	-	-	-	-
<u>\$ 33,161,499</u>	<u>\$ 14,609,667</u>	<u>\$ 12,313,386</u>	<u>\$ 10,739,039</u>	<u>\$ 10,324,318</u>	<u>\$ 9,936,809</u>

Streetsboro City School District

Property Tax Levies and Collections Real, Public Utility Tax and Tangible Personal Property (1)

Last Nine Calendar Years

Year	Current Levy		Delinquent Levy	Total Levy	Current Collections		Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection as a Percent of Total Levy	
	\$				\$					%	\$
2005	\$ 14,453,984		\$ 692,718	\$ 15,146,702	\$ 13,884,918		96.06%	\$ 434,463	\$ 14,319,381	94.54%	\$ 827,321
2004	16,335,792		857,265	17,193,057	15,208,703		93.10%	510,047	15,718,750	91.42%	1,474,307
2003	11,654,955		922,882	12,577,837	11,205,710		96.15%	487,188	11,692,898	92.96%	884,939
2002	11,111,294		960,173	12,071,467	10,646,212		95.81%	621,539	11,267,751	93.34%	803,716
2001	10,822,474		-	10,822,474	10,467,425		96.72%	-	10,467,425	96.72%	355,049
2000	8,385,189		-	8,385,189	8,099,323		96.59%	-	8,099,323	96.59%	285,866
1999	8,527,422		-	8,527,422	7,861,812		92.19%	-	7,861,812	92.19%	665,610
1998	7,799,974		-	7,799,974	7,021,591		90.02%	-	7,021,591	90.02%	778,383
1997	6,445,969		-	6,445,969	5,933,569		92.05%	-	5,933,569	92.05%	512,400

Source: Portage County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.

Information not available for 1996.

Streetsboro City School District
Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Collection Years

Collection Year	Real Property (1)		Public Utility (2)		Tangible Personal Property (3)		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2005	\$ 325,477,840	\$ 929,936,686	\$ 8,239,460	\$ 9,363,023	\$ 61,938,890	\$ 247,755,560	\$ 395,656,190	\$ 1,187,055,268
2004	302,356,433	863,875,523	8,030,810	9,125,920	49,767,228	199,068,912	360,154,471	1,072,070,355
2003	265,107,350	757,449,571	8,291,530	9,422,193	46,010,108	184,040,432	319,408,988	950,912,197
2002	244,806,420	699,446,914	7,811,740	8,876,977	48,089,549	192,358,196	300,707,709	900,682,088
2001	217,530,050	621,514,429	9,333,720	10,606,500	43,940,835	175,763,340	270,804,605	807,884,269
2000	170,035,310	485,815,171	10,744,540	12,209,705	40,714,462	162,857,848	221,494,312	660,882,724
1999	156,699,750	447,713,571	11,150,270	12,670,761	31,110,933	124,443,732	198,960,953	584,828,065
1998	148,657,700	424,736,286	9,855,870	11,199,852	29,584,335	118,337,340	188,097,905	554,273,478
1997	122,230,310	349,229,457	9,776,200	11,109,318	24,985,320	99,941,280	156,991,830	460,280,055
1996	112,431,770	321,233,629	9,857,910	11,202,170	21,985,413	87,941,652	144,275,093	420,377,451

Source: Portage County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

- (1) Real estate value is assessed at 35% of appraised market value.
- (2) Public utility real property is assessed at 35% of true value; public utility tangible personal property is currently assessed at varying percentages of true value.
- (3) Tangible personal property is assessed at 25% of true value for capital assets and 24% of true value for inventory.

Streetsboro City School District
Property Tax Rates - Direct and Overlapping Governments
Last Ten Collection Years

Collection Year	School Levy	County Levy	Streetsboro City Levy	Portage County District Board of Health	Maplewood Joint Vocational School	Total
2004	58.23	12.72	2.90	0.40	4.00	78.25
2003	59.15	12.72	2.90	0.40	4.00	79.17
2002	55.12	12.72	2.90	0.40	4.00	75.14
2001	56.13	12.72	2.90	0.40	4.00	76.15
2000	55.09	12.72	2.90	0.40	4.00	75.11
1999	57.05	12.72	2.90	0.40	4.00	77.07
1998	58.98	12.72	2.90	0.40	4.00	79.00
1997	56.72	12.72	2.90	0.40	4.00	76.74
1996	58.16	10.92	2.90	0.40	4.00	76.38
1995	58.78	10.17	2.90	0.40	4.00	76.25

Source: Portage County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

Note: Rates are per \$1,000 of assessed valuation.

Streetsboro City School District
Computation of Legal Debt Margin
June 30, 2005

Assessed Valuation (2004) \$ 395,656,190

Bonded Debt Limit - 9% of Assessed Value (1) \$ 35,609,057

Outstanding debt:

Energy Conservation Bonds	\$ 744,000
Permanent Improvement Bonds	15,220,000
Less: Amount available in debt service fund	<u>(394,837)</u>
Total outstanding debt	<u>\$ 15,569,163</u>

Amount of debt applicable to debt limit 15,569,163

Voted Debt Margin \$ 20,039,894

Bonded Debt Limit - .10% of Assessed Value (1) \$ 395,656

Outstanding debt:

Energy Conservation Bonds	\$ 744,000
School Building Acquisition Bonds	15,220,000
Less: Amount available in debt service fund	<u>(394,837)</u>
Total outstanding debt	<u>\$ 15,569,163</u>

Less exemptions:

Energy Conservation Bonds	\$ 744,000
School Building Acquisition Bonds	15,220,000
Less: Amount available in debt service fund	<u>(394,837)</u>
	<u>\$ 15,569,163</u>

Unvoted Debt Margin \$ 395,656

Source: Portage County Auditor and School District financial records.

(1) Ohio Bond Law sets a limit of 9% of assessed value for voted debt and 1/10 of 1% for unvoted debt. All School District debt subject to the limitation is voted.

Streetsboro City School District

**Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Collection Years**

<u>Collection Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value</u>	<u>Population</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2005	\$ 15,569,163	\$ 395,656,190	12,311	3.94%	\$ 1,265
2004	16,446,330	360,154,471	12,311	4.57%	1,336
2003	16,433,200	319,408,988	12,311	5.14%	1,335
2002	17,076,752	300,707,709	12,311	5.68%	1,387
2001	16,808,078	270,804,605	12,311	6.21%	1,365
2000	12,841,806	221,494,312	9,932	5.80%	1,293
1999	1,896,392	198,960,953	9,932	0.95%	191
1998	2,438,762	188,097,905	9,932	1.30%	246
1997	2,863,740	156,991,830	9,932	1.82%	288
1996	3,218,589	144,275,093	9,932	2.23%	324

Source: Portage County Auditor, School Districts records, School District Audit Reports, U.S. Bureau of Census and the Summit County Library.

(1) No debt is applicable to enterprise funds.

Streetsboro City School District

**Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total Governmental Expenditures
Last Ten Fiscal Years**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Governmental Expenditures (Percentages)</u>
2005	\$ 857,000	\$ 778,738	\$ 1,635,738	\$ 21,406,626	7.64%
2004	817,000	804,377	1,621,377	20,639,611	7.86%
2003	817,000	858,184	1,675,184	19,407,704	8.63%
2002	487,000	1,054,549	1,541,549	26,398,954	5.84%
2001	11,352,000	622,685	11,974,685	33,161,499	36.11%
2000	222,000	154,633	376,633	14,609,667	2.58%
1999	217,000	171,300	388,300	12,313,386	3.15%
1998	212,000	185,269	397,269	10,739,039	3.70%
1997	242,000	201,799	443,799	10,324,318	4.30%
1996	223,000	213,414	436,414	9,936,809	4.39%

Source: School Districts records and Audit Reports.

Streetsboro City School District
Demographic Statistics

Selected Population Characteristic	2000	1990
<u>Gender</u>		
Males	6,051	4,884
Females	6,260	5,048
<u>Age Distribution</u>		
Under 5 years	844	730
5 to 9 years	914	875
10 to 14 years	795	761
15 to 19 years	721	690
20 to 24 years	736	634
25 to 34 years	2,235	1,779
35 to 44 years	2,174	1,710
45 to 54 years	1,577	1,168
55 to 59 years	595	501
60 to 64 years	514	356
65 to 74 years	762	467
75 to 84 years	352	204
85 years and older	92	57
Percent of population under 21	27.63%	30.63%
Percent of population 21 and older	72.37%	69.37%
<u>Race</u>		
White	11,744	9,781
Black	241	65
Other	326	86

Source: U.S. Bureau of the Census & Summit County Library.

Streetsboro City School District
Property Values, Bank Deposits and Construction
Last Ten Calendar Years

Year	Total Assessed Values	Certified Bank Deposits	Value of New Construction
2005	\$ 395,656,190	\$ 121,571,000	\$ 20,100,580
2004	360,154,471	93,879,318	15,992,730
2003	319,408,988	167,451,000	14,356,880
2002	300,707,709	161,528,000	18,690,560
2001	270,804,605	119,654,000	43,862,400
2000	221,494,312	112,500,000	15,094,770
1999	198,960,953	233,897,000	11,768,660
1998	188,097,905	199,923,000	10,099,110
1997	156,991,830	153,063,000	9,370,680
1996	144,275,093	137,993,000	9,275,750

Sources:

Total Assessed Value - Portage County Auditor.
 Financial Institution Deposits - Cleveland Federal Reserve Board.
 Value of New Construction - Portage County Auditor.

Streetsboro City School District
Principal Taxpayers (1)

Top Taxpayers	Assessed Valuations				Percent of Total	Estimated Actual Valuations			
	Real Property	Tangible Personal	Public Utility	Total		Real Property	Tangible Personal	Public Utility	Total
Lexington Streetsboro LLC	\$ 8,920,180	-	\$ -	\$ 8,920,180	2.25%	\$ 25,486,229	-	\$ -	\$ 25,486,229
Settlers Landing	4,729,890	-	-	4,729,890	1.20%	13,513,971	-	-	13,513,971
Shady Lake Apartments	4,696,830	-	-	4,696,830	1.19%	13,419,514	-	-	13,419,514
Step 2 Real Estate Company	4,431,220	-	-	4,431,220	1.12%	12,660,629	-	-	12,660,629
Caroline Realty LLC	3,771,300	-	-	3,771,300	0.95%	10,775,143	-	-	10,775,143
Coral Market Square LTD	3,730,620	-	-	3,730,620	0.94%	10,658,914	-	-	10,658,914
Moore Wallace N.A., Inc.	-	3,763,530	-	3,763,530	0.95%	-	15,054,120	-	15,054,120
Portage Pointe Apartments	3,639,020	-	-	3,639,020	0.92%	10,397,200	-	-	10,397,200
Lowe's Home Centers, Inc.	3,286,680	-	-	3,286,680	0.83%	9,390,514	-	-	9,390,514
HD Development	2,628,120	-	-	2,628,120	0.66%	7,508,914	-	-	7,508,914
Total Top Ten Taxpayers	\$ 39,833,860	\$ 3,763,530	\$ -	\$ 43,597,390	11.02%	\$ 113,811,029	\$ 15,054,120	\$ -	\$ 128,865,149

90 Total All Assessed Valuations \$ 325,477,840 \$ 61,938,890 \$ 8,239,460 \$ 395,656,190 100.00%

Sources: Portage County Auditor.

(1) For fiscal year 2004. Fiscal year 2005 information not available.

Streetsboro City School District
Computation of Direct and Overlapping Bonded Debt
June 30, 2005

	<u>Assessed Valuation</u>	<u>Net General Tax Supported Debt (1)</u>	<u>Percent Overlapping (2)</u>	<u>Amount Applicable Streetsboro City School District</u>
Direct:				
Streetsboro City School District	\$ 395,656,190	<u>\$ 15,569,163</u>	100.00%	<u>\$ 15,569,163</u>
Overlapping:				
Portage County	3,096,410,931	17,204,222	12.78%	2,198,338
Streetsboro City	395,656,190	<u>5,281,290</u>	100.00%	<u>5,281,290</u>
Total overlapping:		<u>22,485,512</u>		<u>7,479,628</u>
Total direct and overlapping:		<u><u>\$ 38,054,675</u></u>		<u><u>\$ 23,048,791</u></u>

Sources: Portage County Auditor.

(1) Includes all general obligation bonds and notes at December 31, 2004 for Portage County, and December 31, 2003 for the Streetsboro City (latest information available).

(2) Overlapping percentages are calculated based on overlapping valuation and total entity valuation.

Streetsboro City School District

Miscellaneous Statistics

Last Ten Fiscal Years (1)

	Fiscal Year Ended June 30, 2005	Fiscal Year Ended June 30, 2004	Fiscal Year Ended June 30, 2003	Fiscal Year Ended June 30, 2002
Fall Enrollment	2,099	2,034	2,075	1,942
<u>Demographic Data:</u>				
Average Income	\$ 33,305	\$ 33,140	\$ 32,840	32,840
Property Valuation/Pupil	\$ 160,966	\$ 177,067	\$ 156,473	153,132
<u>Fiscal Data:</u>				
Effective Mills-Residential and Agricultural	47.02	46.88	46.88	32.08
Average Teacher Salary	\$ 46,942	\$ 45,682	\$ 44,401	42,728
<u>Staff Data:</u>				
Percent of Teachers With No Degree	-	-	-	-
Percent of Teachers With Bachelor Degree	100.00%	98.60%	46.30%	49.20%
Percent of Teachers With Masters Degree	30.40%	25.70%	53.70%	50.80%
Average Teacher Experience (yrs.)	15.00	14.00	13.00	12.00
<u>Output:</u>				
Pupil Attendance Rate	95.40%	95.10%	95.10%	95.00%
Staff Attendance Rate	94.30%	94.25%	94.20%	94.70%
Graduation Rate	98.30%	91.90%	92.10%	95.20%

Source: Ohio Department of Education and School District Report Card.

<u>Fiscal Year Ended June 30, 2001</u>	<u>Fiscal Year Ended June 30, 2000</u>	<u>Fiscal Year Ended June 30, 1999</u>	<u>Fiscal Year Ended June 30, 1998</u>	<u>Fiscal Year Ended June 30, 1997</u>	<u>Fiscal Year Ended June 30, 1996</u>
1,894	1,891	1,897	1,901	1,851	1,806
32,370	32,799	31,471	31,471	30,467	29,333
116,442	103,294	97,208	80,712	76,029	74,822
33.09	34.98	36.47	35.15	36.22	36.71
42,759	42,585	42,086	40,546	40,256	39,935
-	-	-	-	-	-
74.34	73.67	71.48	74.23	72.37	73.19
25.66	26.33	28.52	25.77	27.63	26.81
14.00	15.80	16.60	16.70	16.20	16.30
94.90	95.00	94.40	94.62	94.74	94.10
95.10	94.70	95.70	95.43	95.65	95.37
83.70	91.10	79.10	94.70	85.27	88.49

Streetsboro City School District

Directory of School Facilities

June 30, 2005

<u>FACILITY</u>	<u>ADDRESS</u>	<u>PRINCIPAL</u>	<u>GRADES</u>
Streetsboro City High School	1900 Annalane Streetsboro, OH 44241	Mr. James Montaquila	9-12
Streetsboro Middle School	1951 Annalane Streetsboro, OH 44241	Mr. George Hammond	7-8
Henry Defer Intermediate School	1895 Annalane Streetsboro, OH 44241	Ms. Sandy Rich	5-6
Campus Elementary School	8955 Kirby Lane Streetsboro, OH 44241	Ms. Sheryl Langell	2-4
Wait Elementary School	899 Frost Road Streetsboro, OH 44241	Mr. Jon Natko	K-1



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

STREETSBORO CITY SCHOOL DISTRICT

PORTAGE 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
MAY 16, 2006**