

# Talawanda School District Oxford, Ohio

## Comprehensive Annual Financial Report



**Fiscal Year Ended June 30, 2001**





STATE OF OHIO  
OFFICE OF THE AUDITOR

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Board of Education  
Talawanda School District  
131 W. Chestnut St.  
Oxford, OH 45056

We have reviewed the independent auditor's report of the Talawanda School District, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2000 through June 30, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

November 8, 2001

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**TALAWANDA SCHOOL DISTRICT**  
Oxford, Ohio

**Comprehensive Annual Financial Report  
for the Year ended June 30, 2001**

**Board of Education**

William Vollmer - President  
Robert Sherman - Vice President  
Donald Barnhart - Member  
Mollie Hansel - Member  
Glenn Bailey - Member

**Superintendent of Schools**

Philip Cagwin, Ph.D

**Issued By**

Treasurer's Office

James M. Rowan  
CFO/Treasurer

# TALAWANDA CITY SCHOOL DISTRICT

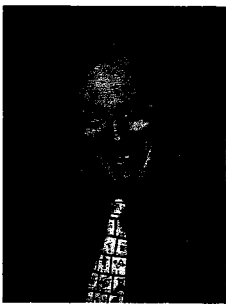
## BOARD OF EDUCATION



William Vollmer  
President



Robert Sherman  
Vice-President



Donald Barnhart  
Board Member



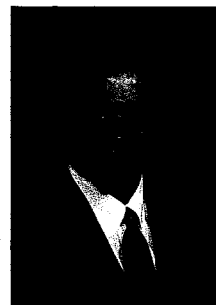
Mollie Hansel  
Board Member



Glenn Bailey  
Board Member



Philip Cagwin  
Superintendent



James M. Rowan  
CFO/Treasurer

**Talawanda School District, Ohio  
Comprehensive Annual Financial Report**

**For Year Ended June 30, 2001**

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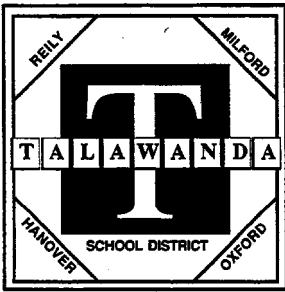
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FAX: 513-523-1145

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September 14, 2001

To the Citizens and Board of Education of the Talawanda School District:

The Comprehensive Annual Financial Report (CAFR) of the Talawanda School District (the District) for the fiscal year ended June 30, 2001, is hereby submitted. This report was prepared by the Treasurer's Office, and includes the unqualified opinion of our independent auditors, Clark, Schaefer, Hackett & Co. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, 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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The CAFR conforms to generally accepted accounting principals applicable to governmental entities.

The CAFR is presented in three sections: introductory, financial, and statistical. The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officers. The Financial Section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multiyear basis.

Copies of this report will be distributed throughout the School District. A copy will be sent to all school buildings, the Chamber of Commerce, major taxpayers, Lane Public Library, Miami University Library, banks, and interested citizens.

This report includes all funds and account groups of the District. The District provides a full range of traditional and non-traditional educational programs and services. These include elementary and secondary curriculum offerings at the general and college preparatory levels; a broad range of co-curricular and extra curricular activities; adult and community education offerings; special education programs and facilities; and community recreation facilities.

In addition to providing these general activities, the District acts as fiscal agent for State funds distributed to private schools located within the District boundaries; therefore this activity is included in the reporting entity. The McGuffey Foundation School is the only school served. While the McGuffey Foundation shares operational and service similarities with the District, each are separate and distinct entities. Because of its independent nature, the McGuffey Foundation School's financial statements are not included in this report.

## **THE SCHOOL DISTRICT**

The School District is located in the northwestern section of Butler County, Ohio, and encompasses the City of Oxford. The District has an area of 145 square miles and an approximate residential population of 23,968 and an approximate University population of 11,000. The District is primarily a residential and farming community.

The District had 3,108 students enrolled in its three elementary schools, middle school, and high school during the same period. In addition to the schools listed, the District maintained and operated a transportation facility, maintenance building, central office building, and several sports fields.

Talawanda Schools have a long and colorful history. We have detailed dates of significance below:

### **1811**

Primary education began when Miami University opened the first schoolhouse, a log structure, under a tuition program.

### **1818**

A brick schoolhouse was opened for white elementary school-aged children and served unofficially as Oxford's first free public school.

### **1826-1849**

A Mission School was opened to serve Oxford's black children.

### **1849**

Oxford's public school district was officially called the "Oxford Village School District" and District Number Seven."

### **1853**

Union School was opened. It was Oxford's first public school facility, which was constructed totally from funds received through a voter-approved tax issue.

### **1874**

A public high school program was started.

### **1887**

Under a State Supreme Court ruling, the Oxford Board of Education was ordered to allow black students to attend any school in the district.

### **1892**

The schoolhouse used only by blacks was closed. All students were then placed in common buildings.

### **1935**

The Oxford Village School District was re-named the Oxford Local School District, and was chartered as such by the State Department of Education.

### **1946**

Oxford Township Rural School District was merged with Oxford Local School District.

### **1953**

Hanover Township Local School District was merged with the Oxford Local School District and was re-named the Oxford-Hanover Local School District. Later that same year, Somerville Local School District and Milford Township Local School District were merged with the new Oxford-Hanover Local School District. The above mergers were the direct result of new standards of the State Board of Education, which required all school districts to have comprehensive high schools or become dissolved.

### **1954**

The Oxford-Hanover Local School District was re-named the Talawanda Local School District, and re-chartered as such by the State Board of Education.

## **1966**

The Board of Education and the Talawanda Educators' Association entered into their first negotiated agreement.

## **1968**

The Reily Township Local School District was merged with Talawanda Local School District because Reily was unable to meet new state standards.

## **1982**

The District was re-chartered and re-named the Talawanda School District.

## **ECONOMIC CONDITION AND OUTLOOK:**

The District is located in the Miami Valley Region of Southwest Ohio. The District is midway between Cincinnati and Dayton in rapidly growing Butler County and borders the Indiana State line. The area served by the District is primarily an industrial and agricultural area.

The community is primarily an outgrowth of the development of Miami University, a state university. Miami University continues to play a prominent role in the development of the community. The property of the University is tax exempt and thus does not support the District. As the largest employer, the University, its students and its faculty have the primary impact on the economy. The University continues to enjoy a healthy financial outlook.

The District's economy is not solely tied to the University. Besides manufacturing and healthcare employers, many of our residents commute to the Cincinnati and Dayton areas each day. In general, the economy of the District continues to hold steady with moderate growth in new home construction. Commercial development is also occurring in the Southeast corner of the District and within Oxford. In 1999, Oxford created a Community Improvement Corporation (CIC) to promote economic development within the City and Oxford Township.

## **ORGANIZATION OF THE SCHOOL DISTRICT**

A five member Board of Education serves as the taxing authority, contracting body, and policy maker for the School District. The Board adopts the annual operating budget, tax budget and approves all expenditures of District tax moneys.

The Superintendent is the chief executive officer of the School District, responsible to the Board for total education and support operations. The Treasurer is the chief financial officer of the School District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds and investment of idle funds as specified by Ohio law. Other Board appointed officials, reporting to the Superintendent, are an Assistant Superintendent, building principals, and directors of various educational and support services.

## **EMPLOYEE RELATIONS**

The District currently has approximately 380 full-time and part-time employees.

There are two organizations representing District employees. The District's administrators and central office personnel are not currently represented.

The District's 205 teachers are represented for collective bargaining purposes by the Talawanda Educators' Association (TEA), an affiliate of the Ohio Education Association. The District had a one-year collective bargaining agreement with TEA, which expired July 31, 2001. A new four-year collective bargaining agreement was ratified with an effective date of August 1, 2001 expiring July 31, 2005.

The District's 142 non-teaching employees are represented for collective bargaining purposes by the Talawanda Classified Staff Association (TCSA), an affiliate of the Ohio Education Association. The District is had a one-year collective bargaining agreement with TCSA, which expired June 30, 2001. A new three-year collective bargaining agreement was ratified with an effective date of July 1, 2001 expiring June 30, 2004..

## **DEPARTMENT FOCUS:**

The biggest highlight of 2001 was the passage of a 6.5 mill operating levy in November 2000. This was the first operating levy passed since 1991 and will generate approximately \$2.9 million annually. Approximately 85% of the levy proceeds will go for employee salaries and benefits.

In the Spring of 2000 a group of community members formed a committee to promote and market the school district in an effort to pass the first operating levy since 1991. The main focal point of the levy was low teacher salaries. To be more specific, teachers in the Talawanda School District were the lowest paid in Butler County Ohio causing massive amounts of staff turnover each year. As a community it was believed that an investment was needed in order to recruit and maintain quality teaching professionals.

The group of 100+ community members worked numerous hours communicating the need for the additional revenue, which resulted in an astounding victory on November 7, 2000 with a 63.5% approval rating. The results of this operating levy allowed for an adjustment to teacher salaries to move them to the average salary in Butler County and allowed for the reinstatement of some \$600,000 in cuts that were made on April 10, 2000 in anticipation of a deficit fund balance in 2001.

Thanks to the Board of Education, Administration, Faculty, Staff and Community for their support in the passage of the November 7, 2000 operating levy.

## **SERVICES PROVIDED**

The District provides a wide variety of educational and support services as mandated by state statute or public desires. These include regular instruction and special instructional programs for handicapped students, student guidance and health services, as well as extracurricular activities. Enterprise fund services include adult education programs, educational supply service, and food service operation.

## **MAJOR INITIATIVES AND EVENTS**

### **Educational**

During the 2000-2001 school year there were a variety of important programs and initiatives introduced into the educational programs of the Talawanda School District. Outlined below is a brief summary of the most notable of these initiatives.

**Textbook Initiative:** The Talawanda School District has approved a five-year textbook adoption cycle in which it allocates \$300,000 annually to fund educational resources such as textbooks, materials, computers and software needed for the various course adoptions. This initiative allows our students to have access to the latest instructional resources available.

**Entry Year Program:** During the 2000-2001 school year, the District continued to support the Entry Year Program designed to meet the needs of individuals in their first year of teaching and to prepare them for a performance assessment. Goals of the program are as follows:

- Identify potential mentors and provide mentor training
- Provide orientation for entry year teachers and mentors
- Assign every entry year teacher with a mentor
- Provide teacher assessment through Praxis III

**High Schools That Work (HSTW):** Talawanda High School faculty continues to research and implement the fundamentals of High Schools That Work (HSTW) into the THS system. Through HSTW the high school staff hopes to:

- Develop a plan for continuous improvement through curriculum development, professional development, and improved student achievement and workplace readiness
- Improve integration of vocational and academic curriculum at the high school
- Add educational and career options for students
- Improve academic and career achievement
- Reduce the general track and non-focused course selection
- Use data to drive curricular decisions
- Increase student, parent, and faculty accountability for student success

**In-service:** Talawanda recognizes that the classroom teacher is the heart of the instructional program and it is critical that efforts be made to provide on-going in-service support for these staff members. Through the use of grants, Miami University support, district funds, and individual financial support, district teachers have participated in in-service activities including some of the following topics:

- Cooperative Learning
- Environmental Studies
- Mentoring Skills
- Intervention
- Interdisciplinary Units
- Primary Mathematics Instruction
- Multiple Intelligence's
- Team Teaching
- Entry-year Teachers
- Learning Styles
- Parenting Skills
- Problem Solving
- Grouping Strategies
- Classroom of the Future

**Continuous Improvement Plan:** In October 1999, the district brought together 65 community members for an educational summit as part of the "Schoolhouse of Quality" initiative in conjunction with architects Steed, Hammond and Paul. This group's task was to help assess the district's further progress on meeting the goals of the 1995 Strategic Plan. During the Summit, the 97 action plans were evaluated as to their importance and success in meeting the 22 goals of the strategic plan. The 22 goals were then placed into one of four quadrants: Reallocate, Anticipate, Continue, and Improve. It was agreed at the Summit that the goals in the Reallocated and Anticipate quadrants would be removed at this time. The district would focus primarily on the accomplishment of the goals in the Continue and Improve quadrants.

In January 2000, the Ohio Department of Education released the Reference Guide to Continuous Improvement Planning. That document was used in the evolution of the district's strategic plan into this Talawanda Schools Continuous Improvement Plan. As evidenced by the Board's commitment to Strategic Planning five years ago, Talawanda recognizes the importance of identifying goals. The Board of Education and the District Administrative Staff are fully committed to planning, implementing, evaluating, and as funds permit, supporting the action plans in the district Continuous Improvement Plan.

The Board of Education meets monthly, and has had a standing item for reports on strategic planning activities for the past four years. There is also opportunity for citizens comments at the beginning of each and every board meeting.

Individual school buildings within the district are at various stages of completion of their own continuous improvement plans, and during the past two years eight early release days were devoted for district-wide work on Continuous Improvement activities.

The school district encourages principals and staffs to implement school reform models. Our high school is a forerunner in the State on the High School That Work reform model. Our middle school and two of our three elementary schools have received Venture Capital funds for innovative instructional approaches. Our middle school has also received "raising the bar" recognition for innovative instructional practices.

The district's Belief Statements and Mission Statement are as follows:

### **Belief Statements**

We believe that:

- self esteem is an important part of learning.
- learning is a lifelong process.
- public education is a cooperative effort among parents, students, staff and community.
- the family is the major influence in, and is responsible for, the child's development.
- schools provide the opportunity for learning basic and specialized knowledge and skills for growth.
- schools are influenced by an ever-changing society.
- individuals have a capability and capacity to learn which are unique to them.
- all people have value.
- public schools are a valuable resource.
- schools are to operate in a legally, ethically, and financially responsible manner.

## **Mission Statement**

The mission of the Talawanda School District is to provide for the educational development of its students within a secure, nurturing environment. The Talawanda School District will provide a challenging and comprehensive curriculum that will draw upon the multiple strengths of the community and will be supported by a well informed public. This will enable each student to reach his/her full potential, to become a responsible citizen and a contributing member of a diverse society.

### **Facilities**

During the 2000-2001 school year the Talawanda School District participated in the Ohio School Facilities Commission Expedited Local Partnership Program Assessment Plan. This program enabled a group of architects employed by the Ohio School Facilities Commission to assess the condition of district facilities to allow for state funding for school facilities. As a result of this study the Talawanda Board of Education is working with community members to develop a facilities master plan to meet the needs of the district for the next several years. Upon approval of a facilities plan it is anticipated that the district would seek voter approval to fund the much needed facility renovations as outlined in the plan. Based on the district's wealth factor the state would provide a 24% match on all approved projects. While the state does not anticipate that funding would be available for the Talawanda School District until 2009, the district would be permitted to proceed under the Expedited Local Partnership Program with the understanding that state funding would be credited in the future.

### **Community**

**Business Advisory Committee:** This Committee is comprised of local business and education leaders who have a sincere interest in preparing Talawanda's youth for today and tomorrow's job market. A major goal of the Committee is to establish close ties between the District and businesses in the District, and to have business leaders review and give input on District curriculum offerings.

### **State Funding**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program," which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2001, the School District received \$10,375,461 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, if found seven "...major areas warrant further attention, study, and development by the General Assembly...." including the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program. The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

On September 6, 2001, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...that the defendants are committed to improving primary and secondary education. The Court's majority specifically addressed two areas within the foundation program that needed further modification. The Court's majority concurred, "With full implementation of these modifications to the funding plan adopted by the General Assembly the plan will meet the test for constitutionality created in DeRolph I and DeRolph II." In addition, the Court's majority, "...urged the General Assembly to review and consider alternative means of funding school buildings and related facilities." As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision will have on the future State funding under this program and on its financial operations.



## **Operations**

In April 1994, the Talawanda School District transferred the operation of its bus fleet to a private contractor. The change was designed to improve the operational efficiency of our transportation services while putting new school buses on the road. Though the company providing the service is an independent contractor, the district has not relinquished its control over operational matters such as bus routes, pick-up times, student discipline or employee hiring standards and disciplinary procedures. The district just completed its first full five-year contract and is very pleased with the operational system and with the operational efficiency the district has been able to achieve. On June 28, 1999, the district renewed its contract with the private contractor for a period of four years.

## **FINANCIAL INFORMATION**

The District's accounting system is organized on a "fund" basis. Each fund (and account group) is a distinct, self-balancing accounting entity. Records for general governmental operations and expendable trust funds are maintained on a cash basis system of accounting as prescribed by the Auditor of State. Cash basis accounting differs from generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board. GAAP, as more fully described in the notes to the financial statements, provides for a modified accrual basis of accounting for the general fund, special revenue funds, debt service funds, capital improvement funds, expendable trust funds, agency funds and for full accrual basis of accounting for all other funds.

### **Internal Accounting Control**

Internal accounting control adequacy was given great consideration in developing the District's accounting system. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived.

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

### **Budgetary Controls**

Budgetary controls were established to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. All accounts, appropriations and other financial records are maintained in accordance with the procedures established and prescribed by the Auditor of State.

It has been the practice of the district to modify estimated revenues and expenditures to match actual revenues and expenditures prior to closing the fiscal year.

Activities of all funds are included in the annual appropriation resolution. The level of budgetary control is established by using a system of function and object codes in the amounts established through Board resolution. All purchase order requests must be approved by the Superintendent, or his designee, and the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests, which exceed the available appropriations, are rejected until additional funds are secured. The encumbrance accounting system is a technique of accomplishing budgetary control and provides for the release of all unencumbered amounts at year end.

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriations plus any additional appropriations made to date. The reports ascertain the status of a department's appropriations prior to authorizing additional purchases. In addition to interim financial reports, each administrator is furnished monthly reports showing the status of the budgetary accounts for which they are responsible. The reports detail monthly transactions and summarize the balances available to be spent from the appropriations allocated for goods and services.

## Single Audit

Single audit requirements ensure that the District complies with applicable laws and regulations related to all Federal and State programs. The audit includes tests of the internal control system for reliance. This internal control structure is subject to periodic evaluation by management of the District. The results of the District's single audit for the fiscal year ended June 30, 2001, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

## General Governmental Functions

The General Fund is the general operating fund of the District, used to account for all revenues and expenditures not required to be accounted for in another fund. On November 7, 2000 the citizens of the Talawanda School District approved a tax levy in the amount of 6.5 mills to fund district operations. The passage of this levy was the first for operations since 1991.

The following schedule presents a summary of the General Fund revenues for the fiscal years ended June 30, 2001 (GAAP basis):

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2000</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$10,386,023	48.06%	\$2,661,873	34.46%
Tuition and Fees	260,319	1.20	90,041	52.88
Earnings on Investments	395,466	1.83	(53,475)	(11.91)
Other Local Revenues	193,508	.90	(151,868)	(43.97)
Intergovernmental				
State, Federal and Local	<u>10,375,461</u>	<u>48.01</u>	<u>(517,237)</u>	(4.75)
Total	\$21,610,777	100.00%	\$2,029,334	10.36%

Overall tax revenue increased due to the passage of a tax levy in November 2000. Tuition and fees increased due to increased cost associated with special education students. Earnings on investments decreased due to lower rates and lower balances throughout the year. Other local revenues decreased due to an insurance settlement in 2000. Intergovernmental revenues decreased overall due to additional tax-exempt revenue received in 2000.

The following schedule presents a summary of General Fund expenditures for the fiscal year ended June 30, 2001 (GAAP basis):

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 2000</u>	<u>Percent of Increase (Decrease)</u>
<b>Instruction:</b>				
Regular	\$9,186,658	47.05%	\$(59,343)	(.64)%
Special	1,367,291	7.00	(208,718)	(13.24)
Other	278,367	1.43	(63,612)	(18.60)
<b>Support Services:</b>				
Pupil	874,597	4.48	6,102	.70
Instructional	1,331,577	6.82	519,197	63.91
General Admin.	44,219	.23	(7,151)	(13.92)
School Admin	1,417,782	7.26	77,553	5.79
Fiscal and Business	532,234	2.73	75,168	16.46
Operations and Maint.	2,139,788	10.96	67,929	3.28
Pupil Transportation	1,651,750	8.46	5,544	.34
Central	19,568	0.10	(2,663)	(11.98)
Extra Curricular Act.	394,164	2.02	19,704	5.26
Capital Outlay	<u>285,465</u>	<u>1.46</u>	<u>96,562</u>	51.18
Total	\$19,523,460	100.00%	\$526,272	2.77%

Increases in wages occurred at a rate of approximately 5% across the board. A high percentage of staff turnovers contributed to the decreases in expenditures for Regular instruction. Special Instruction expenditures decreased due to positions being reclassified under Instructional Support Services. Other Instruction decreased due to reductions in out of district tuition. General Administration decreased due to reductions in professional and technical services. Fiscal and Business increased due to auditor/treasurer fees associated with the passage of the 6.5 mill operating levy. Capital Outlay increased due to several renovation projects throughout the district.

Fiscal year 2001 saw general fund expenditures of \$19,523,460 below revenues of \$21,610,777 by \$2,087,317. The positive change in financial position was primarily a result of the passage of a 6.5 mill operating levy in November 2000.

**Special Revenue Funds**

The Special Revenue Funds consisted primarily of Public Support, Athletic, Title VI-B and Title I and Miscellaneous Federal Grants. All Special Revenue Funds on a combined basis operated with \$1,215,868 in revenues and other resources (net) and \$1,089,303 in expenditures and other uses (net) in 2001.

**Debt Service Fund**

This section describes statutory and constitutional debt and ad valorem property tax limitations applicable to the Board and the District, and the Board's current outstanding note indebtedness.

**Statutory Direct Debt Limitations:** The Ohio Revised Code provides that the net principal amount of unvoted general obligation debt of a school district incurred without a vote of the electors, exclusive of certain exempt debt, may not exceed one-tenth of one percent of the total value of all property in the district as listed and assessed for taxation. The Board at present has no unvoted debt issued as June 30, 2001, subject to this limitation. The total net indebtedness of a board of education, voted and unvoted, but exclusive of exempt debt (tax anticipatory notes) may not exceed 9% of the total value, except upon declaration by the State Superintendent of Public Instruction that the district is a "special needs" district (which is not applicable or anticipated to be applicable to the District) in which case the 9% limitation may be exceeded, although any such debt is subject to voter approval.

**Ten-Mill Unvoted Tax Limitation:** Article XII, Section 2 of the Ohio Constitution and Section 5705.02 of the Ohio Revised Code limit the maximum aggregate millage that may be levied for all purposes on any single parcel of property by all overlapping taxing subdivisions. The District and its largest overlapping subdivisions currently levy the entire ten mills as follows: the District 4.19 mills; City of Oxford 3.65 mills, Butler County 1.92 mills, Oxford Township .24 mills (Source: Butler County Auditor). The ten mills that may be levied as ad valorem taxes upon real property without a vote of the electors are referred to as the "inside millage".

Ohio law presently requires that the inside millage allocated to each overlapping taxing subdivision be used first for the payment of debt service on unvoted general obligation debt of the subdivision, unless provisions have been made for its payment from other sources, and that the balance be used for general fund purposes. To the extent the inside millage required for debt service by a taxing subdivision exceeds the allocation to that subdivision, the amount that would otherwise be available to the subdivision or its overlapping subdivisions for general fund purposes is reduced, subject to requirements that municipal corporations exhaust certain other revenue sources before they may cause such a millage reallocation.

**Debt Currently Outstanding:** The following table lists the District's outstanding debt represented by Bond Anticipatory Notes and Construction Bonds at June 30, 2001, as compared to the two legal debt limitations.

Assessed Valuation of Talawanda School District (2001)		\$446,859,767
Overall Direct Debt Limitation		40,217,379
Amount Available in Debt Service Fund		0
Gross indebtedness (all bonds and tax anticipation notes outstanding)	\$315,000	
Less Debt exempt from limitation	0	
	<hr/>	
Debt subject to 9% limitation		315,000
		<hr/>
Legal Debt margin within 9% limitation		\$39,902,379
		<hr/> <hr/>

Unvoted Direct Debt Limitation (Unvoted debt limitation 0.1% of assessed valuation)		\$446,860
Amount available in Debt Service Fund		0
Gross indebtedness authorized by the Board	0	
Less debt exempt from the limitation	0	
	<hr/>	
Debt subject to 0.1% limitation		0
Legal debt margin within 0.1% limitation		<hr/> <hr/>

**Capital Project Funds**

The Capital Projects Funds are used to account for a Permanent Improvement Fund, which receives equity transfers from the General Fund and Construction activity as a result of a bond issue approved in November, 1987.

**Proprietary Funds**

The Enterprise Funds operated by the District include Food Service, Uniform School Supply and Adult Continuing Education. District Enterprise Funds operated in 2001 with \$1,046,111 in revenues and other resources and recorded net income of \$44,167.

**General Fixed Assets**

Fixed asset values were established in July 1, 1990 by an appraisal firm. The District's fixed assets have been automatically updated through June 30, 2001 by an interface with the accounting system. At June 30, 2001, General Fixed Assets totaled \$25,315,681.

**Debt Administration**

The ratio of bonded debt to assessed value was .07%. The legal restriction in the State of Ohio is 9% of assessed valuation.

**Risk Management**

The District continues to protect its assets through a comprehensive insurance program. The District maintains insurance coverage with private carriers for real property, building contents, vehicles and general liability insurance. General liability insurance policy limits are one million dollars per occurrence and five million dollars in the aggregate. The District also carries employees performance liability insurance on all employees.

**Cash Management**

The District has an aggressive cash management program expediting the receipt of revenues and prudently investing available cash in obligations collateralized by instruments issued by the United States Government, State of Ohio, or insured by the Federal Deposit Insurance Corporation. The interest earned during fiscal year 2001 was \$406,362. Of this amount \$395,466 was credited to the General Fund, \$287 to the Debt Service Fund, \$5,761 to the Capital Projects Funds, \$1,411 to Expendable Trust Funds, \$3,431 to the Food Service Fund, and \$6 to the Non-expendable Trust Fund. The program is particularly successful because of computerization of daily balances which permits the Treasurer's Office to minimize cash on hand and maximize investment holdings. All investments are spread among available investment options to insure maximum interest rates.

The District's investment policy is to minimize credit and market risk while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits meet minimum state requirements. Investments held by the District during the year and at June 30, 2001, are classified in the categories of lowest to middle credit risk as defined by the Governmental Accounting Standards Board. However, as required under Ohio law, pooled securities have been pledged in an amount equal to 110% of the total deposits to secure the repayment of all public moneys deposited in a financial institution.

## **OTHER INFORMATION**

### **Awards:**

#### **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Certificate of Achievement) to the District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2000. This was the tenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report 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 comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### **ASBO Certificate of Excellence**

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2000 to the District. The Certificate of Excellence is the highest form of recognition for excellence in school district financial reporting and was awarded for this District's eighth annual report produced under Generally Accepted Accounting Principles.

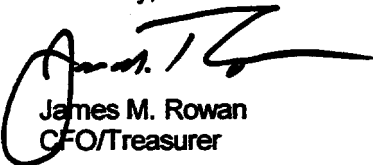
This award certifies that the Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001, will also conform to its principles and standards.

#### **Acknowledgments**

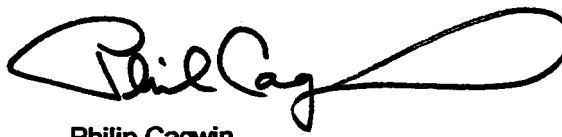
The preparation and publication of this report on a timely basis, could not have been possible without the cooperation of the entire Treasurer's Staff.

Finally, this report would not have been possible without the foresight of the Board of Education who approved the resources to achieve this project. Without their leadership and commitment to excellence this report would not be possible.

Sincerely,



James M. Rowan  
CFO/Treasurer



Philip Cagwin  
Superintendent of Schools

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Talawanda City School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2000

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.



*Anne Spray Kinsey*  
President

*Jeffrey L. Esser*  
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**TALAWANDA CITY SCHOOL DISTRICT**

For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2000

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

*Linda White*  
President

*Don A. Morgan*  
Executive Director

TALAWANDA SCHOOL DISTRICT  
APPOINTED OFFICIALS  
AS OF JUNE 30, 2001

Official

Philip Cagwin

James M. Rowan

Rhonda Bohannon

David McDaniel

Robert Phelps

Title

Superintendent

CFO/Treasurer

Assistant Superintendent

Director of Technology

Director of Special Education

Elected Officials

Glenn Bailey

Donald D. Barnhart

Mollie Hansel

Robert Sherman

William R. Vollmer

Term Expiration

December 31, 2003

December 31, 2003

December 31, 2003

December 31, 2001

December 31, 2001



TALAWANDA SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS  
AS OF JUNE 30, 2001

Architects

Steed-Hammond-Paul  
82 Williams Avenue  
Hamilton, Ohio 45015

Asbestos

Safe Space  
James Bartley, President  
68 South Main Street  
Middletown, OH 45044

Bond Council

Peck, Shaffer and Williams  
425 Walnut Street  
Cincinnati, OH 45202

Independent Auditor

Clark, Schaefer, Hackett & Co.  
105 East Fourth Street  
16<sup>th</sup> Floor  
Cincinnati, Ohio 45202

Investment Counselors

Seasongood and Mayer  
Municipal Bonds and Investment Securities  
414 Walnut Street  
Cincinnati, OH 45202

Legal Council

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

Official Depositories

Fifth Third Bank  
5950 Fairfield Road  
Oxford, OH 45056

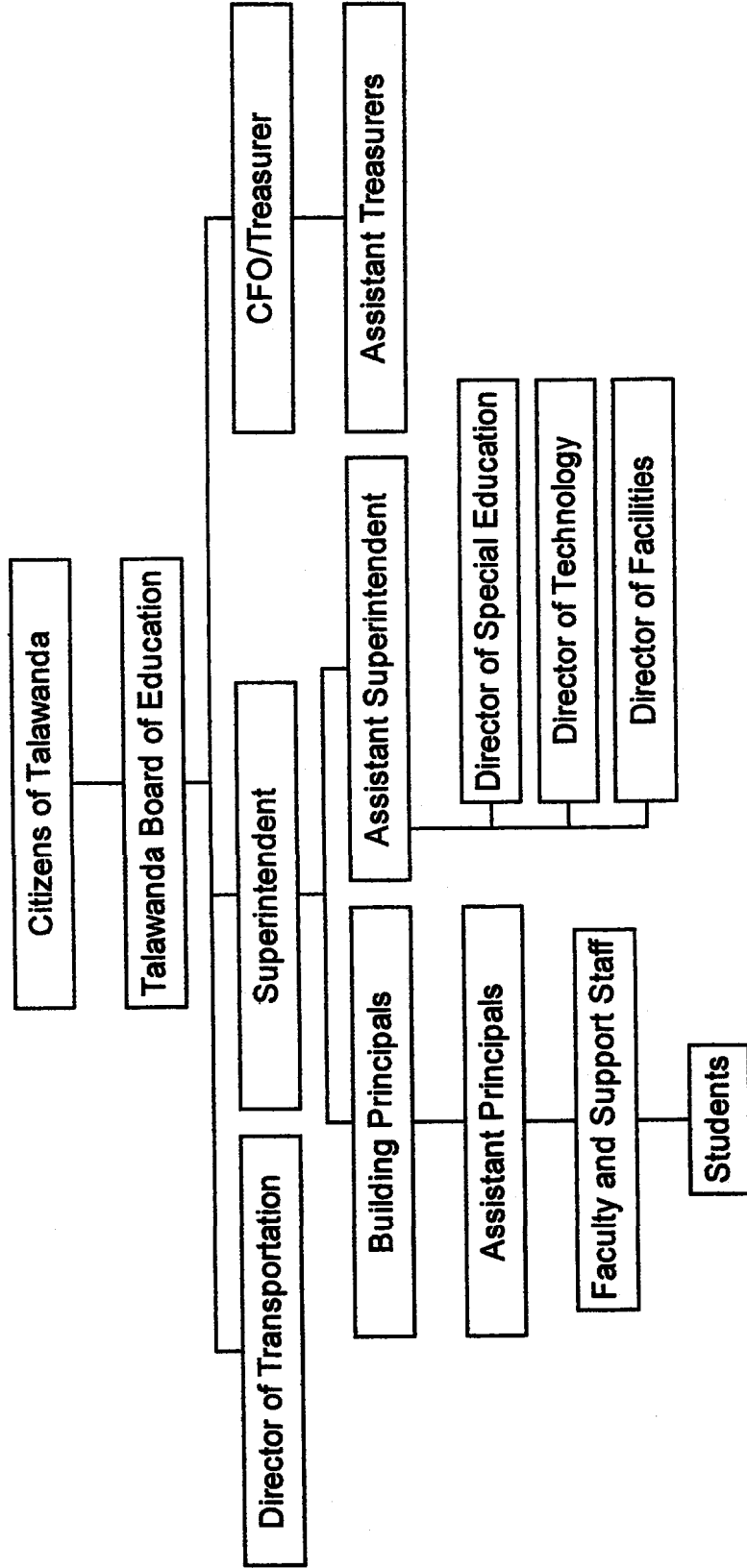
Workers Compensation

Gates McDonald  
3455 Mill Run Dr.  
Hilliard, Ohio 43026-9079

# Talawanda School District, Ohio

## Organizational Chart

### As of June 30, 2001



# Financial Section



**Donations to the American Red Cross**

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

INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Talawanda School District:

We have audited the accompanying general purpose financial statements of Talawanda School District as of and for the year ended June 30, 2001 as listed in the table of contents. These general purpose financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these general purpose 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Talawanda School District as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund type and nonexpendable trust fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2001 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis, and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents, and therefore, express no opinion on it.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
September 14, 2001

**TALAWANDA SCHOOL DISTRICT, OHIO  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 2001**

**GOVERNMENTAL FUND TYPES**

	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS:</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$2,336,375	\$601,433	\$8,974	\$165,350
Restricted cash	491,172	0	0	0
Investments	4,039,741	0	0	0
<b>Receivables:</b>				
Taxes	10,493,242	0	0	0
Accounts	51,751	23,817	0	0
Accrued interest	19,476	0	30	336
Prepayments	22,201	0	0	0
Material and supplies inventory	0	0	0	0
Property, plant and equipment (net of accumulated depreciation, where applicable)	0	0	0	0
<b>Other Debits:</b>				
Amount available in Debt Service Fund	0	0	0	0
Amount to be provided for retirement of General Long-term Obligations	0	0	0	0
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$17,453,958</b>	<b>\$625,250</b>	<b>\$9,004</b>	<b>\$165,686</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS:</b>				
<b>Liabilities:</b>				
Accounts payable	\$92,793	\$17,300	\$0	\$3,993
Accrued wages and benefits	2,032,577	59,608	0	0
Due to student groups	0	0	0	0
Due to others	0	0	0	0
Deferred revenue	9,313,883	0	0	0
General obligation bonds payable	0	0	0	0
Compensated absences payable	0	0	0	0
<b>Total Liabilities</b>	<b>11,439,253</b>	<b>76,908</b>	<b>0</b>	<b>3,993</b>
<b>Fund Equity and Other Credits:</b>				
Investment in general fixed assets	0	0	0	0
Retained earnings	0	0	0	0
<b>Fund Balances:</b>				
<b>Reserved-</b>				
Reserved for encumbrances	413,565	53,932	0	15,027
Reserved for set-asides	491,172	0	0	0
Reserved for tax advances	1,179,359	0	0	0
Reserved for prepaids	22,201	0	0	0
<b>Unreserved-</b>				
Designated for debt service	0	0	9,004	0
Undesignated	3,908,408	494,410	0	146,666
<b>Total Fund Equity and Other Credits</b>	<b>6,014,705</b>	<b>548,342</b>	<b>9,004</b>	<b>161,693</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$17,453,958</b>	<b>\$625,250</b>	<b>\$9,004</b>	<b>\$165,686</b>

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPES	ACCOUNT GROUPS			Totals (Memorandum Only)
		Trust and Agency	General Fixed Assets	General Long-Term Obligations	
Enterprise					
\$366,533	\$130,464	\$0	\$0	\$3,609,129	
0	0	0	0	491,172	
0	0	0	0	4,039,741	
0	0	0	0	10,493,242	
1,504	257	0	0	77,329	
670	72	0	0	20,584	
0	0	0	0	22,201	
19,677	0	0	0	19,677	
41,567	0	25,306,677	0	25,348,244	
0	0	9,004	0	9,004	
0	0	0	1,163,017	1,163,017	
<u>\$429,951</u>	<u>\$130,793</u>	<u>\$25,315,681</u>	<u>\$1,163,017</u>	<u>\$45,293,340</u>	
\$6,278	\$1,874	\$0	\$0	\$122,238	
90,575	234	0	186,432	2,369,426	
0	59,016	0	0	59,016	
0	8,365	0	0	8,365	
9,864	0	0	0	9,323,747	
0	0	0	315,000	315,000	
2,988	0	0	661,585	664,573	
<u>109,705</u>	<u>69,489</u>	<u>0</u>	<u>1,163,017</u>	<u>12,862,365</u>	
0	0	25,315,681	0	25,315,681	
320,246	0	0	0	320,246	
0	1,203	0	0	483,727	
0	0	0	0	491,172	
0	0	0	0	1,179,359	
0	0	0	0	22,201	
0	0	0	0	9,004	
0	60,101	0	0	4,609,585	
<u>320,246</u>	<u>61,304</u>	<u>25,315,681</u>	<u>0</u>	<u>32,430,975</u>	
<u>\$429,951</u>	<u>\$130,793</u>	<u>\$25,315,681</u>	<u>\$1,163,017</u>	<u>\$45,293,340</u>	

**TALAWANDA SCHOOL DISTRICT, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2001**

	<b>GOVERNMENTAL FUND TYPES</b>			
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>
<b>Revenues:</b>				
From local sources:				
Taxes	\$10,386,023	\$0	\$0	\$0
Tuition	253,441	0	0	0
Transportation fees	6,878	0	0	0
Earnings on investments	395,466	0	287	5,761
Extracurricular activities	70,592	178,526	0	0
Classroom materials and fees	0	0	0	0
Other local revenues	122,916	112,337	8,717	0
Intergovernmental - State and Local	10,375,461	205,144	0	94,793
Intergovernmental - Federal	0	718,761	0	0
<b>Total Revenues</b>	<b>21,610,777</b>	<b>1,214,768</b>	<b>9,004</b>	<b>100,554</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	9,186,658	203,573	0	864
Special	1,367,291	339,551	0	0
Adult	0	17,360	0	0
Other	278,367	0	0	0
Support services:				
Pupil	874,597	130,608	0	0
Instructional staff	1,331,577	141,417	0	104,495
General administration	44,219	0	0	0
School administration	1,417,782	102,242	0	0
Fiscal and business	532,234	0	0	0
Operations and maintenance	2,139,788	494	0	11,078
Pupil transportation	1,651,750	0	0	0
Central	19,568	0	0	0
Community Services	0	35,490	0	0
Extracurricular activities	394,164	118,568	0	0
Capital outlay	285,465	0	0	665
Debt service:				
Principal retirement	0	0	95,000	0
Interest and fiscal charges	0	0	18,125	0
<b>Total Expenditures</b>	<b>19,523,460</b>	<b>1,089,303</b>	<b>113,125</b>	<b>117,102</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,087,317</b>	<b>125,465</b>	<b>(104,121)</b>	<b>(16,548)</b>
<b>Other Financing Sources (Uses):</b>				
Operating transfers in	0	1,100	113,125	3,164
Operating transfers (out)	(117,761)	0	0	0
Proceeds of sale of fixed assets	8,435	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(109,326)</b>	<b>1,100</b>	<b>113,125</b>	<b>3,164</b>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses</b>	<b>1,977,991</b>	<b>126,565</b>	<b>9,004</b>	<b>(13,384)</b>
Fund balance, July 1, 2000	4,036,714	421,777	0	175,077
<b>Fund balance, June 30, 2001</b>	<b>\$6,014,705</b>	<b>\$548,342</b>	<b>\$9,004</b>	<b>\$161,693</b>

The notes to the financial statements are an integral part of this statement.



<b>FIDUCIARY FUND TYPE</b>	
<b>Expendable Trust</b>	<b>Totals (Memorandum Only)</b>
\$0	10,386,023
225	253,666
0	6,878
1,411	402,925
0	249,118
5,978	5,978
28,326	272,296
0	10,675,398
0	718,761
<u>35,940</u>	<u>22,971,043</u>
18,185	9,409,280
5,771	1,712,613
224	17,584
0	278,367
3,257	1,008,462
0	1,577,489
0	44,219
1,000	1,521,024
0	532,234
0	2,151,360
0	1,651,750
0	19,568
0	35,490
4,709	517,441
0	286,130
0	95,000
0	18,125
<u>33,146</u>	<u>20,876,136</u>
2,794	2,094,907
0	117,389
0	(117,761)
0	8,435
<u>0</u>	<u>8,063</u>
2,794	2,102,970
<u>58,317</u>	<u>4,691,885</u>
<u>\$61,111</u>	<u>\$6,794,855</u>

**TALAWANDA SCHOOL DISTRICT, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED JUNE 30, 2001**

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>						
From local sources:						
Taxes	\$10,386,023	\$10,386,023	\$0	\$0	\$0	\$0
Tuition	225,028	225,028	0	0	0	0
Transportation fees	6,491	6,491	0	0	0	0
Earnings on investments	410,307	410,307	0	0	0	0
Extracurricular activities	69,442	69,442	0	192,829	192,829	0
Other local revenues	64,035	64,035	0	112,941	112,941	0
Intergovernmental - State & Local	10,364,787	10,364,787	0	189,598	189,598	0
Intergovernmental - Federal	0	0	0	762,690	762,690	0
<b>Total Revenues</b>	<b>21,526,113</b>	<b>21,526,113</b>	<b>0</b>	<b>1,258,058</b>	<b>1,258,058</b>	<b>0</b>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular	9,242,887	9,242,887	0	211,138	211,138	0
Special	1,388,069	1,388,069	0	345,487	345,487	0
Adult	0	0	0	17,736	17,736	0
Other	302,001	302,001	0	0	0	0
Support Services:						
Pupil	876,887	876,887	0	140,620	140,620	0
Instructional Staff	1,287,854	1,287,854	0	150,124	150,124	0
General Administration	45,887	45,887	0	0	0	0
School Administration	1,441,189	1,441,189	0	102,320	102,320	0
Fiscal and Business	545,471	545,471	0	0	0	0
Operations and maintenance	2,272,924	2,272,924	0	546	546	0
Pupil Transportation	1,755,406	1,755,406	0	0	0	0
Central and Community	20,992	20,992	0	66,620	66,620	0
Extracurricular Activities	396,340	396,340	0	123,396	123,396	0
Capital Outlay	370,646	370,646	0	0	0	0
Debt Service:						
Principal	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<b>Total Expenditures</b>	<b>19,946,553</b>	<b>19,946,553</b>	<b>0</b>	<b>1,157,987</b>	<b>1,157,987</b>	<b>0</b>
Excess (deficiency) of revenues over (under) expenditures	1,579,560	1,579,560	0	100,071	100,071	0
<b>Other Financing Sources (Uses):</b>						
Sale & Loss of Assets	8,435	8,435	0	0	0	0
Refund of Prior Year Expenditures	52,678	52,678	0	0	0	0
Refund of Prior Year Receipts	0	0	0	(1,622)	(1,622)	0
Operating Transfers In	0	0	0	47,651	47,651	0
Operating Transfers (Out)	(117,761)	(117,761)	0	(46,551)	(46,551)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(56,648)</b>	<b>(56,648)</b>	<b>0</b>	<b>(522)</b>	<b>(522)</b>	<b>0</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	1,522,912	1,522,912	0	99,549	99,549	0
Fund Balance, July 1, 2000	4,299,560	4,299,560	0	385,956	385,956	0
Prior Year Encumbrances Appropriated	572,794	572,794	0	58,428	58,428	0
<b>Fund Balance, June 30, 2001</b>	<b>\$6,395,266</b>	<b>\$6,395,266</b>	<b>\$0</b>	<b>\$543,933</b>	<b>\$543,933</b>	<b>\$0</b>

The notes to the financial statements are an integral part of this statement.

DEBT SERVICE FUND			CAPITAL PROJECTS FUNDS			TOTALS (MEMORANDUM ONLY)		
Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0	\$10,386,023	\$10,386,023	\$0
0	0	0	0	0	0	225,028	225,028	0
0	0	0	0	0	0	6,491	6,491	0
257	257	0	5,932	5,932	0	416,496	416,496	0
0	0	0	0	0	0	262,271	262,271	0
8,717	8,717	0	0	0	0	185,693	185,693	0
0	0	0	0	0	0	10,554,385	10,554,385	0
0	0	0	94,793	94,793	0	857,483	857,483	0
8,974	8,974	0	100,725	100,725	0	22,893,870	22,893,870	0
0	0	0	979	979	0	9,455,004	9,455,004	0
0	0	0	0	0	0	1,733,556	1,733,556	0
0	0	0	0	0	0	17,736	17,736	0
0	0	0	0	0	0	302,001	302,001	0
0	0	0	0	0	0	1,017,507	1,017,507	0
0	0	0	109,522	109,522	0	1,547,500	1,547,500	0
0	0	0	0	0	0	45,887	45,887	0
0	0	0	0	0	0	1,543,509	1,543,509	0
0	0	0	0	0	0	545,471	545,471	0
0	0	0	6,366	6,366	0	2,279,836	2,279,836	0
0	0	0	0	0	0	1,755,406	1,755,406	0
0	0	0	0	0	0	87,612	87,612	0
0	0	0	0	0	0	519,736	519,736	0
0	0	0	10,665	10,665	0	381,311	381,311	0
95,000	95,000	0	0	0	0	95,000	95,000	0
18,125	18,125	0	0	0	0	18,125	18,125	0
113,125	113,125	0	127,532	127,532	0	21,345,197	21,345,197	0
(104,151)	(104,151)	0	(26,807)	(26,807)	0	1,548,673	1,548,673	0
0	0	0	0	0	0	8,435	8,435	0
0	0	0	0	0	0	52,678	52,678	0
0	0	0	(4,712)	(4,712)	0	(6,334)	(6,334)	0
113,125	113,125	0	3,164	3,164	0	163,940	163,940	0
0	0	0	0	0	0	(164,312)	(164,312)	0
113,125	113,125	0	(1,548)	(1,548)	0	54,407	54,407	0
8,974	8,974	0	(28,355)	(28,355)	0	1,603,080	1,603,080	0
0	0	0	131,759	131,759	0	4,817,275	4,817,275	0
0	0	0	42,926	42,926	0	674,148	674,148	0
<b>\$8,974</b>	<b>\$8,974</b>	<b>\$0</b>	<b>\$146,330</b>	<b>\$146,330</b>	<b>\$0</b>	<b>\$7,094,503</b>	<b>\$7,094,503</b>	<b>\$0</b>

**TALAWANDA SCHOOL DISTRICT, OHIO  
 COMBINED STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS/FUND BALANCES  
 PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND  
 FOR THE YEAR ENDED JUNE 30, 2001**

	PROPRIETARY FUND TYPE	FIDUCIARY FUND TYPE	Totals (Memorandum only)
	Enterprise	Non-expendable Trust	
Operating Revenues:			
Tuition and fees	\$150,358	\$0	\$150,358
Sales	637,517	0	637,517
Miscellaneous	12,505	0	12,505
Total Operating Revenues	800,380	0	800,380
Operating Expenses:			
Salaries and wages	349,611	0	349,611
Fringe benefits	92,921	0	92,921
Contract services	17,316	0	17,316
Supplies	536,841	0	536,841
Depreciation	4,655	0	4,655
Other operating expenses	600	0	600
Total Operating Expenses	1,001,944	0	1,001,944
Operating (Loss)	(201,564)	0	(201,564)
Nonoperating Revenues:			
Operating grants - state and local	10,243	0	10,243
Operating grants - federal	190,765	0	190,765
Donated commodities	41,292	0	41,292
Interest revenue	3,431	6	3,437
Total Nonoperating Revenues	245,731	6	245,737
Net Income	44,167	6	44,173
Retained Earnings/Fund Balance, July 1, 2000	276,079	187	276,266
Retained Earnings/Fund Balance, June 30, 2001	\$320,246	\$193	\$320,439

The notes to the financial statements are an integral part of this statement.

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**TALAWANDA SCHOOL DISTRICT, OHIO  
 COMBINED STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND  
 FOR THE YEAR ENDED JUNE 30, 2001**

	PROPRIETARY	FIDUCIARY	Totals (Memorandum only)
	FUND TYPE	FUND TYPE	
	Enterprise	Non-expendable Trust	
<b>Cash flows from operating activities:</b>			
Cash received from tuition and fees	\$150,508	\$0	\$150,508
Cash received from sales	642,302	0	642,302
Cash received from miscellaneous	12,505	0	12,505
Cash payments for personal services	(474,317)	0	(474,317)
Cash payments for contract services	(15,236)	0	(15,236)
Cash payments for supplies and materials	(479,073)	0	(479,073)
Cash payments for miscellaneous	(600)	0	(600)
Net cash (used for) operating activities	(163,911)	0	(163,911)
<b>Cash flows from noncapital financing activities:</b>			
Cash received from operating grants	201,008	0	201,008
Net cash provided by noncapital financing activities	201,008	0	201,008
<b>Cash flows from capital financing activities:</b>			
Cash payments for capital acquisitions	(1,354)	0	(1,354)
Net cash (used for) capital financing activities	(1,354)	0	(1,354)
<b>Cash flows from investing activities:</b>			
Cash received from interest	3,634	6	3,640
Net cash provided by investing activities	3,634	6	3,640
Net increase in cash and cash equivalents	39,377	6	39,383
Cash and cash equivalents at beginning of year	327,156	187	327,343
Cash and cash equivalents at end of year	\$366,533	\$193	\$366,726
<b>Reconciliation of operating income to net cash (used for) operating activities:</b>			
Operating (loss)	(\$201,564)	\$0	(\$201,564)
<b>Adjustments to reconcile operating income to net cash (used for) operating activities:</b>			
Depreciation	4,655	0	4,655
Donated commodities used	41,292	0	41,292
<b>Changes in assets and liabilities:</b>			
Decrease in accounts receivables	4,926	0	4,926
Decrease in material and supplies inventory	17,171	0	17,171
Increase in accounts payable	2,985	0	2,985
(Decrease) in accrued wages & benefits	(29,645)	0	(29,645)
(Decrease) in compensated absences payable	(2,140)	0	(2,140)
(Decrease) in deferred revenue	(1,591)	0	(1,591)
Net cash (used for) operating activities	(\$163,911)	\$0	(\$163,911)

The notes to the financial statements are an integral part of this statement.

**TALAWANDA SCHOOL DISTRICT, OHIO  
 RECONCILIATION OF CASH AND CASH EQUIVALENTS  
 TO COMBINED BALANCE SHEET - NON EXPENDABLE TRUST FUND  
 FOR THE YEAR ENDED JUNE 30, 2001**

Combined Balance Sheet		
Equity in Pooled Cash and Investments		\$130,464
All Fiduciary Fund Types - Trust and Agency		
Less:		
Trust and Agency Funds Reported on Combined Balance Sheet		
which are not Reported in Statement of Cash Flows:		
Equity In Pooled Cash and Investments:		
Expendable Trust Funds:		
General Trust Fund	62,890	
Agency Funds:		
Student Activity Fund	59,016	
Unclaimed Monies Fund	8,365	
	<hr/>	67,381
Total Trust and Agency Funds not Reported		
on Statement of Cash Flows		130,271
Combined Statement of Cash Flows:		
Cash and Cash Equivalents at end of year		<hr/>
Non Expendable Trust Fund		<hr/> <b>\$193</b>

The notes to the financial statements are an integral part of this statement.

**TALAWANDA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001**

**NOTE A – DESCRIPTION OF THE DISTRICT**

The district was originally chartered by the Ohio State Legislature. In 1853 State Laws were enacted to create Local Boards of Education. Today, the District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code.

The District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the district's instructional and support facilities staffed by 150 non-certificated personnel and 230 certificated full time teaching and administrative personnel to provide services to students and other community members. It currently operates 3 elementary schools (one school for grades K-3, one for grades K-4 and one for grades 4-5), 1 middle school (grades 6-8), and 1 comprehensive high school (grades 9-12).

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**THE REPORTING ENTITY**

For financial reporting purposes the District's financial statements include all funds, account groups, and component units for which the District is financially accountable based upon criteria set forth in GASB Statement 14. Generally, component units are legally separate organizations for which the elected officials of the primary government (i.e. the District) are financially accountable. The District would consider an organization to be a component unit if:

1. The District appoints a voting majority of the organization's governing body AND (a) is able to impose its will on that organization OR (b) there is a potential for the organization to provide specific financial burdens on the District; OR
2. The organization is fiscally dependent upon the District; OR
3. The nature of the relationship between the District and the organization is such that the exclusion from the financial reporting entity would render the financial statements misleading.



TALAWANDA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS, cont.  
FOR THE YEAR ENDED JUNE 30, 2001

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont'd

The following organizations do not meet the above component unit criteria and, therefore, are excluded from the accompanying financial statements:

City of Oxford Ohio- The city government of Oxford is a separate body politic and corporate. A mayor and council are elected independent of any District relationships, and administer the provisions of traditional city services. Council acts as the taxing authority for these City services.

Private School- McGuffey Foundation is a private school located within the boundaries of the District.

Private schools, within the boundaries of the district, are operated independently of the district. Current state legislation provides funding to these private schools. These moneys are received and disbursed on behalf of the private schools by the Treasurer of the District as directed by the State of Ohio. The accounting for these receipts and disbursements is reflected in a Special Revenue Fund of the District as required by Ohio Law, but the private schools' operations are not reflected in the financial statements.

**BASIS OF PRESENTATION - FUND ACCOUNTING**

The accounts of the District are maintained on the basis of fund and account groups, each of which is considered a separate accounting entity. The operation of each fund is accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The following fund types and account groups are used by the District:

Governmental Funds- Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (except for those accounted for in proprietary funds) are accounted for through governmental funds. The following are the District's Governmental Fund Types:

General Fund

The General Fund is the general operating fund of the District and is to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

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

TALAWANDA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS, cont.  
FOR THE YEAR ENDED JUNE 30, 2001

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont'd

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest related costs; and for the payment of interest on general obligation notes payable, as required by Ohio Law.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Funds- Proprietary Funds are used to account for the Districts ongoing activities, which are similar to those most often found in the private sector. In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting", the District applies all GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The following is the District's Proprietary Fund Type:

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the government body is that the cost (expense, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintenance, public policy, management control, accountability or other purposes.

Fiduciary Funds- Fiduciary Funds are used to account for the assets held by the district in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include Expendable Trust, Nonexpendable Trust and Agency Funds. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. Nonexpendable Trust Funds are accounted for in essentially the same manner as proprietary funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of result of operations.

TALAWANDA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS, cont.  
FOR THE YEAR ENDED JUNE 30, 2001

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont'd

Account Groups- To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of general nature, the following account groups are used:

General Fixed Assets Account Group

This group of accounts is established to account for all fixed assets of the District, other than those accounted for in the Proprietary Funds and Trust Funds.

General Long-Term Obligations Account Group

This group of accounts is established to account for all long-term obligations of the District, except those accounted for in the Proprietary Funds and Trust Funds.

MEASUREMENT FOCUS/BASIS OF ACCOUNTING

*Measurement Focus:* The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

All Governmental Fund Types and Expendable Trust Funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Their reported fund balances are considered a measure of available spendable resources.

Proprietary Funds and Non-Expendable Trust Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary Funds operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

*Basis of Accounting:* The modified accrual basis of accounting is followed for Governmental, Expendable Trust and Agency Funds. Under this basis of accounting revenues are recognized when they become both measurable and available to finance expenditures for the current period, which for the district is 60 days after the fiscal year end. Revenue accrued at the end of the fiscal year included property taxes, interest and tuition. Property taxes measurable but neither available to finance the current fiscal year expenditures, nor intended to finance the current year expenditures are recognized as deferred revenue. Expenditures are recognized in the period in which the related fund liability is incurred, if measurable, except principal and interest on long-term debt are recorded as fund liabilities when due.

TALAWANDA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS, cont.  
FOR THE YEAR ENDED JUNE 30, 2001

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont'd

**Proprietary Funds and Nonexpendable Trust Funds** are accounted for on the accrual basis of accounting. Revenues are recognized in the period earned and expenses are recognized in the period incurred.

**BUDGETARY DATA**

***Budgetary basis of accounting:*** The District's budgetary process accounts for certain transactions on a basis other than GAAP. The major difference between the budgetary basis and the GAAP basis are:

Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Expenditures are recorded when encumbered, or paid in cash (budgetary), as opposed to when susceptible to accrual (GAAP).

The actual results of operations, compared to the final appropriation, which includes amendments to the original appropriation, for each fund type by expenditure function and revenue by source are presented in the *Combined Statement of Revenues, Expenditures and Changes in Fund Balances -Budget and Actual (Non-GAAP Budgetary Basis)*. The reserve for encumbrances is carried forward as part of the budgetary authority for the next year and is included in the revised budget amounts shown in the budget to actual comparisons.

The District adopts an annual budget for all governmental Fund Types. The specific timetable is as follows:

Prior to January 15 of the preceding fiscal year, the Treasurer submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers comments. The expressed purpose of this budget document is to reflect the need for existing or increasing tax rates.

By no later than January 20, the board-adopted budget is filed with the Butler County Budget Commission for tax rate determination.

Prior to March 15, the Board of Education accepts by formal resolution, the tax rate as determined by the Budget Commission and receives the Commission Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final amended Certificate.

TALAWANDA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS, cont.  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont'd**

By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.

Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions must be approved by the Board of Education.

Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions. All departments/ functions and funds completed the year within the amount of their legally authorized appropriation.

Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated, increased or decreased the original appropriation amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2000-01 and none were significant.

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

The original appropriation measure was reduced during the year by \$75,587.

**ENCUMBRANCES**

Encumbrance accounting is utilized by District Funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to commitment for a future expenditure and does not represent a liability. For Governmental Fund Types encumbrances outstanding at fiscal year end appear as a reserve of the fund balance on a GAAP basis and as the equivalent of expenditures on a non-GAAP budgetary basis in order to demonstrate legal compliance. Note O provides a reconciliation of the budgetary basis and GAAP basis of accounting.

TALAWANDA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS, cont.  
FOR THE YEAR ENDED JUNE 30, 2001

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont'd

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, including proprietary 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" on the balance sheet. During fiscal year 2001, investments were limited to repurchase agreements and Federal Agency Securities.

The Governmental Accounting Standards Board Statement No. 31 (GASB 31), "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", requires that investments, with certain exceptions, be reported at their fair value and that changes in the fair value be reported in the operating statement. The School District recorded investments, other than repurchase agreements, held at June 30, 2001 at the fair value. Repurchase agreements are reported at cost.

Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to agency funds, certain trust funds, and those other funds individually authorized by Board resolution. Interest earnings are allocated to these funds based on average monthly cash balance. Investment income earned in fiscal 2001 totaled \$406,362.

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

An analysis of the Treasurer's investment account at year-end, June 30, 2001 is provided in Note D.

RESTRICTED CASH

Restricted cash in the general fund represents cash and cash equivalents set aside to establish a budget stabilization reserve. A fund balance reserve has also been established.

INVENTORY (MATERIALS AND SUPPLIES)

Inventories are valued at cost (first-in, first-out method) and are determined by physical count. Inventories are expensed when used rather than when purchased.

FIXED ASSETS AND DEPRECIATION

General Fixed Assets Account Group- General fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year in the General Fixed Assets Account Group. Donated fixed assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$250 and a useful life of less than 3 years. No depreciation is recognized on assets in the General Fixed Assets Account Group. The District does not possess any infrastructure.

TALAWANDA SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS, cont.  
 FOR THE YEAR ENDED JUNE 30, 2001

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont'd

Proprietary Funds - Property, plant and equipment reflected in the Proprietary Funds are stated at historical cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date donated. Depreciation has been provided, where appropriate, on a straight-line basis over the following estimated useful lives

<u>ASSET</u>	<u>LIFE (YEARS)</u>
Building	30 to 50
Building Improvements	10 to 40
Improvements other than Buildings	10 to 20
Furniture, Fixtures and Equipment	05 to 20

INTERGOVERNMENTAL REVENUE

In Governmental Funds, entitlements and non-reimbursable grants are recorded as receivables and revenue when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants for Proprietary Fund operations are recognized as revenue when measurable and earned.

INTERFUND TRANSACTIONS

During the course of normal operations the District has numerous transactions between funds. The most significant include:

Routine transfers of resources from one fund to another fund through which resources to be expended are recorded as operating transfers.

Reimbursements from one fund to another fund are treated as an expenditure/expense in the reimbursing fund, and a reduction of expenditure/expense in the reimbursed fund.

Short-term interfund loans are reflected as interfund loans payable/receivable, while long-term interfund loans (greater than one year in length) are recorded as advances to/from other funds. The District has no long-term advances as of June 30, 2001.

During the 2000-01 school year \$372 was transferred from the General Fund to the Student Activity (Agency Fund) explaining the difference between operating transfers in & (out) as reflected on page 5.

An analysis of interfund loans is reflected in Note E.

COMPENSATED ABSENCES

GASB Statement No. 16 specifies that compensated absences should be accrued as they are earned by employees if both of the following conditions are met:

1. The employee's rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or cash payment.

TALAWANDA SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS, cont.  
 FOR THE YEAR ENDED JUNE 30, 2001

**NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont'd**

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

<u>Vacation</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-certified</u>
How Earned	Not Eligible	20 days at start of each contract year.	5-25 days per year depending on length of service accumulated monthly
Maximum Accumulation	Not Applicable	60 days unless otherwise stated in the contract.	75 days
Vested	Not Applicable	As Earned	As Earned
Termination Entitlements	Not Applicable	Paid Upon Termination	Paid Upon Termination
<u>Sick Leave</u>			
How Earned	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)
Maximum Accumulation	188 days	260 days	188 days
Vested	As Earned	As Earned	As Earned
Termination Entitlement	Per Contract	Per Contract	Per Contract

For Governmental Funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the respective Governmental Fund. Amounts that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Obligations Account Group. Compensated absences of Proprietary Funds are recorded as an expense and liability of the respective proprietary fund.

**LONG-TERM OBLIGATIONS**

Long-term debt is recognized as a liability of a Governmental Fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available resources is reported as a fund liability of a Governmental Fund. The remaining portion of such obligations is reported in the General Long-Term Obligations Account Group. Long-term liabilities expected to be financed from Proprietary Fund operations are accounted for in those funds.



TALAWANDA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS, cont.  
FOR THE YEAR ENDED JUNE 30, 2001

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- cont'd

FUND EQUITY

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity, which is available for appropriation, in future periods. Fund equity reserves are established for encumbrances, property taxes, prepaid items, and budgetary set-asides required under Ohio Law.

MEMORANDUM ONLY-TOTAL COLUMNS

Total columns on the general purpose financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flow in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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.

NOTE C—FUND BALANCE DEFICITS

There were no negative fund balance deficits as of June 30, 2001.

NOTE D—EQUITY IN POOLED CASH & INVESTMENTS

State Statute requires the classification of moneys held by District into three categories:

**Active Moneys** - Those moneys required to be kept in a "cash" or "near cash" status for immediate use by the District. Such moneys must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or money market deposit accounts.

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

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

TALAWANDA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2001

NOTE D—EQUITY IN POOLED CASH & INVESTMENTS - cont'd

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
6. The State Treasurer's investment pool (STAR Ohio);
7. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

Deposits:

At year-end, the carrying amount of the District's deposits was \$8,742. The bank balance of deposits was \$33,310, of which \$33,310 was covered by federal depository insurance. Any remaining bank balance would be covered according to Chapter 135, Uniform Depository Act, of the Ohio Revised Code, which authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public moneys deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance. This entire amount is defined by GASB Statement No. 3 as uncollateralized because the pooled securities are not in the District's name.

TALAWANDA SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2001

NOTE D—EQUITY IN POOLED CASH & INVESTMENTS cont'd

Investments:

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

Based on the above criteria, the District's investments at June 30, 2001 are classified as follows:

<u>Investments</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Fair Value</u>
Repurchase Agreements	\$0	\$2,000,017	\$2,000,017
U.S. Agency Securities	4,039,741	0	4,039,741
Mutual Fund-Money Markets	N/A	N/A	98,076
Star Ohio	N/A	N/A	1,993,466
Total	<u>\$4,039,741</u>	<u>\$2,000,017</u>	<u>\$8,131,300</u>

During the year the District invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office which allow governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2001.

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

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>	<u>Carrying Amount</u>
GASB Statement No. 9	\$4,100,301	\$4,039,741	\$8,140,042
Investments:			
Star Ohio	(1,993,466)	1,993,466	
Repurchase agreement	(2,000,017)	2,000,017	
Mutual fund-money market	<u>(98,076)</u>	<u>98,076</u>	
GASB Statement No. 3	<u>\$ 8,742</u>	<u>\$8,131,300</u>	<u>\$8,140,042</u>

TALAWANDA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS, cont.  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE E—INTERFUND RECEIVABLES/PAYABLES**

There were no interfund receivables/payables outstanding as of June 30, 2001.

**NOTE F – PROPERTY TAXES**

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 2001 were as follows:

Tangible Personal and Public Utility Personal	\$ 46,170,617
Public Utility Real and Real Estate	<u>400,689,150</u>
Total Assessed Property Value	<u>\$446,859,767</u>

In 2001, real property taxes were levied in January on the assessed values as of January 1, 2000, the lien date. Assessed values are established by the County Auditor at 35% of an appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent revaluation was completed in January, 1997. The most recent statistical update was completed in January, 2000. Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 25% of true value (as defined). In 2001, each business was eligible to receive a \$10,000 exemption in assessed value, which was reimbursed to the District by the State.

Real property taxes are payable annually or semi-annually. In 2001, if paid annually, payment was due by February 8th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due February 8th with the remainder due on July 12th.

The County Auditor remits portions of the taxes collected to all taxing Districts with periodic settlements of Real and Public Utility property taxes in February and August and Tangible personal property taxes in June and October. The District records billed but uncollected property taxes as receivables at their estimated net realizable value.

Accrued property taxes receivable represents real property, personal property, and public utility taxes, which became measurable as of the current year-end. Although total property tax collections for the next fiscal year are measurable, only the amount available for an advance at June 30, 2001 is intended to finance current 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 for advance and recognized as revenue for the current year-end was \$1,179,359.

**NOTE G – RECEIVABLES**

Receivables at June 30, 2001 consisted of taxes, accounts receivables and accrued interest. All receivables are considered collectible in full due to the ability to foreclose of the nonpayment of taxes, the stable condition of State Programs, and the current year guarantee of Federal funds.

TALAWANDA SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS, cont.  
 FOR THE YEAR ENDED JUNE 30, 2001

NOTE G – RECEIVABLES cont'd

A summary of the principal items of receivables follows:

<u>Fund</u>	<u>Type of Receivable</u>	<u>Amount</u>
General Fund	Taxes	\$10,493,242
	Accounts	51,751
	Accrued Interest	19,476
Special Revenue	Accounts	23,817
Debt Service	Accrued Interest	30
Capital Projects	Accrued Interest	336
Enterprise Funds	Accounts	1,504
	Accrued Interest	670
Trust & Agency	Accounts	257
	Accrued Interest	72

NOTE H—FIXED ASSETS

A summary of the changes in the General Fixed Assets Account Group during the fiscal year follows:

	<u>July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2001</u>
Land/Improvements	\$540,650	\$ -0-	\$ -0-	\$540,650
Bldg/Bldg Improvements	17,122,292	-0-	-0-	17,122,292
Furniture/Equipment	7,326,149	587,463	260,873	7,652,739
Total	<u>\$ 24,989,091</u>	<u>\$587,463</u>	<u>\$260,873</u>	<u>\$25,315,681</u>

A summary of the Proprietary Fund fixed assets at June 30, 2001 follows:

Furniture and Equipment	\$71,955
Less Accumulated Depreciation	(30,388)
Net Fixed Assets- Proprietary Fund	<u>\$41,567</u>

NOTE I— GENERAL LONG-TERM OBLIGATIONS

The current obligations bonds outstanding, issued to provide funds for the acquisition and construction of equipment and facilities, are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the General Long-Term Obligation Account Group. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service Fund.

TALAWANDA SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS, cont.  
 FOR THE YEAR ENDED JUNE 30, 2001

NOTE I- GENERAL LONG-TERM OBLIGATIONS cont'd

The Following is a description of the District's bonds outstanding as of June 30, 2001:

Purpose	Interest Rate	Issue Date	Maturity Date	Balance June 30, 2000	New Issues 2001	Retired 2001	Balance June 30, 2001
Facilities	5.000%	7-01-93	10-01-03	\$410,000	\$0	\$95,000	\$315,000
				\$410,000	\$0	\$95,000	\$315,000

The annual maturities of the general obligation bonds as of June 30, 2001 and related interest payments are as follows:

Year Ending	Principal	Interest	Total
2002	100,000	13,250	113,250
2003	105,000	8,125	113,125
2004	110,000	2,750	112,750
	\$ 315,000	\$24,125	\$339,125

During the year ended June 30, 2001 the following changes occurred in liabilities reported in the General Long Term Obligations Account Group. Compensated absences will be paid from the fund from which the employee is paid.

	July 1, 2000	Additions	Deductions	June 30, 2001
<b>Compensated Absences:</b>				
Sick Leave and Vacation Leave	\$ 595,182	\$66,403	\$ 0	\$ 661,585
<b>Accrued Wages and Benefits:</b>				
School Employees Retirement	154,713	31,719	0	186,432
<b>General Obligation Debt:</b>				
Bonds	410,000	0	95,000	315,000
<b>Total</b>	<b>\$ 1,159,895</b>	<b>\$ 98,122</b>	<b>\$ 95,000</b>	<b>\$ 1,163,017</b>

TALAWANDA SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS, cont.  
 FOR THE YEAR ENDED JUNE 30, 2001

NOTE J—LEGAL DEBT MARGIN

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

The effects of these debt limitations at June 30, 2001 are a voted debt margin of \$39,902,379 and an unvoted debt margin of \$446,860.

NOTE K—NOTE PAYABLE

At June 30, 2001, there are no bond anticipation notes outstanding.

NOTE L—SEGMENT INFORMATION

**Enterprise Funds** - The district maintains three Enterprise Funds to account for the operations of Food Service, Uniform School Supply and Adult Continuing Education. The table below reflects, in a summarized format, the more significant financial data relating to the Enterprise Funds of the District as of and for the year ended June 30, 2001.

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Adult Continuing Education</u>	<u>Total</u>
Operating Revenues	\$650,022	\$150,358	\$0	\$800,380
Operating expenses before depreciation	823,929	135,442	37,918	997,289
Depreciation	<u>4,494</u>	<u>-0-</u>	<u>161</u>	<u>4,655</u>
Operating Income (Loss)	\$(178,401)	\$14,916	\$ (38,079)	\$(201,564)
Operating Grants	201,008	-0-	-0-	201,008
Interest	3,431	-0-	-0-	3,431
Donated Commodities	<u>41,292</u>	<u>-0-</u>	<u>-0-</u>	<u>41,292</u>
Net Income/(Loss)	<u>\$ 67,330</u>	<u>\$14,916</u>	<u>\$ (38,079)</u>	<u>\$ 44,167</u>
Net Working Capital	\$176,347	\$103,231	\$ -0-	\$278,679
Total Assets	\$323,330	\$105,722	\$ 899	\$429,951
Total Liability	\$106,315	\$2,491	\$ 899	\$109,705
Total Equity	\$217,015	\$103,231	\$0	\$320,246

TALAWANDA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS, cont.  
FOR THE YEAR ENDED JUNE 30, 2001

**NOTE M—EMPLOYEE RETIREMENT SYSTEMS**

All District employees are covered by the statewide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). District employees hired after April 1, 1986 are also currently covered under the Federal Social Security Act for the Medicare portion only. The District's employer contributions to both systems are based on a percentage of employees salaries. State law requires the District to pay the employer share as determined by each Retirement System.

**SCHOOL EMPLOYEES RETIREMENT SYSTEM**

The 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, disability, survivor, and health care benefits based on eligible service credits to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute 14%. Their contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's contributions to SERS for the year ending June 30, 2001, 2000, and 1999 were \$481,062, \$461,598, and \$377,310, respectively; 50% has been contributed for fiscal year 2001 and 100% for fiscal years 2000 and 1999.

**STATE TEACHERS RETIREMENT SYSTEM**

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple employer public employee retirement system. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%. 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. The District's contributions to STRS for the years ending June 30, 2001, 2000, and 1999 were \$1,444,308, \$1,383,792, and \$1,330,000, respectively, equal to the required contributions for each year; 83.3% has been contributed for fiscal year 2001 and 100% for fiscal years 2000 and 1999.

**NOTE N – POSTEMPLOYMENT BENEFITS**

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



TALAWANDA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS, cont.  
FOR THE YEAR ENDED JUNE 30, 2001

NOTE N—POSTEMPLOYMENT BENEFITS cont'd

The State Teacher Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Retirement Board allocates employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund. The Health Care Reserve Allocation for the year ended June 30, 2000 will be 8% of covered payroll.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the fund was \$3.419 billion at June 30, 2000. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 eligible benefit recipients.

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

For this fiscal year, employer contributions to fund health care benefits were 8.45 percent of covered payroll, an increase from 6.30 percent for fiscal year 1999. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For the fiscal year 2000, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2000, were \$140,696,340 and the target level was \$211.0 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

NOTE O—BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements. A reconciliation of the nature and amounts of the adjustments necessary to convert the GAAP financial statements to the budgetary basis follows on the next page:

TALAWANDA SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS, cont.  
 FOR THE YEAR ENDED JUNE 30, 2001

NOTE O—BUDGETARY BASIS OF ACCOUNTING cont'd

Reconciliation of Excess of Revenues and Other Financing Sources  
 Over (Under) Expenditures and Other Financing Uses From GAAP  
 Basis to Budgetary Basis

<u>Governmental Fund Types</u>	<u>Special Revenue Funds</u>			
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	
GAAP Basis	\$1,977,991	\$126,565	\$9,004	\$(13,384)
Net Adjustment for Revenue Accruals	(31,986)	41,670	(30)	171
Net Adjustment for Expenditure Accruals	48,930	(11,185)	0	3,878
Net Adjustment for Encumbrances	(472,023)	(57,501)	0	(19,020)
Budgetary Basis	<u>\$1,522,912</u>	<u>\$ 99,549</u>	<u>\$8,974</u>	<u>\$(28,355)</u>

NOTE P—COMPLIANCE AND ACCOUNTABILITY

State statute requires all funds to have expenditures and encumbrances within approved appropriation limits. All funds of the District had expenditures and encumbrances within the approved appropriations.

State statute also requires all funds to have appropriations within the total resources available per the Amended Certificate of Estimated Resources. All funds of the District had appropriations within the total resources available per the Amended Certificate of Estimated Resources.

NOTE Q—JOINTLY GOVERNED ORGANIZATION

The Southwest Ohio Computer Association (SWOCA) is a jointly governed organization among a three county consortium of Ohio school districts. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions of the member districts. Each of the governments of these schools supports SWOCA based upon a per pupil charge dependent upon the software package utilized. SWOCA is governed by a Board of Directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating school district is limited to its representation on the Board. The Board consists of one representative from each of the participating 29 school districts. During the 2001 fiscal year the District paid \$22,692 to SWOCA for services. The financial statements for SWOCA are available at the Butler County Career Center, 3603 Hamilton-Middletown Road, Hamilton, Ohio 45012.

NOTE R—CONTINGENT LIABILITIES

GRANTS

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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 effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at June 30, 2001.

TALAWANDA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS, cont.  
FOR THE YEAR ENDED JUNE 30, 2001

NOTE R—CONTINGENT LIABILITIES cont'd

LEGAL PROCEEDINGS

The District is party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The District's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect on the financial condition of the District.

SCHOOL FUNDING

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

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

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of September 14, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

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 S—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. During fiscal year 2001, the School District contracted with Nationwide Insurance Company for general liability insurance with \$1,000,000 single occurrence limit and a \$5,000,000 aggregate. An umbrella liability policy is also secured in the amount of \$2,000,000 each occurrence and aggregate. Buildings, contents, and school vehicles are protected through a local insurance agent. There were no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage during the past three fiscal years.

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. The School District has elected to provide employee medical/surgical benefits, dental, and life insurance through the Butler County Health Plan administered through Coresource.

TALAWANDA SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS, cont.  
 FOR THE YEAR ENDED JUNE 30, 2001

NOTE T – STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2001, the reserve activity (cash-basis) was as follows:

	<u>Textbook Reserve</u>	<u>Capital Maintenance Reserve</u>	<u>Budget Stabilization Reserve*</u>
Balance, Beginning of Year	\$0	\$0	\$438,495
Required Set-Aside	450,198	450,198	52,677
Offset Credits	0	0	0
Qualifying Expenditures	<u>(450,198)</u>	<u>(450,198)</u>	<u>0</u>
Balance, End of Year	\$0	\$0	\$491,172

Expenditures for textbook activity during the year totaled \$453,894, which exceeded the amount required for the set-aside.

Expenditures for capital activity during the year totaled \$452,233, which exceeded the amount required for the set-aside.

\*The Ohio General Assembly changed the method in which districts are required to maintain the Budget Stabilization Reserve. Effective April 10, 2001, each district Board of Education could choose to eliminate the Budget Stabilization Reserve with the exception of amounts received under the State's Workers' Compensation rebate program. While the District was required to maintain \$202,876 in the Budget Stabilization Reserve as of June 30, 2001 the district chose not to reduce the fund at this time.

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**COMBINING FINANCIAL STATEMENTS**

**AND**

**INDIVIDUAL FUND**

**AND**

**ACCOUNT GROUPS**

### GENERAL FUND

The General Fund is used to account for all activities of the District not included in other specified funds. This includes, but is not limited to, general instruction, pupil services, operations and maintenance of buildings and grounds, pupil transportation, and the administration of District functions.

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF EXPENDITURES  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	\$6,803,826	\$6,803,826	\$0
Fringe benefits	1,685,317	1,685,317	0
Purchased services	160,479	160,479	0
Supplies and materials	414,724	414,724	0
Equipment purchased	177,554	177,554	0
Other Expenditures	987	987	0
<b>Total Regular</b>	<b>9,242,887</b>	<b>9,242,887</b>	<b>0</b>
Special:			
Salaries and wages	1,100,838	1,100,838	0
Fringe benefits	260,635	260,635	0
Purchased services	7,148	7,148	0
Supplies and materials	12,373	12,373	0
Equipment purchased	6,505	6,505	0
Other expenditures	570	570	0
<b>Total Special</b>	<b>1,388,069</b>	<b>1,388,069</b>	<b>0</b>
Other:			
Purchased services	302,001	302,001	0
<b>Total Other</b>	<b>302,001</b>	<b>302,001</b>	<b>0</b>
Support Services:			
Pupil:			
Salaries and wages	659,136	659,136	0
Fringe benefits	151,585	151,585	0
Purchased services	58,578	58,578	0
Supplies and materials	7,161	7,161	0
Equipment purchased	427	427	0
<b>Total Pupil</b>	<b>876,887</b>	<b>876,887</b>	<b>0</b>
Instructional Staff:			
Salaries and wages	867,664	867,664	0
Fringe benefits	324,186	324,186	0
Purchased services	35,341	35,341	0
Supplies and materials	55,650	55,650	0
Equipment purchased	5,013	5,013	0
<b>Total Instructional Staff</b>	<b>1,287,854</b>	<b>1,287,854</b>	<b>0</b>
General Administration:			
Salaries and wages	11,760	11,760	0
Fringe benefits	695	695	0
Purchased services	15,661	15,661	0
Other expenditures	17,771	17,771	0
<b>Total General Administration</b>	<b>45,887</b>	<b>45,887</b>	<b>0</b>

Cont'd



**TALAWANDA SCHOOL DISTRICT, OHIO  
 SCHEDULE OF EXPENDITURES  
 BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2001 (Cont'd)**

	Revised Budget	Revised Budget	Variance: Favorable (Unfavorable)
<b>School Administration:</b>			
Salaries and wages	994,912	994,912	0
Fringe benefits	275,917	275,917	0
Purchased services	94,748	94,748	0
Supplies and materials	33,742	33,742	0
Equipment purchased	18,400	18,400	0
Other expenditures	23,470	23,470	0
<b>Total School Administration</b>	<b>1,441,189</b>	<b>1,441,189</b>	<b>0</b>
<b>Fiscal and Business:</b>			
Salaries and wages	201,996	201,996	0
Fringe benefits	68,454	68,454	0
Purchased services	25,171	25,171	0
Supplies and materials	8,612	8,612	0
Equipment purchased	1,026	1,026	0
Other expenditures	240,212	240,212	0
<b>Total Fiscal and Business</b>	<b>545,471</b>	<b>545,471</b>	<b>0</b>
<b>Operations and Maintenance:</b>			
Salaries and wages	851,206	851,206	0
Fringe benefits	299,700	299,700	0
Purchased services	925,675	925,675	0
Supplies and materials	158,661	158,661	0
Equipment purchased	37,682	37,682	0
<b>Total Operations and Maintenance</b>	<b>2,272,924</b>	<b>2,272,924</b>	<b>0</b>
<b>Pupil Transportation:</b>			
Purchased services	1,506,698	1,506,698	0
Supplies and materials	142,205	142,205	0
Equipment purchased	106,503	106,503	0
<b>Total Pupil Transportation</b>	<b>1,755,406</b>	<b>1,755,406</b>	<b>0</b>
<b>Central Services:</b>			
Fringe benefits	134	134	0
Purchased services	20,858	20,858	0
<b>Total Central Services</b>	<b>20,992</b>	<b>20,992</b>	<b>0</b>
<b>Extracurricular Activities:</b>			
Salaries and wages	310,706	310,706	0
Fringe benefits	54,567	54,567	0
Purchased service	7,678	7,678	0
Equipment purchased	23,389	23,389	0
<b>Total Extracurricular Activities</b>	<b>396,340</b>	<b>396,340</b>	<b>0</b>
<b>Capital Outlay:</b>			
Purchased services	12,266	12,266	0
Equipment purchased	358,380	358,380	0
<b>Total Capital Outlay</b>	<b>370,646</b>	<b>370,646</b>	<b>0</b>
<b>Total Expenditures</b>	<b>\$19,946,553</b>	<b>\$19,946,553</b>	<b>\$0</b>

## SPECIAL REVENUE FUNDS

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

### Public School Support

To account for specific local revenue sources, other than taxes, generated by individual school buildings (i.e. 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.

### Athletic

To account for those student activity programs which have student participation in the activity, but do not have student management of the programs.

### Auxiliary Service

A fund used to account for state funds which provide services and materials to pupils attending non-public schools within the boundaries of the District as provided for in state law. Expenditures are primarily for educational supplies, materials, and testing.

### Professional Development Grant

To account for state funds which are provided for staff development for certificated employees.

### Management Information System

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

### Disadvantaged Pupil Impact Aid (DPIA)

To account for state funds which are designated to assist economically disadvantaged children in the learning process.

### State Connectivity

To account for state funds to provide for networking connectivity.

**School Net Professional Development**

To account for state funds which are provided for staff development in the area of technology.

**Instructional Material Subsidy**

To account for state funds to purchase instructional materials used to support proficiency test objectives.

**Ohio Reads Grant**

To account for state funds which are designated reading.

**Summer School Subsidy**

To account for state funds to provide for summer school instruction.

**Extended Learning Initiative**

To account for state funds to provide extended day learning opportunities for children and professional development opportunities for teachers.

**Miscellaneous State Grants**

To account for state funds which are designated for specific purposes.

**Adult Basic Education**

To account for instructional programs for persons 16 years of age and older who are not enrolled in school and who have less than a twelfth grade education or equivalent; development of basic educational skills; increase opportunities for useful employment; improvement of attitudes toward self, family and community.

**Eisenhower Grant**

To account for the training of teachers in new techniques and methodologies in the areas of mathematics and science.

**Title VI-B**

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

## Title VI

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

### Drug Free Schools

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

### EHA Preschool Handicapped

To account for programs for preschool handicapped children.

### ERATE

To account for federal funds which are designated for telecommunications.

### Goals 2000

To account for federal funds which are designated to continue the implementation of the HSTW school improvement model.

### Miscellaneous Federal Grants

To account for federal funds which are designated for specific purposes. One particular program is for the development of a School to Work model curriculum for grades kindergarten through adult.

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**TALAWANDA SCHOOL DISTRICT, OHIO  
 COMBINING BALANCE SHEET  
 ALL SPECIAL REVENUE FUNDS  
 JUNE 30, 2001**

	<b>Public School Support</b>	<b>Athletic</b>	<b>Auxiliary Service</b>	<b>Professional Development</b>	<b>Management Information System</b>
<b>ASSETS:</b>					
Equity in pooled cash and cash equivalents	\$172,862	\$75,699	\$28,825	\$11,632	\$19,864
Receivables:					
Accounts	8,380	11,357	0	0	0
<b>TOTAL ASSETS</b>	<b>\$181,242</b>	<b>\$87,056</b>	<b>\$28,825</b>	<b>\$11,632</b>	<b>\$19,864</b>
<b>LIABILITIES AND FUND EQUITY:</b>					
<b>Liabilities:</b>					
Accounts payable	\$11,766	\$5,081	\$41	\$81	\$0
Accrued wages and benefits	0	143	0	160	0
<b>Total Liabilities</b>	<b>11,766</b>	<b>5,224</b>	<b>41</b>	<b>241</b>	<b>0</b>
<b>Fund Equity:</b>					
<b>Fund Balances:</b>					
<b>Reserved-</b>					
Reserved for encumbrances	16,406	5,041	28,090	200	465
<b>Unreserved-</b>					
Undesignated	153,070	76,791	694	11,191	19,399
<b>Total Fund Equity</b>	<b>169,476</b>	<b>81,832</b>	<b>28,784</b>	<b>11,391</b>	<b>19,864</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$181,242</b>	<b>\$87,056</b>	<b>\$28,825</b>	<b>\$11,632</b>	<b>\$19,864</b>

<b>Disadvantaged Pupil Impact Aid</b>	<b>State Connectivity</b>	<b>SchoolNet Professional Development</b>	<b>Instructional Material Subsidy</b>	<b>Ohio Reads Grants</b>	<b>Summer School Subsidy</b>	<b>Extended Learning</b>
\$24,590	\$9,000	\$4,447	\$169	\$3,023	\$23,694	\$26,164
0	0	0	0	0	0	0
<u>\$24,590</u>	<u>\$9,000</u>	<u>\$4,447</u>	<u>\$169</u>	<u>\$3,023</u>	<u>\$23,694</u>	<u>\$26,164</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
44	0	0	0	0	0	77
<u>44</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>77</u>
0	0	0	0	3	0	140
<u>24,546</u>	<u>9,000</u>	<u>4,447</u>	<u>169</u>	<u>3,020</u>	<u>23,694</u>	<u>25,947</u>
<u>24,546</u>	<u>9,000</u>	<u>4,447</u>	<u>169</u>	<u>3,023</u>	<u>23,694</u>	<u>26,087</u>
<u>\$24,590</u>	<u>\$9,000</u>	<u>\$4,447</u>	<u>\$169</u>	<u>\$3,023</u>	<u>\$23,694</u>	<u>\$26,164</u>

Cont'd

**TALAWANDA SCHOOL DISTRICT, OHIO  
 COMBINING BALANCE SHEET  
 ALL SPECIAL REVENUE FUNDS  
 JUNE 30, 2001**

	<b>Miscellaneous State Grants</b>	<b>Adult Basic Education</b>	<b>Eisenhower Grant</b>	<b>Title VIB</b>	<b>Title I</b>
<b>ASSETS:</b>					
Equity in pooled cash and cash equivalents	\$7,847	\$5,876	\$13,202	\$39,773	\$63,711
Receivables:					
Accounts	0	0	0	69	4,011
<b>TOTAL ASSETS</b>	<b>\$7,847</b>	<b>\$5,876</b>	<b>\$13,202</b>	<b>\$39,842</b>	<b>\$67,722</b>
<b>LIABILITIES AND FUND EQUITY:</b>					
<b>Liabilities:</b>					
Accounts payable	\$65	\$25	\$0	\$144	\$97
Accrued wages and benefits	0	704	27	12,180	34,579
<b>Total Liabilities</b>	<b>65</b>	<b>729</b>	<b>27</b>	<b>12,324</b>	<b>34,676</b>
<b>Fund Equity:</b>					
<b>Fund Balances:</b>					
<b>Reserved-</b>					
Reserved for encumbrances	394	626	0	1,152	951
<b>Unreserved-</b>					
Undesignated	7,388	4,521	13,175	26,366	32,095
<b>Total Fund Equity</b>	<b>7,782</b>	<b>5,147</b>	<b>13,175</b>	<b>27,518</b>	<b>33,046</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$7,847</b>	<b>\$5,876</b>	<b>\$13,202</b>	<b>\$39,842</b>	<b>\$67,722</b>



Title VI	Drug Free Schools	EHA Preschool Handicapped	Erate	Goals 2000	Misc. Federal Grants	Total
\$19,510	\$171	\$0	\$26,287	\$1,969	\$23,118	\$601,433
0	0	0	0	0	0	23,817
<u>\$19,510</u>	<u>\$171</u>	<u>\$0</u>	<u>\$26,287</u>	<u>\$1,969</u>	<u>\$23,118</u>	<u>\$625,250</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$17,300
122	0	0	0	116	11,456	59,608
122	0	0	0	116	11,456	76,908
92	0	0	0	0	372	\$53,932
19,296	171	0	26,287	1,853	11,290	494,410
19,388	171	0	26,287	1,853	11,662	548,342
<u>\$19,510</u>	<u>\$171</u>	<u>\$0</u>	<u>\$26,287</u>	<u>\$1,969</u>	<u>\$23,118</u>	<u>\$625,250</u>

**TALAWANDA SCHOOL DISTRICT, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2001**

	<b>Public School Support</b>	<b>Athletic</b>	<b>Auxiliary Service</b>	<b>Professional Development</b>	<b>Management Information System</b>
<b>Revenues:</b>					
From local sources:					
Extracurricular activities	\$103,066	\$75,460	\$0	\$0	\$0
Other local revenue	40,696	71,641	0	0	0
Intergovernmental - State and Local	0	0	44,791	15,516	9,806
Intergovernmental - Federal	0	0	0	0	0
<b>Total Revenues</b>	<b>143,762</b>	<b>147,101</b>	<b>44,791</b>	<b>15,516</b>	<b>9,806</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	157	0	0	0	0
Special	0	0	0	0	0
Adult	0	0	0	0	0
Support services:					
Pupil	95,982	0	0	0	0
Instructional staff	30,403	71	0	11,750	1,517
School administration	0	0	0	0	0
Operations and maintenance	0	0	0	0	0
Community Services	0	0	34,763	0	0
Extracurricular activities	488	118,080	0	0	0
<b>Total Expenditures</b>	<b>127,030</b>	<b>118,151</b>	<b>34,763</b>	<b>11,750</b>	<b>1,517</b>
Excess (deficiency) of revenues over (under) expenditures	16,732	28,950	10,028	3,766	8,289
Other Financing Sources (Uses)					
Operating transfers in	0	1,100	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>1,100</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	16,732	30,050	10,028	3,766	8,289
Fund balance, July 1, 2000	152,744	51,782	18,756	7,625	11,575
<b>Fund balance, June 30, 2001</b>	<b>\$169,476</b>	<b>\$81,832</b>	<b>\$28,784</b>	<b>\$11,391</b>	<b>\$19,864</b>

Disadvantaged Pupil Impact Aid	State Connectivity	SchoolNet Professional Development	Instructional Material Subsidy	Ohio Reads Grants	Summer School Subsidy	Extended Learning
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
26,907	9,000	4,000	0	17,000	23,694	31,450
0	0	0	0	0	0	0
26,907	9,000	4,000	0	17,000	23,694	31,450
0	0	3,000	5,817	15,609	0	0
9,771	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	2,000	0	0
0	0	11,786	0	0	0	5,363
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
9,771	0	14,786	5,817	17,609	0	5,363
17,136	9,000	(10,786)	(5,817)	(609)	23,694	26,087
0	0	0	0	0	0	0
0	0	0	0	0	0	0
17,136	9,000	(10,786)	(5,817)	(609)	23,694	26,087
7,410	0	15,233	5,986	3,632	0	0
<b>\$24,546</b>	<b>\$9,000</b>	<b>\$4,447</b>	<b>\$169</b>	<b>\$3,023</b>	<b>\$23,694</b>	<b>\$26,087</b>

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**TALAWANDA SCHOOL DISTRICT, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2001**

	<b>Miscellaneous State Grants</b>	<b>Adult Basic Education</b>	<b>Eisenhower Grant</b>	<b>Title VIB</b>	<b>Title I</b>
<b>Revenues:</b>					
From local sources:					
Extracurricular activities	\$0	\$0	\$0	\$0	\$0
Other local revenue	0	0	0	0	0
Intergovernmental - State and Local	7,434	15,546	0	0	0
Intergovernmental - Federal	0	21,120	13,350	160,611	324,180
<b>Total Revenues</b>	<b>7,434</b>	<b>36,666</b>	<b>13,350</b>	<b>160,611</b>	<b>324,180</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	0	0	0	0	0
Special	0	0	0	32,516	297,264
Adult	0	17,360	0	0	0
Support services:					
Pupil	0	0	0	14,070	0
Instructional staff	3,336	20,020	4,910	15,316	8,359
School administration	0	0	0	101,686	0
Operations and maintenance	0	0	0	0	0
Community Services	0	0	0	0	435
Extracurricular activities	0	0	0	0	0
<b>Total Expenditures</b>	<b>3,336</b>	<b>37,380</b>	<b>4,910</b>	<b>163,588</b>	<b>306,058</b>
Excess (deficiency) of revenues over (under) expenditures	4,098	(714)	8,440	(2,977)	18,122
Other Financing Sources (Uses)					
Operating transfers in	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	4,098	(714)	8,440	(2,977)	18,122
Fund balance, July 1, 2000	3,684	5,861	4,735	30,495	14,924
<b>Fund balance, June 30, 2001</b>	<b>\$7,782</b>	<b>\$5,147</b>	<b>\$13,175</b>	<b>\$27,518</b>	<b>\$33,046</b>

Title VI	Drug Free Schools	EHA Preschool Handicapped	Erate	Goals 2000	Misc. Federal Grant	Total
\$0	\$0	\$0	\$0	\$0	\$0	\$178,526
0	0	0	0	0	0	112,337
0	0	0	0	0	0	205,144
16,872	14,138	4,725	3,377	12,000	148,388	718,761
16,872	14,138	4,725	3,377	12,000	148,388	1,214,768
21,799	0	0	0	10,147	147,044	203,573
0	0	0	0	0	0	339,551
0	0	0	0	0	0	17,360
0	16,833	0	0	0	1,723	130,608
39	0	4,403	0	0	24,144	141,417
0	0	0	0	0	556	102,242
0	0	0	494	0	0	494
292	0	0	0	0	0	35,490
0	0	0	0	0	0	118,568
22,130	16,833	4,403	494	10,147	173,467	1,089,303
(5,258)	(2,695)	322	2,883	1,853	(25,079)	125,465
0	0	0	0	0	0	1,100
0	0	0	0	0	0	1,100
(5,258)	(2,695)	322	2,883	1,853	(25,079)	126,565
24,646	2,866	(322)	23,404	0	36,741	421,777
\$19,388	\$171	\$0	\$26,287	\$1,853	\$11,662	\$548,342

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
PUBLIC SCHOOL SUPPORT SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Extracurricular activities	\$100,714	\$100,714	\$0
Other local revenue	49,387	49,387	0
<b>Total Revenues</b>	<b>150,101</b>	<b>150,101</b>	<b>0</b>
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	(932)	(932)	0
Purchased services	500	500	0
Supplies and materials	2,853	2,853	0
Total Regular	2,421	2,421	0
Support Services:			
Pupil:			
Purchased services	9,564	9,564	0
Supplies and materials	88,743	88,743	0
Equipment purchased	641	641	0
Other expenditures	8,026	8,026	0
Total Pupil	106,974	106,974	0
Instructional Staff:			
Supplies and materials	28,636	28,636	0
Equipment	3,404	3,404	0
Total Instructional Staff	32,040	32,040	0
Extracurricular Activities:			
Supplies and materials	488	488	0
Total Extracurricular Activities	488	488	0
<b>Total Expenditures</b>	<b>141,923</b>	<b>141,923</b>	<b>0</b>
Excess (deficiency) of revenues over (under) expenditures	8,178	8,178	0
Other Financing Sources(Uses)			
Operating transfers in	3,980	3,980	0
Operating transfers out	(3,980)	(3,980)	0
Total Other Financing Sources(Uses)	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	8,178	8,178	0
Fund Balance, July 1, 2000	131,700	131,700	0
Prior Year Encumbrances Appropriated	13,518	13,518	0
<b>Fund Balance, June 30, 2001</b>	<b>\$153,396</b>	<b>\$153,396</b>	<b>\$0</b>

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
ATHLETIC SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Extracurricular activities	\$92,115	\$92,115	\$0
Other local revenues	63,554	63,554	0
<b>Total Revenues</b>	<b>155,669</b>	<b>155,669</b>	<b>0</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Support Services:</b>			
<b>Instructional Staff:</b>			
Salaries and wages	70	70	0
Fringe benefits	1	1	0
<b>Total Instructional Staff</b>	<b>71</b>	<b>71</b>	<b>0</b>
<b>Operations and Maintenance:</b>			
Purchased services	52	52	0
<b>Total Operations and Maintenance</b>	<b>52</b>	<b>52</b>	<b>0</b>
<b>Extracurricular Activities:</b>			
Salaries and wages	3,923	3,923	0
Fringe benefits	895	895	0
Purchased services	41,123	41,123	0
Supplies and materials	10,382	10,382	0
Equipment purchased	25,390	25,390	0
Other Expenditures	41,195	41,195	0
<b>Total Extracurricular Activities</b>	<b>122,908</b>	<b>122,908</b>	<b>0</b>
<b>Total Expenditures</b>	<b>123,031</b>	<b>123,031</b>	<b>0</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>32,638</b>	<b>32,638</b>	<b>0</b>
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	19,574	19,574	0
Operating transfers (out)	(18,474)	(18,474)	0
<b>Total Other Financing Sources (Uses)</b>	<b>1,100</b>	<b>1,100</b>	<b>0</b>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses</b>	<b>33,738</b>	<b>33,738</b>	<b>0</b>
<b>Fund Balance, July 1, 2000</b>	<b>30,010</b>	<b>30,010</b>	<b>0</b>
<b>Prior Year Encumbrances Appropriated</b>	<b>6,855</b>	<b>6,855</b>	<b>0</b>
<b>Fund Balance, June 30, 2001</b>	<b>\$70,603</b>	<b>\$70,603</b>	<b>\$0</b>

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
AUXILIARY SERVICE SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State and Local	\$44,791	\$44,791	\$0
Total Revenues	44,791	44,791	0
Expenditures:			
Current:			
Community Services:			
Supplies and materials	50,583	50,583	0
Equipment purchased	11,875	11,875	0
Other Expenditures	3,448	3,448	0
Total Community	65,906	65,906	0
Total Expenditures	65,906	65,906	0
Excess (deficiency) of revenues over (under) expenditures	(21,115)	(21,115)	0
Fund Balance, July 1, 2000	18,344	18,344	0
Prior Year Encumbrances Appropriated	3,464	3,464	0
Fund Balance, June 30, 2001	\$693	\$693	\$0



**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
PROFESSIONAL DEVELOPMENT GRANT SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State and Local	\$15,516	\$15,516	\$0
Total Revenues	15,516	15,516	0
Expenditures:			
Current:			
Support Service:			
Instructional Staff:			
Salaries and wages	7,190	7,190	0
Fringe benefits	1,007	1,007	0
Purchased services	2,554	2,554	0
Supplies and materials	1,462	1,462	0
Total Instructional Staff	12,213	12,213	0
Total Expenditures	12,213	12,213	0
Excess (deficiency) of revenues over (under) expenditures	3,303	3,303	0
Fund Balance, July 1, 2000	7,273	7,273	0
Prior Year Encumbrances Appropriated	775	775	0
Fund Balance, June 30, 2001	<u>\$11,351</u>	<u>\$11,351</u>	<u>\$0</u>

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
MANAGEMENT INFORMATION SYSTEM SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State and Local	\$9,806	\$9,806	\$0
Total Revenues	9,806	9,806	0
Expenditures:			
Current:			
Instruction:			
Support Service:			
Instructional Staff:			
Salaries and wages	756	756	0
Purchased services	1,036	1,036	0
Supplies and materials	190	190	0
Total Instructional Staff	1,982	1,982	0
Total Expenditures	1,982	1,982	0
Excess (deficiency) of revenues over (under) expenditures	7,824	7,824	0
Fund Balance, July 1, 2000	11,575	11,575	0
Fund Balance, June 30, 2001	\$19,399	\$19,399	\$0

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
DISADVANTAGED PUPIL IMPACT AID SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State and Local	\$26,907	\$26,907	\$0
Total Revenues	26,907	26,907	0
Expenditures:			
Current:			
Instruction:			
Special			
Salaries and wages	1,904	1,904	0
Fringe benefits	413	413	0
Purchased service	7,515	7,515	0
Total Special	9,832	9,832	0
Total Expenditures	9,832	9,832	0
Excess (deficiency) of revenues over (under) expenditures	17,075	17,075	0
Fund Balance, July 1, 2000	7,515	7,515	0
Fund Balance, June 30, 2001	\$24,590	\$24,590	\$0

**TALAWANDA SCHOOL DISTRICT, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
 STATE NETWORKING CONNECTIVITY FUND  
 FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State and Local	\$9,000	\$9,000	\$0
<b>Total Revenues</b>	<b>9,000</b>	<b>9,000</b>	<b>0</b>
Expenditures:			
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess (deficiency) of revenues over (under) expenditures	9,000	9,000	0
Fund Balance, July 1, 2000	0	0	0
Prior Year Encumbrances Appropriated	0	0	0
<b>Fund Balance, June 30, 2001</b>	<b>\$9,000</b>	<b>\$9,000</b>	<b>\$0</b>

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
SCHOOLNET PROFESSIONAL DEVELOPMENT FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State-Local	\$4,000	\$4,000	\$0
Total Revenues	4,000	4,000	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	1,463	1,463	0
Purchased services	1,537	1,537	0
Total Regular	3,000	3,000	0
Support Services:			
Instructional Staff:			
Supplies and materials	1,936	1,936	0
Equipment	10,474	10,474	0
Total Instructional Staff	12,410	12,410	0
Total Expenditures	15,410	15,410	0
Excess (deficiency) of revenues over (under) expenditures	(11,410)	(11,410)	0
Fund Balance, July 1, 2000	3,423	3,423	0
Prior Year Encumbrances Appropriated	12,434	12,434	0
Fund Balance, June 30, 2001	\$4,447	\$4,447	\$0

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
INSTRUCTIONAL MATERIAL SUBSIDY FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total Revenues	\$0	\$0	\$0
Expenditures:			
Current:			
Instruction			
Regular			
Supplies and materials	5,817	5,817	0
Total Regular	5,817	5,817	0
Total Expenditures	5,817	5,817	0
Excess (deficiency) of revenues over (under) expenditures	(5,817)	(5,817)	0
Fund Balance, July 1, 2000	5,986	5,986	0
Fund Balance, June 30, 2001	\$169	\$169	\$0

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
OHIO READS GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State-Local	\$17,000	\$17,000	\$0
Total Revenues	17,000	17,000	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Purchased services	9,353	9,353	0
Supplies and materials	8,725	8,725	0
Other Expenditures	756	756	0
Total Regular	18,834	18,834	0
Support Services:			
Pupil:			
Salaries and wages	2,000	2,000	0
Total Pupil	2,000	2,000	0
Total Expenditures	20,834	20,834	0
Excess (deficiency) of revenues over (under) expenditures	(3,834)	(3,834)	0
Fund Balance, July 1, 2000	3,167	3,167	0
Prior Year Encumbrances Appropriated	3,687	3,687	0
Fund Balance, June 30, 2001	\$3,020	\$3,020	\$0

**TALAWANDA SCHOOL DISTRICT, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
 SUMMER SCHOOL SUBSIDY FUND  
 FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State and Local	\$23,694	\$23,694	\$0
Total Revenues	23,694	23,694	0
Expenditures:			
Total Expenditures	0	0	0
Excess (deficiency) of revenues over (under) expenditures	23,694	23,694	0
Fund Balance, July 1, 2000	0	0	0
Fund Balance, June 30, 2001	\$23,694	\$23,694	\$0



**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
EXTENDED LEARNING INITIATIVE GRANT FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State and Local	\$31,450	\$31,450	\$0
Total Revenues	31,450	31,450	0
Expenditures:			
Current:			
Support Service:			
Instructional Staff:			
Salaries and wages	3,125	3,125	0
Fringe benefits	457	457	0
Supplies and materials	1,844	1,844	0
Total Instructional Staff	5,426	5,426	0
Total Expenditures	5,426	5,426	0
Excess (deficiency) of revenues over (under) expenditures	26,024	26,024	0
Fund Balance, July 1, 2000	0	0	0
Fund Balance, June 30, 2001	\$26,024	\$26,024	\$0

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
MISCELLANEOUS STATE GRANTS SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State-Local	\$7,434	\$7,434	\$0
<b>Total Revenues</b>	<b>7,434</b>	<b>7,434</b>	<b>0</b>
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Salaries and wages	3,000	3,000	0
Purchased services	730	730	0
<b>Total Regular</b>	<b>3,730</b>	<b>3,730</b>	<b>0</b>
<b>Total Expenditures</b>	<b>3,730</b>	<b>3,730</b>	<b>0</b>
Excess (deficiency) of revenues over (under) expenditures	3,704	3,704	0
Fund Balance, July 1, 2000	3,684	3,684	0
<b>Fund Balance, June 30, 2001</b>	<b>\$7,388</b>	<b>\$7,388</b>	<b>\$0</b>

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
ADULT BASIC EDUCATION SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$36,666	\$36,666	\$0
Total Revenues	36,666	36,666	0
Expenditures:			
Current:			
Instruction:			
Adult:			
Salaries and wages	13,743	13,743	0
Fringe benefits	2,331	2,331	0
Supplies and materials	1,662	1,662	0
Total Adult	17,736	17,736	0
Instructional Staff:			
Salaries and wages	12,367	12,367	0
Fringe benefits	2,238	2,238	0
Purchased services	5,440	5,440	0
Other Expenditures	289	289	0
Total Instructional Staff	20,334	20,334	0
Total Expenditures	38,070	38,070	0
Excess (deficiency) of revenues over (under) expenditures	(1,404)	(1,404)	0
Other Financing Sources (Uses):			
Operating transfers in	3,551	3,551	0
Operating transfers (out)	(3,551)	(3,551)	0
Total Other Financing Sources (Uses)	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(1,404)	(1,404)	0
Fund Balance, July 1, 2000	5,768	5,768	0
Prior Year Encumbrances Appropriated	861	861	0
Fund Balance, June 30, 2001	\$5,225	\$5,225	\$0

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
EISENHOWER GRANT SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$13,350	\$13,350	\$0
Total Revenues	13,350	13,350	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Salaries and wages	2,656	2,656	0
Fringe benefits	194	194	0
Purchased services	3,400	3,400	0
Supplies and materials	2,379	2,379	0
Total Instructional Staff	8,629	8,629	0
Total Expenditures	8,629	8,629	0
Excess (deficiency) of revenues over (under) expenditures	4,721	4,721	0
Fund Balance, July 1, 2000	4,847	4,847	0
Prior Year Encumbrances Appropriated	3,634	3,634	0
Fund Balance, June 30, 2001	\$13,202	\$13,202	\$0

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE VI-B SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$160,992	\$160,992	\$0
Total Revenues	160,992	160,992	0
Expenditures:			
Instruction:			
Special:			
Salaries and wages	3,682	3,682	0
Fringe Benefits	30	30	0
Purchased services	2,416	2,416	0
Supplies and materials	16,860	16,860	0
Equipment	11,895	11,895	0
Total Special	34,883	34,883	0
Support Services:			
Pupil:			
Salaries and wages	11,648	11,648	0
Fringe benefits	1,442	1,442	0
Total Pupil	13,090	13,090	0
Instructional Staff:			
Salaries and wages	4,000	4,000	0
Fringe benefits	655	655	0
Purchased services	4,199	4,199	0
Supplies and materials	7,217	7,217	0
Total Instructional Staff	16,071	16,071	0
School Administration:			
Salaries and wages	73,253	73,253	0
Fringe benefits	20,947	20,947	0
Purchased services	5,013	5,013	0
Supplies and materials	2,537	2,537	0
Total School Administration	101,750	101,750	0
Total Expenditures	165,794	165,794	0
Excess (deficiency) of revenues over (under) expenditures	(4,802)	(4,802)	0
Other Financing Sources (Uses)			
Refund of prior year receipts	(381)	(381)	0
Total Other Financing Sources (Uses)	(381)	(381)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(5,183)	(5,183)	0
Fund Balance, July 1, 2000	33,982	33,982	0
Prior Year Encumbrances Appropriated	9,678	9,678	0
Fund Balance, June 30, 2001	\$38,477	\$38,477	\$0

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE I SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$324,180	\$324,180	\$0
Total Revenues	324,180	324,180	0
Expenditures:			
Current:			
Instruction:			
Special:			
Salaries and wages	244,731	244,731	0
Fringe benefits	52,994	52,994	0
Purchased services	246	246	0
Supplies and materials	2,801	2,801	0
Total Special	300,772	300,772	0
Support Services:			
Instructional Staff:			
Salaries and wages	7,021	7,021	0
Fringe benefits	1,015	1,015	0
Supplies and materials	221	221	0
Total Instructional Staff	8,257	8,257	0
Central Services:			
Fringe Benefits	422	422	0
Total Central	422	422	0
Total Expenditures	309,451	309,451	0
Excess (deficiency) of revenues over (under) expenditures	14,729	14,729	0
Other Financing Sources (Uses):			
Operating transfers in	20,546	20,546	0
Operating transfers (out)	(20,546)	(20,546)	0
Total Other Financing Sources (Uses)	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	14,729	14,729	0
Fund Balance, July 1, 2000	47,934	47,934	0
Fund Balance, June 30, 2001	\$62,663	\$62,663	\$0

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE VI SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$16,872	\$16,872	\$0
Total Revenues	16,872	16,872	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	16,283	16,283	0
Fringe benefits	771	771	0
Supplies and materials	4,445	4,445	0
Equipment	599	599	0
Total Regular	22,098	22,098	0
Support Services:			
Instructional Staff:			
Supplies and materials	39	39	0
Total Instructional Staff	39	39	0
Central:			
Supplies and materials	292	292	0
Total Central	292	292	0
Total Expenditures	22,429	22,429	0
Excess (deficiency) of revenues over (under) expenditures	(5,557)	(5,557)	0
Fund Balance, July 1, 2000	24,376	24,376	0
Prior Year Encumbrances Appropriated	599	599	0
Fund Balance, June 30, 2001	\$19,418	\$19,418	\$0

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
DRUG FREE SCHOOLS GRANT SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$14,138	\$14,138	\$0
<b>Total Revenues</b>	<b>14,138</b>	<b>14,138</b>	<b>0</b>
Expenditures:			
Current:			
Support Services:			
Pupil:			
Purchased services	16,833	16,833	0
Total Pupil	16,833	16,833	0
<b>Total Expenditures</b>	<b>16,833</b>	<b>16,833</b>	<b>0</b>
Excess (deficiency) of revenues over (under) expenditures	(2,695)	(2,695)	0
 Fund Balance, July 1, 2000	 2,867	 2,867	 0
 Fund Balance, June 30, 2001	 \$172	 \$172	 \$0



**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
EHA PRESCHOOL HANDICAPPED GRANT - SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$4,725	\$4,725	\$0
Total Revenues	4,725	4,725	0
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Salaries and wages	54	54	0
Purchased services	4,725	4,725	0
Total Special	4,779	4,779	0
Total Expenditures	4,779	4,779	0
Excess (deficiency) of revenues over (under) expenditures	(54)	(54)	0
Fund Balance, July 1, 2000	54	54	0
Fund Balance, June 30, 2001	\$0	\$0	\$0

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
ERATE FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$5,140	\$5,140	\$0
Total Revenues	5,140	5,140	0
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance:			
Purchased services	494	494	0
Total Operations and Maintenance	494	494	0
Total Expenditures	494	494	0
Excess (deficiency) of revenues over (under) expenditures	4,646	4,646	0
Fund Balance, July 1, 2000	21,641	21,641	0
Fund Balance, June 30, 2001	\$26,287	\$26,287	\$0

**TALAWANDA SCHOOL DISTRICT, OHIO  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GOALS 2000 FUND  
 FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$12,000	\$12,000	\$0
Total Revenues	12,000	12,000	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	4,306	4,306	0
Fringe benefits	750	750	0
Purchased services	4,855	4,855	0
Supplies and materials	120	120	0
Total Regular	10,031	10,031	0
Total Expenditures	10,031	10,031	0
Excess (deficiency) of revenues over (under) expenditures	1,969	1,969	0
Fund Balance, July 1, 2000	0	0	0
Fund Balance, June 30, 2001	\$1,969	\$1,969	\$0

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
MISCELLANEOUS FEDERAL GRANTS SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - Federal	\$174,627	\$174,627	\$0
Total Revenues	174,627	174,627	0
Expenditures:			
Current:			
Instruction:			
Regular:			
Salaries and wages	77,877	77,877	0
Fringe benefits	8,934	8,934	0
Purchased services	56,637	56,637	0
Supplies and materials	5,489	5,489	0
Total Regular	148,937	148,937	0
Support Service:			
Pupil:			
Purchased services	1,723	1,723	0
Total Pupil	1,723	1,723	0
Instructional Staff:			
Salaries and wages	3,492	3,492	0
Purchased service	494	494	0
Supplies and materials	5,709	5,709	0
Equipment purchased	14,448	14,448	0
Total Instructional Staff	24,143	24,143	0
School Administration:			
Salaries and wages	500	500	0
Fringe benefits	70	70	0
Total School Administration	570	570	0
Total Expenditures	175,373	175,373	0
Excess (deficiency) of revenues over (under) expenditures	(746)	(746)	0
Other Financing Sources (Uses)			
Refund of Prior Years Receipts	(1,241)	(1,241)	0
Total Other Financing Sources (Uses)	(1,241)	(1,241)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(1,987)	(1,987)	0
Fund Balance, July 1, 2000	21,810	21,810	0
Prior Year Encumbrance Appropriated	2,923	2,923	0
Fund Balance, June 30, 2001	\$22,746	\$22,746	\$0

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### DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the government is obligated in some manner for the payment. It is also used to account for the accumulation of resources and payment of general obligation notes payable, as required by Ohio Law.

Since there is only one Debt Service Fund and the level of budgetary control is not greater than that presented in the Combined Financial Statements, no additional financial statements are presented here.

## CAPITAL PROJECTS FUNDS

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

### Permanent Improvement

To account for major improvements or renovations to existing facilities.

### Building Fund

To account for capital expenditures associated with a building program.

### IVDL

To account for the capital expenditures associated with video distance learning

### SchoolNet

To account for state funds used to purchase technology and infrastructure.

**TALAWANDA SCHOOL DISTRICT, OHIO  
 COMBINING BALANCE SHEET  
 ALL CAPITAL PROJECTS FUNDS  
 JUNE 30, 2001**

	<b>Permanent Improvement</b>	<b>Building</b>	<b>IVDL</b>	<b>School Net</b>	<b>Total</b>
<b>ASSETS:</b>					
Equity in pooled cash and cash equivalents	\$110,884	\$8,265	\$0	\$46,201	\$165,350
Receivables:					
Accrued interest	336	0	0	0	336
<b>TOTAL ASSETS</b>	<b>\$111,220</b>	<b>\$8,265</b>	<b>\$0</b>	<b>\$46,201</b>	<b>\$165,686</b>
<b>LIABILITIES AND FUND EQUITY:</b>					
Liabilities:					
Accounts	0	0	0	3,993	3,993
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,993</b>	<b>3,993</b>
Fund Equity:					
Fund Balances:					
Reserved-					
Reserve for encumbrances	10,000	0	0	5,027	15,027
Unreserved-					
Undesignated	101,220	8,265	0	37,181	146,666
<b>Total Fund Equity</b>	<b>111,220</b>	<b>8,265</b>	<b>0</b>	<b>42,208</b>	<b>161,693</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$111,220</b>	<b>\$8,265</b>	<b>\$0</b>	<b>\$46,201</b>	<b>\$165,686</b>



**TALAWANDA SCHOOL DISTRICT, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 ALL CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2001**

	<b>Permanent Improvement</b>	<b>Building</b>	<b>IVDL</b>	<b>School Net</b>	<b>Total</b>
Revenues:					
From local sources:					
Earnings on investments	\$5,660	\$101	\$0	\$0	\$5,761
Intergovernmental - state and local	\$0	\$0	\$0	\$94,793	\$94,793
Total Revenues	5,660	101	0	94,793	100,554
Expenditures:					
Current:					
Instruction:					
Regular	0	0	864	0	864
Support services:					
Instructional staff	0	0	0	104,495	104,495
Operations and maintenance	0	0	8,078	3,000	11,078
Capital outlay	0	0	0	665	665
Total Expenditures	0	0	8,942	108,160	117,102
Excess (deficiency) of revenues over (under) expenditures	5,660	101	(8,942)	(13,367)	(16,548)
Other financing sources (uses)					
Operating transfer in	0	3,164	0	0	3,164
Total other financing sources (uses)	0	3,164	0	0	3,164
Excess (deficiency) of revenues and other sources over (under) expenditures and (uses)	5,660	3,265	(8,942)	(13,367)	(13,384)
Fund balance, July 1, 2000	105,560	5,000	8,942	55,575	175,077
Fund balance, June 30, 2001	\$111,220	\$8,265	\$0	\$42,208	\$161,693

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
PERMANENT IMPROVEMENT CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Earnings on investments	\$5,831	\$5,831	\$0
Total Revenues	5,831	5,831	0
Expenditures:			
Capital Outlay			
Purchased services	10,000	10,000	0
Total Capital Outlay	10,000	10,000	0
Total Expenditures	10,000	10,000	0
Excess (deficiency) of revenues over (under) expenditures	(4,169)	(4,169)	0
Fund Balance, July 1, 2000	95,053	95,053	0
Prior Year Encumbrance Appropriated	10,000	10,000	0
Fund Balance, June 30, 2001	<u>\$100,884</u>	<u>\$100,884</u>	<u>\$0</u>

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
BUILDING FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Earnings of investments	\$101	\$101	\$0
Total Revenues	101	101	0
Expenditures:			
Total Expenditures	0	0	0
Excess (deficiency) of revenues over (under) expenditures	101	101	0
Other Financing Sources(Uses):			
Operating transfers in	3,164	3,164	0
Total Other Financing Sources(Uses)	3,164	3,164	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	3,265	3,265	0
Fund Balance, July 1, 2000	5,000	5,000	0
Fund Balance, June 30, 2001	\$8,265	\$8,265	\$0

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
IVDL GRANT  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
<b>Revenues:</b>			
Total Revenues	\$0	\$0	\$0
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular:			
Purchased services	979	979	0
Total Regular	979	979	0
Support Services:			
Operations and Maintenance:			
Purchased services	3,366	3,366	0
Total Operations and Maintenance	3,366	3,366	0
Total Expenditures	4,345	4,345	0
Excess (deficiency) of revenues over (under) expenditures	(4,345)	(4,345)	0
<b>Other Financing Sources(Uses):</b>			
Refund of prior year receipt	(4,712)	(4,712)	0
Total Other Financing Sources(Uses)	(4,712)	(4,712)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	(9,057)	(9,057)	0
Fund Balance, July 1, 2000	8,730	8,730	0
Prior Year Encumbrance Appropriated	327	327	
Fund Balance, June 30, 2001	\$0	\$0	\$0

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)  
SCHOOLNET CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2001**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Intergovernmental - State and Local	\$94,793	\$94,793	\$0
<b>Total Revenues</b>	<b>94,793</b>	<b>94,793</b>	<b>0</b>
Expenditures:			
Current:			
Support Services:			
Instructional Staff:			
Salaries and wages	3,425	3,425	0
Fringe benefits	10	10	0
Purchased services	5,522	5,522	0
Supplies and materials	24,360	24,360	0
Equipment	76,205	76,205	0
<b>Total Instructional Staff</b>	<b>109,522</b>	<b>109,522</b>	<b>0</b>
Operations and Maintenance:			
Purchased services	3,000	3,000	0
<b>Total Operations and Maintenance</b>	<b>3,000</b>	<b>3,000</b>	<b>0</b>
Capital Outlay			
Equipment	665	665	0
<b>Total Capital Outlay</b>	<b>665</b>	<b>665</b>	<b>0</b>
<b>Total Expenditures</b>	<b>113,187</b>	<b>113,187</b>	<b>0</b>
Excess (deficiency) of revenues over (under) expenditures	(18,394)	(18,394)	0
Fund Balance, July 1, 2000	22,976	22,976	0
Prior Year Encumbrances Appropriated	32,599	32,599	
<b>Fund Balance, June 30, 2001</b>	<b>\$37,181</b>	<b>\$37,181</b>	<b>\$0</b>

## ENTERPRISE FUNDS

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private sector business where the intent is that the expense (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges. A description of the District's Enterprise Funds follows:

### Food Service

A fund used to account for all revenues and expenses related to the provision of food services of the District.

### Uniform School Supply

A rotary fund provided to account for the purchase and sale of school supplies as adopted by the Board of Education for use in the schools of the District.

### Adult Continuing Education

A fund used to account for all revenues and expenses related to the provision of credit and non-credit classes to the general public.

**TALAWANDA SCHOOL DISTRICT, OHIO  
 COMBINING BALANCE SHEET  
 ALL ENTERPRISE FUNDS  
 JUNE 30, 2001**

	<b>Food Service</b>	<b>Uniform School Supply</b>	<b>Adult Continuing Education</b>	<b>Total</b>
<b>ASSETS:</b>				
Equity in pooled cash and cash equivalents	\$262,315	\$104,218	\$0	\$366,533
Accounts	0	1,504	0	1,504
Accrued interest	670	0	0	670
Material and supplies inventory	19,677	0	0	19,677
Property, plant and equipment (net of accumulated depreciation)	40,668	0	899	41,567
<b>TOTAL ASSETS</b>	<b>\$323,330</b>	<b>\$105,722</b>	<b>\$899</b>	<b>\$429,951</b>
<b>LIABILITIES AND FUND EQUITY:</b>				
<b>Liabilities:</b>				
Accounts payable	\$3,787	\$2,491	\$0	\$6,278
Accrued wages and benefits	89,676	0	899	90,575
Compensated absences payable	2,988	0	0	2,988
Deferred revenue	9,864	0	0	9,864
<b>Total Liabilities</b>	<b>106,315</b>	<b>2,491</b>	<b>899</b>	<b>109,705</b>
<b>Fund Equity:</b>				
Retained earnings	217,015	103,231	0	320,246
<b>Total Fund Equity</b>	<b>217,015</b>	<b>103,231</b>	<b>0</b>	<b>320,246</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$323,330</b>	<b>\$105,722</b>	<b>\$899</b>	<b>\$429,951</b>

**TALAWANDA SCHOOL DISTRICT, OHIO  
 COMBINING STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS  
 ALL ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2001**

	Food Service	Uniform School Supply	Adult Continuing Education	Total
<b>Operating Revenues:</b>				
Tuition and fees	\$0	\$150,358	\$0	\$150,358
Sales	637,517	0	0	637,517
Miscellaneous	12,505	0	0	12,505
<b>Total Operating Revenues</b>	<b>650,022</b>	<b>150,358</b>	<b>0</b>	<b>800,380</b>
<b>Operating Expenses:</b>				
Salaries and wages	321,843		27,768	349,611
Fringe benefits	82,771	0	10,150	92,921
Contract services	13,903	3,413	0	17,316
Supplies	405,412	131,429	0	536,841
Depreciation	4,494	0	161	4,655
Other operating expenses	0	600	0	600
<b>Total Operating Expenses</b>	<b>828,423</b>	<b>135,442</b>	<b>38,079</b>	<b>1,001,944</b>
<b>Operating Income (Loss)</b>	<b>(178,401)</b>	<b>14,916</b>	<b>(38,079)</b>	<b>(201,564)</b>
<b>Nonoperating Revenues (Expenses):</b>				
Operating grants - state and local	10,243	0	0	10,243
Operating grants - federal	190,765	0	0	190,765
Donated commodities	41,292	0	0	41,292
Interest revenue	3,431	0	0	3,431
<b>Total Nonoperating Revenues (Expenses)</b>	<b>245,731</b>	<b>0</b>	<b>0</b>	<b>245,731</b>
<b>Net Income (Loss)</b>	<b>67,330</b>	<b>14,916</b>	<b>(38,079)</b>	<b>44,167</b>
Retained Earnings, July 1, 2000	149,685	88,315	38,079	276,079
<b>Retained Earnings, June 30, 2001</b>	<b>\$217,015</b>	<b>\$103,231</b>	<b>\$0</b>	<b>\$320,246</b>



**TALAWANDA SCHOOL DISTRICT, OHIO  
 COMBINING STATEMENT OF CASH FLOWS  
 ALL ENTERPRISE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2001**

	Food Service	Uniform School Supply	Adult Continuing Education	Total
Cash flows from operating activities:				
Cash received from tuition and fees	\$0	\$150,508	\$0	\$150,508
Cash received from sales	642,302	0	0	642,302
Cash received from miscellaneous	12,505	0	0	12,505
Cash payments for personal services	(430,773)	0	(43,544)	(474,317)
Cash payments for contract services	(11,823)	(3,413)	0	(15,236)
Cash payments for supplies and materials	(348,972)	(130,101)	0	(479,073)
Cash payments for miscellaneous	0	(600)	0	(600)
Net cash provided by (used for) operating activities	(136,761)	16,394	(43,544)	(163,911)
Cash flows from noncapital financing activities:				
Cash received from operating grants	201,008	0	0	201,008
Net cash provided by noncapital financing activities	201,008	0	0	201,008
Cash flows from capital financing activities:				
Cash payments for capital acquisitions	(1,354)	0	0	(1,354)
Net cash (used for) capital financing activities	(1,354)	0	0	(1,354)
Cash flows from investing activities:				
Cash received from interest	3,634	0	0	3,634
Net cash provided by investing activities	3,634	0	0	3,634
Net increase in cash and cash equivalents	66,527	16,394	(43,544)	39,377
Cash and cash equivalents at beginning of year	195,788	87,824	43,544	327,156
Cash and cash equivalents at end of year	\$262,315	\$104,218	\$0	\$366,533
Reconciliation of operating income to net cash provided by (used for) operating activities:				
Operating income (loss)	(\$178,401)	\$14,916	(\$38,079)	(\$201,564)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	4,494	0	161	4,655
Donated commodities used	41,292	0	0	41,292
Changes in assets and liabilities:				
Decrease in accounts receivable	4,785	141	0	4,926
Decrease in material and supplies inventory	17,171	0	0	17,171
Increase in accounts payable	1,648	1,337	0	2,985
(Decrease) in accrued wages & benefits	(24,019)	0	(5,626)	(29,645)
(Decrease) in compensated absences payable	(2,140)	0	0	(2,140)
(Decrease) in deferred revenue	(1,591)	0	0	(1,591)
Net cash provided by (used for) operating activities	(\$136,761)	\$16,394	(\$43,544)	(\$163,911)

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## TRUST AND AGENCY FUNDS

Trust and Agency Funds are used to account for assets held by a governmental unit in a trustee capacity and/or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include Expendable Trust Funds, Non-Expendable Trust Funds and Agency Funds. The following are descriptions of each:

### Expendable Trust Funds

#### General Trust

A fund is used to account for donations from private individuals or corporations to be used according to the terms of donation. Since there is only one Expendable Trust Fund, no additional Statement of Revenues, Expenditures or Changes in Fund Balance is presented here.

### Non-Expendable Trust Fund:

#### Witt Memorial

Scholarship fund used to provide awards to graduating seniors.

Since there is only one Non-Expendable Trust Fund, no additional Statement of Revenues, Expenses and Changes in Fund Balance or Statement of Cash Flows is presented here.

### Agency Fund

#### Student Activity Fund

This fund is used to account for the resources which are collected by the various student groups.

#### Unclaimed Monies Fund

This fund is used to account for unclaimed monies from outstanding checks over one year old.

**TALAWANDA SCHOOL DISTRICT, OHIO  
 COMBINING BALANCE SHEET  
 ALL FIDUCIARY FUND TYPES  
 JUNE 30, 2001**

	Expendable	Non-expendable	Agency Funds		Total
	Trust Fund	Trust Fund	Student	Unclaimed	
	General	Witt	Student	Unclaimed	
	Trust	Memorial	Activities	Monies	
<b>ASSETS:</b>					
Equity in pooled cash and investments	\$62,890	\$193	\$59,016	\$8,365	\$130,464
Accounts payable	257	0	0	0	257
Accrued Interest	72	0	0	0	72
<b>TOTAL ASSETS</b>	<b>\$63,219</b>	<b>\$193</b>	<b>\$59,016</b>	<b>\$8,365</b>	<b>\$130,793</b>
<b>LIABILITIES AND FUND EQUITY:</b>					
<b>Liabilities:</b>					
Accounts payable	\$1,874	\$0	\$0	\$0	\$1,874
Accrued wages and benefits	\$234	\$0	\$0	\$0	\$234
Due to student groups	0	0	59,016	0	59,016
Due to others	0	0	0	8,365	8,365
<b>Total Liabilities</b>	<b>2,108</b>	<b>0</b>	<b>59,016</b>	<b>8,365</b>	<b>69,489</b>
<b>Fund Equity:</b>					
<b>Fund Balances:</b>					
<b>Reserved-</b>					
Reserved for encumbrances	1,203	0	0	0	1,203
<b>Unreserved-</b>					
Undesignated	59,908	193	0	0	60,101
<b>Total Fund Equity</b>	<b>61,111</b>	<b>193</b>	<b>0</b>	<b>0</b>	<b>61,304</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$63,219</b>	<b>\$193</b>	<b>\$59,016</b>	<b>\$8,365</b>	<b>\$130,793</b>

**TALAWANDA SCHOOL DISTRICT, OHIO  
 COMBINING STATEMENT OF CHANGES IN  
 ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	<b>Beginning Balance July 1, 2000</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance June 30, 2001</b>
<b>Unclaimed Monies</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$8,365	\$0	\$0	\$8,365
<b>Liabilities:</b>				
Due to others	8,365	0	0	8,365
<b>Total Liabilities</b>	<b>\$8,365</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,365</b>
<b>Student Activities</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$46,826	\$95,103	\$82,913	\$59,016
<b>Liabilities:</b>				
Due to student groups	46,826	95,103	82,913	59,016
<b>Total Liabilities</b>	<b>\$46,826</b>	<b>\$95,103</b>	<b>\$82,913</b>	<b>\$59,016</b>
<b>Total</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$55,191	\$95,103	\$82,913	\$67,381
<b>Total Assets</b>	<b>\$55,191</b>	<b>\$95,103</b>	<b>\$82,913</b>	<b>\$67,381</b>
<b>Liabilities:</b>				
Due to others	\$8,365	\$0	\$0	\$8,365
Due to student groups	46,826	95,103	82,913	59,016
<b>Total Liabilities</b>	<b>\$55,191</b>	<b>\$95,103</b>	<b>\$82,913</b>	<b>\$67,381</b>

GENERAL FIXED ASSET ACCOUNT GROUP

This group of accounts is used to account for all sites, buildings, equipment and vehicles not used in the operations of the Proprietary Funds. The majority of the District's assets are reflected here.

**TALAWANDA SCHOOL DISTRICT, OHIO  
 SCHEDULE OF GENERAL FIXED ASSETS  
 BY SOURCE  
 JUNE 30,2001**

General fixed assets:

Land	\$540,650
Buildings and building improvements	17,122,292
Furniture, fixtures and equipment	<u>7,652,739</u>
Total general fixed assets	<u><u>\$25,315,681</u></u>

Investment in general fixed assets  
 by source:

Acquired before July 1, 1990*	\$20,968,882
General fund	2,732,682
Special revenue funds	572,692
Capital projects funds	851,489
Trust & Agency funds	3,804
Donations	<u>186,132</u>
Total general fixed assets	<u><u>\$25,315,681</u></u>

\*Represents older assets for which source of funding can not practicably be obtained.

**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF GENERAL FIXED ASSETS  
BY FUNCTION AND TYPE  
JUNE 30,2001**

Function	Land and land improvements	Buildings and building improvements	Furniture fixtures and equipment	Total
Instruction:				
Regular	\$463,650	\$17,109,559	\$1,414,707	\$18,987,916
Special	0	0	57,697	57,697
Other	0	0	4,187	4,187
Support services:				
Pupil	0	0	40,981	40,981
Instructional staff	0	0	1,106,821	1,106,821
General administration	2,000	12,733	27,680	42,413
School administration	0	0	58,468	58,468
Fiscal services	0	0	28,681	28,681
Operations and maintenance	0	0	257,630	257,630
Pupil transportation	0	0	391,442	391,442
Community Service	0	0	24,698	24,698
Extracurricular activities	0	0	9,928	9,928
Capital outlay	75,000	0	976,437	1,051,437
Other - Pre July 1, 1990 items*	0	0	3,253,382	3,253,382
<b>Total general fixed assets</b>	<b>\$540,650</b>	<b>\$17,122,292</b>	<b>\$7,652,739</b>	<b>\$25,315,681</b>

\*Represents older assets for which function/activity can not practicably be obtained.



**TALAWANDA SCHOOL DISTRICT, OHIO  
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
BY FUNCTION  
FOR YEAR ENDED JUNE 30, 2001**

Function	Balance at July 1, 2000	Additions	Deductions	Balance at June 30, 2001
Instruction:				
Regular	\$18,889,720	\$103,670	\$5,474	\$18,987,916
Special	45,689	12,008	0	57,697
Other	4,187	0	0	4,187
Support services:				
Pupil	38,845	2,136	0	40,981
Instructional staff	1,050,340	57,880	1,399	1,106,821
General administration	42,413	0	0	42,413
School administration	55,830	2,638	0	58,468
Fiscal services	28,681	0	0	28,681
Operations and maintenance	225,919	31,711	0	257,630
Pupil transportation	256,992	134,450	0	391,442
Community Service	24,698	0	0	24,698
Extracurricular activities	9,928	0	0	9,928
Capital outlay	808,467	242,970	0	1,051,437
Other - Pre July 1, 1990 items*	3,507,382	0	254,000	3,253,382
<b>Total general fixed assets</b>	<b>\$24,989,091</b>	<b>\$587,463</b>	<b>\$260,873</b>	<b>\$25,315,681</b>

\*Represents older assets for which function/activity can not practicably be obtained.

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# Statistical Section



**“God Bless America”**

**TALAWANDA SCHOOL DISTRICT, OHIO  
GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)  
LAST TEN FISCAL YEARS**

Fiscal Year	Taxes	Tuition and Fees	Earnings on Investments	Inter- governmental	Other	Total Revenues
1992	\$6,454,486	\$112,016	\$156,673	\$5,965,035	\$143,770	\$12,831,980
1993	6,769,209	77,698	73,082	6,150,683	117,784	13,188,456
1994	6,769,151	64,748	77,177	7,355,245	110,188	14,376,509
1995	7,037,208	22,701	172,371	7,674,096	119,039	15,025,415
1996	7,778,985	69,003	219,398	8,410,263	71,574	16,549,223
1997	7,233,167	53,782	264,895	8,572,477	74,346	16,198,667
1998	8,153,193	63,014	355,661	9,136,530	114,514	17,822,912
1999	9,575,477	89,143	342,700	7,756,339	80,948	17,844,607
2000	7,724,150	170,278	448,941	10,892,698	345,376	19,581,443
2001	10,386,023	260,319	395,466	10,375,461	193,508	21,610,777

Source: Talawanda Schools records

(1) Includes the revenues of the General Fund only.

TALAWANDA SCHOOL DISTRICT, OHIO  
 GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)  
 LAST TEN FISCAL YEARS

Fiscal Year	Instruction	Pupil Support Services	Instructional Support Services	Administration	Business and Fiscal Services	Operations and Maintenance	Pupil Transportation	Other	Extracurricular Activities	Capital Outlay	Debt Service	Total Expenditures
1992	\$7,097,076	\$405,512	\$558,033	\$1,178,801	\$367,289	\$1,500,184	\$1,004,893	\$630	\$138,946	\$8,837	\$0	\$12,260,201
1993	7,749,392	477,786	558,066	1,115,024	404,451	1,679,335	914,982	1,442	116,821	8,334	0	13,025,633
1994	7,785,753	509,944	617,718	1,232,531	438,945	1,741,758	997,096	1,660	129,526	5,400	0	13,460,331
1995	8,509,845	570,701	589,075	1,219,166	454,256	1,777,822	1,079,737	858	142,443	2,553	0	14,346,456
1996	9,003,834	531,266	560,144	1,368,524	471,393	1,918,998	1,123,852	177	168,431	1,560	0	15,148,179
1997	9,643,830	702,033	639,589	1,384,358	415,623	1,957,175	1,262,280	1,163	182,326	22,153	0	16,210,530
1998	9,826,491	694,608	831,381	1,549,974	467,896	1,880,861	1,331,461	9,717	218,427	255,156	0	17,065,972
1999	10,253,841	747,972	825,218	1,454,085	461,623	1,820,162	1,303,432	8,236	300,085	321,580	0	17,496,234
2000	11,163,989	868,495	812,380	1,391,599	457,066	2,071,859	1,646,206	22,231	374,460	188,903	0	18,997,188
2001	10,832,316	874,597	1,331,577	1,462,001	532,234	2,139,788	1,651,750	19,568	394,164	285,465	0	19,523,460

Source: Talawanda Schools records

(1) Includes the expenditures of the General Fund Only

TALAWANDA SCHOOL DISTRICT, OHIO  
 PROPERTY TAX LEVIES AND COLLECTIONS  
 LAST TEN COLLECTION (CALENDAR) YEARS

Collection Year	Tax Levied (1)	Current Tax Collections (2)	Percent of Levy Collected	Delinquent Collections	Total Tax Collections	Percent of Total Collection To Levy	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Levy
1991	\$8,788,350	\$8,283,582	94.26%	\$337,309	\$8,620,891	98.09%	\$167,459	1.91%
1992	9,294,148	8,894,165	95.70%	343,200	9,237,365	99.39%	56,783	0.61%
1993	9,547,590	8,892,486	93.14%	307,661	9,200,147	96.36%	347,443	3.64%
1994	9,992,468	8,999,098	90.06%	241,035	9,240,133	92.47%	752,335	7.53%
1995	10,016,961	9,512,266	94.96%	297,720	9,809,986	97.93%	206,975	2.07%
1996	10,264,285	9,905,047	99.04%	261,500	10,166,547	99.04%	304,714	2.96%
1997 (3)	9,726,348	9,558,633	98.28%	284,420	9,843,053	101.20%	167,715	1.72%
1998 (4)	9,573,273	9,421,293	98.41%	211,860	9,633,153	100.63%	151,980	1.59%
1999	9,717,764	9,464,683	97.40%	249,440	9,714,123	99.96%	165,791	1.71%
2000	10,059,071	9,813,439	97.56%	249,440	10,062,879	100.04%	165,791	1.65%

Source: Butler County Auditor

(1) Taxes levied and collected are presented on a cash and calendar year basis.

(2) State reimbursements of rollback and honestead exemptions are included.

(3) Taxes levied and collected reduced due to the 5.5 mill reduction of a bond retirement levy

(4) Taxes levied and collected reduced due to the 2.5 mill reduction of a bond retirement levy

**TALAWANDA SCHOOL DISTRICT, OHIO  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN COLLECTION (CALENDAR) YEARS**

Collection Year	Real Property		Tangible Personal Property		Public Utilities Personal		Total		Ratio (1)
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1992	\$216,622,800	\$618,922,286	\$11,958,793	\$45,995,358	\$22,529,410	\$25,601,602	\$251,111,003	\$693,079,407	36.23%
1993	221,609,750	633,170,714	12,541,899	50,167,596	25,069,430	28,487,989	259,221,079	711,826,299	36.42%
1994	252,572,290	721,635,114	11,740,390	46,961,560	26,331,540	29,922,205	290,644,220	798,518,879	36.40%
1995	259,393,820	741,125,200	11,981,519	47,926,076	28,156,210	31,995,693	299,531,549	821,046,969	36.48%
1996	270,920,450	774,058,429	13,320,221	53,280,884	27,088,000	30,781,818	311,328,671	858,121,131	36.28%
1997	315,611,160	901,746,171	14,025,973	56,103,892	27,451,390	31,194,761	357,088,523	989,044,824	36.10%
1998	323,685,480	924,815,657	21,669,725	86,678,900	26,516,130	30,131,966	371,871,335	1,041,626,523	35.70%
1999	332,191,690	949,119,114	19,383,947	77,535,788	26,801,330	30,456,057	378,376,967	1,057,110,959	35.79%
2000	391,766,030	1,119,331,514	21,323,679	85,294,716	27,165,400	30,869,773	440,255,109	1,235,496,003	35.63%
2001	400,689,150	1,144,826,143	20,880,717	83,522,868	25,289,900	28,738,523	446,859,767	1,257,087,534	35.55%

Source: Butler County Auditor

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

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

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Tax Year	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Collection Year	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Talawanda City Schools	50.30	43.80	43.80	43.80	46.30	51.80	51.80	51.80	51.80	51.80
City of Oxford	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65
Oxford Township	7.84	7.84	7.84	7.84	7.84	5.84	5.84	5.84	5.84	5.84
Rely Township	7.39	7.39	7.39	5.39	5.39	5.39	5.39	5.39	5.39	5.39
Millford Township	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74	5.74
Hanover Township	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72	2.72
Butler County	8.45	8.44	8.44	8.44	8.44	7.44	7.45	7.44	7.45	7.45
Butler County Joint Vocational School	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.94	1.97	1.97
Total Rate	88.02	81.51	81.51	79.51	82.01	84.51	84.52	84.52	84.56	84.56



**TALAWANDA SCHOOL DISTRICT, OHIO  
 RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE  
 AND NET BONDED DEBT PER CAPITA  
 LAST TEN COLLECTION (CALENDAR) YEARS**

Collection Year	Population	Assessed Value	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (%)	Estimated Net Bonded Debt per Capita
1992	35,866	251,111,003	4,420,000	193,007	4,226,993	1.68%	118
1993	35,866	259,221,079	3,790,000	619,255	3,170,745	1.22%	88
1994	35,866	290,644,220	4,050,000	531,097	3,518,903	1.21%	98
1995	35,866	299,531,549	3,335,000	530,535	2,804,465	0.94%	78
1996	35,866	311,328,671	2,605,000	291,793	2,313,207	0.74%	64
1997	35,866	357,088,523	1,855,000	776,264	1,078,736	0.30%	30
1998	35,866	371,871,335	1,090,000	702,852	387,148	0.10%	11
1999	35,866	378,376,967	500,000	104,469	395,531	0.10%	11
2000	35,866	440,255,109	410,000	0	410,000	0.09%	11
2001	34,968	446,859,767	315,000	0	315,000	0.07%	9

Sources: U.S. Census Bureau  
 Butler County Auditor  
 Talawanda School District records

**TALAWANDA SCHOOL DISTRICT, OHIO  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30,2001**

Overall Direct Debt Limitaion

Direct Debt Limitation 9% of Assessed Valuation		\$40,217,379
--	--	--------------

Amount available in Debt Service Fund		0
---------------------------------------	--	---

Gross indebtedness	315,000	
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Less:		
Debt exempt from Limitation	<u>0</u>	

Debt subject to 9% Limitation		<u>315,000</u>
-------------------------------	--	----------------

Legal Debt Margin within 9% Limitation		<u><u>\$39,902,379</u></u>
--	--	----------------------------

Direct Debt Limitation .1% of Assessed Valuation		\$446,860
---	--	-----------

Amount available in Debt Service Fund		0
---------------------------------------	--	---

Gross indebtedness	0	
--------------------	---	--

Less:		
Debt exempt from Limitation	<u>0</u>	

Debt subject to .1% Limitation		<u>                    </u>
--------------------------------	--	-----------------------------

Legal Debt Marigin within .1% Limitation		<u><u>\$446,860</u></u>
--	--	-------------------------

Source: Talawanda School District records

**TALAWANDA SCHOOL DISTRICT, OHIO  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 JUNE 30,2001**

<b>Governmental Unit</b>	<b>Gross General Obligation</b>	<b>Percent Applicable to School District</b>	<b>Amount Applicable to District</b>
Direct:			
Talawanda School District	\$315,000	100.00%	\$315,000
Overlapping:			
City of Oxford	\$3,825,000	100.00%	\$3,825,000
Butler County	47,905,000	7.30%	3,497,065
Preble County	5,795,923	0.48%	27,820
Hanover Township	147,610	64.30%	94,913
City of Hamilton	21,715,000	3.47%	753,511
Butler County Joint Vocational School District	6,695,000	10.43%	698,289
Total Overlapping Debt	<u>\$86,083,533</u>		<u>\$8,896,598</u>
Total Direct and Overlapping Debt	<u><u>\$86,398,533</u></u>		<u><u>\$9,211,598</u></u>

Source: Ohio Municipal Advisory Council

**TALAWANDA SCHOOL DISTRICT, OHIO  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES  
FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total General Expenditures</b>	<b>Ratio of Debt Service to General Expenditures(%)</b>
1992	\$620,000	\$306,420	\$926,420	\$12,260,201	7.56%
1993	630,000	266,138	896,138	13,025,633	6.88%
1994	640,000	273,089	913,089	13,460,331	6.78%
1995	715,000	226,764	941,764	14,346,456	6.56%
1996	730,000	215,139	945,139	15,148,179	6.24%
1997	750,000	158,200	908,200	16,210,530	5.60%
1998	765,000	94,763	859,763	17,065,972	5.04%
1999	590,000	43,188	633,188	17,496,234	3.62%
2000	90,000	22,750	112,750	18,997,188	0.59%
2001	95,000	18,125	113,125	19,523,460	0.58%

Source: Talawanda Schools records

**TALAWANDA SCHOOL DISTRICT, OHIO  
 DEMOGRAPHIC STATISTICS  
 LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
1992	35,866	3,395	6.60%
1993	35,866	3,429	7.80%
1994	35,866	3,478	5.50%
1995	35,866	3,581	4.20%
1996	35,866	3,603	4.30%
1997	35,866	3,636	4.20%
1998	35,866	3,559	3.50%
1999	35,866	3,407	3.70%
2000	35,866	3,153	3.30%
2001	34,968	3,108	3.50%

Sources: U.S. Census Bureau  
 Talawanda School District records  
 Ohio Bureau of Employment Services, rates are for Butler Cou  
 Oxford Chamber of Commerce

**TALAWANDA SCHOOL DISTRICT, OHIO  
 CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUES  
 LAST TEN COLLECTION (CALENDAR) YEARS**

<b>Fiscal Year</b>	<b>Construction (1)</b>	<b>Bank Deposits (2)</b>	<b>Property Values (3)</b>
1992	3,698,400	904,381,000	216,622,800
1993	5,522,670	697,204,000	221,609,750
1994	5,368,970	713,488,000	252,572,290
1995	12,437,960	750,113,000	259,393,820
1996	9,684,930	800,556,000	270,920,450
1997	8,045,340	918,777,000	315,611,160
1998	8,419,490	825,082,000	323,685,480
1999	7,144,050	877,325,000	332,191,690
2000	5,135,190	923,585,000	391,766,030
2001	N/A	1,146,859,000	400,689,150

- Sources:
- (1) Butler County Auditor's Office, Hamilton, Ohio (1992-2000) Represents Talawanda School District Construction. 2001 not available at the time this report was published.
  - (2) Total deposits of all bank headquartered in Butler County. Federal Reserve Bank, Cleveland, Ohio
  - (3) Butler County Auditor's Office, Hamilton, Ohio.

**TALAWANDA SCHOOL DISTRICT, OHIO  
 PRINCIPAL PROPERTY TAXPAYERS  
 JUNE 30,2001**

<b>Taxpayer</b>	<b>Total Assessed Valuation</b>	<b>Percent of Total</b>
Cincinnati Gas and Electric	\$12,010,870	30.88%
Meijer, Incorporated	6,594,180	16.95%
GTE North	3,543,700	9.11%
Edward Redpath	2,616,130	6.73%
Square D, Incorporated	2,578,510	6.63%
D & B Limited Partnership	2,575,640	6.62%
OTR/Midland Realty	2,558,500	6.58%
Ray Day	2,293,790	5.90%
University Commons PRT	2,160,320	5.55%
McCullough Hyde Hospital	1,961,610	5.04%
Total	<u>\$38,893,250</u>	<u>100.00%</u>

Source: Butler County Auditor

**TALAWANDA SCHOOL DISTRICT, OHIO  
 OXFORD AREA LARGEST EMPLOYERS  
 JUNE 30,2001**

<b>EMPLOYER</b>	<b>NUMBER OF EMPLOYEES</b>	<b>TYPE OF BUSINESS</b>
Miami University	3,500	Higher Education
Square D Company	550	Manufacturer
McCullough-Hyde Memorial Hospital	410	Medical
Talawanda City Schools	380	Primary and Secondary Education
Walmart	183	Discount retailer
Oxford View Nursing Home	165	Nursing home
Kroger Company	133	Food retailer
City of Oxford	107	Municipality
McDonalds	76	Restaurant

Source: Oxford Chamber of Commerce



**TALAWANDA SCHOOL DISTRICT, OHIO  
 MISCELLANEOUS STATISTICAL DATA  
 JUNE 30,2001**

Year of Present Charter: 1982  
 Form of Government: Public School District  
 Area of District: 145 Square miles

Number of Schools

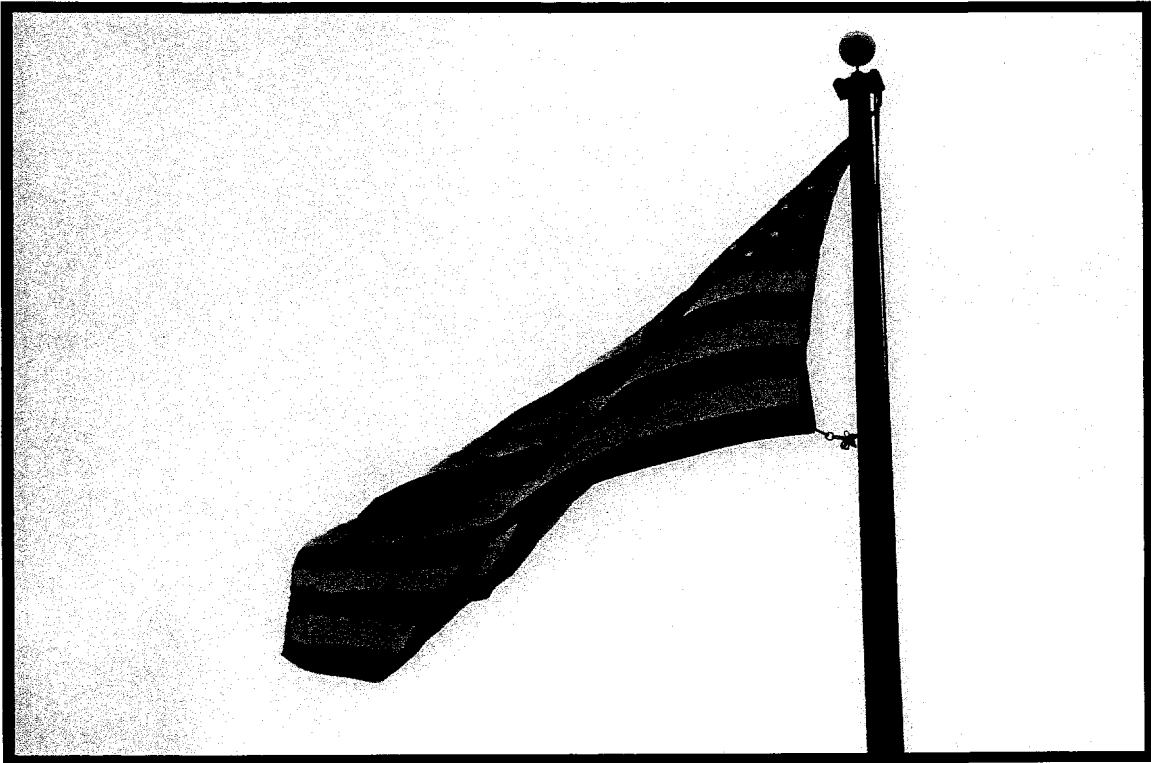
Elementary	3
Middle	1
High	1
	<u>5</u>

Number of Teachers, Levels of Degree and Years of Experience

<u>Education</u>		
<u>Degree</u>	<u>Number of Teachers</u>	<u>% of Total</u>
Bachelor's	33	16.10%
Bachelor's + 15	5	2.44%
Bachelor's 150 Hours	74	36.10%
Master's	42	20.49%
Master's + 15	32	15.61%
Master's + 30	19	9.27%
Total	<u>205</u>	<u>100.00%</u>

<u>Experience</u>		
<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>% of Total</u>
0 - 5	60	29.27%
6 - 10	26	12.68%
11 - 15	35	17.07%
16 - 20	19	9.27%
21 - 25	38	18.54%
26 - OVER	27	13.17%
TOTAL	<u>205</u>	<u>100.00%</u>

# **In Memory of September 11, 2001**



**“Freedom”**

**TALAWANDA SCHOOL DISTRICT**

Single Audit Reports

June 30, 2001

# TALAWANDA SCHOOL DISTRICT

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**TALAWANDA SCHOOL DISTRICT**

**Schedule of Prior Audit Findings**

**For the Year Ended June 30, 2001**

The prior audit disclosed no instances of noncompliance with requirements of major federal programs. In addition, no reportable conditions or material weaknesses with respect to internal controls over compliance with requirements that could have a direct and material effect on a major federal program were reported in the prior year.

**TALAWANDA SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2001

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Non-cash Receipts</u>	<u>Expenditures</u>	<u>Non-cash Expenditures</u>
<b>U.S. Department of Agriculture:</b>						
(Passed through Ohio Department of Education)						
Nutrition Cluster:						
Food Distribution Program	03-PU	10.550	\$ -	40,010	-	41,292
School Breakfast Program	05-PU	10.553	28,693	-	28,693	-
National School Lunch Program	04-PU	10.555	161,563	-	161,563	-
Special Milk Program for Children	21-ML	10.556	509	-	509	-
Total U.S. Department of Agriculture			<u>190,765</u>	<u>40,010</u>	<u>190,765</u>	<u>41,292</u>
<b>U.S. Department of Education:</b>						
(Passed through Ohio Department of Education)						
Special Education Cluster:						
Title VI - B Grant	6B-SF	84.027	160,611	-	164,499	-
Preschool Grant	PG-S1	84.173	4,725	-	4,778	-
Total U.S. Special Education Cluster			<u>165,336</u>	<u>-</u>	<u>169,277</u>	<u>-</u>
Grants to Local Education Agencies						
(ESEA Title I)	C1-S0	84.010	324,180	-	308,403	-
Eisenhower Professional Development Grant	MS-S1	84.281	13,350	-	8,629	-
Innovative Education Program Strategy - Title VI	C2-S1	84.298	16,872	-	22,347	-
Class Size Reduction		84.340	149,629	-	137,798	-
Safe and Drug Free Schools	DR-S1	84.186	14,138	-	16,833	-
Goals 2000	G2-S4	84.276	12,000	-	23,091	-
Technology Literacy Challenge Fund Grant	TF-S1	84.318	23,759	-	24,144	-
Adult Education - State Grant Program	AB-S1	84.002	24,671	-	37,420	-
Total U.S. Department of Education			<u>743,935</u>	<u>-</u>	<u>747,942</u>	<u>-</u>
Total Federal Awards			<u>\$ 934,700</u>	<u>40,010</u>	<u>938,707</u>	<u>41,292</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - FOOD DISTRIBUTION**

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

**NOTE C - MATCHING REQUIREMENTS**

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

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

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

To the Board of Education  
Talawanda School District:

We have audited the financial statements of the Talawanda School District as of and for the year ended June 30, 2001, and have issued our report thereon dated September 14, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

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

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
September 14, 2001

# Clark, Schaefer, Hackett & Co.

CERTIFIED PUBLIC ACCOUNTANTS  
BUSINESS CONSULTANTS

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

To the Board of Education  
Talawanda School District:

### Compliance

We have audited the compliance of Talawanda School District with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2001. Talawanda School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, Talawanda School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

### Internal Control Over Compliance

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



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

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of Talawanda School District as of and for the year ended June 30, 2001, and have issued our report thereon dated September 14, 2001. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of Talawanda School District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
September 14, 2001

**TALAWANDA SCHOOL DISTRICT**

**Schedule of Findings and Questioned Costs**

Year Ended June 30, 2001

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of report issued on financial statements:	unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	none
Reportable condition(s) identified not considered to be material weaknesses?	none
Noncompliance material to financial statements noted?	none

**Federal Awards**

Internal Control over major programs:	
Material weakness(es) identified?	none
Reportable condition(s) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with Circular A-133, Section .510(a)?	none
Identification of major programs:	
<i>CFDA 84.010 Title I</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

**Section II - Financial Statement Findings**

None.

**Section III - Federal Award Findings and Questioned Costs**

None.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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800-282-0370  
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**TALAWANDA CITY SCHOOL DISTRICT**  
**BUTLER 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  
NOVEMBER 15, 2001**